



## INVESTCORP MONEY MARKET FUND PLC.

# ANNUAL REPORT

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# 2020



# Are the financial commitments of life weighing you down?

You need an InvestCorp Money Market Fund account

You enjoy:

- Competitive Returns: Returns above Treasury Bill rates
- Liquidity: Redemptions are paid within two working days
- A Flexible Investment Plan: Investors can make regular contributions to meet their personal needs

\* Minimum monthly investment of GHS 100

\*\* The fund is designed to meet your recurring needs and other life events  
Le school fees, need for regular income etc.

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## NOTICE OF VIRTUAL ANNUAL GENERAL MEETING OF INVESTCORP MONEY MARKET FUND PLC

**NOTICE IS HEREBY GIVEN THAT** the 1st Annual General Meeting of InvestCorp Money Market Fund PLC (the “**Company**”) will be held virtually and **streamed live via Zoom on Thursday July 29, 2021 at 1:00 pm**, to transact the following business:

### AGENDA

#### ORDINARY BUSINESS

1. To receive and adopt the Financial Statements of the Company for the year ended 31st December, 2020, together with the reports of the Directors and the external Auditors thereon
2. To re-elect Directors
3. To fix and approve the remuneration of the Directors
4. To appoint John Kay Associates Ltd as the Auditors of the Company
5. To authorise the Directors to fix the remuneration of the external Auditors

#### SPECIAL BUSINESS

1. That a registered Constitution be adopted by the Company in substitution for its Regulations to bring same into conformity with the provisions of the Companies Act, 2019 (Act 992) and the Unit Trust and Mutual Fund Regulations 2001 (L.I. 1695)
2. To amend the Company's Constitution to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so

Dated this 28<sup>th</sup> June, 2021

#### BY ORDER OF THE BOARD

  
 JLD & MB LEGAL CONSULTANCY  
 P.O. BOX 410  
 ACCRA

#### JLD & MB LEGAL CONSULTANCY

(COMPANY SECRETARY)

#### NOTE

A member of the Company is entitled to attend and vote at the meeting or to appoint a proxy to attend and vote in his or her stead. A proxy need not be a member of the Company. A proxy form is enclosed with the accounts. Completed proxy forms should be lodged with the Company Secretary, JLD & MB Legal Consultancy, No. 1B Quartey Papafio Avenue, Airport Residential Area, Accra or sent via email to [info@jldmblaw.net](mailto:info@jldmblaw.net) not less than 48 hours before the appointed time for the meeting (that is, no later than 1:00 pm on 27th July, 2021).

This serves as notice to all shareholders to attend.

#### INSTRUCTIONS TO PARTICIPATE IN THE ANNUAL GENERAL MEETING (“AGM”) VIA ZOOM

##### Accessing the AGM

- A private Zoom link and password to the meeting will be sent to Directors and Shareholders by 28th July, 2021 via email and/or SMS together with other details of participation.
- Shareholders who do not receive the access details should contact Christine Sika Osei at [c.osei@investcorpgh.com](mailto:c.osei@investcorpgh.com) or call 0302 50 90 45 or 0501 55 68 70 any time before the date of the AGM.
- Shareholders will be granted access once they are verified.

##### Participating in the AGM

- Access to the meeting will be granted from 12:30pm and the AGM will officially begin at 1:00pm
- Participants should use the ‘raise hand’ functionality in Zoom to either second a motion or ask a question during the meeting.
- At the time of voting, the relevant resolution will appear on your screen. Select your preferred option (For/ Against) to vote on a motion.

## CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF THE INVESTCORP MONEY MARKET FUND

Dear Shareholder,

I am pleased to welcome you to the maiden Annual General Meeting (AGM) of the InvestCorp Money Market Fund. It is a pleasure to address you today and I appreciate your continuous trust in this Fund as a strategic investment avenue to meet your recurring financial needs.

The InvestCorp Money Market Fund is established for the purpose of creating a vehicle that allows investors to participate fully in the short-term debt market of Ghana. The Fund is modeled to balance the risk associated with earning competitive returns with capital protection through a rigorous investment approach. This is to ensure that you benefit from the current growth and opportunities within this investment universe while keeping investment risk to the barest minimum.

In this address, I will give a brief review of the global economic environment and spend some time on the Ghanaian economy in the last year. I will then talk about the performance of the InvestCorp Money Market Fund and conclude with our outlook for 2021 and expectations of the Fund in the coming year.



### ECONOMIC REVIEW

#### Global

All around the world, 2020 will be remembered by the impact of the coronavirus (COVID-19) which started as an epidemic in China in December 2019. The World Health Organisation (WHO) declared COVID-19 a pandemic in March 2020. By the end of the year, global confirmed COVID-19 cases stood at 82.7 million with 1.9 million deaths. Confirmed cases in Africa were ~1.9 million, with 42,000 deaths. Ghana recorded its first case on March 12, 2020 and closed the year with about 55,000 confirmed cases and 335 deaths.

Virus-containment measures including lockdowns and closure of borders across continents led to a global economic meltdown. The global economy contracted by an estimated 3.3%, according to the IMF, the highest level of recession since the second world war. Governments around the world responded quickly to the dire effects of the pandemic on global demand, production and the general livelihoods of people by introducing monetary and fiscal policies to bolster their economies.

#### Ghana

Domestically, 2020 started out as a year with much promise. The Ghanaian economy was named the fastest growing economy in the world for the year 2019, by the IMF, as it grew at an average rate of 7.0% from 2017–2019. The economy was projected to grow by 6.8% in 2020 on the back of significant macroeconomic gains from the previous years, coupled with a robust financial sector. Ghana, like other economies, was hard hit by the devastating effects of the pandemic, leading to the subsequent contraction of the real sector in the second and third quarters of 2020. The gradual reopening of the economy in addition to fiscal and monetary policies introduced by the Government and the Bank of Ghana supported real sector growth. By the end of the year, GDP growth stood at a marginal 0.4% (6.5% in 2019). Prior to the COVID-19 outbreak in Ghana, the country was on

## CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF THE INVESTCORP MONEY MARKET FUND (CONT'D)

the path of fiscal consolidation with a fiscal deficit target of 4.7% of GDP by the end of 2020. The fiscal implication of the pandemic, however, imposed an extra financing gap of GHS 11.8 billion, representing a fiscal deficit of 11.7%. Public debt shot up to 76.1% of GDP at the end of 2020, leaving investors wary of Government's debt sustainability strategy in the coming years.

Uncertainty around the impact of COVID-19 on the earnings of listed companies resulted in selling pressures on stocks across the manufacturing, financial and distribution sectors and drove the Ghana Stock Exchange down to -13.98% year-to-date (YTD) return by the end of the year.

To ensure business continuity and service delivery to our clients, amidst government's restrictions on movement, remote working systems for all staff were introduced. The usage of e-platforms was highly recommended and provided convenience and accessibility for our clients.

### HIGHLIGHTS OF SOME KEY ECONOMIC INDICATORS

#### Exchange Rate

Compared to previous years, the local currency was fairly stable in 2020 against its anchor trading currency - the United States Dollar (USD). The stability of the Ghana cedi (GHS) was supported by a strong reserve position and a slowdown in imports. Cumulatively, the Ghana cedi ended 2020 exchanging at GHS5.76 to a dollar - representing a YTD depreciation of 3.9% compared to the 12.9% recorded in 2019.

