



Republic Investments



2019

ANNUAL
REPORT

REIT

REAL ESTATE INVESTMENT TRUST



Rule #1 for investment;

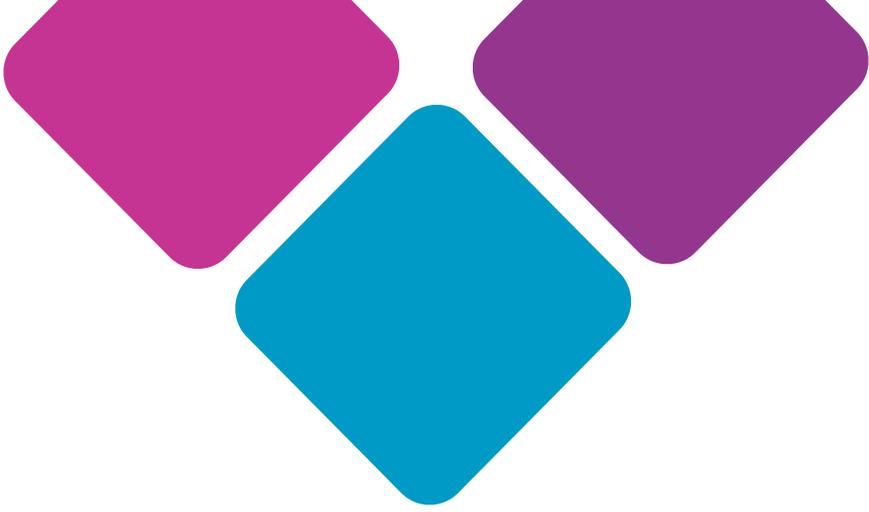
Deal with only licensed companies with good track record.

Republic Investments has passed all tests.

CONTACT US ☎ 028 9669310 | 028 9669311

 www.republicinvestmentsgh.com  investments@republicghana.com

 **Republic Investments**



REIT

Real Estate Investment Trust

ANNUAL
REPORT 2019

THE MANAGER

NAME Republic Investments (Ghana) Limited

COUNTRY OF INCORPORATION Ghana

REGISTRATION NUMBER CS058092017

NATURE OF CORPORATE FORM Limited liability, wholly owned subsidiary of Republic Bank (Ghana) Limited

REGISTERED OFFICE Ebankese No. 35 Sixth Avenue,
North Ridge
P.O. Box CT 4603
Cantonments, Accra

PRINCIPAL PLACE OF BUSINESS No. 48A Sixth Avenue
North Ridge, Accra

DATE OF INCORPORATION 7th July, 1993

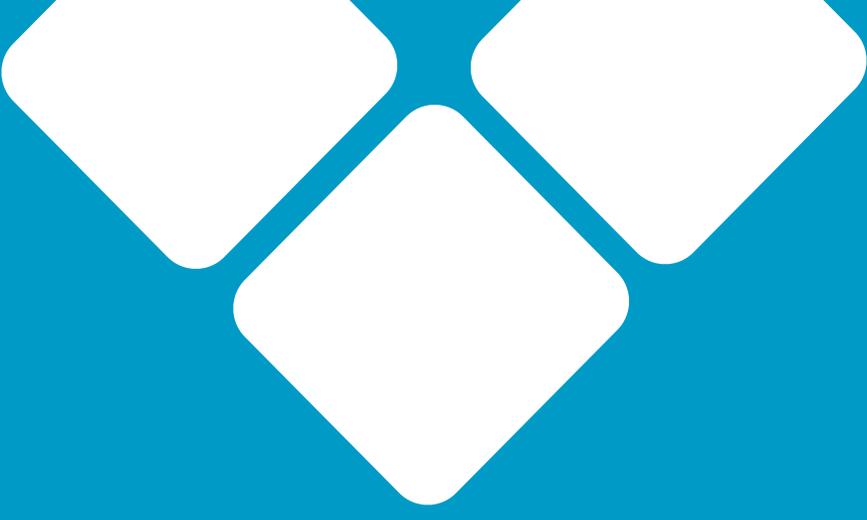
CAPITALISATION (as at December 31, 2019)

