Premier Investment Banking

INVESTCORP TREASURY SECURITIES FUND PLC.

2021 ANNUAL REPORT

#15 Wawa Drive, North Dzorwulu, Accra | P. O. Box GP 22493, Accra
+233 (0) 302 50 90 45 | info@investcorpgh.com

TABLE OF CONTENTS

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING OF INVESTCORP TREASURY SECURITIES FUND PLC

NOTICE IS HEREBY GIVEN THAT the 2nd Annual General Meeting of InvestCorp Treasury Securities Fund PLC (the **"Company"**) will be held virtually and **streamed live via Zoom on Thursday August 25, 2022 at 11:00 am,** to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the Financial Statements of the Company for the year ended December 31, 2021, together with the reports of the Directors and the external Auditors thereon
2. To authorize the Directors to fix the remuneration of the external Auditors
3. To re-appoint the Non-Executive Directors for a two (2) year term effective 18th January, 2023

ANY OTHER MATTERS

Dated this 12th day of July, 2022.
BY ORDER OF THE BOARD

JLD & MB LEGAL CONSULTANCY
(COMPANY SECRETARY)

NOTE
A member of the Company is entitled to attend and vote at the meeting or to appoint a proxy to attend and vote in his or her stead. A proxy need not be a member of the Company. A proxy form is enclosed with the accounts. Completed proxy forms should be lodged with the Company Secretary, JLD & MB Legal Consultancy, No. 1B Quartey Papafio Avenue, Airport Residential Area, Accra or sent via email to ***info@jldmblaw.net*** not less than 48 hours before the appointed time for meeting (that is, no later than 11:00 am on 23rd August, 2022).
This serves as notice to all shareholders to attend.

PARTICIPATION IN THE AGM VIA ZOOM

Accessing the AGM
- A private Zoom link and password to the meeting will be sent to Board Members and Shareholders by the 15th of August 2022 via email and/or SMS together with other details of participation
- Shareholders who do not receive the access details should contact Jeanette Andrews Darko at *j.darko@investcorpgh.com* or call 0302 50 90 45 or 0501 55 68 70 any time before the date of the AGM
- Shareholders will be granted access once they are verified

Participating in the AGM
- Access to the meeting will be granted from 10:30am and the AGM will officially begin at 11:00 am
- Participants can raise their hands to either second a motion or ask a question during the meeting
- At the time of voting, the poll will appear on your screen. Select your preferred option (For / Against) to vote on a motion

CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF THE INVESTCORP TREASURY SECURITIES FUND

Dear Valued Shareholder,

I warmly welcome you all to the second Annual General Meeting (AGM) of the InvestCorp Treasury Securities Fund, for the year ended December 31, 2021. I am honored to address you today, and on behalf of the Board of Directors I would like to express my utmost gratitude for your continuous trust in the premier Treasury-securities-focused mutual fund in Ghana, to meet your long-term life goals. Over the past year the Fund has appealed to many individual and corporate investors, and I use this opportunity to welcome all the new shareholders. Thank you for working with us.

The InvestCorp Treasury Securities Fund is an open-ended (sovereign-only exposure) Fund designed for investors who seek exposure to Treasury bills, notes and bonds or Treasury-backed securities. It presents an active approach to investment that is well suited for conservative investors who want to invest for retirement planning, education, church and school endowments, among others.

In this address, I will give a general overview of the global and Ghanaian economies in the year 2021 and talk about the performance of the Fund. I will conclude with our economic outlook and expectations of the Fund in the coming year, 2022.

ECONOMIC REVIEW

Global

The global economic recovery gradually began in 2021 even as the pandemic resurged (spread of the Omicron variant) in some parts of China, the UK, amongst others. Global growth for 2021 was estimated at 5.9%, a sharp 9.0% increase from the previous year's slowdown of -3.1%. The growth was primarily supported by the global vaccine rollout program and early policy measures by governments to curtail the spread of the virus, sustain livelihoods and bolster their economies. The rate of inflation trended upwards in advanced and developed economies alike, resulting from rising commodity prices and supply bottlenecks juxtaposed to recovery in global demand.