#### Inflation

Headline inflation was generally well anchored in 2020. With the COVID-induced spike from 7.8% in March 2020 to 10.6% in April 2020 (above the Central Bank's target band of  $8\pm 2\%$ ), headline inflation was generally high. The surge in the rate of inflation in April 2020 was attributed to high food inflation prior to the enforcement of the government-imposed lockdowns in the two largest cities (Accra and the Kumasi Metropolitan Areas). Inflation continued to inch up and peaked at 11.4% in July 2020 after which it moderated steadily to 9.8% in November 2020. Headline inflation inched up again to end the year at 10.4%, due to a rise in the average prices of some items within the food basket.

#### Interest Rates

There was a significant downward shift in the yield curve during the year (particularly in the second quarter). Yields on short-term Government of Ghana (GoG) Treasury Securities witnessed a downward trend, ending the year lower compared to yields for the same period in 2019. The yields on the 91-Day, 182-Day and 364-Day Treasury bills dipped by 61, 103 and 90 basis points respectively, from the year-open yields, and averaged 14.19% (14.71% in 2019), 14.38% (15.17% in 2019) and 17.13% (17.88% in 2019). The decline resulted from the increase in liquidity following the monetary policies introduced by the BoG in the wake of the COVID-19 pandemic, increasing the demand for short-term bills.

#### Fund Performance

Your Fund ended 2020 with an annualized yield of 15.10%, outperforming the Government of Ghana 91-Day Treasury bill by 101 basis points. The Assets Under Management (AUM) stood at approximately GHS 4.96 million driven by the competitive return of the Fund and increase in the shareholder base to 771. We remain confident that the Fund will continue to outperform its benchmark by significant margins in 2021.

#### Economic Outlook

The massive rollout of the COVID-19 vaccination programme around the globe has increased optimism and has significantly improved global growth prospects for 2021. The Ghanaian economy is expected to rebound in 2021 as it has shown signs of recovery, supported by the accommodative monetary policy stance of the Central Bank, Government's fiscal policy measures and the gradual

## CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF THE INVESTCORP MONEY MARKET FUND (CONT'D)

reopening of the economy. The implementation of Phase 2 (Transformation and Revitalization phase) of the Ghana CARES (Obaatampa) programme which seeks to provide support to businesses in targeted sectors is expected to support growth. The IMF in its April 2021 World Economic Outlook revised Ghana's projected growth rate for 2021 to 4.6% from 4.2% (projected in October 2020), as the lender expects the economy to pick up faster than initially expected.

USD inflows from the Eurobond issuance in Q1 2021, in addition to foreign investors' increasing demand for local currency debt is expected to support the cedi in 2021. However, the gradual reopening of the country's borders pose a downside risk as import activities are expected to pick up.

With the current excess liquidity available to commercial banks and the growing foreign-investor-appetite for GoG Treasury securities, we expect Treasury yields to remain low in the first half of the year and gradually pick up during the second half as we expect liquidity to tighten.

### Closing Remarks

We see "green shoots" and a rebound in economic activities for Ghana in 2021. Your Fund is well positioned and our proactive approach to managing the Money Market Fund will continue to provide an opportunity for shareholders to benefit from highly attractive risk-adjusted returns, while promoting near-term conservative investments. We are happy about the prospects of the Fund in the coming year and will continue to work with you to invest safely, preserve your wealth and help you achieve financial independence.

Thank you once again.



**Kofi Boateng**  
Board Chairman



## FUND MANAGER'S REPORT

### Portfolio Review

The InvestCorp Money Market Fund achieved an annualized yield of 15.10% for the year ended 2020, against its benchmark of 16.09% (91-Day T-bill + 2%). The Fund outperformed the 91-day T-bill but did not meet its benchmark of a spread of 200 bps. Given the impact of the global pandemic on interest rates, the Fund was exposed to reinvestment risks as inflows and maturities that were due were invested at lower rates.

The Fund recorded a growth of 18.4% in Assets under Management (AUM) from GHS 4,217,976.34 in the previous year to GHS 4,956,108.22 in 2020. The Fund is designed for safety-conscious investors who want to invest in high quality short-term securities (maximum of one year to maturity) and enjoy adequate liquidity. The Fund's investment universe consists of short term Treasury securities, certificates of deposit, cocoa bills, repurchase/reverse agreements and commercial papers.



At the end of the reporting period, the Fund was exposed to Government of Ghana (GoG) Treasury bills (34.6%), Local Government and Statutory Agency securities (31.8%), Non-bank Financial Institutions (20.5%), Banks (5.9%) and Collective Investment Schemes (5.9%).

### Outlook / Strategy

In order to mitigate the adverse effects of the COVID-19 pandemic, monetary authorities implemented expansionary policies which included the reduction of the monetary policy rate from 16% to 14.5%, reduction of the primary reserve requirement from 10% to 8%, reduction of the Capital Conservation Buffer (CCB) from 3% to 1.5%, amongst others. These resulted in increased liquidity on the market as the private sector was crowded out eventually.

Short term interest rates fell with investors' preference for the short end of the yield curve as the outlook on the economy was clouded with much uncertainty. Government's cost of borrowing on the money market declined from 14.71% to 14.02% and 15.17% to 14.10% for the 91- Day T-bill and 182-Day T-bill respectively, within a few weeks of the implementation of these measures. Similarly, quasi-government money market securities (cocoa bills) declined by approximately 200 basis points.

Economic recovery in 2021 is apparent, as the Central Bank's Composite Index of Economic Activity (CIEA) saw a strong annual growth of 26.8% in the first quarter, compared to a contraction by 1.9% for the same period in 2020. Real sector growth is projected at 5.0% by year-end.

Although our outlook for 2021 remains positive, we do not expect the wall of liquidity on the market to evaporate anytime soon. Hence, we face reinvestment risks considering the current low interest rate environment. We will reduce our exposures to fixed deposits with commercial banks as they do not offer enough premia for the risks undertaken.

We will increase our holdings in quasi-government paper and Treasury securities with 1 year (or lower) to maturity on the secondary market and also participate in the primary auctions of the 364 Day T-bill as we target a fair balance between risk and return as well as liquidity for our investors. We remain cautious and are closely monitoring new developments from the fallout of the pandemic and its impact on the economy and capital markets in order to build a resilient portfolio.

To our shareholders, we thank you for your continuous show of confidence and support by investing in the Fund and as managers of the Fund we are committed to ensuring that the Fund continues to meet your expectations.