AUTHORISED 10,000,000 (Ten million) Ordinary shares of no Par value

ISSUED 4,609,601

AUDITORS John Kay and Co
Chartered Accountants
7th Floor, Trust Towers
Farrar Avenue, Adabraka
P.O. Box KA 16088
Airport, Accra

TRUSTEES Universal Merchant Bank
(Ghana) Limited
SSNIT Emporium
Liberation Road
Accra



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NOTICE OF ANNUAL GENERAL MEETING & CIRCULAR TO UNITHOLDERS

Wednesday, August 26, 2020 | Republic Bank (Ghana) PLC, Ebankese

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the 24th Annual General Meeting (AGM) of Unit Holders of Republic Real Estate Investment Trust will be held virtually via Zoom on Wednesday, August 26, 2020 at 12:00noon to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the Report of the Manager for the Year 2019.
2. To receive and adopt the Annual Report and the Audited Statement of Income and Expenditure of Republic Real Estate Investment Trust (REIT) for the financial year ended December 31, 2019, together with the Trustees Report and Auditors Report thereon.
3. To authorize the Fund Manager to fix the remuneration of the Auditors for the year 2020.

NOTIFICATIONS

To notify Unit Holders of amendments to the Constitution/Regulations of the Manager and to the Trust Deed of the Republic Real Estate Investment Trust. Dated 3rd day of August, 2020.

NOTE:

General

In compliance with the restrictions on public gatherings in force pursuant to the Imposition of Restrictions Act, 2020 (Act 1012) and the consequent Regulatory Directives/Guidelines, attendance and participation by all members and/or their proxies at this year's AGM shall be strictly virtual or by electronic means (online participation).

Dated this 3rd day of August, 2020.

COMPANY SECRETARY

BY ORDER OF THE MANAGER

DRAFT RESOLUTIONS AS ORDINARY RESOLUTIONS

1. That the Fund Manager's Report for the year ended December 31, 2019 be received.
2. That the Audited Financial Statement of Income and Expenditure of Republic REIT Trust for the financial year ended December 31, 2019 together with the Trustee's Report and the Auditor's Report be received and adopted.
3. That the Fund Manager be and is hereby authorized to fix the remuneration of the Company's Auditors for the Financial Year 2020.

To Register for the AGM

The registration link shall be forwarded to the email addresses and contact numbers of Unit Holders to enable those who wish to participate in the AGM to register accordingly. Unit Holders shall be required to provide relevant information to complete the registration process.

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

To Participate in the AGM

Ensure you have downloaded the Zoom Application unto your device.

On PC

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

- Click "Participants"
- Click "Raise Hand" at the bottom of the participants' dialogue box.

On Mobile

- Tap the three dots labeled "More" on the far right of the control bar.
- Tap "Raise Hand" to raise hand

2. Type your question

On PC

Click "Q&A" at the bottom of the participants' dialogue box
Type your question and submit.

On Mobile

Tap the three dots labeled "More" on the far right of the control bar
Tap "Raise your Hand" or
Click "Q&A" to type your question.

3. Use the polling feature to vote for or against a motion.

On PC or Mobile

- When it is time to vote, the poll will appear on your screen.
- Tap/Click your preferred option (FOR or AGAINST) to cast your vote.

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

For more information on participating in the meeting, kindly visit our website at www.republicinvestmentsgh.com



STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trust Deed requires the Trustees to prepare financial statements for each financial period, which gives a true and fair view of the state of affairs of the Republic Real Estate Investment Trust. In Preparing the financial statements, the Trustees are required to:

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are responsible and prudent
3. State whether applicable accounting standards have been followed, subject to any material departures, disclosed and explain them in the financial statements and
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the investment Trust will continue in business.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Republic Real Estate Investment Trust, which will ensure that the financial statements comply with the Trust Deed and Securities Industry Act, 2016 (Act 929). They are also responsible for safeguarding the assets of the Investment Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The statements should be read in conjunction with the statement of the Auditors' responsibilities as set out on page 19, the respective responsibilities of the Trustees and the Auditors in relation to the financial statements.

REPORT OF THE TRUSTEES

TO THE UNIT HOLDERS OF REPUBLIC REAL ESTATE INVESTMENT 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 year covered by these financial statements in accordance with the Trust Deed dated 1st August, 2018 and all regulations for the time being in force under the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695).