Ghana

Ghana's economy remained resilient amid dire COVID-19 induced challenges, with overall GDP growth for 2021 estimated at 4.4%. The positive economic outlook was premised on improved business confidence stemming mainly from sound economic policies implemented during the heights of the pandemic, a stable political environment and the implementation of the COVID-19 vaccine roll-out plan. Overall GDP growth was recorded at 5.4% for the year.

In line with real GDP growth, the Ghana Stock Exchange showed strong recovery in 2021, as investor sentiments on the economy and the prospects of listed companies significantly improved. The GSE-CI ended the year with YTD return of 43.66% compared to the -13.98% recorded the previous year.

The Central government's fiscal deficit target of 9.4% was missed due to COVID-19 related expenditure, while revenue underperformance deepened. Debt sustainability remained a key concern to investors, as debt to GDP rose to 80.1% by close of the year.

CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF THE INVESTCORP TREASURY SECURITIES FUND (CONT'D)

HIGHLIGHTS OF KEY ECONOMIC INDICATORS

Exchange Rate

The Ghana Cedi (GHS) ended 2021 weaker against some major trading currencies in spite of the regular FX liquidity support by the Central Bank. It is important to note however, that exchange rate volatility was low during the year. The strengthening US dollar, combined with the increased exits from the local bond market, following U.S. interest rate hikes towards the end of the year put pressure on the cedi. The local currency depreciated by 4.1% and 3.1% against the USD and GBP respectively, but recorded a YTD appreciation of 3.5% against the EUR.

Inflation

Headline inflation for the first half of 2021 generally trended downwards from the 2020-year end figure of 10.4% to 7.5% in May 2021 (similar to pre-pandemic levels and close to the lower limit of the medium-term band of 8±2%), before ticking up to 7.8% in June 2021. The decline in inflation was largely due to a decline in food prices. The second half of the year saw inflation shooting up from 7.8% in June to 10.6% in September 2021 and closed the year at 12.6% (a 4.6% upside deviation from the 2021 year-end inflation target of 8%). At the root of this surge was the sharp increase in the prices of food items over the period.

Interest Rates

Yields on the primary market generally trended downward for the period under review as it ended the year lower compared to yields for the same period in 2020. At the close of the year, the yields on the 91-Day, 182-Day and 364-Day Treasury bills stood at 12.51%, 13.19% and 16.57% respectively, indicating a decline by 157, 93 and 43 basis points from the previous year yields. The decline resulted from the increased demand for GoG securities from commercial banks as they continued to increase investments (from their expanded liquidity room) in government securities to improve their earnings and reduce credit to the private sector.

Fund Performance

The InvestCorp Treasury Securities Fund in 2021, ended the year with an annualized yield of 18.42%, outperforming its benchmark (364-Day Treasury bill) return of 16.57% by 185 basis points. The Assets Under Management (AUM) grew by 333% to GHS 62.84 million. The significant growth in the Fund's size was driven by the competitive return and the safe haven investment it offers to investors.

To enable you, cherished shareholders to gain remote access to your accounts 24/7 and interact conveniently with the fund manager, an electronic self-service platform was launched during the year. This included an online platform, a mobile application to enable smart phone users (android and iOS) gain real-time access to their accounts as well as mobile money USSD short codes (in partnership with Emergent & Zeepay) to allow clients without smart phones or internet service to access their accounts.

We remain confident that the InvestCorp Treasury Securities Fund will continue to post laudable results in 2022 and significantly grow its AUM.

Economic Outlook

The on-going geopolitical violence between Russia and Ukraine has worsened the global economic growth outlook, resulting from massive supply chain disruptions and sharp hikes in global inflation. In April 2022, the IMF revised downward the 2022 global growth estimate to 3.6% from the January growth estimate of 4.4%. The European Union's sanctions on Russia has raised the prospects of tighter oil supply and continuous sharp fuel price increases. Saudi Arabia's readiness to increase oil production may however provide some relief if implemented. There are fears of a global food crisis as the pace of increase in food inflation mirrors the levels recorded in 2008 and 2011 which led to a global food crisis.

CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF THE INVESTCORP TREASURY SECURITIES FUND (CONT'D)

In Ghana, growth prospects remain positive. Government's YouStart initiative under the Ghana CARES (Obaatanpa) Programme is expected to support the SME sector, contribute to growth and further narrow the output gap. Economic growth is however expected to moderate as a result of high production costs from supply bottlenecks and high petroleum prices. Tight monetary conditions, to tame inflationary pressures, may further hamper real sector activities.

