



# REPUBLIC FUTURE PLAN TRUST

2022  
ANNUAL  
REPORT



Republic Investments



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**Republic Investments**

2022  
ANNUAL  
REPORT

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**REPUBLIC  
FUTURE PLAN  
TRUST**



## FUND INFORMATION

### FUND MANAGER

**NAME**

Republic Investments (Ghana) LTD

**COUNTRY OF INCORPORATION**

Ghana

**REGISTRATION NUMBER**

CS058092017

**NATURE OF CORPORATE FORM**

Limited liability, wholly owned subsidiary  
of Republic Bank (Ghana) PLC

**REGISTERED OFFICE**

No. 48A 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, 2022)****AUTHORISED**

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

**ISSUED**

4,609,601

**AUDITOR**

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

**TRUSTEE**

Universal Merchant Bank Limited.  
SSNIT Emporium Emporium Building  
Liberation Road, Airport City  
P.O. Box GP 401  
Accra, Ghana



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## NOTICE OF MEETING

**NOTICE IS HEREBY GIVEN THAT** the 13th Annual General Meeting (AGM) of the Unit Holders of the Republic Future Plan Trust will be **held virtually** and streamed live **via Zoom** to all Unit Holders from Republic Bank (Ghana) PLC, Ebankese, Accra **at 9:00am on Tuesday, the 25th day of July 2023** to transact the following business:

### AGENDA

#### A. NOTIFICATIONS

To notify Unit Holders of the following:

#### 2022 Annual Report and Audited Financial Statements

- I. That the full electronic version of the 2022 Annual Report and Audited Financial Statements of the Republic Future Plan Trust for the year ended 31st December 2022 is accessible to all Unit Holders on the website of the Fund Manager as follows ([www.republicinvestmentsgh.com](http://www.republicinvestmentsgh.com)). A limited number of hard copies of the 2022 Annual Report of the Republic Future Plan Trust will be made available to Unit Holders at the registered office of the Fund Manager at No. 48A, Sixth Avenue, North Ridge, Accra.

#### SEC Directive to Implement Mark-to-Market Valuation

- II. That per the Securities & Exchange Commission's (SEC) Directive Number: SEC/DIR/002/10/2022 and dated the 20th of October 2022, the Fund Manager complied with the directive to immediately implement the Fair Value through Other Comprehensive Income (FVOCI) ("Mark-to-Market") in valuing all clients' investment assets/securities and portfolios held with the Fund Manager. Also, the Trustee was directed to regularize or amend the Scheme Particulars governing the Republic Future Plan Trust at the next AGM. The amendment has been duly done.

#### Participation in the Domestic Debt Exchange Programme (DDEP)

- III. That following Government's announcement on the DDEP, the Fund Manager, in consultation with the Trustee, participated in the DDEP as a Category A Holder of Eligible Bonds and tendered its eligible bonds for new Category A Bonds due 2027 (50%) and 2028 (50%) with a coupon rate of 10%.

#### B. ORDINARY BUSINESS

1. To receive the Report of the Fund Manager for the Year ended 31 December 2022.
2. To consider and adopt the Annual Report and the Audited Statement of Income and Expenditure of Republic Future Plan Trust for the financial year ended 31 December 2022, together with the Trustee's Report and Auditor's Report thereon.
3. To authorize the Trustee, in consultation with the Fund Manager, to appoint an auditor of the Fund for a period of 6 years to audit the accounts of the Republic Future Plan Trust, pursuant to Section 197 of the Securities Industry Act, 2016 (Act 929) and Regulation 48 of the Unit Trusts and Mutual Funds Regulations, 2001 (L. I. 1695).

#### C. SPECIAL BUSINESS

1. To consider and approve a request to amend the Scheme Particulars of the Republic Future Plan Trust by way of rebalancing the asset allocation limits, as is consistent with Section 86 of the Securities Industry Act, 2016 (Act 929).

#### NOTE:

#### Online Participation

Attendance and participation by all Unit Holders and/or their proxies at the 2022 Annual General Meeting of the Republic Future Plan shall be strictly virtual or by electronic means (online participation).

Dated this 21st day of June 2023.

**COMPANY SECRETARY**

**BY ORDER OF THE MANAGER**

## DRAFT RESOLUTIONS

### A. ORDINARY RESOLUTIONS

1. That the Audited Statement of Income and Expenditure of Republic Future Plan Trust for the financial year ended 31 December 2022 together with the Trustee's Report and the Auditor's Report be received and adopted.
2. That the Trustee, in consultation with the Fund Manager, be authorised to appoint an auditor of the Fund for a period of 6 years to audit the accounts of the Republic Future Plan Trust, pursuant to Section 197 of the Securities Industry Act, 2016 (Act 929) and Regulation 48 of the Unit Trusts and Mutual Funds Regulations, 2001 (L. I. 1695).

### B. SPECIAL RESOLUTION

1. That the request to amend the Scheme Particulars of the Republic Future Plan Trust by way of rebalancing the asset allocation limits be approved.

## PROCEDURE FOR PARTICIPATION

### 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

1. Ensure you have downloaded the Zoom Application unto your device.
2. Raise your hand to either second a motion or ask a question.

#### On PC

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

#### On Mobile

- Tap the three dots labeled "More" on the far right of the control bar.
  - Tap "Raise Hand" to raise your hand.
3. 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.
  - Click "Q&A" to type your question. Then submit.
4. 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](http://www.republicinvestmentsgh.com)).

