ENHANCED EQUITY BETA FUND

ANNUAL REPORT & FINANCIAL STATEMENTS

equity beta

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ANNUAL REPORT &
FINANCIAL STATEMENTS

Managed by:

BLACK STAR ADVISORS LIMITED

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ENHANCED EQUITY BETA FUND

ANNUAL REPORT **AND FINANCIAL STATEMENTS**

CORPORATE INFORMATION

BOARD OF DIRECTORS	Kofi Adusei Koduah-Sarpong (Chairman) Bright Asare Bediako (Director) Hannah Bertilla Acquah (Director) Joseph Ankah (Director) Kobina Nketsia Yankey (Director) Salihu Ibrahim Salihu (Director)
REGISTERED OFFICE	The Rhombus Plot No. 24 Tumu Avenue, Kanda Estate Accra P. O. Box 59 Osu-Accra Tel: 030-222 7712/ 030-222 7698 Email: assetmanagement@blackstargroup.ai
FUND MANAGER	Black Stars Advisors Limited The Rhombus Plot No. 24 Tumu Avenue, Kanda Estate, Accra Email: assetmanagement@blackstargroup.ai
CUSTODIAN	Fidelity Bank Ghana Limited Ridge Tower, Ridge, Accra PMB 43, Cantonments, Accra, Ghana Email: fbglcustody@myfidelitybank.net
AUDITOR	John Kay and Co 7th Floor, Trust Towers, Farrar Avenue P. O. Box KIA 16088, Airport-Accra Email: info@johnkay.net
SOLICITOR	Lawfields Consulting #799/3, 5th Crescent Asylum Down, Accra (off Ring Road) PMB CT 244, Accra, Ghana Email: kanaba@lawfieldsconsulting.com

NOTICE OF 1ST
ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the **1st [Virtual] Annual General Meeting** of the Shareholders of the Enhanced Equity Beta Fund PLC will be held on **16th December, 2022** at **10:00 a.m**. to transact the following business:

1. To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended December 31, 2021;

2. To re-elect Directors of the Company;

3. To authorize the Directors to fix the remuneration of the Auditors for the year ending December 31, 2022;

4. To change the Custodian of the Fund from Fidelity Bank Ghana Limited to Standard Chartered Bank Ghana PLC.

5. To amend the Scheme Particulars of the Fund in respect of the following:

   a. Asset allocation
   b. Minimum subscription
   c. Fund type

Dated this 22nd day of November, 2022

LAWFIELDS CONSULTING
No. 799/3. 5th Crescent
Asylum Down, Accra (off Ring Road)
PMB CT 244, Accra-Ghana

BY ORDER OF THE BOARD
Lawfields Consulting
Secretary

NOTICE OF 1ST
ANNUAL GENERAL MEETING (AGM)

NOTES

General:

1. A member is entitled to attend and vote or may appoint a proxy to attend (via online participation), through Microsoft Teams, and vote on his or her behalf. Such proxy need not be a member of the company. For a proxy to be valid for the purposes of the meeting, it must be completed and submitted via email to admin@lawfieldsconsulting.com or deposited at 4th Floor, Rhombus building not less than 48 hours before the meeting.

2. Members shall be sent an SMS with the registration link to permit them register for the meeting, which shall be conducted through Microsoft Teams.

3. A copy of the Proxy Form can be downloaded from https://www.blackstargroup.ai and may be filled and sent via email to admin@lawfieldsconsulting.com not less than forty-eight (48) hours before the commencement of the meeting.

4. The appointment of the proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (participates online), the proxy appointment shall be deemed to be revoked.

5. An electronic version of the Company's Annual Report consisting of the Financial Statement, Directors', Fund Managers and Auditors Reports for the year ended 31st December 2020 may be accessed at the Company's dedicated AGM website at https://www.blackstargroup.ai

6. Members are also encouraged to send in any questions in advance of the AGM by mailing them to clientservices@blackstaradvisors.com Answers to the questions will be provided at the AGM.