Our outlook on inflation is one of sustained elevation, as uncertainty around the on-going geopolitical violence between Russia and Ukraine remains. The central government's fiscal deficit target of 7.4% for 2022 may be missed due to the reduction of the E-Levy (a major revenue source) to 1.5% and the delay in its implementation, leaving room for revenue underperformance.

The expenditure controls put in place by government including the announced 30% cut in salaries of Government appointees and the 20% cut in government expenditure are laudable although we expect some challenges with the implementation of the latter. Despite an expected low external financing, the risk to debt sustainability remains heightened, affected by existing high debt levels and the impact of projected high interest rates on the current domestic interest cost (currently ~80% of total interest payments).

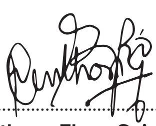
Reliance on domestic financing should soften the impact of external debt financing on the country's reserves and currency depreciation. Rising oil price may however lead to sustained pressure on the cedi to close the year. With the tight financing space and government's reliance on the domestic market for budget financing (by over 70%), coupled with the steady rise in headline inflation, we expect to see interest rates continue to move northwards to close the year.

Closing Remarks

Ladies and Gentlemen, the Treasury Securities Fund is well positioned and our proactive approach to managing the Fund will continue to provide value (attractive returns) to shareholders. Because we live in times marked by high levels of uncertainty, we must continue to remind ourselves of the need to safely build our investments and plan for our various dreams and life goals. We will continue to work with you this year, to grow your money and preserve your wealth.

To close, I would like to express my profound gratitude to the Fund Manager and to the staff of InvestCorp for their hard work towards creating a rewarding investment product for shareholders.

Thank you all, once again



Anthony Ebow Spio
Board Chairman

FUND MANAGER'S REPORT

Portfolio Review

The InvestCorp Treasury Securities Fund achieved a full year yield of 18.42%, against its benchmark of 16.57% (364 Day-T-bill), outperforming the benchmark by 185 basis points.

The Fund continued its impressive growth trajectory recording an end of year AUM of GHS 62,490,383 from the previous year of GHS 14,499,150 which translated into a growth rate of 330.99%. This reaffirmed the confidence investors repose in the fund as a collective investment scheme of choice as it continues to provide a haven for investors seeking safety in treasury securities amidst the COVID-19 pandemic and global economic crisis.

At the end of the reporting period, the portfolio was exposed to Government of Ghana bonds (84.0%), Local Government and Statutory Agency bonds (14.0%), and Government of Ghana Backed Corporate debt (2.0%). The Investment Committee of the Fund manager reviews the asset allocation mix and investment strategy, supported by detailed analysis of the economic environment to ensure a healthy risk-return profile.

Strategy / Recommendations

Our strategy and recommendations for our permitted asset class universe are as follows.

Local Currency Government of Ghana Bonds - We expect yields to remain elevated in 2022 on the back of debt sustainability concerns and anticipated interest rate hikes in the US which is likely to fuel further exits from local currency bond market. Hence we will remain at the short on the yield curve, favouring 2023 -2024 papers, taking advantage of high discount papers and reducing our weighted average days to maturity from 6.72 years to 3.0 years in short order.

Eurobond - Expose the portfolio to Eurobonds as the decline in prices present a discount play with a Held-to-Maturity(HTM) strategy.

Local Government and Agency bonds – Elevated yields presents an opportunity to increase holdings in high discount Cocoa and ESLA papers. We will ramp up our holdings when the opportunities are available.

Government of Ghana backed bonds – Our focus remains in treasury backed securities and the Daakye bond continues to remain attractive. We will increase our holdings when the opportunities are available.

Our active trading strategy will enable us make adjustments to this strategy when the need arises. We have real time pricing data via a Bloomberg terminal which will enable us take advantage of price movements.