Dated this 29th Day of April, 2020



For: UNIVERSAL MERCHANT BANK (GHANA) LIMITED

FUND MANAGER'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2019

Economic Overview

The Global Economy

The global economy grew by 2.9 percent in 2019, according to the World Economic Outlook (WEO) issued by the International Monetary Fund (IMF). The global economic outlook appears subdued, with a projected contraction of about –3 percent in 2020, on assumption that the novel Covid-19 pandemic is anticipated to fade in the second half of 2020 and containment efforts can be gradually unwound.

The Ghanaian Economy

The Ghanaian economy demonstrated firmer growth during the year 2019, albeit at a relatively slower pace than was recorded in the previous year. The Ghanaian economy on the whole grew by 7.9 percent in 2019 from a position of 6.8 percent the previous year, according to the Ghana Statistical Service.

According to the Central Bank, despite an improvement in consumer confidence reflecting optimism about current and future economic conditions, towards the end of the year, business confidence, on the other hand, softened marginally on account of the exchange rate depreciation. The macroeconomic indicators were generally stable in the year 2019.

Highlight of Key Economic Indicators Exchange rate

Exchange rate

The Ghanaian cedi exhibited signs of volatility in the greater part of 2019 due to increased domestic demand pressures and the strengthening of the US dollar. On the whole, the cedi lost ground to all the major trading currencies in 2019. The Ghana cedi depreciated by 12.9 percent against the US dollar in 2019, compared with 8.4 percent depreciation in 2018. The cedi depreciated against the British pound and Euro, by 15.7 percent and 11.2 percent respectively, relative to 3.3 percent and 3.9 percent over the same period in 2018.

Interest rates

Interest rates on the money market remained stable, with marginal increases across the various maturities on the yield curve. The 91-day Treasury bill rate closed the year 2019 at 14.7 percent as against the 14.6 percent in the same period in 2018. Interest rates on the 182-day bill also inched up to 15.2 percent, from 15.0 percent at year end 2018. The one-year rate increased to 17.90 percent at close of year 2019 from 14.93 percent at year end 2018.

Inflation

Headline inflation was largely contained in the projected target of 8%+/-2%, and remained at a single digit, lingering around 8 percent for the greater part of 2019. At year-end 2019, inflation rate was 7.9 percent on account of lower food prices amidst stable non-food prices.

Stock Market Performance

The Ghana Stock Exchange (GSE) ended both 2018 and 2019 on a bearish note. The GSE Composite Index recorded (-12.25%) in 2019 and (-0.29%) in 2018. As visibly as it appears, the market performance in 2019 was worse than that of 2018. The abysmal performance of the Ghanaian bourse can be attributable to the attractive performance of

the Ghana Fixed Income Market in addition to dwindling interest from foreign investors in investing in Ghanaian equities. Also, the liquidity squeeze on the market led some retail investors to sell their stocks at or below market, impacting adversely on the performance of the local bourse.

Financial (Banking and Investment) Sector Reforms

Both the Bank of Ghana and the Securities and Exchange Commission have had to crack the whip on some of their licensees in the year 2019 for non-compliance and unethical practices that led to investors and depositors losing some of their investments. The dividends of the banking sector reforms have led to enhanced liquidity, quality assets, declining NPL ratios, improved earnings and strong capital adequacy leading to a robust financial sector.

The year 2019 saw some giant strides in payment systems as there was an expansion in the use of mobile money, further supporting the inclusive financial sector agenda. Enhanced regulatory oversights and digitization drive is expected to impact positively on the growth of the Financial Sector.

Overview of the Real Estate Sector

The macro-economy was relatively stable in 2019. Inflation remained a single digit and was very stable throughout the year, creating a relatively ideal environment for the real estate sector. Exchange rate movements do have a great impact on the real estate industry. The cedi depreciation against the US Dollar in 2019 was 12.9% as compared to 8.4% recorded in the previous year. The depreciation impacts the real estate sector by translating into high cost of building materials, among others, thereby making it difficult for real estate companies to churn out affordable houses for the market, which continues to account for

the largest percentage of the housing deficit in Ghana. The challenges of the real estate sector continue to remain same. Financing costs are still high, the costs and complications associated with securing permits, licences and approvals continue to persist, and the lack of adequate infrastructure continues to inhibit growth in the sector.