CHAIRMAN'S STATEMENT

Ghana's Economic Performance

Ghana's real GDP grew by 7.0% in the fourth quarter of 2021, representing the fastest growth pace since the first quarter of 2020, bringing the overall annual GDP to 5.4% against the projected 4.4%. Non-oil GDP growth was captured at 7.6% in the fourth quarter relative to 5.7% for the same period in 2020.
The agriculture and services sectors showed robust growth from the third to the fourth quarter, moving from 7.6% to 8.2% and 8.1% to 13.6%, respectively. Ghana, however, realised a sharp contraction industry from 4.8% in the third quarter to -1.6% in the fourth quarter

Headline inflation in the first quarter of 2021 averaged 7.8%. It closed at 12.6% in December, well above the upper band of 10% set by the Bank of Ghana. These sharp movements reflected global supply chain disruptions and rising commodity prices post-COVID-19. In response to the inflation shocks, the Monetary Policy Committee (MPC) increased the policy rate from 13.5% in June to 14.5% in December after an initial rate reduction from 16.0% to 14.5% earlier in the year.

The country's public debt stock reached an aggressive 76.6% of GDP at the end of the year against suspected levels of 80.1%. The public debt stock was one of Fitch's many factors accounting for the negative credit rating actions. Fitch dropped the rating from "B" to "B-", reflecting the loss of the country's access to the international capital market in the second half of 2021.

Outlook for 2022

The emergence of new variants of the COVID-19 virus poses a threat to the global economy in 2022. Supply chain disruptions will continue to weigh on activities globally. The World Economic Organization estimates global growth to be 4.4% in 2022, below the 5.9% growth in 2021. The downward revision primarily reflects a markdown for the United States and China.

Inflation in the global economy is expected to remain elevated in the near term, averaging 3.9% in advanced economies and 5.9% in emerging and developing markets in 2022 before subsiding in 2023 (WEO).

The World Economic Organization estimates the Ghanaian economy to grow by 5.5% in 2022, influenced largely by the agriculture and services sectors. The organisation estimates that the industrial sector will also pick up its pace in the year to match growing demand. The government's 2022 budget sets an ambitious consolidation plan to raise government revenue to 20% against 16% in 2021, coupled with a projected expenditure cut of 20%. The government estimates to raise about US$ 1 billion from its newly introduced E-Levy to shore up revenue. Inflation is expected to increase as world commodity prices continue to surge, coupled with global supply chain bottlenecks.

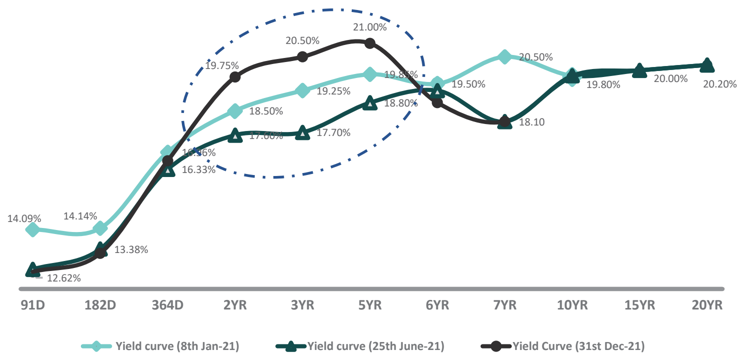
The Ghanaian economy's outlook remains positive, supported by higher prices of Key inputs and storing domestic demand (WBO).

FUND MANAGER'S REPORT

Fixed Income

After being hit by the pandemic, the fixed-income markets started to gain some traction following the government's institution of policies to narrow yields to reduce its cost of borrowing and the reduction in the Monetary Policy Rate and cash reserves back in 2020. Trading volumes on the primary market were oversubscribed mainly in the first half of the year by about 6.3 billion Ghana cedis over the target. In the year's second half, we saw a quick turn of events as investors' interest and confidence waned. Bids tendered came down to 27.92 billion Ghana Cedis, representing an 18% reduction in bids tendered against a target of 29.54 billion Ghana Cedis. At the start of the year, 91-day, 182-day, and 364-day bills were issued at 14.09%, 14.14%, and 16.96%, respectively, averaging about 15.06%. These levels tightened by mid-year at an average of 14.11%. Interest rates, however, surged in the second half of 2021, reflecting an increased risk within the local market, heightened inflation expectations, and high deficit figures. Yields on the 2-year, 3-year, and 5-year maturity papers blew out by about 230 basis points (2.3 percentage points) between June and December 2021, as indicated in figure 1 below.

FIGURE 1



Issuances within the year were skewed towards the short to medium end of the curve, raising about 22 billion Ghana Cedis and 40 billion Ghana Cedis, respectively. Additionally, the secondary markets saw volume trades at the end of the year increase by 93% compared to 2020 levels (Figure 2). Heavier volumes were seen in 1H21 with good traction in March, July, and June (Figure 3).