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

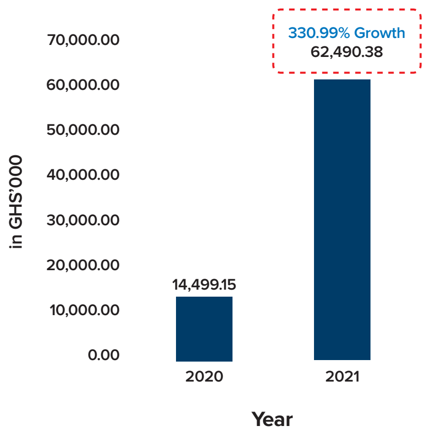
Solomon Adatsi
Fund Manager

PORTFOLIO SUMMARY AS AT DECEMBER 2021

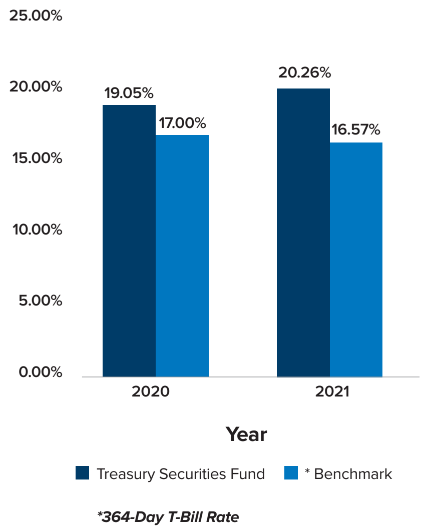
Year	Assets under Management (AUM)	Annualized Yield	364-Day T-Bill	Spread
2020	14,499,150	19.81%	17.00%	2.81%
2021	62,490,383	18.42%	16.57%	1.85%

Fund Information	
Weighted Average Maturity (Yrs.)	6.72

ASSETS UNDER MANAGEMENT AUM (GHS'000)

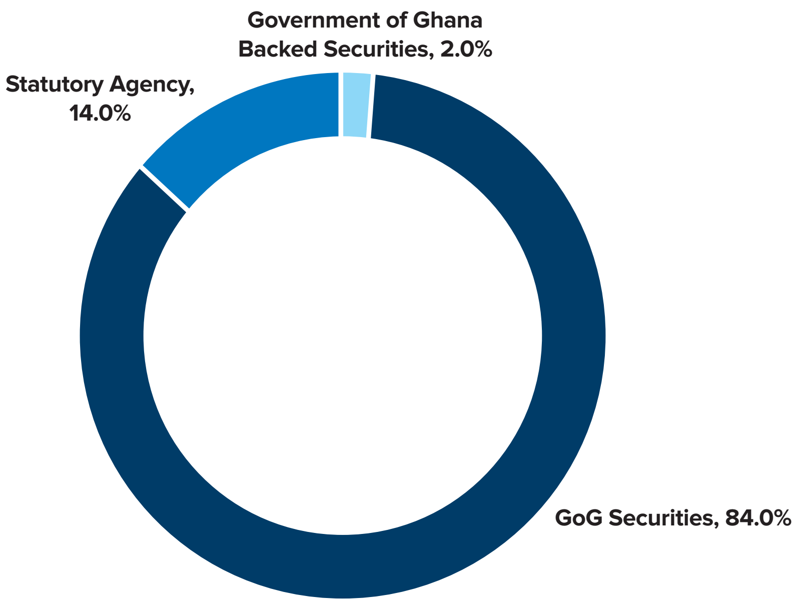


FUND PERFORMANCE (%)

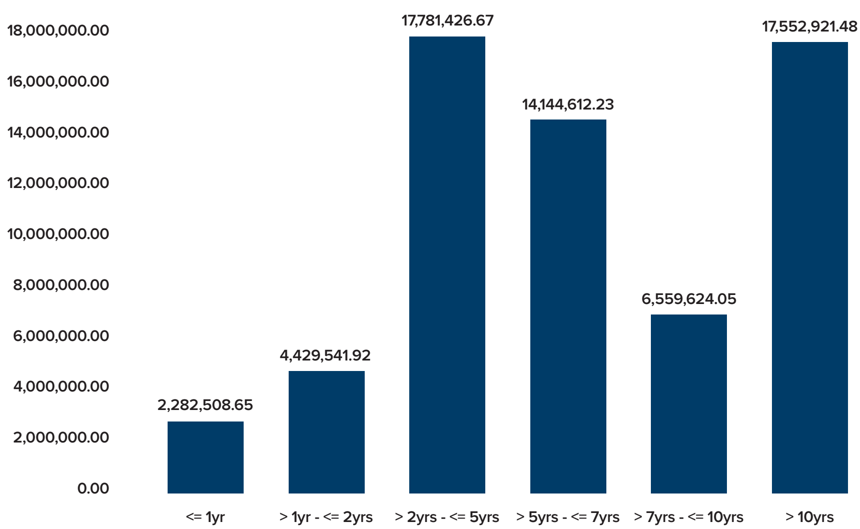


PORTFOLIO SUMMARY AS AT DECEMBER 2021 (CONT'D)