## PROXY

A unit holder who is entitled to attend and vote may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a unit holder. A completed proxy form shall be deposited at the registered office of the Fund Manager at No. 48A, Sixth Avenue, North Ridge, Accra or sent via email to ([investments@republicghana.com](mailto:investments@republicghana.com)) not later than 48 hours before the appointed time of the meeting. A proxy form is provided in the Annual Report of the Fund and same is also available on the Fund Manager's website ([www.republicinvestmentsgh.com](http://www.republicinvestmentsgh.com)).

All relevant documents in connection with the meeting are available to Unit Holders from the date of this Notice on the Company's website ([www.republicinvestmentsgh.com](http://www.republicinvestmentsgh.com)) and at the Company's registered office aforesaid.



## Set them up with Republic Future Plan Trust

The Fund has been specially created so your precious ones get all the help they need.

**Visit Republic Investments Office or  
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to know more**



[www.republicinvestmentsgh.com](http://www.republicinvestmentsgh.com)



[investments@republicghana.com](mailto:investments@republicghana.com)



**Republic Investments**

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trust Deed requires the Trustee to prepare financial statements for each financial period, which gives a true and fair view of the state of affairs of the Republic Future Plan Trust. In preparing the financial statements, the Trustee is 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 Trustee is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Republic Future Plan 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.

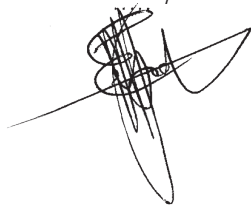
The statements should be read in conjunction with the statement of the Auditor's responsibilities as set out on page 15, the respective responsibilities of the Trustees and the Auditor in relation to the financial statements.



## **REPORT OF THE TRUSTEE TO THE UNIT HOLDERS OF REPUBLIC FUTURE PLAN TRUST**

In our opinion, according to the information made available to us and the explanations provided, we confirm that in all material respects, the Fund 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 29th May 2023

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the left.

For: UNIVERSAL MERCHANT BANK LIMITED

## FUND MANAGER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

### A. Economic Overview

The year 2022 was characterized by heightened cost of living in many economies arising out of the lingering impact of Covid-19 and the Russia- Ukraine war. Growth for the global economy was 3.4% at the close of the year 2022, according to the International Monetary Fund (World Economic Outlook).

The domestic economy was exposed to stress on government's budget financing, high cost of borrowing/high interest rate, surge in inflation, and exchange rate depreciation. Real GDP growth estimate for Q4 2022 stood at 3.1 percent, compared with an average of 7 percent recorded in the same period of 2021.

Inflation in 2022 rose to an all-time high of 54.1% as compared to 12.60% in 2021, fueled by high cost of food, transport and housing. Inflation is expected to reduce to the target band of 8%+/- 2% within a 4-year period. The cedi cumulatively depreciated against the US dollar, Pound and Euro by 30.0%, 21.2% and 25.3% respectively as at end of 2022.

Interest rates for the 91-day, 182-day and 364-day t-bills recorded upward trends to a position of 35.48%, 36.3% and 36.06% respectively as against the prior year positions of 12.49%, 13.19% and 16.46% for the same comparable tenors. The secondary market saw upward adjustments in yields. The 2-year, 3-year, 5-year and 6-year GOG securities saw the yields trading within a range of 43.87% to 59.49%. The average lending rates of banks increased from 20.04% in December 2021 to 35.58% in December 2022 in line

with hikes in the monetary policy rate from 14.50% in December 2021 to 27% as at the end of December 2022.

The stock market remained bearish in 2022 despite the bullish run in 2021. The uncertainties of the global melt down and the attractive yields on the fixed income market swayed attention from the stock market. The inactivity of the stock market resulted in the GSE-CI recording a regressed position from 43.7% (FY 2021) to -12.4% (FY 2022) as at the end of the reporting period. The GSE-FSI also saw some dips within the period and closed the year at -4.6% from a prior year return of 20.7%.

### B. Fund Performance

The bearish performance of the stock market in 2022 had a direct impact on your fund, being a balanced fund. The benchmark GSE-CI returned negative 12.38% with the GSE-FSI also recording negative 4.61%, while the 364-day t-bill returned 36%. In anticipation of this, your fund manager enhanced the allocation in t-bills and GOG bonds to mitigate huge losses and cement possible gains expected.

Notwithstanding the combined effects of the negative stock market return and implementation of the mark-to-market (MTM) valuation method, the fund value increased from GHS16.6m in December 2021 to GHS17.15m for the period under review. The fund saw a steady rise in its performance in Q3 2022 on the back of high yields in the GOG space. The fund closed the year with a return of 5.10%. The number of unit holders at the close of the year increased to 1,665.

## FUND MANAGER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

### C. Portfolio Review and Asset Mix

The introduction of mark-to-market (MTM) valuation by the regulator coupled with the domestic debt exchange programme (DDEP) on GoG holdings, warranted changes in the fund management strategy, particularly on risk and return and the resultant effect on asset allocation.

Your Fund Manager proactively managed the fund to significantly reduce risk within tolerance levels. In terms of the asset mix, allocation in stocks was reduced in anticipation of a bearish trend; money market investments were boosted to take advantage of rising interest rates, but relatively flat was the exposure to GOG Securities. These strategic actions helped to cushion the fund against price declines on the stock market.