FUND MANAGER'S REPORT

FIGURE 2

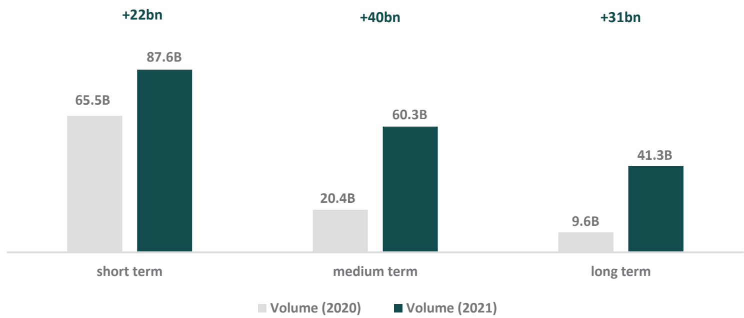
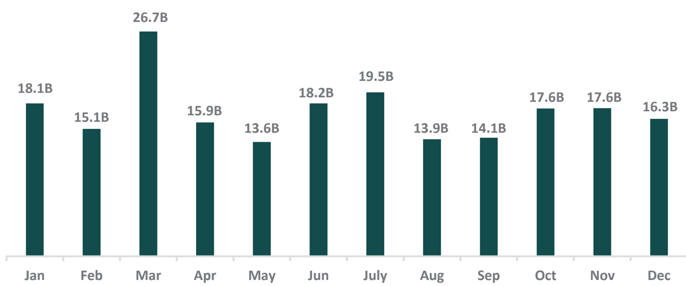


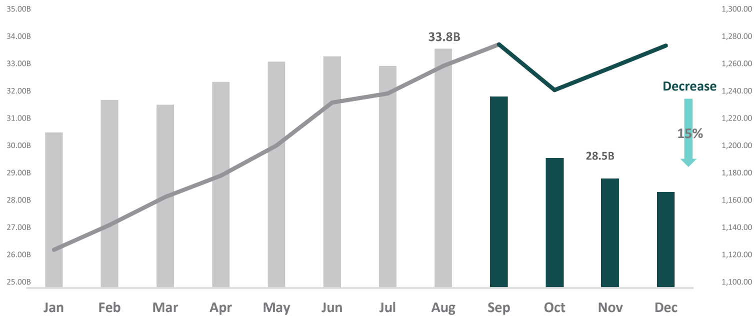
FIGURE 3



Cocoa bills also saw an uptick in interest as the volume traded reached 18.41 billion Ghana Cedis at the end of the year representing a 3.54x increase from 2020. The Eurobond markets recovered from COVID levels and peaked in August at 33.8 billion Ghana Cedis. The recovery, however, was not sustained as prices plummeted in the fourth quarter (Figure 4).