ASSET ALLOCATION (%)



MATURITY PROFILE



REPORT OF THE DIRECTORS TO MEMBERS OF INVESTCORP TREASURY SECURITIES FUND PLC

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements of InvestCorp Treasury Securities Fund PLC ("the Fund") for the year ended 31 December 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements that give a true and fair view of InvestCorp Treasury Securities Fund PLC, comprising the statement of financial position at 31 December 2021, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Securities Industry Act, 2016 (Act 929). In addition, the Directors are responsible for the preparation of the Report of the Directors.

The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

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

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

NATURE OF BUSINESS/ PRINCIPAL ACTIVITIES

The Fund is registered to carry on the business of mobilising funds for investment in government bills and bonds, or treasury backed securities. The fund is designed for conservative investors; organisations and high net worth individuals; who want to invest in risk-free assets with competitive returns. There was no change in the nature of business of the Fund during the year.

INCORPORATION

The Fund was incorporated on 18 January 2019. It received a licence to operate from the Securities and Exchange Commission of Ghana on 17 March 2020 and started operations in June 2020.

FINANCIAL STATEMENTS/ BUSINESS REVIEW

The financial results of the Fund for the years ended 31 December 2021 and 31 December 2020 are set out in the financial statements, highlights of which are as follows:

	2021	2020
	GH¢	GH¢
Increase in net assets attributable to holders of redeemable shares from operations	5,598,68	665,443
Total Assets	62,557,649	14,514,523
Total Liabilities	67,266	15,373
Total Equity	62,490,383	14,499,150

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

REPORT OF THE DIRECTORS TO MEMBERS OF INVESTCORP TREASURY SECURITIES FUND PLC (CONT'D)

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER DURING THE FINANCIAL YEAR

No Director had any interest in contracts and proposed contracts with the Fund during the year under review, 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).

CORPORATE SOCIAL RESPONSIBILITY

The Fund did not undertake any corporate social responsibility (CSR) programmes during the current and prior years.

CAPACITY BUILDING OF DIRECTORS TO DISCHARGE THEIR DUTIES

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

AUDIT FEES

The audit fee for the year is GH¢ 22,540 (2020: GH¢ 20,000).

APPROVAL OF THE REPORT OF THE DIRECTORS

The report of the directors of InvestCorp Treasury Securities Fund PLC, was approved by the board of directors on April 21st 2022 and signed on their behalf by

....	....
Signature	**Signature**
Henry Sunkwa-Mills	Mark Kofi Amoako
Name of Director	**Name of Director**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP TREASURY SECURITIES FUND PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of InvestCorp Treasury Securities Fund Plc ("the Fund"), which comprise the statement of financial position at 31 December 2021, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 18 to 40.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Securities Industry Act, 2016 (Act 929).

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 Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Ghana and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our 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.

Interest Income GH¢ 6,043,810 Refer to Note 7 to the financial statements	
The key audit matter	***How the matter was addressed in our audit***
Interest income consists of interest on government bills and bonds. The accuracy of the computation of interest income earned is dependent on the completeness and accuracy of the investment details, such as the investment amount, interest rates and the maturity dates, captured on the investment schedule. Interest on government bills and bonds earned is based on computation of interest by the Norbus system and its accuracy is dependent on the completeness and accuracy of the investment balances input in the system. Due to the manual nature of inputting investment balances in the system, there is a risk that the interest may be wrongly computed which could adversely impact the total interest income balance.	Our procedures included: • Evaluated the design and implementation and testing the operating effectiveness of key controls over computation of interest income • Selected a sample and agreed the underlying data used in the computation of investment income to supporting documents. • Re-computed interest income amounts to ensure their accuracy as well as the appropriateness of accounting treatment. • Evaluated the adequacy of the disclosure in line with the requirements of the applicable standard

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP TREASURY SECURITIES FUND PLC

Key Audit Matters (cont'd)

The key audit matter	***How the matter was addressed in our audit***
Given that revenue is an important measure to the Fund's performance targets, there is a presumed risk that revenue may not be appropriately recognized. We therefore consider interest income on investments to be a key audit matter.	