The portfolio allocation as at the end of the year 2022 were pegged at 49.38% in GOG Securities; 29.58% in money market instruments; 20.33% in equities; 0.44% in Cash and Cash equivalents, and 0.27% in Collective Investment Schemes.

### D. Fund Strategy and Outlook for 2023

Your Fund Manager expects the stock market to end on a positive note in 2023 on the back of a positive economic outlook. In anticipation of this resurgence, acquisitions will be made once the stock market bottoms out, to ensure you reap maximum returns in the balanced fund. Diversification in the fixed income and money market space will be harnessed to deepen the gains achieved in the prior year while positioning the Republic Future Plan Trust to mitigate potential concentration risks.

From the aforementioned, we are optimistic that the fund would perform favourably against its benchmark return and remain significantly competitive in the balanced fund category of collective investment schemes on the market.

As you have always done, we urge you to continue investing in anticipation of a stabilized outlook of the economy. The government's quest to sustain stabilization programmes among others is expected to help revive investor confidence and cause economic activity to be vibrant and robust. The anticipated IMF programme for Ghana would contribute to a more stable macroeconomic environment, with positive spillover effects on inflation, interest rates and exchange rates.

As Fund Managers, we shall be proactive in taking advantage of strategic investment opportunities to grow the fund to your satisfaction. We take the opportunity to thank you for the confidence reposed in us over the years. We are committed to ensuring that the fund maintains its growth tangent to meet your desired objectives.

Thank you, our cherished unitholder for your continued patronage. It is well appreciated.

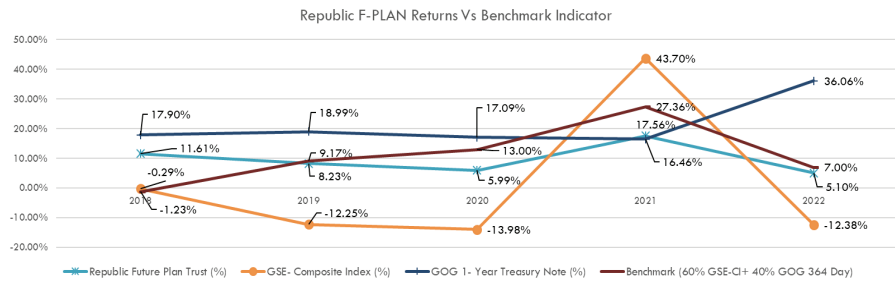


CHIEF EXECUTIVE OFFICER

## HIGHLIGHTS OF FUND STATISTICS

### Republic Future Plan Trust - Returns vs Benchmark

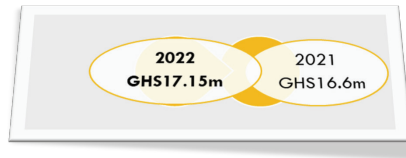
	2018	2019	2020	2021	2022	5 year Avg
Republic Future Plan Trust (%)	11.61%	8.23%	5.99%	17.56%	5.10%	9.70%
GSE- Composite Index (%)	-0.29%	-12.25%	-13.98%	43.70%	-12.38%	0.96%
GOG 1- Year Treasury Note (%)	17.90%	18.99%	17.09%	16.46%	36.06%	21.30%
Benchmark (60% GSE- CI+ 40% GOG 364 Day)	-1.23%	9.17%	13.00%	27.36%	7.00%	11.06%



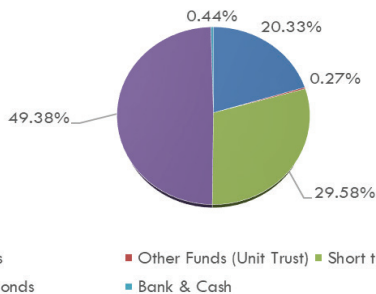
### Return



### Fund Value



### Portfolio Mix



### Top five (5) Equity Holdings:



GHS436,209.22



GHS398,400.00



GHS550,368.00



GHS393,685.64



GHS460,558.00

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE UNIT HOLDERS OF REPUBLIC FUTURE PLAN TRUST**

#### **Opinion**

We have audited the financial statements of Republic Future Plan Trust which comprise the statement of financial position as at December 31, 2022, the income and distribution account, the 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 **19 to 31**.

In our opinion, the financial statements give a true and fair view of the financial position of Republic Future Plan Trust as at December 31, 2022 and of its financial performance and its cash flows for the year then ended and are in accordance with the International Financial Reporting Standards and in the manner required by the Securities Industry Act, 2016 (Act 929) and the Unit Trusts and Mutual Funds Regulations, 2001 (L. I. 1695) and the Companies Act, 2019 (Act 992).

#### **Basis for Opinion**

We conducted our audit in accordance with the 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements for the year ended 31 December 2022. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following matters as key audit matters:

##### **1. Income Recognition**

Income is an important measure of performance and represents a material item in the trust's income and distribution account. The trust generates income from investment of members' funds. Given that some of the trust's investments will mature beyond 31 December 2022, the cut-off date of 31 December 2022 is significant to ensure that amounts that will accrue after this date are not recognized as income in the current financial statements. In this regard, we consider income recognition as a key audit matter.

## INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF REPUBLIC FUTURE PLAN TRUST

How the matter was addressed in our audit

Our audit procedures included the following.