**Abena Sam-Asmah**  
Fund Manager



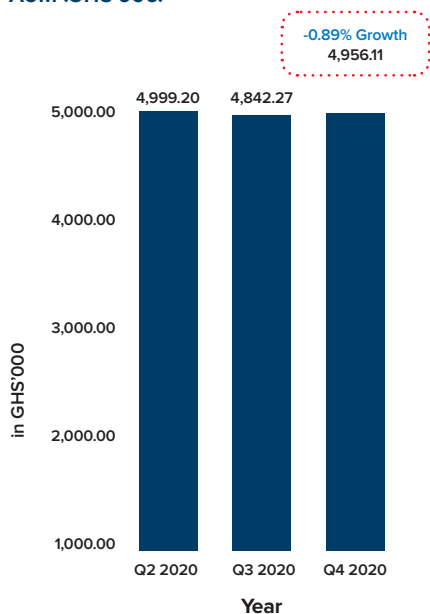
## PORTFOLIO SUMMARY AS AT DECEMBER 2020

Year	Assets under Management (AUM)	Annualized Yield	91-Day T-Bill Rate	Spread
Q2 2020	4,999,200.11	14.55%	13.95%	0.60%
Q3 2020	4,842,271.46	14.71%	14.04%	0.67%
Q4 2020	4,956,108.22	15.10%	14.09%	1.01%

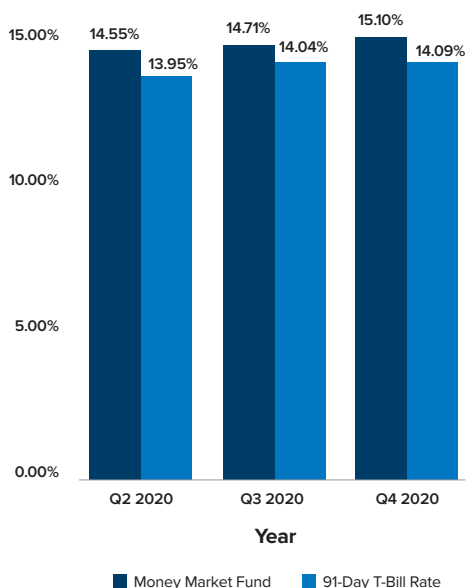
### Fund Information

Price to Earnings	7.31
Price to Book Ratio	1.01
Weighted Average Maturity (Yrs.)	0.42

### ASSETS UNDER MANAGEMENT AUM (GHS'000)

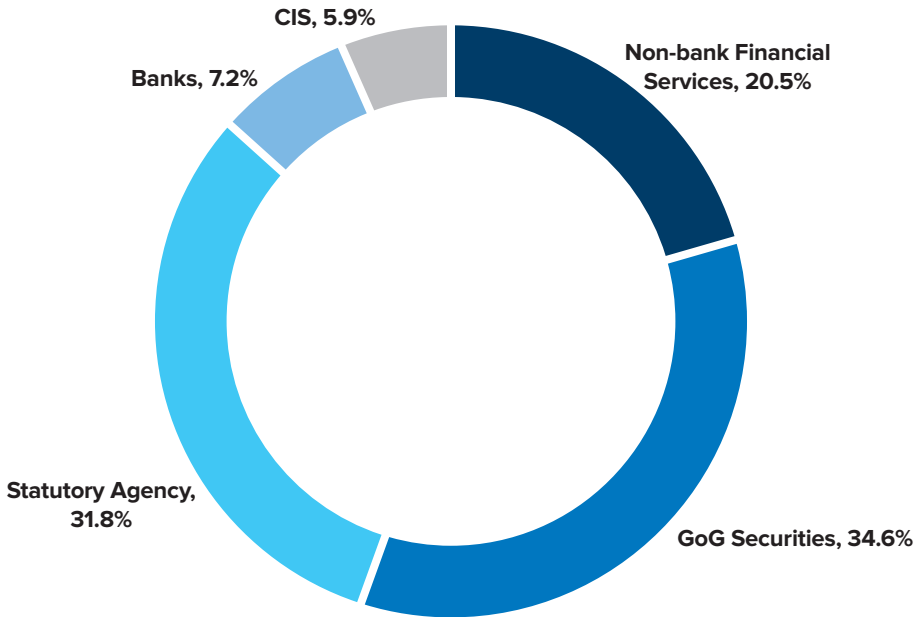


### FUND PERFORMANCE (%)



## PORTFOLIO SUMMARY AS AT DECEMBER 2020 (CONT'D)

### ASSET ALLOCATION (%)



## REPORT OF THE DIRECTORS TO MEMBERS OF INVESTCORP MONEY MARKET FUND PLC

The Directors present their report and the financial statements of the Fund for the year ended 31 December, 2020.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements that give a true and fair view of **InvestCorp Money Market Fund Plc**, comprising the statement of financial position at 31 December, 2020, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), the Securities and Exchange Commission Regulations, 2003 (LI 1728), the Securities Industry Act, 2016 (Act 929) and the Unit Trust and Mutual Fund Regulations, 2001 (L.I. 1695). In addition, the Directors are responsible for the preparation of the Directors' report.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Fund to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

### Nature of business

The Company is registered to carry on the business of mobilizing funds for investment in predominantly high quality short-term securities, with the aim of generating competitive current income consistent with preservation of capital and liquidity. There was no change in the nature of business of the company during the year.

### Financial statements/ Business review

**GH¢**

The state of affairs of the Fund is as follows:

Increase in net assets attributable to holders of redeemable shares from operations	682,867.00
Total Assets	4,966,536.86
Total Liabilities	10,428.64
Total Equity	4,956,108.22

The Directors consider the state of the Fund's affairs to be satisfactory.

## REPORT OF THE DIRECTORS TO MEMBERS OF INVESTCORP MONEY MARKET FUND PLC (CONT'D)

### Corporate social responsibility

The Fund did not undertake any Corporate Social Responsibility (CSR) programs during the year.

### Capacity building of directors to discharge their duties

On appointment to the Board, Directors are provided with full, formal and tailored programs of induction, to enable them gain in-depth knowledge about the Company's business, the risks and challenges faced and the economic knowledge, legal and regulatory environment in which the Company operates. Programs of strategic and other reviews, together with the other training programs provided during the year, ensure that Directors continually update their skills, knowledge and familiarity with the Company's businesses. This further provides insights about the industry and other developments to enable them effectively fulfil their role on the Board and committees of the Board.

### Audit fees

The audit fee for the year is GH¢ 10,000 (2019: GH¢ 4,000).

### Approval of the financial statements

The financial statements of InvestCorp Money Market Fund Plc as identified in the first paragraph, were approved by the Board of Directors on 30<sup>th</sup> March, 2021 and signed on their behalf by:



Signature

Kofi Boateng  
Name of Director



Signature

Henry Sunkwa-Mills  
Name of Director

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP MONEY MARKET FUND PLC

### Report on the Financial Statements

#### *Opinion*

We have audited the financial statements of **InvestCorp Money Market Fund Plc** which comprise the statements of financial position at 31 December, 2020, and the statement of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes.

In our opinion, these financial statements give a true and fair view of the financial position of **InvestCorp Money Market Fund Plc** at 31 December, 2020, 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 required by the Companies Act, 2019 (Act 992), the Securities and Exchange Commission Regulations, 2003 (LI 1728), the Securities Industry Act, 2016 (Act 929) and Unit Trust and Mutual Fund Regulations, 2001 (LI 1695).

#### *Basis of Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, 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.

#### *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) but does not include the financial statements and our auditor's 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.

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 have nothing to report in this regard.

#### *Responsibilities of the Directors for the Financial Statement*

The Directors are responsible for the preparation of financial statement 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 statement, 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP MONEY MARKET FUND PLC (CON'TD)

### ***Auditor's 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 auditor's 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.