Impairment losses on financial instruments GH¢100,941 Refer to Note 15 to the financial statements	
The key audit matter	***How the matter was addressed in our audit***
At 31 December 2021, the Fund reported total impairment on financial instruments of GH¢ 100,941. The measurement of impairment under IFRS 9 is deemed a key audit matter as the determination of assumptions for the measurement of impairment requires management to apply significant judgments about future events. The key areas where we identified significant levels of management judgement and therefore increased levels of audit focus in the implementation of IFRS 9 is the timing and measurement of expected credit losses (ECL) in determining the allocation of assets to stage 1, 2, or 3 brackets. Given the high degree of estimation uncertainty and significance of the balance, we considered impairment allowances on investments to be a key audit matter.	In addressing the key audit matter the following procedures were performed: • Assessed the completeness and accuracy of key data inputs used in the ECL calculation through testing relevant data. • Performed an overall assessment of the ECL provision levels by stage to determine if they were reasonable considering the Fund's portfolio, risk profile, credit risk management practices and management assumptions used in determining management overlay. • Assessed the appropriateness of the Fund's methodology for determining the ECL. • Assessed whether the disclosures of the key judgements and assumptions made were appropriate in terms of IFRS 9.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992) and Corporate Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP TREASURY SECURITIES FUND PLC

KPMG

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Securities Industry Act, 2016 (Act 929), and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Fund'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 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 for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund'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 Fund to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP TREASURY SECURITIES FUND PLC

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, so far as appears from our examination of those books.

The statements of financial position and comprehensive income are in agreement with the accounting records and returns.

We are independent of the Fund under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditor's report is Frederick Nyan Dennis (ICAG/P/1426).

KPMG

....

For and on behalf of:
KPMG: (ICAG/F/2021/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

21st April 2022

INVESTCORP TREASURY SECURITIES FUND PLC
STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

	Note	2021 GH¢	2020 GH¢
Assets			
Investments	10	62,350,466	14,171,813
Cash and cash equivalents	9	207,183	342,710
Total assets		62,557,649	14,514,523
Liabilities			
Accrued expenses	14	67,266	15,373
Total liabilities		67,266	15,373
Net assets attributable to holders of redeemable shares		**62,490,383**	**14,499,150**
Equity			
Shareholder's fund	11	56,226,257	13,833,707
Retained earnings	13	6,264,126	665,443
Total equity		**62,490,383**	**14,499,150**

The financial statements of InvestCorp Treasury Securities Fund PLC were approved by the Board of Directors on April 21st 2022 and signed on their behalf by:

Signature	**Signature**
Henry Sunkwa-Mills	Mark Kofi Amoako
Name of Director	**Name of Director**

The notes on pages 18 to 40 form an integral part of these financial statements.

INVESTCORP TREASURY SECURITIES FUND PLC STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Note	**GH¢**	**GH¢**
Interest income calculated using the effective interest method	7	6,043,810	708,161
Expenses	8	(344,186)	(42,718)
Impairment charge on financial instruments	15	(100,941)	-
Increase in net assets attributable to holders of redeemable shares from operations		**5,598,683**	**665,443**
Basic & Diluted earnings per share (Ghana Cedi per share)	20	0.12	0.05

The notes on pages 18 to 40 form an integral part of these financial statements.

INVESTCORP TREASURY SECURITIES FUND PLC STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 GH¢	2020 GH¢
Balance at 1 January		14,499,150	-
Increase in net assets attributable to holders of redeemable shares		5,598,683	665,443
Contributions and redemptions by holders of redeemable shares:			
Issue of redeemable shares during the year	11	53,908,238	14,343,359
Redemption of redeemable shares during the year	11	(11,515,688)	(509,652)
Total contributions and redemptions by holders of redeemable shares		42,392,550	13,833,707
Balance at 31 December		**62,490,383**	**14,499,150**

The notes on pages 18 to 40 form an integral part of these financial statements.

