

STANLIB Ghana Limited

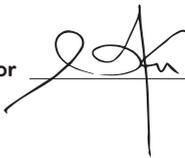
Stanbic Income Fund Trust

Report of the Manager to the Unitholders of Stanbic Income Fund Trust (continued)

The Manager and the Trustees have made an assessment of the Fund's ability to continue as a going concern and have no reason to believe the Fund will not operate into the foreseeable future. The results for the year are as set out in the attached financial statements. The Manager and the Trustees consider the state of affairs of the Fund to be satisfactory.

Signed on behalf of Stanbic Investment Management Services Ltd by:

Director  _____

Director  _____

30 April 2015

STANLIB Ghana Limited

Stanbic Income Fund Trust

Report of the Portfolio Manager to the Unitholders of Stanbic Income Fund Trust

Introduction

“It’s not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for.” Robert Kiyosaki

Stanbic Income Fund Trust (SIFT) gained 23.1% in the year 2014 outperforming its benchmark of 21.6%. This is the second consecutive year of benchmark outperformance for the Fund and it underscores its consistency.

Economic Outturn and Markets Review

The macroeconomic situation in Ghana worsened in the year 2014 with the cedi shedding circa 32% against the dollar. A worsening of the fiscal outturn and deteriorating balance of payments position contributed to this malaise. External factors and a deepening energy crisis contributed to lower GDP growth – 4.2% by year end 2014 – and one of the lowest recorded in a decade. The deteriorating economic climate led to an increase in the central bank policy rates from 16.5% in Q1-14 to 21% in Q4-14. The 91 day and 182 day treasury bill rates averaged 23.96% and 23.43% respectively with the 1 year note averaging 21.43% and that of the 2 year note at 21.77%. The local stock market gained only 7.4% during the year its growth constrained by a mix of the local constraints aforementioned and by extension lower external investor interest.

Investments and Performance

Portfolio Asset Mix

57% of SIFT’s portfolio was invested in the capital market and 43% was in money market instruments as at the end of 2014. Equity investments grew by 609% to GHS0.88m (9% of AUM) with corporate notes growing by 176% to GHS3.65m (39% of AUM). The exposure of the fund to government holdings dropped to GHS0.84 million from GHS3.17 m as the Fund re-rated into shorter term maturities due to rising interest rates. The exposure to shorter term maturities rose to GHS3.98m (42% of AUM) with GHS0.1m (1% of AUM) invested in government treasury bills.

Returns

SIFT made a net return of 23.1% in 2014, an improved performance over that of 2013 (22.5%) and ahead of its benchmark, average Government of Ghana 1 and 2 year notes of 21.6%. SIFT’s 4 year cumulative return as at the end of 2014 more than doubled to 111%.

STANLIB Ghana Limited

Stanbic Income Fund Trust

Report of the Portfolio Manager to the Unitholders of Stanbic Income Fund Trust (continued)

Outlook

In the short-term, a bailout by the International Monetary Fund (IMF) is expected to provide some measure of macroeconomic stability. A lot of factors will however have to come into play for a longer term stability; fiscal rectitude, deeper structural reform with emphasis on strengthening the local manufacturing base and a more benign external environment are key to this. While we expect more efforts at tackling these in 2015 the impetus for reform is likely to weaken as another election year draws closer. On balance, 2015 may bring marginally positive economic outcomes over 2014. Our medium term outlook therefore remains mixed.

Thank you

Kwabena Boamah

Portfolio Manager

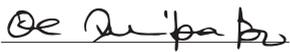
STANLIB Ghana Limited

Stanbic Income Fund Trust

Report of the Trustees to the Unitholders of Stanbic Income Fund Trust

In our opinion, according to the information made available to us and the explanations provided, we confirm that in all material respects, the Manager has managed the scheme during the period covered by these financial statements in accordance with the Trust Deed dated 31 December, 2009 and all regulations for the time being in force under the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695).

Signed on behalf of Universal Merchant Bank (Ghana) Ltd by:

Director 

30 April 2015

STANLIB Ghana Limited

Stanbic Income Fund Trust

Report of the Independent Auditors to the Unitholders of Stanbic Income Fund Trust

Report on the Financial Statements

We have audited the financial statements of Stanbic Income Fund Trust, which comprise the statement of assets and liabilities as of 31 December 2014, income and distribution account, portfolio statement and capital account for the year then ended, and notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 12 to 13.

Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the Ghana National Accounting Standards and in the manner required by the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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

STANLIB Ghana Limited

Stanbic Income Fund Trust

Report of the Independent Auditors to the Unitholders of Stanbic Income Fund Trust (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Stanbic Income Fund Trust as of 31 December 2014, and of its financial performance for the year then ended in accordance with the Ghana National Accounting Standards and in the manner required by the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Part 9 of schedule 8 of the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

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 assets and liabilities as of 31 December 2014, income and distribution account, portfolio statement and capital account for the year then ended are in agreement with the books of account.



Patrick K. Dzakpasu

Practising Certificate Licence No: ICAG/P/1176

For and on behalf of KWGH

Firm Licence Number: ICAG/F/2015/093

Chartered Accountants

Accra, Ghana.

30 April 2015

STANLIB Ghana Limited

Stanbic Income Fund Trust

Statement of Net Assets as at 31 December 2014

Description	No. of Shares	Price	Market Value	% of Net Assets
		GH¢	GH¢	
Shares				
Banking				
Standard Chartered Bank Limited	13,200	20.35	268,620	2.87
Ghana Commercial Bank	25,000	5.30	132,500	1.42
Ecobank Ghana Limited	22,100	7.60	167,960	1.80
CAL Bank Limited	85,500	1.01	86,355	0.92
Food & Household Products				
Fan Milk Limited	77	5.25	404	0.00
Consumer Goods				
PZ Cussons	4,300	0.30	1,290	0.02
Distribution				
Ghana Oil Company Limited	109,100	1.05	114,555	1.22
Insurance				
State Insurance Company Limited	64,400	0.37	23,828	0.25
Enterprise Group Limited	47,200	1.75	82,600	0.88
Total Shares			878,112	9.38
Medium Term Funds				
GOG Bonds			786,164	8.41
Short Term Funds				
Cash at Bank			11,039	0.12
Corporate Bonds			3,319,683	35.50
Fixed Deposits			3,674,722	39.29
Treasury Bills			99,093	1.06
Total			7,104,537	75.97
Total Investments			8,768,813	93.76
Other Assets in Excess of Liabilities			583,739	6.24
Total Net Assets			9,352,552	100.00

The notes on pages 14 to 16 are an integral part of these financial statements.