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 controls relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. 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 auditor's report to the related disclosure 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP MONEY MARKET FUND PLC (CON'TD)

### Report on Other Legal and Regulatory Requirements

#### *Compliance with the requirements of the Companies Act, 2019 (Act 992)*

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.

In our opinion, proper books of account have been kept and the statement of financial position and the statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is **Eddie Nikoi (ICAG/P/1040)**.



**DATE:** 30<sup>th</sup> March, 2021



## INVESTCORP MONEY MARKET FUND PLC

### STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2020

	Note	2020 GH¢	2019 GH¢
<b>Assets</b>			
Investments	9	4,474,605	3,736,030
Cash and cash equivalents	8	491,932	399,197
<b>Total Assets</b>		<b>4,966,537</b>	<b>4,135,227</b>
<b>Liabilities</b>			
Accrued Expenses	13	10,429	7,401
		<b>10,429</b>	<b>7,401</b>
<b>Total Net Assets</b>		<b>4,956,108</b>	<b>4,127,826</b>
<b>Equity</b>			
Shareholders Fund	10	3,019,364	2,873,949
Retained Earnings	12	1,936,744	1,253,877
<b>Total equity</b>		<b>4,956,108</b>	<b>4,127,826</b>

#### Approval of the financial statements

The financial statements of InvestCorp Money Market Fund Plc, as identified in the first paragraph, were approved by the Board of Directors on 30<sup>th</sup> March, 2021 and signed on their behalf by:

Kofi Boateng  
Name of Director

  
 Signature

Henry Sunkwa-Mills  
Name of Director

  
 Signature

The notes on pages 17 to 33 form an integral part of these financial statements.

## INVESTCORP MONEY MARKET FUND PLC

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020

	Note	2020 GH¢	2019 GH¢
Interest income	6	781,718	551,639
Expenses	7	(97,266)	(60,720)
Impairment losses on Financial Instrument	14	(1,584)	(23,502)
<b>Increase in net assets attributable to holders of redeemable shares from operations</b>		<b>682,867</b>	<b>467,417</b>

The notes on pages 17 to 33 form an integral part of these financial statements.

## INVESTCORP MONEY MARKET FUND PLC

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020

	Note	2020 GH¢	2019 GH¢
Balance as at 1 January		4,127,826	2,367,426
Increase in net assets attributable to holders of redeemable shares		682,867	467,417
<i>Contributions and redemptions by holders of redeemable shares:</i>			
Issue of redeemable shares during the year	10	3,191,997	3,033,878
Redemption of redeemable shares during the year	10	(3,046,582)	(1,740,894)
Total contributions and redemption by holders of redeemable shares		145,415	1,292,983
<b>Balance as at 31 December</b>		<b>4,956,108</b>	<b>4,127,826</b>

The notes on pages 17 to 33 form an integral part of these financial statements.

# INVESTCORP MONEY MARKET FUND PLC STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020

	Note	2020 GH¢	2019 GH¢
<b>Cash flow from operating activities</b>			
Increase in net assets		682,867	467,417
<b>Adjustment for:</b>			
Interest Income	6	(781,718)	(551,639)
Impairment losses on financial instruments	14	1,584	23,502
		(97,266)	(60,720)
<b>Changes in:</b>			
Accrued expenses	13	3,028	2,831
		(94,239)	(57,889)
Interest received	6	401,725	299,321
<b>Net cash generated from operating activities</b>		<b>307,486</b>	<b>241,432</b>
<b>Cash flow from investing activities</b>			
Purchase of investments	9	(8,812,729)	(5,266,884)
Redemption of investments	9	8,452,564	4,101,445
<b>Net cash used in investing activities</b>		<b>(360,166)</b>	<b>(1,165,440)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of redeemable shares	10	(1,165,440)	3,033,878
Payments on redemption of redeemable shares	10	(3,046,582)	(1,740,894)
<b>Net cash from financial activities</b>		<b>145,415</b>	<b>1,292,983</b>
Net increase in cash and cash equivalent		92,736	368,976
Cash and cash equivalents at 1 January	8	399,197	30,221
<b>Cash and cash equivalents at 31 December</b>	<b>8</b>	<b>491,932</b>	<b>399,197</b>

The notes on pages 17 to 33 form an integral part of these financial statements.

# INVESTCORP MONEY MARKET FUND PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020

### 1. GENERAL INFORMATION

**InvestCorp Money Market Fund Plc** is a limited liability Company incorporated and domiciled in Ghana. The principal activity of the Fund is to create a pool of funds and invest these funds in a range of securities.

The **InvestCorp Money Market Fund Plc** is an open-ended mutual fund designed for safety conscious investors who want to invest in low risk instruments such as Treasury bills and notes, certificates of deposits and cocoa bills through a collective investment scheme. The objective of the Fund is to generate competitive current income consistent with preservation of capital and liquidity.

The investment activities of the Fund are managed and administered by **InvestCorp Asset Management Limited**, the Fund Manager with Standard Chartered Bank Ghana Limited as the Custodian of the Fund.

These financial statements comprise the individual financial statements of the Fund as at and for the year ended 31 December, 2020.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Additional information required under the Companies Act, 1963 (Act 179), the Securities and Exchange Commission Regulations, 2003 (LI 1728), the Securities Industry Act 2016 (Act 929) and the Unit Trust and Mutual Fund Regulations, 2001 (L.I. 1695), have been included, where appropriate.

#### 2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention.

#### 2.3 Functional and presentation currency

The financial statements are presented in Ghana cedi's, which is the Fund's functional and presentation currency.

#### 2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

##### *i. Judgements*

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Establishing the criteria for determining whether credit risk on the financial asset has increased

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL. See Note 3.6.

#### *ii. Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 December 2020 is included in the following notes.

Impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information. See Note 3.6.

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### **3.1 Interest income**

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

#### **Presentation**

Interest income calculated using the effective interest method presented in the statement of comprehensive income consist of interest on financial assets measured at amortised cost.

#### **3.2 Fees**

Fees are recognised in profit or loss as the related services are performed.

#### **3.3 Cash and cash equivalents**

Cash and cash equivalents include notes and coins on hand, balances held with banks and highly liquid financial assets with original maturities of three (3) months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost.

#### **3.4 Income tax**

Under the current system of taxation in Ghana, the Fund is exempt from paying income taxes.

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 3.5 Financial assets and liabilities

All financial assets and financial liabilities have been recognised in the statement of financial position and measured in accordance with their classification.

##### *i. Recognition and initial measurement*

The Fund initially recognises short term investments on the date on which they are originated. All other financial assets and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

##### *ii. Classification and subsequent measurement*

##### **Financial assets**

On initial recognition, a financial asset is classified and measured at: amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit and loss (FVTPL):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

##### **Business model assessment**

In making the assessment of the objective of the business model of a financial asset that is held, the Fund considers all the relevant information about how the business is managed, including:

- The documented investment strategy and the execution of this strategy in practise. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of financial assets to the duration of any related financial liabilities or expected cash outflows or realising cash flows through the sale of the assets
  - how the performance of the portfolio is evaluated and reported to the Fund's management
  - the risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed
  - how the investment manager is compensated e.g. whether compensation is based on the fair value of asset managed or contractual cash flows collected; and
- 3.5 Financial assets and liabilities (cont'd)
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

Transfer of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.



## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Fund has determined that it has one business model.

- *Held-to-collect business model*: this includes cash and cash equivalent and investment in fixed deposits. These financial assets are held to collect contractual cash flow.

#### ***Assessment whether contractual cash flow is Solely Payments of Principal and Interest (SPPI)***

For the purpose of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instruments. This includes assessing whether the financial asset contains contractual term that could change the timing of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that could change the amount or the timing of cash flow;
- leverage features;
- prepayment and extension features;
- terms that limits the Fund’s claims to cash flow from specialised assets (e.g. non-recourse features); and
- features that modify considerations of time value of money (e.g. periodical reset of interest rates).

#### ***Reclassification***

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

#### ***Subsequent measurement of financial assets***

##### ***Financial assets at amortised costs***

These assets are subsequently measured at amortised cost using the effective method. Interest income is recognized in ‘interest income calculated using the effective interest method’ and impairment is recognised in ‘impairment losses on financial instruments’ in the statement of comprehensive income. Any gain or loss de-recognition is recognised in profit or loss.

Financial assets at amortised cost comprises cash and cash equivalents, investments in government securities and fixed deposits.

#### ***Financial liabilities – Classification, subsequent measurement and gains and losses***

Financial liabilities are classified as measured at amortised cost.

A financial liability is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss. Financial liabilities measured at amortised cost include accrued expenses and other payables.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

gain or loss on de-recognition is also recognised in profit or loss.

#### *iii. De-recognition*

##### **Financial assets**

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risk and rewards of ownership and does not retain control over the transferred asset.

Any interest in such derecognized financial asset that is created or retained by the Fund is recognized as a separate asset or liability.

On de-recognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Fund is recognized as a separate asset or liability.

##### **Financial liabilities**

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

#### *iv. Shareholder's Fund*

##### **Redeemable shares**

The redeemable shares are classified as equity instruments in accordance with substance of the contractual terms of the instrument.

The redeemable shares are the most subordinate class of financial instrument issued by the Fund and, on liquidation of the Fund, they entitle the holders to the residual net assets. The redeemable shares provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at the redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instrument have identical features;
- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument.

The Fund's redeemable shares meet these conditions and are classified as equity.

Incremental costs directly attributable to the issue or redemption of redeemable shares are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

#### *Repurchase of redeemable shares*

When redeemable shares recognised as equity are redeemed, the value of the shares is presented as a deduction from shareholder fund, if shareholder fund is insufficient, as an adjustment to retained earnings.

### **3.6 Impairment of financial assets**

The Fund recognises loss allowance for ECLs on financial assets measured at amortised cost. The Fund measures loss allowance at amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund is full, without recourse by the Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to the credit risk.

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### *Measurement of ECL*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive).

ECLs are discounted at the effective interest rate of the financial assets.

#### *Credit-impaired financial assets*

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

#### *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### *Write-off*

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Fund determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of comprehensive income. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Fund's procedures for recovery of amounts due.

### **3.7 Changes in significant accounting policies**

A number of new standards are effective from 1 January 2020, but they do not have a material effect on the Fund's financial statements.

The Fund has consistently applied the accounting policies as set out in Notes 3.1 to 3.6 to all periods presented in these financial statements.

## **4. FINANCIAL RISK MANAGEMENT**

The Fund maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The primary investment strategy of the Fund includes:

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- Offer a well-diversified blend of securities to the Fund in such a way that the Fund's portfolio will be well cushioned to withstand any market volatility;
- Invest in high earning and carefully selected financial instruments; and
- Periodically review and modify investments and investment strategies as market conditions change.

The Fund's investment portfolio comprises investment in Government securities, commercial paper and fixed deposits amongst others.

The Fund's investment manager has been given discretionary authority to manage the assets in line with the Fund's investment objectives. In instances where the portfolio has diverged from target asset allocations, the Fund's investment manager is obliged to take immediate actions to rebalance the portfolio in line with the established targets.

The risks arising from financial instruments to which the Fund is invested include credit risk, market risk and liquidity risk.

#### 4.1. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from non-derivative financial instruments held by the Fund and cash and cash equivalents.

##### 4.1.1 Concentration of credit risk

The investment manager reviews the credit concentration of investments held based on counterparties and industries. The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	2020	2019
	GH¢	GH¢
Financial institutions:		
Investments	4,474,605	3,736,030
Cash at bank	491,932	399,197
	<b>4,966,537</b>	<b>4,135,227</b>

##### 4.1.2 Amounts arising from ECL

Impairment of cash and cash equivalents, and investments has been measured on a 12-month expected credit loss basis and reflects the maturities of the exposures. The Fund considers that these exposures have low credit risk. However, if the asset were credit-impaired, then the estimate of loss would be based on a specific assessment of expected credit shortfall and on the original effective interest rate.

Impairment loss recognised for financial assets during the year was GH¢ 1,584 (2019: 23,501)

Credit quality of held to maturity investments and cash and cash equivalents

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Fund's exposure to credit risk in respect of investments and cash and cash equivalents is minimal. The Fund's bank balances are held with banks which are reputable and highly regulated. In addition, the fund's investments are held with highly reputable organisations.

#### 4.1.3 Accounting classification and fair values of financial assets and liabilities

The table below shows the carrying amounts and fair values of financial assets and liabilities in the statement of financial position and their categories. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Value 2020 GH¢	Carrying Value 2019 GH¢
Financial assets not measured at fair value:		
Fixed deposits	1,303,035	1,266,724
Cocoa Bill	1,116,088	-
Government of Ghana Bonds	1,758,989	-
Collective Investments Scheme	296,493	2,469,307
Bank balance	491,932	399,197
Financial liabilities not measured at fair value		
Redemption payable	-	-
Accrued expenses	10,429	7,401

#### 4.2 Market risk

Market risk is the risk that changes in market prices such as interest rates will affect the Fund's income or the value of its holding of financial instruments. The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The primary investment objective of the Fund is to seek growth and create value for shareholders by investing in predominantly high quality short-term securities, with the aim of generating competitive current income consistent with preservation of capital and liquidity. The Fund's market risk is managed on a daily basis by the Fund Manager in accordance with the policies and procedures in place. The Fund diversifies its portfolio with the approval of its Board of Directors.

##### 4.2.1 Interest rate risk

Interest rate risk is the exposure of current and future earnings and capital to adverse changes in the level of interest rates. Exposure to interest rate risk can result from a variety of factors, including:

- differences between the timing of market interest rate changes and the timing of cash flows (repricing risk)
- changes in the shape of market interest rate curves producing different effects on yields on similar instruments with different maturities (yield curve risk); and

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- changes in the level of market interest rates producing different effects on rates received or paid on instruments with similar repricing characteristics (basis risk).

The Fund uses gap analysis to measure its exposure to interest rate risk. Through this analysis, it compares the values of interest rate sensitive assets and liabilities that mature or reprice at various time periods in the future. The Fund may make judgmental assumptions about the behaviour of assets and liabilities which do not have specific contractual maturity or repricing date.