FUND MANAGER'S REPORT

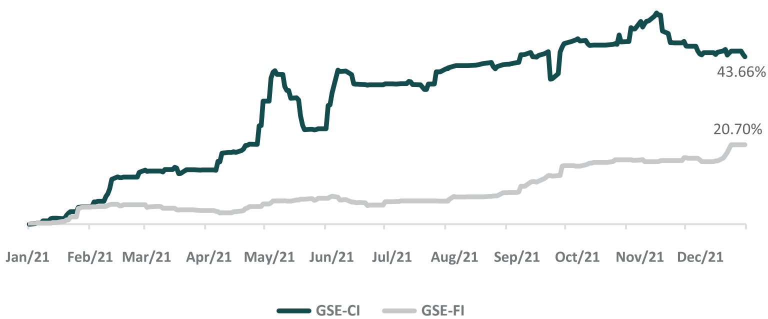
FIGURE 4



Equities

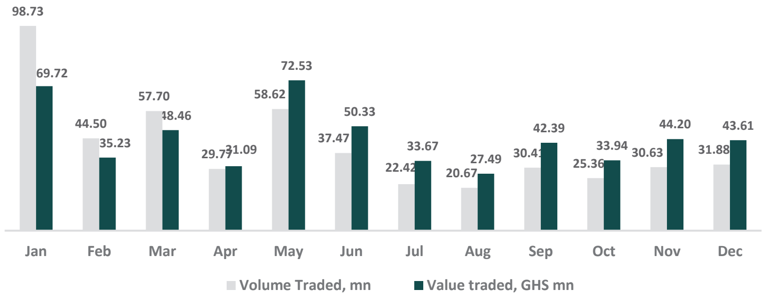
The Ghanaian equities market picked up its pace in 2021, closing the year as the second-best exchange in Africa. The GSE Composite Index closed the year at 43.66% return year-to-date, while the Financial Index closed at 20.37% (See figure 5). MTN Ghana anchored movements in the Composite Index. Fan milk, Benso Oil, and Guinness Ghana were the top three gainers closing the year at 270.37%, 232.50%, and 100% return year-to-date, respectively. Trading volumes dropped significantly in the year's second half after high trading levels in the first half. MTNGH led in volume and value traded during the year with 365.13 million Ghana Cedis and 345.84 million Ghana Cedis, respectively.

FIGURE 5



FUND MANAGER'S REPORT

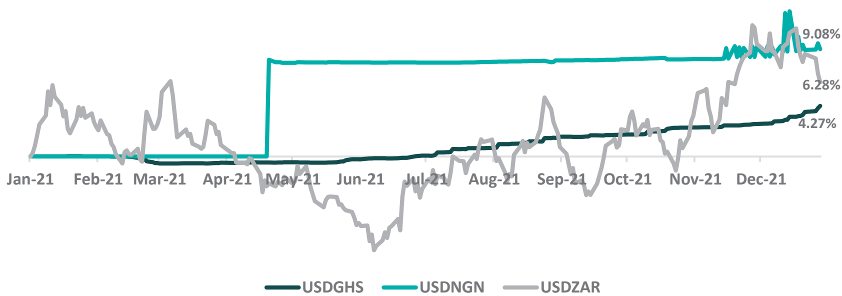
FIGURE 6



Currency

The Ghana Cedi remains the bull against the major trading currencies, USD, EUR, and GBP. It strengthened against the greenback in November while declining against GBP and EUR. It, however, performed better than its peers in Sub-Saharan Africa (Figure 7). At the end of the year, interbank rates had declined by 4.27%, whereas the spot market or real market rates had declined by 5.34%. The government expects its plan to auction $450 million in the year's first half to help stabilise the Ghana Cedi against depreciation.

FIGURE 7



FUND MANAGER'S REPORT

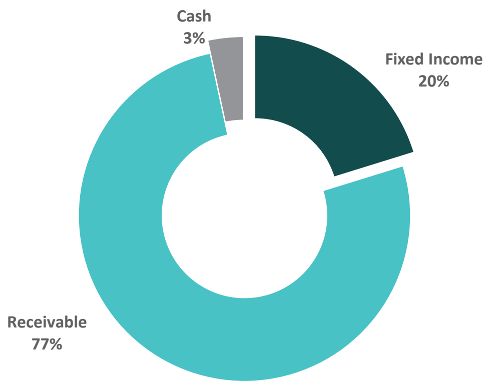
The Fund

The Enhanced Equity Beta Fund started operations on October 15, 2021, and gained GHS 187,944.21 in Assets Under Management (AUM) by the year's close. There was one withdrawal during this period of an amount of GHS 6,060.31. The Fund returned 9.27% to its shareholders in the three (3) months.

Asset Allocation

The Enhanced Equity Beta Fund invested in USD-denominated Government of Ghana bonds in the period under review. There was also a buy order for some international equities that failed to settle. It is important to note the novelty of the Fund, and navigating this terrain came with challenges. The buy order led to a receivable amount of GHS 142,989.78. This cash was, however, held in USD. The USD holdings translated to hedging of the Fund against the depreciation of the Ghana Cedi, allowing the Fund to realise some gains in Ghana Cedis.

FIGURE 8



FUND MANAGER'S REPORT

Outlook & Recommendation for 2022

Government seeks to put in place a few things to stabilize the economy in 2022. These include a 20% cut in expenditure, enhanced revenue collection, and a steady effort to address the depreciation of the Ghana Cedi against the US Dollar. These are to ensure stability and growth in the Ghananian economy.

Despite these efforts, we expect higher interest rates as domestic debt levels continue to rise to alarming levels, and the need for government to meet maturities and interest payments in 2022.

The risk of inflation still exists. Furthermore, exit by foreign investors and high demand for USD will pressure the cedi.

The Enhanced Equity Beta Fund steers away from these local risks by investing in global equities which are mostly US Dollar denominated. These securities provide diversification from the traditional Government of Ghana instruments and the Ghana Stock Exchange. Investment in US Dollar denominated instruments does two major things: hedge against the depreciating Ghana Cedi and protect investments against inflation in the local economy.