- a) We reviewed the design and implementation of controls over the Trust's investment valuation procedures and income recognition.
- b) For a sample of significant investments, we obtained evidence of their existence, their particulars and recomputed the income recognized on these investments to verify their accuracy.
- c) Evaluated the adequacy of the accounting policies and the disclosures on income recognized in the Trust's income and distribution account.

### **Responsibilities of the Fund Manager for the Financial Statements**

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Securities Industry Act, 2016 (Act 929) and the Unit Trusts and Mutual Funds Regulations, 2001, (L.I. 1695) and the Companies Act, 2019 (Act 992) and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Fund

Manager is responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so. The Fund Manager is responsible for overseeing the trust's 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 the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



## INDEPENDENT AUDITOR'S REPORT

### TO THE UNIT HOLDERS OF REPUBLIC FUTURE PLAN TRUST

- 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 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 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 Trustee's.
- Conclude on the appropriateness of the Trustee'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 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 findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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.

## INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF REPUBLIC FUTURE PLAN TRUST

- 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.

The engagement partner on the audit resulting in this Independent Auditor's Report is Gilbert Adjetey Lomofio (ICAG/P/1417)



For and on behalf of John Kay & Co. (ICAG/F/2023/128)

Chartered Accountants

Accra.

29 May 2023



# **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED  
31 DECEMBER 2022

## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

### STATEMENT OF ASSETS AND LIABILITIES

	Note	2022 Market Value GH¢	% Net Assets	2021 Market Value GH¢	% Net Assets
Equity Investments at FVOCI	3	3,494,907	20.29	4,353,383	26.21
<b><i>Short Term Funds</i></b>					
Cash at Bank and on Call	4	320,881	1.86	97,245	0.59
Investments at Amortised Cost	5	3,981,621	23.12	12,176,931	73.32
Investments at FVOCI	6	9,404,881	54.60	-	-
Republic Unit Trust	13	27,443	0.16	25,750	0.16
Republic Wealth Trust	13	22,008	0.13	-	-
		13,756,834	79.87	12,299,926	74.07
<b>Total Financial Assets</b>		<b>17,251,741</b>	<b>100.16</b>	<b>16,653,309</b>	<b>100.28</b>
Other Assets in Excess of Liabilities		(28,155)	-0.16	(45,226)	(0.28)
<b>Net Financial Assets</b>		<b>17,223,586</b>	<b>100</b>	<b>16,608,083</b>	<b>100</b>

## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

### STATEMENT OF FINANCIAL POSITION

	Note	2022 GH¢	2021 GH¢
<b>Assets</b>			
Total Investments		17,251,741	16,653,309
Other Assets:			
Republic ISL Current Account		105,686	120,904
Other receivables		25	-
<b>Total Assets</b>		<b>17,357,452</b>	<b>16,774,213</b>
<b>Liabilities:</b>			
Amount Due to Managers		82,835	64,335
Management Fund	10	-	-
Management Fees Payable		34,060	36,385
Trustee Fees		16,971	16,073
Auditor's Remuneration		-	42,122
Other Payables		-	7,215
Total Liabilities		133,866	166,130
<b>Net Financial Assets</b>		<b>17,223,586</b>	<b>16,608,083</b>
<b>Represented by:</b>			
Accumulated Income		12,548,133	10,660,586
Investment Revaluation Reserve	9	(1,363,067)	(387,403)
Capital Account		6,038,520	6,334,900
<b>Members' Fund</b>		<b>17,223,586</b>	<b>16,608,083</b>

SIGNED FOR REPUBLIC INVESTMENTS (GHANA) LTD ON 24th MAY 2023



CHIEF EXECUTIVE OFFICER



DIRECTOR

## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

### STATEMENT OF INCOME OF INCOME AND DISTRIBUTION

	Note	2022 GH¢	2021 GH¢
<b>Investment Income:</b>			
Fixed Deposit		182,653	196,590
Dividends		309,129	229,841
Call Account		13,278	1,559
Bonds		1,821,407	1,505,058
Gain on sale of shares		72,745	-
Other Income	1	9,426	30,338
<b>Total Investment Income</b>		<b>2,408,638</b>	<b>1,963,386</b>
<b>Expenses:</b>			
Management Fees		416,514	385,523
Auditors Remuneration		42,802	42,122
Trustee Fees		33,727	30,868
Trading Expenses		2,637	40,536
	2	25,411	52,259
<b>Total Expenses</b>		<b>521,091</b>	<b>551,308</b>
Net Investment Income		1,887,547	1,412,078
<b>Other Comprehensive Income</b>			
Unrealised gain/ loss on investment -Equity	7	(597,227)	-
Unrealised gain/ loss on investment -Bonds	8	(378,437)	-
<b>Total other Comprehensive Income</b>		<b>(975,664)</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>911,883</b>	<b>1,412,078</b>

### ACCUMULATED NET INVESTMENT INCOME

	Note	2022 GH¢	2021 GH¢
Balance At 1 January		10,660,586	9,248,508
Net Investment Income		1,887,547	1,412,078
<b>Balance At 31 December</b>		<b>12,548,133</b>	<b>10,660,586</b>



## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

### STATEMENT OF MOVEMENT IN NET ASSETS

	Note	2022 GH¢	2021 GH¢
Net Investment Income		1,887,547	1,412,078
Change in Unrealised gains on equities	7	(597,227)	1,066,443
Change in Unrealised gains on bonds	8	(378,437)	-
<b>Increase in Net Assets from Operations</b>		<b>911,883</b>	<b>2,478,521</b>
Capital Transactions:			
Value of Units Sold and Converted		538,414	598,154
Value of Units Disinvested		(834,794)	(1,946,688)
<b>Net Proceeds from Capital Transactions</b>		<b>(296,380)</b>	<b>(1,348,534)</b>
Total Increase in net Assets		615,503	1,129,987
Balance at 1 January		16,608,083	15,478,096
Balance at 31 December		<b>17,223,586</b>	<b>16,608,083</b>

### STATEMENT OF MOVEMENT IN ISSUED UNITS

	2022	2021
Number of Units at 1 January	4,516,449	4,942,126
Number of Units Issued during the year	143,761	177,613
	4,660,210	5,119,739
Number of Units disinvested during the year	(222,758)	(603,290)
Number of Units at 31 December	<b>4,437,452</b>	<b>4,516,449</b>

## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

### PORTFOLIO SUMMARY

	Units at 31/12/21	Value at 31/12/21 GH¢	Purchases in the year units	Sales in the year units	Units at 31/12/22	Value at 31/12/22 GH¢
CAL	522,514	454,587	-	-	522,514	339,634
EGH	60,000	456,000	-	-	60,000	398,400
GCB	190,900	1,000,316	-	80,087	110,713	436,209
SCB	27,300	554,190	-	-	27,300	550,368
SOGEGH	460,558	552,670	-	-	460,558	460,558
EGL	103,845	289,728	438	-	104,283	333,705
FML	21,900	87,600	-	-	21,900	65,700
UNIL	8,600	50,654	-	-	8,600	37,066
BOPP	6,509	43,285	-	-	6,509	49,794
GOIL	228,887	416,574	-	-	228,887	393,686
TOTAL	51,700	259,534	-	-	51,700	206,800
ETI	200	28	-	-	200	30
SIC	50,000	4,000	-	-	50,000	15,500
RBGH	28,131	16,879	-	-	28,131	16,879
ACCESS	5,000	15,750	-	5,000	-	-
MTNGH	136,566	151,588	80,000	-	216,566	190,578
<b>Total</b>		<b><u>4,353,383</u></b>				<b><u>3,494,907</u></b>

### CAPITAL ACCOUNT

	Units	2022 GH¢	Units	2021 GH¢
Balance at 1st January	4,516,449	6,334,900	4,942,126	7,683,434
Value of Units Sold and Converted	<u>143,761</u>	<u>538,414</u>	<u>177,613</u>	<u>598,154</u>
	4,660,210	6,873,314	5,119,739	8,281,588
Value of Units Disinvested	<u>(222,758)</u>	<u>(834,794)</u>	<u>(603,290)</u>	<u>(1,946,688)</u>
Balance at 31 December	<b><u>4,437,452</u></b>	<b><u>6,038,520</u></b>	<b><u>4,516,449</u></b>	<b><u>6,334,900</u></b>

## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

### 1. OTHER INCOME

	2022 GH¢	2021 GH¢
Other Investment Income	4,202	3,359
Sundry Income	-	14,544
Transfer from Management Fund	-	12,435
Adjustment of Overprovision	5,224	-
	<b>9,426</b>	<b>30,338</b>

### 2. OTHER EXPENSES comprise the following

	2022 GH¢	2021 GH¢
Bank Charges	435	319
Manager's Reimbursable Expenses	24,976	44,665
Loss on Disposal of Shares	-	7,275
	<b>25,411</b>	<b>52,259</b>

### 3. EQUITY INVESTMENTS AT FVOCI

	2022 GH¢	2021 GH¢
CAL	339,634	454,587
EGH	398,400	456,000
GCB	436,209	1,000,316
SCB	550,368	554,190
SOGEGH	460,558	552,670
EGL	333,705	289,728
FML	65,700	87,600
UNIL	37,066	50,654
BOPP	49,794	43,285
GOIL	393,686	416,574
TOTAL	206,800	259,534
ETI	30	28
SIC	15,500	4,000
RBGH	16,879	16,879
ACCESS	-	15,750
MTNGH	190,578	151,588
	<b>3,494,907</b>	<b>4,353,383</b>

## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

### 4. CASH AND CASH EQUIVALENTS

	2022 GH¢	2021 GH¢
Cash at Bank	320,881	97,245

### 5. INVESTMENTS AT AMORTISED COST

	2022 GH¢	2021 GH¢
Fixed Deposits	3,981,621	3,578,905
Bonds	-	8,598,026
	<u>3,981,621</u>	<u>12,176,931</u>

### 6. INVESTMENTS AT FVOCI

	2022 GH¢	2021 GH¢
Bonds	8,501,843	-
Cocoa Bills	903,038	-
	<u>9,404,881</u>	<u>-</u>

### 7. UNREALIZED GAINS / (LOSSES) ON EQUITIES

	2022 GH¢	2021 GH¢
Market Value of Investments	3,494,907	4,353,383
Cost of Investments	(4,164,879)	(3,279,665)
Unrealized gain/ (loss) on shares sold during the year	72,745	(7,275)
Change in Unrealised gains	(597,227)	1,066,443
Add Unrealised gains from previous years	(387,403)	(1,453,846)
Unrealised gains as at 31 December	<u>(984,630)</u>	<u>(387,403)</u>

## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

### NOTES TO THE FINANCIAL STATEMENTS

#### 8. UNREALIZED GAINS / (LOSSES) ON BONDS

	2022 GH¢	2021 GH¢
Market Value of Investments	9,404,881	-
Cost of Investments	(9,783,318)	-
Unrealized gain/ (loss) on shares sold during the year	-	-
Change in Unrealised gains	(378,437)	-
Add Unrealised gains from previous years	-	-
Unrealised gains as at 31 December	<u>(378,437)</u>	<u>-</u>

#### 9. INVESTMENT REVALUATION RESERVE

	2022 GH¢	2021 GH¢
Balance at 1 January	(387,403)	(1,453,846)
Net Gain/(Loss) on investment	(975,664)	1,066,443
Balance at 31 December	<u>(1,363,067)</u>	<u>(387,403)</u>

#### 10. MANAGEMENT FUND

	2022 GH¢	2021 GH¢
Balance at 1 January	-	12,435
Payments made during the year	-	-
Transfer to other income	-	(12,435)
Balance at 31 December	<u>-</u>	<u>-</u>

The Trustee's was paid out of transfers to the Management Fund in prior years. However, effective January 1 2019 no transfers were made to the Management Fund. The Trustee is paid 0.2% of the Net Fund Value as required by the New Trust Deed dated August 1, 2018. The balance on the account was transferred to other income in the year.

## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

### NOTES TO THE FINANCIAL STATEMENTS

#### 11. THE GHANA DOMESTIC DEBT EXCHANGE PROGRAMME

Ghana is facing a very challenging economic situation amid an increasingly difficult global economic environment. These adverse developments have exposed Ghana to a surge in inflation, a significant exchange rate depreciation and increased stress on the financing of the government's budget. The latest debt sustainability analysis demonstrated that Ghana is faced with a significant financing gap over the coming years and that the country's public debt is unsustainable. The country was downgraded by ratings agencies several times in 2022. During the last quarter of 2022, negotiations took place between the government of Ghana and the International Monetary Fund (IMF) to establish a support programme. According to the IMF's press release No. 22/427, a staff level agreement was reached in mid-December of 2022. However, the execution of this support programme is contingent on the implementation of a debt restructuring plan, which is intended to restore Ghana's macroeconomic stability. In response, the Government of Ghana on 5 December 2022 launched the Ghana Domestic Debt Exchange Programme (GDDEP).

The GDDEP is an arrangement through which registered bondholders in Ghana exchanged their eligible domestic bonds (all locally issued bonds and notes of the

Government and E.S.L.A. Plc and Daakye Trust Plc bonds excluding Treasury bills (T-bills)) for new benchmark bonds with the same aggregate principal amount (plus applicable capitalized accrued and unpaid interest).

The terms of the exchange are set out in the GDDEP memorandum issued on 5 December 2022 which was updated several times with changes to the number of bonds, maturity, and coupon rates of the new "replacement" bonds. The final exchange memorandum was issued on 3 February 2023 with an offer expiration date set to 10 February 2023 and the Settlement Date to 14 February 2023. However, settlement was eventually extended and happened on 21 February 2023.

Only Eligible Bonds listed under "Eligible Bonds" in the Exchange Memorandum were eligible for exchange for New Bonds in the Invitation to Exchange. This included bonds issued by the Republic of Ghana and bonds issued by E.S.L.A. Plc ('ESLA') and Daakye Trust Plc ('Daakye'), which are both special purpose entities set up by the government of Ghana.

Eligible Holders were split into three different categories depending on whether they are Collective Investment Schemes (CIS) Holders or Individual Holders below the age of 59 years eligible as of 31st January 2023 (Category A), Individual



## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

### NOTES TO THE FINANCIAL STATEMENTS

Holders aged 59 years or older as of 31st January 2023 (Category B) or other Eligible Holders (General Category). The Fund falls within the Category A Holders.

In exchange for Eligible bonds maturing in 2023, Category A Holders received two (2) New Category A Bonds, allocated equally, and maturing in 2027 and 2028. The amount eligible for the exchange was the principal amount of the eligible bonds outstanding after 31 January 2023 and accrued interest up to the Settlement Date which was due for payment after 31 January 2023.

Interest on the New Bonds will be paid in cash ("Cash Interest") semi-annually and the principal will be a single payment at maturity. Interest on the New Bonds is 10%. Coupon rates for all eligible bonds were substantially changed, and the maturity of the new bonds (replacing the respective old bonds) were significantly extended compared to the old bonds for

some of the Categories.

#### Bonds eligible for exchange

The Fund participated in the exchange programme on February 7, 2023, and received the new bonds on 21 February 2023. The Fund tendered an offer for exchange of GHS8,855,144 worth of eligible bonds and received the equivalent amount (GHS4,427,572) each of two new bonds on the settlement date.

The table below details the bonds held by the Company which were eligible for the exchange programme. This table does not include accrued interest amounting to GHS247,164 as at 31 December 2022 and was receivable in January 2023. The accrued interest was settled by the Government of Ghana at the due date in January 2023.