The table below summarises the repricing profiles of the Fund's financial instruments as at 31 December 2020. Items are allocated to time periods by reference to the earlier of the next contractual interest rate repricing and maturity dates.

Assets	1-3 mths GH¢	3-12 mths GH¢	1-2 year GH¢	Total GH¢
<b>2020</b>				
Investments	2,571,726	1,902,878	-	4,474,605
Total financial assets	<b>2,571,726</b>	<b>1,902,878</b>	<b>-</b>	<b>4,474,605</b>
<b>2019</b>				
Investments	1,091,649	2,644,381	-	3,736,030
Total financial assets	<b>1,091,649</b>	<b>1,683,665</b>	<b>960,716</b>	<b>3,736,030</b>

#### 4.2.2 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments, either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Fund's objective is to manage operational risk so as to balance the limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of Directors.

The Directors' assessment of the adequacy of the controls and processes in place at the service providers with respect to operational risk is carried out via regular discussions with the service providers and a review of the service providers' operational reports on internal controls.

#### 4.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations that are settled by delivering cash or another financial asset.



## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Fund's policy and the investment manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund holds investments in predominantly high quality short-term securities. The Fund's liquidity risk is managed on a daily basis by the Fund Manager in accordance with the policies and procedures in place. The Manager of the Fund will at all times maintain prudent levels of liquidity.

The Fund, for liquidity purposes, will invest a maximum of 10% of its Net Assets in short term securities or near cash investments.

Borrowing which are approved by the Board of Directors of the Fund may be done for the purpose of ensuring liquidity, if the need arises. This may not be more than 15% of the total net assets of the Fund.

#### 4.3.1 Non-derivative financial assets held for managing liquidity risk

The table below presents the assets held for managing liquidity risk by remaining contractual maturities at the balance sheet date.

2020	Up to 1 months	1-3 months	3-12 months	1-5 years	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
<b>Liabilities</b>					
Accrued expenses	(10,429)	-	-	-	(10,429)
	<b>(10,429)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,429)</b>
<b>Assets</b>					
Investments	-	2,571,726	1,902,878	-	4,474,604
Cash and cash equivalents	491,932	-	-	-	491,932
Assets held for managing liquidity risk	<b>491,932</b>	<b>2,571,726</b>	<b>1,902,878</b>	<b>-</b>	<b>4,966,537</b>
<b>Liquidity gap</b>	<b>481,504</b>	<b>2,571,726</b>	<b>1,902,878</b>	<b>-</b>	<b>4,956,108</b>

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2019	Up to 1months GH¢	1-3 months GH¢	3-12 months GH¢	1-5 years GH¢	Total GH¢
<b>Liabilities</b>					
Accrued expenses	(7,401)	-	-	-	(7,401)
	<b>(7,401)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,401)</b>
<b>Assets</b>					
Investments	-	1,091,649	2,644,381	-	3,736,030
Cash and cash equivalents	399,197	-	-	-	399,197
Assets held for managing liquidity risk	<b>399,197</b>	<b>1,091,649</b>	<b>2,644,381</b>	<b>-</b>	<b>4,135,227</b>
<b>Liquidity gap</b>	<b>391,796</b>	<b>1,091,649</b>	<b>2,644,381</b>	<b>-</b>	<b>4,127,826</b>

## 5. CAPITAL MANAGEMENT

At 31 December 2020, the Fund had GH¢ 3,019,364 (2019: GH¢ 2,873,949) of redeemable share capital classified as equity.

### Fund objectives

The Fund's objectives when managing capital, which is a broader concept than 'equity' on the face of statement of financial position are:

- To safeguard the Fund's ability to continue as a going concern so that it can continue to operate;
- To achieve consistent returns while safeguarding capital of shareholders by investing in diversified portfolio, by participating in money market and other capital markets.
- To maintain a strong capital base to support development of its business.
- To maintain sufficient liquidity to meet the expenses of the Fund as well as redemption requests from shareholders.

There were no changes in the policies and procedures during the year ended 31 December 2020 with respect to the Fund's approach to its redeemable share capital management. The Fund is not subjected to externally imposed capital requirements and has no legal restriction on the issue, repurchase or resale of redeemable shares beyond those included in the scheme particulars of the Fund.

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Fund's adjusted net debt to equity ratio at 31 December was as follows:

	2020 GH¢	2019 GH¢
Total liabilities	10,429	7,401
Less: Cash and bank balances	491,932	399,197
Net debt	(481,504)	(391,796)
Equity	<b>4,956,108</b>	<b>4,127,826</b>
Net debt to equity ratio	-10%	-9%

#### 6. INTEREST INCOME

	2020 GH¢	2019 GH¢
Interest on matured investments	401,725	299,321
Interest on investments yet to mature	379,993	252,317
	<b>781,718</b>	<b>551,639</b>

#### 7. EXPENSES

	2020 GH¢	2019 GH¢
Management fee	48,633	30,360
Administration fee	48,633	30,360
	<b>97,266</b>	<b>60,720</b>

The Fund appointed **InvestCorp Asset Management Limited**, an investment management company, incorporated in Ghana, to implement the investment strategy as specified in its prospectus. Under the investment management agreement, the Investment Manager receives a management fee at an annual rate of 1% of the net asset value attributable to holders of redeemable share as defined in the prospectus. The investment management fees incurred during the year amounted to GH¢ 48,633 (2019: GH¢30,360)

# INVESTCORP MONEY MARKET FUND PLC NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. CASH AND CASH EQUIVALENTS	2020	2019
	GH¢	GH¢
Absa Bank	491,932	399,197
Standard Chartered Bank	-	-
	491,932	399,197

9. INVESTMENTS	2020	2019
	GH¢	GH¢
At 1 January	3,736,030	2,341,775
Transition adjustment	-	-
Restated opening balance	3,736,030	2,341,775
Additions	8,812,729	5,266,884
Redeemed on maturity	(8,452,564)	(4,101,445)
Accrued income	379,993	252,317
Less: Impairment losses on Financial Instrument	(1,584)	(23,502)
At 31 December	4,474,605	3,736,030
Cocoa Bill	1,062,513	-
Government of Ghana Bonds	1,673,695	-
Non-Bank Financial Institutions	889,579	809,661
Collective Investment Scheme	130,716	2,276,829
Banks	338,109	397,223
	4,094,612	3,483,713
Interest receivable	379,993	252,317
	4,474,605	3,736,030
Current	4,474,605	2,775,314
Non-Current	-	960,716
<b>Total</b>	<b>4,474,605</b>	<b>3,736,030</b>

## INVESTCORP MONEY MARKET FUND PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 10. SHAREHOLDER'S FUND

The Capital of the Fund represents the Shareholders' contribution towards the Fund. This can vary from time to time depending on the units subscribed and redeemed over the period. The objectives for managing capital are:

	Number of Shares	2020 GH¢	Number of Shares	2019 GH¢
Shares issued at 1 January	1,514,289	2,873,949	1,049,631	1,580,966
Shares issued during the year	1,029,619	3,191,997	1,122,795	3,033,878
	2,543,908	6,065,946	2,172,426	4,614,843
Shares redeemed	(860,935)	(3,046,582)	(658,137)	(1,740,894)
Shares in issue at 31 December	<b>1,682,973</b>	<b>3,019,364</b>	<b>1,514,289</b>	<b>2,873,949</b>

#### 11. RELATED PARTY TRANSACTIONS

InvestCorp Asset Management Limited is the Fund Manager of the Fund. The Fund's operations and payments are carried out by the Fund Manager on behalf of the Fund. Transactions with the Fund Manager during the year have been outlined below.