The liquidity squeeze in the Ghanaian financial landscape emanating from the collapse of some fund managers, savings and loans companies and collapse of Menzgold slowed the growth of the real estate sector by way of low purchases of completed projects and occupancy of buildings for rental purposes. The turn of event in this regard adversely affected profitability of the sector.

Fund Performance

Republic REIT ended 2019 with a Net Fund Value of GH¢65.43 million, and with an annualized yield of 9.02%. Fund value reduced by GH¢5.84 million in 2019 from a position of GH¢71.27 million in 2018. The decline in fund value can mainly be attributed to institutional clients' (other fund managers') redemptions to shore up their liquidity to meet expected tier-3 pensions withdrawals.

Portfolio Review and Asset Mix

The largest asset class in the fund's portfolio at the end of 2019, given its real estate focus, was properties and landed holdings. Properties constituted 69.46% of the portfolio to reflect the objective of the fund in serving as an alternative to the traditional asset classes. Following the happenings on the market as far as risk and return management were concerned, we allocated 21.86% to Government of Ghana Securities. For liquidity purposes, 6.31% was allocated to money market investments. Other allocations were 1.69% in collective investment schemes and 0.69% in cash/cash equivalents.



Strategy for 2020

Despite a slowdown in sales in the real estate industry in the country due to lower demand, the prospect for the fund in the year 2020 continues to be positive. Republic REIT's strategy to make the most of profitable opportunities in the real estate sector will remain. For purposes of liquidity management, the fund will maintain some allocation in tradable and high earning Government of Ghana securities. The Fund Manager will ensure that Republic REIT continues to serve as an alternative investment vehicle which provides investors with capital appreciation in a long term portfolio.

Outlook for 2020

The financial services sector holds a lot of promise after the investment and banking sector clean ups. The dividends of the banking sector clean-up has led to improved liquidity, earnings and strong capital adequacy. The real estate sector flourishes when key macroeconomic indicators are in good shape. The Ghanaian economy has been relatively stable and prospects for growth for your fund in the medium to long term is positive. The emergence of Covid-19 pandemic in Ghana and across the world, also poses some risk to global economic growth when the spread of the virus is not well managed. Most patrons of real estate projects are high income earners and Ghanaians in the Diaspora. Therefore a slowdown in global growth, can affect the local real estate sector.

There is an expectation of brisk activity in the real estate sector as a result of the affordable housing projects put in place for workers in the public sector by the government. There would be a lot of collaboration and transfer of knowledge and expertise to further increase efficiency to boost your fund's yield.

With pension contributors expected to drawdown their tier 3 (provident fund) payments this year, investments in the real estate sector arising from purchase of already completed houses/ apartments and rental of office space would receive a boost to create the needed attraction in the sector.

We therefore encourage unit holders to keep faith with the fund by making additional investments while referring others to do same. Thank you for the confidence reposed in us. We truly appreciate and would return your kind gesture with appreciable fund performance and professional management.

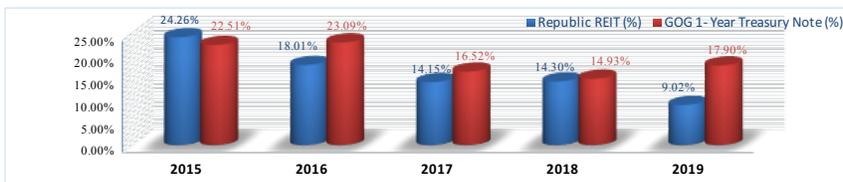


Madeline Nettey
Chief Executive Officer

REPUBLIC REIT: 2019 PERFORMANCE

REPUBLIC REIT RETURNS VRS BENCHMARK INDICATOR

	2015	2016	2017	2018	2019	5yr Avg
Republic REIT (%)	24.26%	18.01%	14.15%	14.30%	9.02%	15.95%
GOG 1-Year Treasury Note (%)	22.51%	23.09%	16.52%	14.93%	17.90%	18.99%