Bond Type	Value of Bonds Exchanged at 21 Feb 2023 GHS	Carrying Amount at 31 Dec 2022 GHS	Fair Value at 31 Dec 2022 GHS
GOG Bond	8,855,144	8,646,556	8,501,843
	<b>8,855,144</b>	<b>8,646,556</b>	<b>8,501,843</b>

## FINANCIAL STATEMENT

YEAR ENDED 31 DECEMBER 2022

### NOTES TO THE FINANCIAL STATEMENTS

#### **Impairment of eligible bonds measured at amortised cost**

As at 31 December 2022, it is evident that Ghana is facing financial difficulties, with its sovereign debt trading at significant discounts. The announcement of the GDDEP and the downgrade of the country's rating to 'selective default' (Standard & Poors) by the rating agencies in 2022 further evidences the country's financial challenges. In this regard, exposures to Government of Ghana, that is T-Bills and Cocoa bills, Local US\$ Bonds and Eurobonds, ESLA and Daakye were considered credit-impaired at the reporting date and were downgraded to stage 3.

For bonds eligible for exchange and measured at amortised cost, impairment is assessed based on the fair value of the new bonds issued under the debt exchange programme at the settlement date discounted to the reporting date using the effective interest rate of the eligible bonds. However, these bonds were held at Investments at Fair Value Through Other Comprehensive Income (FVOCI) by the Fund. The Ghana Domestic Debt Exchange 2nd Amended and Restated Exchange Memorandum indicated that the bonds will be listed on the Ghana Fixed Income Market of the Ghana Stock Exchange for secondary market trading. Also, the Securities and Exchange Commission, SEC, in course of the year issued a Directive to Fund Managers, Trustees and Custodians to use the Fair Value through Other Comprehensive Income (FVOCI) in valuing portfolios of collective

investment schemes (Unit Trusts and Mutual Funds). Such investments are not subjected to impairment assessment as such investments are valued at fair market value at reporting dates. No impairment provision was made on these bonds at the reporting date.

#### **Other Government Exposures**

The Fund also held other government exposures in the form of cocoa bills. The Government in a public statement (through an FAQ related to the GDDEP) intends to exchange domestic non-marketable debt and Cocoa bills, under comparable terms at a later stage. The Government also intends to exchange USD denominated local notes at a later stage. External debt restructuring parameters will be renegotiated in due course.

On 19 December 2022, the Ministry of Finance suspended debt service on external debt until renegotiations take place. External debts include Euro Bonds and other external foreign currency denominated debts. On 23 January 2023, the Bank of Ghana unilaterally rolled over cocoa bills that were due to mature.

These events, in addition to the announcement of the GDDEP and the downgrade of the country, provide evidence that other government exposures are credit impaired.

The table below details the Fund's holdings in Cocoa Bills at the end of the reporting period, indicating the carrying amounts and the fair values as at the year ended 31 December 2022

	Carrying Amount at 31 Dec 2022 GHS	Fair Value 31 Dec 2022 GHS
Cocoa Bills	925,003	903,038

Again, no impairment assessment was done on these bills since these bills are tradable instruments and are held as investments at Fair Value through Other Comprehensive income (FVOCI).

## 12. CONTINGENT LIABILITIES

There was no contingent liability at the end of the year.

## 13. RELATED PARTY TRANSACTIONS

The Trust is related to Republic Unit Trust, Republic Wealth Trust, Republic Equity Trust and Republic Real Estate Investment Trust through common Trustee and Fund Manager. As at 31st December 2022, Republic Future Plan Trust has an investment of GH¢27,443 in Republic Unit Trust and an investment of GH¢22,008 in Republic Wealth Trust.

## AMENDMENT TO SCHEME PARTICULARS

### APPROVAL TO AMEND THE SCHEME PARTICULARS - REBALANCING OF ASSET ALLOCATIONS

The Fund Manager, Republic Investments (Ghana) LTD (RIGL) wishes to table for approval by Unit Holders "an amendment to the Scheme Particulars of Republic Future Plan Trust". This is consistent with Section 86 of the Securities Industry Act, 2016 (Act 929), which requires that "... proposal for change in scheme particulars, regulations and any other documents used to operate a unit trust or mutual fund is subject to approval by a special resolution of holders of interests in the unit trust or mutual fund".

#### Background

The Fund Manager, in actively managing the investment portfolio has identified based on adequate due diligence the need to rebalance existing allocation limits contained in the scheme particulars. Financial sector events in recent times including but not limited to the Domestic Debt Exchange Program (DDEP) implementation, the adoption of Mark-to-Market (MTM) method of valuation (per the Securities and Exchange Commission's directive) and emerging alternative investment opportunities have necessitated this revision. Recall the Fund Manager's proposal to you last year to "Expand Republic Future Plan Trust Asset Classes to Include Unlisted Equities and Unlisted Equities-Linked Securities". This was in anticipation of emerging opportunities in the investment space that could accrue significant gains in terms of optimizing the fund's performance. Consequently, the asset allocations have had to be re-adjusted to absorb the approved inclusion in addition to emerging market developments.