This fund focuses on investment in technology stocks such as Amazon, Microsoft, and Apple. The technology industry has shown growth and resilience in the toughest of times and provides long term growth in investment. This is what EEBF seeks to do for its shareholders.

These securities are however not devoid of the impact presented by global pressures and uncertainties, and the fund manager, taking cognisance of both local and global risks, will structure the portfolio to withstand local shocks and minimize volatility in the portfolio.

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF ENHANCED EQUITY BETA FUND PLC

In accordance with section 136 of the Companies Act, 2019 (Act 992), the directors have the pleasure of presenting their report and the financial statements of the company for the period ended 31 December 2021.

Directors' Responsibility Statement

The directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2021, the statement of profit or loss for the period ended, the statement of changes in equity for the period ended, statement of movement in net assets for the period ended, statement of cash flows for the period ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) of Ghana and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).

The directors' responsibilities include designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.
The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

Financial Result And Dividend

The results for the period ended are set out in the financial statements from pages 8-13. The Fund does not distribute dividends. All income earned are reinvested.
Shareholders should be aware that the mutual fund aims to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.
Total investment as at 31 December is made up as follows:

	2021	Percentage
	GH¢	%
Government Notes and Bonds	37,815	86
Cash	6,303	14
Total Investments	44,118	100

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF ENHANCED EQUITY BETA FUND PLC

Nature of Business

Enhanced Equity Beta Fund Plc is a company registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized mutual fund.

Enhanced Equity Beta Fund Plc ("The Fund") is an open-ended balanced mutual fund established under Ghana's laws with an unlimited duration. The Fund will invest in varying volumes of listed equities and equity-related instruments and bonds across global markets. The investment objective of the Scheme is to provide steady long-term capital appreciation through investments in a globally diversified portfolio of listed equities and equity-related instruments and bonds. In addition, a small portion of the Fund shall be invested in short-dated fixed-income securities for liquidity management purposes. The Fund will invest across global markets to achieve optimal diversification with minimal volatility.

Interest Register

During the period under review, no director had any interest in contracts and proposed contracts with the company, hence there were no entries recorded in the Interests Register as required by sections 194 (6), 195 (1)(a) and 196 of the Companies Act 2019, (Act 992).

Auditor's Remuneration

In accordance with Section 140 of the Companies Act, 2019 (Act 992), Messrs John Kay & Co. agreed with the directors to charge a fee exclusive of VAT, Covid Levy, NHIL and GET Fund amounting to GH₵ 5,000.

Corporate Social Responsibility

The company did not contribute to corporate social responsibility during the period under review.

Building the Capacity of Directors

The directors did not engage in any training on corporate governance.

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF ENHANCED EQUITY BETA FUND PLC

Approval of financial statements

The financial statements of the company as indicated above were approved by the board of directors on 04/11/2022...... and are signed on its behalf by:

....

Kofi Adusei Koduah-Sarpong
Chairman

Bright Asare Bediako
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENHANCED EQUITY BETA FUND PLC

Opinion

We have audited the accompanying financial statements of Enhanced Equity Beta Fund Plc, which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss for period ended, statement of changes in equity for the period ended, statement of movement in net assets for the period ended, statement of cash flows for the period ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 14-32.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Enhanced Equity Beta Fund Plc as at 31 December 2021, Fund's financial performance and its movement in net assets for the period ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) of Ghana and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).

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 Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2019, (Act 992) of Ghana, Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

In preparing the financial statements, the Board of Directors is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is 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.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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 scepticism 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 circumstances, but not or 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 management's 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 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 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 those charged with governance 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 ENHANCED EQUITY BETA FUND PLC

Key Audit Matters

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgement, were most significant in the audit of the financial statements. We have determined that, there are no matters to report under key audit matters.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana.

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 accounts have been kept by the Company so far as it appears from our examination of those books.

The engagement partner on the audit resulting in this independent auditor's report is Gilbert Adjetey Lomofio (ICAG/P/1417)

John Kay & Co
....