NUMBER OF UNITHOLDERS



FUND VALUE



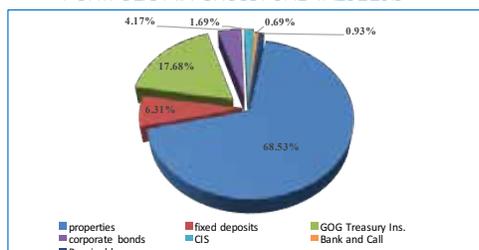
2019 RETURN (YTD)

9.02%

GROWTH IN FUND VALUE: AMOUNT IN GH¢ MILLION



PORTFOLIO MIX- GROSS FUND VALUE 2019



REPUBLIC REAL ESTATE INVESTMENT TRUST



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INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF REPUBLIC REAL ESTATE INVESTMENT TRUST

Opinion

We have audited the financial statements of Republic Real Estate Investment Trust which comprise the statement of financial position as at December 31, 2019, and the income and distribution account and statement of movement in net assets and issued units for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes as set out on pages 12 to 28.

In our opinion, the financial statements give a true and fair view of the financial position of Republic Real Estate Investment Trust as at December 31, 2019 and of its financial performance and its cash flows for the year then ended and are in accordance with International Financial Reporting Standards and in the manner required by Equity Trust and Mutual Funds Regulations, 2001, (L.I. 1695) and the Companies Act, 2019 (Act 992).

REPUBLIC REAL ESTATE INVESTMENT TRUST

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 Statements section of our report.

We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal controls as the Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust'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 Trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. The Trustees are responsible for overseeing the Trust's

REPUBLIC REAL ESTATE INVESTMENT TRUST

financial reporting process.

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 International Standards on Auditing 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 International Standards on Auditing, 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 cir-

REPUBLIC REAL ESTATE INVESTMENT TRUST

cumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' 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 Trust'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 Trust 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 Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit

REPUBLIC REAL ESTATE INVESTMENT TRUST

findings, including any significant deficiencies in internal control that we identify during our audit.

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

The Companies Act, 2019, (Act 992) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- 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 Trust, so far as appears from our examination of those books, and
- The Trust's Statement of Assets and Liabilities and Income and Distribution Account are in agreement with the books of accounts



JOHN ARMSTRONG YAO KLINOGO
(P/No-ICAG/P/1116)

For and on behalf of John Kay & Co. (ICAG/F/2020/128)
Chartered Accountants
Accra
30th April, 2020



FINANCIAL
STATEMENTS
AS AT 31 DECEMBER 2019

REPUBLIC REAL ESTATE INVESTMENT TRUST

REPUBLIC REAL ESTATE INVESTMENT TRUST

STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 Market Value GH¢	% Net Assets	2018 Market Value GH¢	% Net Assets
Non-Current Assets					
Land -Serviced Plots		12,725,481	19.35	19,672,741	27.60
Investment Properties		23,517,885	35.76	20,614,020	28.92
Work in Progress		8,756,023	13.32	5,968,635	8.38
Total Non-Current Assets		44,999,389	68.43	46,255,396	64.90
Short Term Funds					
Cash and Cash Equivalents	8	321,286	0.49	604,881	0.85
Investments at Amortized Cost	9	11,029,596	16.77	9,411,136	13.20
Investments at FVTPL	10	7,714,352	11.73	13,716,198	19.24
Republic Unit Trust	12	716,669	1.09	500,000	0.70
Republic Equity Trust	12	393,986	0.60	158,820	0.22
Total Short Terms Funds		20,175,889	30.68	24,391,035	34.22
Total Financial Assets		65,175,278	99.11	70,646,431	99.12
Other Assets in Excess of Liabilities		583,152	0.89	629,963	0.88
Net Financial Assets		65,758,430	100	71,276,394	100