	2020 GH¢	2019 GH¢
Management fee	48,633	30,360
Administration fee	48,633	30,360
	<b>97,266</b>	<b>60,720</b>

# INVESTCORP MONEY MARKET FUND PLC NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. RETAINED EARNINGS	2020	2019
	GH¢	GH¢
At 1 January	1,253,877	786,461
Adjusted on initial application of IFRS 9	-	-
Adjusted balance at 1 January	1,253,877	786,461
Increase in net assets	682,867	467,417
At 31 December	<b>1,936,744</b>	<b>1,253,877</b>

13. ACCRUED EXPENSE	2020	2019
	GH¢	GH¢
Accrued management and administrative fee	10,429	7,401

14. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENT	2020	2019
	GH¢	GH¢
Opening balance	(91,707)	(68,206)
Charge for the year	(1,584)	(23,502)
Closing balance	<b>(93,291)</b>	<b>(91,707)</b>

## INVESTCORP MONEY MARKET FUND PLC NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 15. CONTINGENT LIABILITIES

There are no claims from legal actions brought by various persons against the Fund in the current year. (2019: Nil).

### 16. CAPITAL COMMITMENTS

There were no capital commitments at 31 December, 2020 (2019: Nil).



## CORPORATE INFORMATION

### INVESTCORP MONEY MARKET FUND PLC

<b>BOARD OF DIRECTORS</b>	Kofi Boateng (Chairman) Grace Ofori-Abebrese (Director) Ferguson Kcofie (Director) Henry Sunkwa-Mills (Director) Kwabena Ofori Apeagyei (Director)
<b>FUND MANAGER</b>	InvestCorp Asset Management Ltd. No.15, Wawa Drive North Dzorwulu Accra
<b>REGISTERED OFFICE</b>	No.15, Wawa Drive North Dzorwulu Accra
<b>CUSTODIAN</b>	Standard Chartered Bank Ghana Ltd. Head Office 87 Independence Avenue Accra
<b>COMPANY SECRETARY</b>	JLD & MB Legal Consultancy No. 18 Quarthey Papafio Avenue Airport Residential Area P.O. Box 410 Accra
<b>AUDITOR</b>	Eddie Nikoi Accounting Consulting P.O Box os 51 Osu - Accra
<b>BANKERS</b>	Absa Bank Ghana Ltd. Independence Avenue Accra

## DIRECTORS' PROFILE

**NAME**

KOFI BOATENG

**OCCUPATION**

CHARTERED ACCOUNTANT

**POSITION**

BOARD CHAIRMAN



Kofi Boateng is the immediate past Managing Director of the Vlisco Ghana Group comprising of TexStyles Ghana Limited; manufacturers of the nation's leading fashion brands; GTP and Woodin. He was again in charge of Premium African Textiles, the distribution, sales and marketing company of the Vlisco Group in Ghana. In this role, he also served as a member of the Vlisco BV's International Executive Committee. Prior to his appointment as the Managing Director, he was the Finance Director, and in that function had the added responsibility for the financial management of the Vlisco Group's retail operations in Africa. Kofi has played other roles in his career at Vlisco. This included the responsibility of a Sales Director and was again as the Financial Director when Vlisco was managing the Juapong Textiles Limited (now Volta Star Textiles Limited) from 1998 to 2005.

Starting as a Management Trainee at Kumasi Brewery Limited in 1979, where he became the Management Accountant/Project Manager, he moved to UAC Textiles Division of Unilever Ghana and then to Ghana Textiles Printing Company (now Tex Styles Ghana Ltd) as the Finance Director and later as the Managing Director until his retirement in July 2016.

He currently serves as the Board Chairman of the Ghana Netherlands Business and Cultural Council; a position he has held since June 2016. With his over thirty-five years' experience in finance, manufacturing, sales and general management, he is well equipped to make significant contributions to the successful operation of InvestCorp Money Market.

Kofi is a Chartered Accountant and product of the University of Ghana's Business School.

**NAME**

FERGUSON KCOFIE

**OCCUPATION**

CLERGYMAN

**POSITION**

DIRECTOR



Pastor Ferguson Kcofie, is a Reformed Baptist clergyman, preaching the gospel of the Lord Jesus Christ for over 34 years. He has been the Senior Pastor of Truth Missionary Baptist Church, Dansoman Estates, Accra since 1996. He is also the Director of the Reformed Baptist Bible Institute – a church based Bible training institute in Dansoman, Accra.

Between 1988-1993, he was called to train for the Christian ministry at Baptist Bible Institute, now the West Africa Bible College in Wa, Upper West Region of Ghana (a theological college established by the Baptist Mid-Missions, USA). He undertook further theological studies at the London Reformed Baptist Seminary, The Metropolitan Tabernacle, Elephant & Castle, in London from 1993 – 1995. Prior to his calling and training in 1988, he studied Economics and Business Commerce, among other subjects, for the Ordinary and Advanced Levels. His training in London as a clergyman, offered him other training opportunities in Business Management, Management Practices, and Human Resource Management.

He has a rich background of over 25 years of social and developmental work, providentially guided by God to travel all across the length and breadth of Ghana, some parts of Africa, and Europe. He speaks no less than six Ghanaian local languages. He is a preacher, teacher, counselor, conference speaker, and a freelance broadcast journalist; having also trained at the Radio & TV Training School of the Ghana Broadcasting Corporation, Accra in 2009.

## DIRECTORS' PROFILE

**NAME**

GRACE OFORI-ABEBRESE

**OCCUPATION**

ECONOMICS LECTURER

**POSITION**

DIRECTOR



Mrs. Grace Ofori-Abebrese is a Senior Lecturer at the Kwame Nkrumah University of Science and Technology where she teaches Elements of Economics, Economy of Ghana and Economic Policy and Analysis. She holds a Master of Arts degree in Economic Policy Management from the University of Ghana and a Bachelor of Arts degree in Economics and French at Kwame Nkrumah University of Science and Technology.

Her publications include a Co-Integration Analysis of Growth in Government Expenditure in Ghana and The ECO and the Development of West African Countries. Her areas of specialization are Economic Policy Analysis and Monetary Economics.

**NAME**

HENRY SUNKWA-MILLS

**OCCUPATION**

INVESTMENT BANKER

**POSITION**

DIRECTOR



Henry is the Managing Director of InvestCorp. Prior to this role, he was the Deputy Managing Director of the Firm – responsible for planning, monitoring and evaluation of policy and strategy implementation. As Managing Director, he is responsible for the overall strategic management of the Firm, chairs the Investment Committee and serves as a board member of the Firm's managed mutual funds.

Henry worked with Merrill Lynch / Bank of America Merrill Lynch in New York within the Global Energy & Power Investment Banking Group. He possesses strong origination and corporate finance skills, including leveraged finance, deal origination and corporate restructuring. Henry has extensive and key relationships in Ghana and internationally, which are critical to the success of our firm.