For and on behalf of John Kay & Co. (ICAG/F/2022/128)
Chartered Accountants
Accra

……………15/11/2022

John Kay & Co.
15 NOV 2022
P.O. Box 16088 KIA, Accra

STATEMENT OF FINANCIAL ASSETS DESIGNATED THROUGH PROFIT OR LOSS AS AT 31ST DECEMBER 2021

Debt Securities	MARKET VALUE GH¢	PERCENT OF NET ASSETS
Government Bonds	37,815	101
Total Debt Securities	37,815	101
Funds on Call		
Cash and Cash Equivalent	6,303	17
Total Investment Securities	44,118	118
Total Liability	(6,885)	(18)
Net Investment	37,233	100

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STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2021

	Note (s)	2021 GH¢
Assets		
Financial assets at FVTPL	8	37,815
Cash and cash equivalent	9	6,303
Trade receivables		143,826
Total Assets		187,944
Represented By:		
Members' fund	10	181,059
Liabilities		
Account payables	11	6,885
Total Members' Fund and Liabilities		187,944

The notes on pages 25 to 40 form an integral part of these financial statements.

The Financial Statements on pages 21 to 24 were approved by the Board of Directors on

04/11/2022 and were signed on their behalf by:

Kofi Adusei Koduah-Sarpong
Chairman

Bright Asare Bediako
Director

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	2021 GH¢
Investment Income		
Interest Income	12	443
Net gain/ (Loss) on Investments	13	8,074
Exchange Gain on Currency		4,727
Total Investment Income		**13,244**
Expenses		
Management Fees		861
Custody Fees		62
Audit Fees		5,000
Other Expenses	14	962
Total operating expenses		**(6,885)**
Operating profit		**6,359**

The notes on pages 25 to 40 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2021

2021	Capital Transactions GH¢	Investment Income GH¢	Total GH¢
At 1st September	-	-	-
Net Income from Operations	-	6,359	6,359
Share Issue	174,700	-	174,700
At 31st December	**174,700**	**6,359**	**181,059**

STATEMENT OF MOVEMENTS IN NET ASSETS FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	2021 GH¢
Changes in net assets from operations		
Net Investment Income		6,359
Net change in net assets from operations		**6,359**
Change in net assets from capital transactions		
Proceeds from Issue of Shares		174,700
Share Redemption		-
Net change in net assets from capital transactions		**174,700**
Net additions to net assets		**181,059**
Analysis of changes in cash and cash Equivalents for the period		
At 1st September		-
Net additions to net assets		181,059
At 31st December		**181,059**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	2021 GH¢
Cash Flow from Operating Activities		
Net Investment Income		6,359
Adjustment for:		
Investment Income (Non-Cash)		(225)
Changes in Fair Value		(8,074)
		(1,940)
Change in:		
Account Receivables		(143,826)
Account Payables		6,885
Net cash flow from operating activities		**(138,881)**
Cash Flow from Investing Activities		
(Purchases) / Sales from financial Asset		(29,516)
Cash flows from investing activities		**(29,516)**
Cash Flow from Financing Activities		
Issue of units		174,700
Net cash flows from financing activities		**174,700**
Net increase (decrease) in cash and cash equivalents		**6,303**
Analysis of changes in cash and cash Equivalents for the period		
At 1st September		-
Net additions to net assets		6,303
At 31st December		**6,303**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

1. REPORTING ENTITY

Enhanced Equity Beta Fund Plc is a company registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized mutual fund.
Enhanced Equity Beta Fund Plc ("The Fund") is an open-ended balanced mutual fund established under Ghana's laws with an unlimited duration. The Fund will invest in varying volumes of listed equities and equity-related instruments and bonds across global markets. The investment objective of the Scheme is to provide steady long-term capital appreciation through investments in a globally diversified portfolio of listed equities and equity-related instruments and bonds. In addition, a small portion of the Fund shall be invested in short-dated fixed-income securities for liquidity management purposes. The Fund will invest across global markets to achieve optimal diversification with minimal volatility.

2. BASIS OF ACCOUNTING

(a) Basis of preparation
These financial statements have been prepared in accordance with the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and comply with the International Financial Reporting Standards (IFRS).
(b) Functional and presentation currency
These financial statements are presented in Ghana cedi, which is the Fund's functional currency. All amounts have been stated in full.
(c) Use of estimates and judgement
In preparing these financial statements, the Fund's management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied during the period in the preparation of the Mutual Fund's financial statements.
(a) Investments income recognition
Interest income, including interest income from non-derivative financial assets at Fair value through profit or loss (FVTPL), are recognised in profit or loss, using effective interest method. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition.
Interest received or receivable and interest paid or payable are recognised in the profit or loss as interest income or interest expense, respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