REPUBLIC REAL ESTATE INVESTMENT TRUST

STATEMENT OF FINANCIAL POSITION

	Note	2019 GH¢	2018 GH¢
Assets			
Total Financial Assets		65,175,278	70,646,431
Other Assets:			
Property Debtors		218,916	218,916
Rent Income Receivable		388,889	388,889
Republic ISL Current Account		<u>136,619</u>	<u>162,876</u>
Total Assets		<u>65,919,702</u>	<u>71,417,112</u>
Liabilities:			
Amount Due to Managers		90,175	50,426
Management Fees		-	50,883
Trustees Fees		32,855	16,073
Auditor's Remuneration		<u>38,242</u>	<u>23,336</u>
Total Liabilities		<u>161,272</u>	<u>140,718</u>
Net Financial Assets		<u>65,758,430</u>	<u>71,276,394</u>
Represented by:			
Accumulated Income		31,554,835	30,303,627
Revaluation Reserves	11	26,447,154	21,583,735
Capital Account		<u>7,756,441</u>	<u>19,389,032</u>
Members' Fund		<u>65,758,430</u>	<u>71,276,394</u>

SIGNED FOR REPUBLIC INVESTMENTS (GHANA) LIMITED APRIL 29, 2020



GENERAL MANAGER



DIRECTOR

REPUBLIC REAL ESTATE INVESTMENT TRUST

INCOME AND DISTRIBUTION ACCOUNT

	Note	2019 GH¢	2018 GH¢
Investment Income:			
Fixed Deposit		2,891,617	2,942,555
Bond		1,002,518	1,484,259
Call Account		25,961	31,179
Rent Income		1,555,556	1,620,370
Other Income	6	<u>354,237</u>	<u>309,559</u>
Total Investment Income		5,829,889	6,387,922
Expenses			
Management Fees		1,123,257	1,667,195
Auditor's Remuneration		52,956	36,951
Other Expenses	7	3,259,728	94,790
Trustee Fees		<u>142,740</u>	<u>29,828</u>
Total Expenses		4,578,681	1,828,764
Net Investment Income		1,251,208	4,559,158

REPUBLIC REAL ESTATE INVESTMENT TRUST

ACCUMULATED NET INVESTMENT INCOME

	Note	2019 GH¢	2018 GH¢
Balance at 1/1		30,303,627	25,744,469
Net Investment Income		1,251,208	4,559,158
Balance at 31/12		31,554,835	30,303,627

STATEMENT OF MOVEMENT IN NET ASSETS

	Note	2019 GH¢	2018 GH¢
Net Investment Income		1,251,208	4,559,158
Change in Unrealised Gains	11	4,863,419	5,180,000
Increase in Net Assets from Operations		6,114,627	9,739,158
Capital Transactions:			
Value of Units Sold and Converted		8,039,042	6,934,872
Value of Units Disinvested		(19,671,632)	(8,124,840)
Net Proceeds from Capital Transactions		(11,632,590)	(1,189,968)
Total Increase in Net Assets		(5,517,963)	8,549,190
Balance at 1/1		71,276,394	62,727,204
Balance at 31/12		65,758,431	71,276,394

REPUBLIC REAL ESTATE INVESTMENT TRUST

STATEMENT OF MOVEMENT IN ISSUED UNITS

	2019	2018
Number of units at 1 January	21,469,602	21,839,531
Number of units issued during the year	<u>2,170,361</u>	<u>2,019,630</u>
	23,639,963	23,859,161
Number of units disinvested during the year	<u>(5,144,914)</u>	<u>(2,389,559)</u>
Number of units at 31 December	18,495,049	21,469,602

CAPITAL ACCOUNT

	Units	2019 GH¢	Units	2018 GH¢
Balance at 1 January	21,469,602	19,389,032	21,839,531	20,579,000
Value of units sold and Converted	<u>2,170,361</u>	<u>8,039,042</u>	<u>2,019,630</u>	<u>6,934,872</u>
	23,639,963	27,428,074	23,859,161	27,513,872
Value of Units Disinvested	<u>(5,144,914)</u>	<u>(19,671,632)</u>	<u>(2,389,559)</u>	<u>(8,124,840)</u>
Value of the trust Fund at 31 Dec	18,495,049	7,756,442	21,469,602	19,389,032

REPUBLIC REAL ESTATE INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

6. OTHER INCOME

	2019 GH¢	2018 GH¢
Exchange Difference	2,402	1,625
Other Income	351,835	307,934
	354,237	309,559

7. OTHER EXPENSES comprise the following

	2019 GH¢	2018 GH¢
Bank Charges	35,621	21,990
General Expense	99,900	72,800
Trading Expenses	271,263	-
Loss on sale of property	2,852,944	-
	3,259,728	94,790