#### The Proposed Rebalancing of Existing Asset Allocation

Presented below in the table are highlights of the proposed changes:

<i>COLUMN 1</i>	<i>COLUMN 2</i>	<i>COLUMN 3</i>
	ASSET ALLOCATION PER <i>SCHEME PARTICULARS</i> <i>("OLD/ EXISTING")</i>	ASSET ALLOCATION PER <i>SCHEME PARTICULARS</i> <i>(PROPOSED</i> <i>AMENDMENT)</i>
<i>MONEY MARKET INSTRUMENTS AND FIXED INCOME SECURITIES</i>	<i>At most 60.0% for Money Market Instruments and/or Fixed Income Securities</i>	<i>At most 60.0% for Money Market Instruments and/or Fixed Income Securities</i>
<i>GOG BILLS AND BONDS</i>	<i>NIL</i>	<i>≤60.0%</i>
<i>CORPORATE BONDS</i>	<i>NIL</i>	<i>≤15.0%</i>
<i>LOCAL GOVERNMENT AND MUNICIPAL BONDS</i>	<i>NIL</i>	<i>≤10.0%</i>
<i>FIXED DEPOSITS</i>	<i>NIL</i>	<i>≤50.0%</i>
<i>COLLECTIVE INVESTMENT SCHEME</i>	<i>NIL</i>	<i>≤5.0%</i>
<i>CASH &amp; CASH EQUIVALENTS</i>	<i>NIL</i>	<i>≥5.0%</i>

<i>EQUITIES AND EQUITIES-LINKED SECURITIES (LISTED AND UNLISTED)</i>	<i>The Trust shall invest at least 40.0% of its total assets in securities traded on the Ghana Stock Exchange but such investments shall not exceed 10% of the Trust's Assets in a single company</i>	<i>≤60.0%</i>
<i>LISTED EQUITIES &amp; LISTED EQUITIES-LINKED SECURITIES</i>		<i>≤50.0%</i>
<i>UNLISTED EQUITIES &amp; UNLISTED EQUITIES-LINKED SECURITIES</i>		<i>≤20.0%</i>

NB: The total portfolio allocations shall sum up to 100% at any given point in time.

### Narratives to Asset Rebalancing

Underpinning the changes are the following narratives:

#### ■ Money Market Instruments and Fixed Income Securities (MM&FI):

The allocation to MM&FI remains unchanged. It is recommended that the Republic Future Plan Trust continues to invest at most 60.0% in Money Market Instruments and/or Fixed Income Securities, but with specific allocations as follows;

- GOG Bills and Bonds (less than or equal to 60.0%),
- Corporate Bonds (less than or equal to 15.0%),
- Local Government and Municipal Bonds (less than or equal to 10.0%),
- Fixed Deposits (less than or equal to 50.0%),
- Collective Investment Scheme (less than or equal to 5.0%), and
- Cash & Cash Equivalents (at least 5.00%, in order to be consistent with regulation 26 (7) of LI 1695, which requires the manager of a scheme to ensure that a level of liquidity amounting to at least 5 percent of the assets of the scheme is maintained in cash or near cash....).

■ **Equities and Equities-Linked Securities (Listed and Unlisted):** It is recommended that the allocation to this asset class is amended

from "at least 40.0%" to "less than or equal to 60.0%" of the assets of the scheme, but with specific allocations to its sub-categories. Consequently, there shall be a further split as follows:

'Listed Equities and Listed Equities-Linked Securities' (less than or equal to 50.0%), and 'Unlisted Equities and Unlisted Equities-Linked Securities' (less than or equal to 20.0%).

### Recommendation

The Fund Manager with the consent of the Trustee, hereby presents for the kind consideration and approval from unitholders, the amendments to the scheme particulars, as detailed in the proposed limits/allocations contained under Column 3 of the above table.

### Conclusion

A favourable response to the recommendation above will provide the Fund Manager sufficient space to vary the constituent assets in direct response to possible changes in market dynamics, while ensuring strict compliance, with the objective to actively manage the investment portfolio. Upon receipt of approval from Unitholders, your Fund Manager will proceed to secure approval from the Securities and Exchange Commission before adoption/implementation.

Thank you.

**Signed  
Fund Manager**

## PROXY FORM\*

The 13th Annual General Meeting (AGM) of the Unit Holders of the Republic Future Plan Trust will be held virtually and streamed live via Zoom to all Unit Holders from Republic Bank (Ghana) PLC, Ebankese, Accra at 9:00am on Tuesday, the 25th day of July 2023 to transact the following business:

ORDINARY RESOLUTION	FOR	AGAINST
That the Audited Statement of Income and Expenditure of Republic Future Plan Trust for the financial year ended 31 December 2022 together with the Trustee's Report and the Auditor's Report be received and adopted.		
That the Trustee, in consultation with the Fund Manager, be authorised to appoint an auditor of the Fund for a period of 6 years to audit the accounts of the Republic Future Plan Trust, pursuant to Section 197 of the Securities Industry Act, 2016 (Act 929) and Regulation 48 of the Unit Trusts and Mutual Funds Regulations, 2001 (L. I. 1695).		
SPECIAL RESOLUTION	FOR	AGAINST
That the request to amend the Scheme Particulars of the Republic Future Plan Trust by way of rebalancing the asset allocation limits be approved.		

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

Unless otherwise instructed, the Proxy will vote FOR or AGAINST the above resolutions at his/her discretion.

I/We,..... being a Unit holder(s) hereby appoint

.....as my/our Proxy to act and vote for me/us and on my/our behalf at the 13th Annual General Meeting of the Fund to be held on 25th July 2023 and at any adjournment thereof.

Dated this 21st day of June, 2023.

.....  
Unit Holder(s) Signature

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



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