• the financial asset is held within a business model whose objective is to hold financial assets in order 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 on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).
Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

a. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.
Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item.

b. Debt instruments classified as at FVTOCI

Corporate bonds held by the Company are classified as at FVTOCI. Fair value is determined in the manner described in note 3(d)iii. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

c. Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

d. Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 3(d)iii

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period, specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;

- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognised in other comprehensive income in the investment's revaluation reserve;

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and

- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment's revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- significant increases in credit risk on other financial instruments of the same debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:
1. The financial instrument has a low risk of default,
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guaranteed contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria is capable of identifying significant increase in credit risk before the amount becomes past due.

ii. *Definition of default*

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:
- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii. Credit-impaired 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 that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. significant financial difficulty of the issuer or the borrower;
2. a breach of contract, such as a default or past due event;
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. the disappearance of an active market for that financial asset because of financial difficulties.

iv. Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

v. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

(e) Foreign Currency

Transactions in foreign currencies during the period are converted into cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the financial year-end. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into cedis at the exchange rates at the date on which the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

(f) Transfer values

Transfer values represent the capital sums paid to and from the fund based on when the member liability is accepted or discharged.

(g) Cash and Cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturity of three months or less from the date of acquisition that are subject so an insignificant risk of changes in their value and are used by the Fund in the management of short-term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions

(h) Fees and commission

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

4. NEW AND AMENDED STANDARDS EFFECTIVE FOR THE CURRENT PERIOD

During the year under review, there were a number of new standards, amendments to standards and interpretations issued that were effective for the current reporting period, but do not have any impact on the funds reporting and therefor are not disclosed in these financial statements.

5. NEW AND REVISED STANDARDS IN ISSUE NOT YET EFFECTIVE

There were a number of new standards, amendments to standards and interpretations issued but were not effective, for the current reporting period, the fund does not opt for early adoption of those standards and hence are not disclosed in these financial statements.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

7. KEY CONTRACTORS

a. Fund Managers

The Directors of the Fund appointed Black Star Advisors, an investment management company incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana to implement the investment strategy and objectives as stated in the Fund's investment management policy manual. Under that investment management agreement, Black Star Advisors receives a management fee of 2.50% per annum of the Fund's average daily Net Assets Value attributable to members of the Fund. The management fees incurred during the period amounted to GH¢861. Included in the payables as at 31 December 2021 were fund management fees payable of GH¢861.

b. Fund Custodians

The Directors of the Fund appointed Fidelity Bank Ghana Limited, Custody Services a Limited Liability Company incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana, to provide custody services as prescribed in the Fund's policy manual. Under the custody agreement, the Custodian receives a custodian fee at an annual rate of 0.18% of the net asset value attributable to members of the Fund, a Eurobond Transaction Fee of USD 50 and Other Securities Transaction Fee of USD 50. The Custodian fees charged during the period amounted to GH¢62. Included in the payables as at 31 December 2021 for custodian fees payables of GH¢62.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2021 GH¢
Government Bonds	37,815
	37,815

9. CASH AND CASH EQUIVALENTS

Cash and bank balances	6,303
	6,303

10. MEMBERS' FUNDS

Opening Balance	-
Net Investment Income	6,359
Movement on shares	174,700
	181,059

11. ACCOUNT PAYABLE

	2021 GH¢
Custody Fees	62
Management Fee	861
Audit Fees	5,000
Audit Fees (VAT)	962
	6,885

12. INTEREST INCOME

Government Bonds and Notes	420
Call Interest	23
	443

13. FINANCIAL INSTRUMENTS

Analysis of changes in fair value of financial instrument through profit or loss

2021	Balance 01/01/21 GH¢	Purchases/ (Sales) GH¢	Interest GH¢	Accrued Received GH¢	Interest fair value GH¢	Change in Value 31/12/21 GH¢
GOG Bonds	-	29,516	225	-	8,074	37,815
	-	**29,516**	**225**	-	**8,074**	**37,815**

14. OTHER EXPENSES

	2021 GH¢
VAT on Audit Fees	962
	962

15. TAXATION

Income of an approved unit trust scheme or mutual fund is exempt from tax under the income tax act, 2015 (act 896) as amended.

16. FINANCIAL RISK MANAGEMENT

(a) Asset/Portfolio/Credit risk

Credit risk is the risk that counterparties (i.e., financial institutions and companies) in which the Fund's assets are invested will fail to discharge their obligations or commitments to the Fund, resulting in a financial loss to the Fund.