8. CASH AND CASH EQUIVALENTS

	2019 GH¢	2018 GH¢
Cash at Bank	321,286	604,881

9. INVESTMENTS AT AMORTIZED COST

	2019 GH¢	2018 GH¢
Fixed Deposits	4,138,198	5,766,945
Bonds	6,891,398	3,644,191
	11,029,596	9,411,136

REPUBLIC REAL ESTATE INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVESTMENTS AT FVTPL

	2019 GH¢	2018 GH¢
Held for Trading	<u>7,714,352</u>	<u>13,716,198</u>
	<u>7,714,352</u>	<u>13,716,198</u>

11. UNREALIZED GAINS / (LOSSES) ON INVESTMENTS

	2019 GH¢	2018 GH¢
Market Value of Investments	44,999,389	46,255,396
Cost of Investments	(40,135,970)	(41,075,396)
Change in Unrealised gains	4,863,419	5,180,000
Add Unrealised gains from previous years	<u>21,583,735</u>	<u>16,403,735</u>
Unrealised gains as at 31 December	<u>26,447,154</u>	<u>21,583,735</u>

REPUBLIC REAL ESTATE INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. RELATED PARTY TRANSACTIONS

The Trust is related to Republic Unit Trust, Republic Equity Trust and Republic Future Plan Investment Trust through common Trustee and Fund Manager. As at 31st December 2019, the Trust has investments of GH¢716,669 and GH¢393,986 in Republic Unit Trust and Republic Equity Trust respectively.

13. CONTINGENT LIABILITIES

O'Sullivan Estates Project

Republic Real Estate Investment Trust invested in this project together with O'Sullivan Estate Limited for the development and sale of residential properties and serviced plots. O'Sullivan Estate Limited had Land Title Certificate on the serviced land issued to it by the Land Title Registry. The project was completed in 2016 with the sale of the houses and serviced plots to interested buyers.

Subsequently, O'Sullivan Estate Limited was served with 2 writs from persons claiming ownership to parts of the land.

- i. Joseph Bortei Sessey Bortei vrs O'Sullivan Estates Limited
- ii. K. Oppong & Paulina Oppong vrs. O'Sullivan Estates Limited

Some purchasers who did not immediately developed their properties had their lands encroached on and subsequently initiated the following writs against O'Sullivan Estate Limited and the Trust:

- Dr. Kwame Osei Akosah & Vivian Akosah vrs. Republic Realty Limited, O'sullivan Estates Limited & Home Finance Investment Fund Limited
- Esther Grace Ewool vrs Republic Investment Ghana Limited, Republic Realty Limited & O'sullivan Estates Limited
- Osei Owusu Anshah vrs Republic Bank Ghana Limited & O'sullivan Estates Limited

REPUBLIC REIT PROXY FORM

Annual General Meeting to be held virtually via Zoom on Wednesday, August 26, 2020 at 12:00noon.

I/We..... being a Unit holder(s) hereby appoint
.....as my/our proxy to attend and vote for me/us
and on my/our behalf at the Annual General Meeting of the Fund to be held on 26th
August 2020 and at any adjournment thereof.

Dated this 3rd day of August 2020.

.....
Unit Holder(s) Signature

RESOLUTION	FOR	AGAINST
To receive the Report of the Manager for the Year 2019		
To receive and adopt the Annual Report and the Audited Statement of Income and Expenditure of Republic Real Estate Investment Trust (REIT) for the financial year ended December 31, 2019, together with the Trustees Report and Auditors Report thereon.		
To authorize the Fund Manager to fix the remuneration of the Auditors for the Year 2020.		

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above.

Unless otherwise instructed, the proxy will vote for, against or abstain from voting at his/her discretion.

(Do not complete this form if you will attend the meeting)





Diversifying your investment requires a special skill set.

We are committed to helping you design an optimal portfolio.

We consolidate your investments to grow to your admiration.

CONTACT US ☎ 028 9669310 | 028 9669311

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 **Republic Investments**



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