He served on the Board of the Ghana Netherlands Business and Culture Council (GNBCC) between 2015 and 2019 and acted as the Treasurer of the Council. He is a member of the Rotary Club of Accra La-East and serves on the Public Image (PI) and Fundraising Committees.

**NAME**

KWABENA OFORI APEAGYEI

**OCCUPATION**

INVESTMENT BANKER

**POSITION**

DIRECTOR



Kwabena has oversight responsibility for the firm's operations and business development. He helps in overseeing the day-to-day business activities and in ensuring that the firm's client acquisition strategy, operational risk and technology functions are effective and well-coordinated. He is a member of the firm's Investment Committee (IC). Prior to InvestCorp, he worked with Access Bank, Republic Bank, Fidelity Bank, FBN Bank and Omni Bank in roles of client acquisition, branch operations, and team management. He has built immense experience in sales and marketing, organizational efficiency and strategy and has developed key relationships in the financial industry.

He holds Bachelor of Arts (BA) degree in Psychology with a minor in philosophy and an MBA in Finance from the University of Ghana. He also undertook the Securities Industry Course at the GSE as well as other professional courses from the Ghana Banking College.

## CUSTODIAN'S REPORT

INTERNAL


**standard  
chartered**

June 11, 2021

The Board  
 InvestCorp Money Market Fund  
 15 Wawa Drive, North Dzorwulu  
 P.O.BOX 22493  
 Accra

### REPORT OF THE CUSTODIAN TO THE INVESTORS OF INVESTCORP MONEY MARKET FUND – DECEMBER 31, 2020

Standard Chartered Bank Ghana PLC confirms the investment holding for InvestCorp Money Market Fund as at December 31, 2020 as follows:

FIXED DEPOSITS			
Security Name	Position		Valuation
182 DAY IZWE LOANS FD AT 22.50PCT FM 07.10.2020 TO 07.04.2021	400,000.00		421,205.48
365 DAY FNB FD AT 17.75PCT FM 12.06.2020 TO 12.06.2021	140,500.00		154,370.04
182 DALEX FINANCE FD AT 21.50 PCT FM 28.08.2020	445,433.21		478,492.90
1 YEAR FNB FD AT 17.17 PCT FM 07.10.2020 TO 07.10.2021	200,000.00		208,091.07
Classification Total	1,185,933.21		1,262,159.49
GOVERNMENT BONDS			
Security Name	Position		Valuation
REPUBLIC OF GHANA - 16.5 PCT SNR BDS 22.03.2021 GHS1000	270,709.00		283,225.57
REPUBLIC OF GHANA - 18 PCT SNR BDS 26.07.2021 GHS1000	101,694.00		109,639.54
Classification Total	372,403.00		392,865.11
MUTUAL FUND			
Security Name	Nominal	Mkt Price	Valuation
INVESTCORP MID-TIER FUND	86,163.36	GHS 3.44260	296,625.98
Classification Total	86,163.36		296,625.98
TREASURY BILLS			
Security Name	Position		Valuation
GOG-BL-26.07.21-A5381-1704-0	93,455.00		85,840.36

**Standard Chartered Bank Ghana PLC**  
 Head Office,  
 87 Independence Avenue,  
 P O Box 768, Accra – Ghana  
 SC.com/gh

Tel 0302 610750 / 0302 633366

Dr. Emmanuel Oteng Kumah (Chairman) - Mansa Netley (Managing Director) - Kweku Nimfah-Essuman - Sheikh Jobe  
 Prof. Akua Kuenyehia - Harriet-Ann O. Adesola - Ebenezer Twum Asante - Kwabena Nifa Aning - George Akello

## CUSTODIAN'S REPORT

INTERNAL

standard  
chartered

GOG-BL-04.10.21-A5440-1714-0	1,169,804.00	1,041,051.52
REPUBLIC OF GHANA - 0 PCT T-BILL 14.06.2021 GHS1000	230,054.00	215,547.70
<b>Classification Total</b>	<b>1,493,313.00</b>	<b>1,342,439.58</b>
<b>COCOA BILLS</b>		
<b>Security Name</b>	<b>Position</b>	<b>Valuation</b>
CMB-BL-01.07.21-A5516-6126-0	512,038.00	470,230.98
CMB-BL-09.02.21-A5392-6121-0	272,405.00	267,600.00
CMB-BL-16.03.21-A5423-6122-0	750,237.00	727,114.64
CMB-BL-21.01.21-A5378-6120-0	130,761.00	129,579.06
<b>Classification Total</b>	<b>1,665,441.00</b>	<b>1,594,524.68</b>

SUMMARY		
Description	Market Value	PCT of Total
FIXED DEPOSITS	1,262,159.49	26.00
GOVERNMENT BONDS	392,865.11	8.09
TREASURY BILLS	1,342,439.58	27.66
COCOA BILLS	1,594,524.68	32.85
MUTUAL FUND	296,625.98	6.11
CASH BALANCE	435,217.67	8.97
PAYABLE	(470,000.00)	(9.68)
<b>GRAND TOTAL (GHS)</b>	<b>4,853,832.51</b>	<b>100.00</b>

\*The cash balance was as a result of a maturity paid to the fund on month end, and the payable was a result of late settlement due to insufficient funds which was corrected on the next working day.

Yours faithfully



Beverly Frimpong  
Head, Securities Services Ghana

## Standard Chartered Bank Ghana PLC

Head Office,  
87 Independence Avenue,  
P O Box 768, Accra – Ghana  
SC.com/gh

Tel 0302 610750 / 0302 633366

Dr. Emmanuel Oteng Kumah (Chairman) · Mansa Netley (Managing Director) · Kweku Nimfah-Essuman · Sheikh Jobe  
Prof. Akua Kuenyehia · Harriet-Ann O. Adesola · Ebenezer Twum Asante · Kwabena Nifa Aning · George Akello

## PROXY FORM

### INVESTCORP MONEY MARKET FUND PLC

I/We ..... of .....  
 ..... being a member/members of InvestCorp Money  
 Market Fund PLC hereby appoint ..... or,  
 failing him/her, 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 Company to be held **virtually and streamed live via**  
**Zoom on Thursday, 29th July, 2021 at 1:00 pm prompt** and any adjournment thereof.

Please indicate with an X in the spaces below how you wish your votes to be cast.

ORDINARY RESOLUTIONS	FOR	AGAINST
1. To receive and adopt the Financial Statements for the year ended 31st December, 2020 together with the reports of the Directors and external Auditors thereon		
2. To re-elect Directors		
3. To fix and approve remuneration of the Directors		
4. To appoint John Kay Associates Ltd as the Auditors of the Company		
5. To authorise the Directors to fix the remuneration of the external Auditors		
SPECIAL RESOLUTIONS		
1. That a registered Constitution be adopted by the Company in substitution for its Regulations to bring same into conformity with the provisions of the Companies Act, 2019 (Act 992) and the Unit Trust and Mutual Fund Regulations 2001 (L.I. 1695)		
2. To amend the Company's Constitution to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so		

Signed this.....day.....2021

Shareholder's Signature .....



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+233 (0) 302 50 90 45 | [info@investcorpgh.com](mailto:info@investcorpgh.com)