The Scheme's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the standards set out in the SEC guidelines and the Fund's investment policy statement.

(b) Liquidity risk

Liquidity risk is the risk that the fund either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The Scheme's approach to managing liquidity is to ensure that it will maintain adequate liquidity in the form of cash and very liquid instruments to meet its liabilities (including benefits) when due.

The following are contractual maturities of financial assets as at 31 December 2021.

Financial Assets	Up to 1 Month (GH¢)	1-12 Months (GH¢)	1-5 Years (GH¢)	Over 5 Years month(GH¢)
Government Notes & Bonds	-	-	37,815	-
TOTAL	-	-	**37,815**	-

The following are contractual maturities of financial liabilities as at 31 December 2021.

Financial Liabilities	Up to 1 Month (GH¢)	1-12 Months (GH¢)	1-5 Years (GH¢)	Over 5 Years month(GH¢)
Administrative Expenses Payable	-	6,885	-	-
TOTAL	-	**6,885**	-	-

16. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Fair value of financial assets and liabilities

Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that the Directors expect would be available to the Company at the balance sheet date. The fair values of the Company's financial assets and liabilities approximate the respective carrying amounts.
The fair value hierarchy is as follows:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly and
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair values of the Company's investments at FVTPL and FVTOCI approximate its carrying amounts.

(d) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. This systematic risk cannot be mitigated through diversification.

(e) Equity Price risk

Listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Scheme's policy over equity price risk is to minimise its exposure to equities and only deal with equities that meets the standards set out in the SEC guidelines and the Scheme's investment policy statement. Keen attention is paid to the equity market to realize capital gains on equity securities.

16. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Interest Rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The investment managers advise the Trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The scheme uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the Trust Board. For some of the bonds with issuers other than the Government of Ghana, investments are placed with a floating rate to hedge against this risk.

(g) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's processes, personnel, technology and infrastructure, 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 Fund behaviour. Operational risks arise from all the Fund's operations and are faced by all collective investment schemes.

The Scheme's objective is to manage operational risk to balance the avoidance of financial losses and damage to the Scheme's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the administrator. This responsibility is supported by the development of following policies and standards;

- governing rules and trust deed;
- investment policy statement;
- requirements for the reporting of non-compliance with regulatory and other legal requirements;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Compliance with the Fund governing rules is supported by a programme of annual reviews undertaken by the external auditor. The results of these reviews are discussed with Directors.

17. EVENTS AFTER REPORTING PERIOD

There were no events after the reporting period.

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the directors of the fund and authorised for issue on
15/11/2022

PROXY FORM

I/We……………………………...…………...…………………….of………………………………
being a member(s) of Enhanced Equity Beta Fund PLC ("the Company") hereby appoint
………………..…………………………………………of…………………………...........................
as my/our proxy to attend on my/our behalf, the 1st Annual General Meeting of the Company, to be held at via Microsoft Teams on Friday 16th December 2022 at 10:00 a.m. for the following purposes and to vote on my/our behalf on matters as directed below:

I/We direct that my/our vote(s) be cast on the specified resolution as indicated by an 'X' in the appropriate space

RESOLUTION	FOR	AGAINST
1. To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended December 31st, 2021;		
2. To re-elect Directors of the Company		
3. To authorize the Directors to fix the remuneration of the Auditors for the year ending December 31st, 2022		
4. To change the Custodian of the Fund from Fidelity Bank Ghana Limited to Standard Chartered Bank Ghana Limited.		
5. To amend the Scheme Particulars of the Fund in respect of the following: a. Asset allocation b. Minimum subscription c. Fund type		

Shareholder's Signature: ……………..........……………. Date ……....……………..…….2022

PROXY FORM

Notes

1. A proxy need not be a Shareholder of the Fund.

2. Unless otherwise instructed, the proxy will vote as he sees fit.

3. To be valid, this form must be signed and sent via email to admin@lawfieldsconsulting.com or deposited at 4th Floor, Rhombus building not less than forty-eight (48) hours before the commencement of the meeting.

4. In the case of joint holders, the signature of only one of the joint holders is required.

5. In the case of a body corporate, the form must be under seal or under the hand of a duly authorized officer.

6. The completion of and return of a proxy form does not prevent a shareholder from attending the meeting and voting thereat.

Fund Manager: Black Star Advisors

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Kanda Estate

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