INVESTCORP TREASURY SECURITIES FUND PLC STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 GH¢	2020 GH¢
Cash flows from operating activities			
Increase in net assets attributable to holders of redeemable shares		5,598,683	665,443
Adjustments for:			
Interest income	7	(6,043,810)	(708,161)
Impairment charge on financial instruments	15	100,941	-
		(344,186)	(42,718)
Changes in:			
Accrued expenses	14	51,893	15,373
		(292,293)	(27,345)
Interest received	7	3,203,561	221,393
Net cash generated from operating activities		2,911,268	194,048
Cash flows from investing activities			
Purchase of investments	10	(52,371,468)	(13,685,045)
Sale of investments	10	6,932,123	-
Net cash used in investing activities		(45,439,345)	(13,685,045)
Cash flows from financing activities			
Proceeds from issue of redeemable shares	11	53,908,238	14,343,359
Payments on redemption of redeemable shares	11	(11,515,688)	(509,652)
Net cash from financing activities		42,392,550	13,833,707
Net increase/(decrease) in cash and cash equivalents		(135,527)	342,710
Cash and cash equivalents at 1 January	9	342,710	-
Cash and cash equivalents at 31 December	9	**207,183**	**342,710**

The notes on pages 18 to 40 form an integral part of these financial statements.

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

InvestCorp Treasury Securities Fund PLC is a public limited liability Company incorporated and domiciled in Ghana. The principal activity of the Fund is to create a pool of funds and invest these funds in a range of securities.

The Fund is an open-ended mutual fund which is aimed at mobilising funds from investors who are interested in risk-free investments. The fund is designed for investors who seek exposure to government bills and bonds, or treasury backed securities which presents a more active approach to investment that is well suited for conservative investors who want to invest in safe assets over the medium to long term.

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

These financial statements comprise the individual financial statements of the Fund as at and for the year ended 31 December 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act, 2019 (Act 992) and the Securities Industry Act 2016 (Act 929).

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The financial statements are presented in Ghana cedis, which is the Fund's functional currency. All amounts have been rounded to the nearest Ghana cedi, unless otherwise indicated.

2.4 Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

i. Judgements

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

- Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL. See Note 3.6.

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 December 2021 is included in the following notes.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Interest income/expense

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

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

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

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

3.2 Fees

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

3.3 Cash and cash equivalents

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

3.4 Income tax

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

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3.5 Financial assets and liabilities

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

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial asset

On initial recognition, a financial asset is classified and measured at: amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL.
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Business model assessment

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

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

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

The Fund has determined that it has one business model.

- Held-to-collect business model: this includes cash and cash equivalent and investment in treasury securities such as government bills and bonds. These financial assets are held to collect contractual cash flow.

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Assessment whether contractual cash flow is SPPI

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

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

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

Reclassification

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

Subsequent measurement of financial assets

- Financial assets at amortised costs

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

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

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

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

iii. Derecognition

Financial assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

transfers nor retains substantially all of the risk and rewards of ownership and does not retain control over the transferred asset.

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

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

Financial liabilities

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

iv. Shareholder's Fund

Redeemable shares

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Fund issues redeemable shares that are the most subordinate classes of financial instruments issued by the Fund, they entitle the holders to the residual net assets, after repayment of the nominal amount of equity shares. The redeemable shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund net assets at each redemption date and also in the event of the Fund's liquidation.

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

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- It is in the class of instruments that is subordinate to all other classes of instruments;
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- Apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- The total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

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

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

Repurchase of redeemable shares

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

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3.6 Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

Measurement of ECL

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive in respect of not-credit impaired financial assets and as the difference between the gross carrying amount and the present value of estimated future cash flows for credit impaired financial assets).

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

Credit-impaired financial assets

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

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

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

3.7 Changes in significant accounting policies

A number of new standards are effective from 1 January 2021, but they do not have a material effect on the Fund's financial statements.

The Fund has consistently applied the accounting policies to all periods presented in these financial statements.

a. COVID-19-Related Rent Concessions (Amendments to IFRS 16)

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.

The practical expedient will only apply if:
- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:
- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied. It is not expected that this will impact the Fund significantly.

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

b. Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

IBOR reform will generally result in a change in the basis for determining the contractual cash flows of that financial asset or financial liability. As a practical expedient, a fund will apply paragraph B5.4.5 of IFRS 9 to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by IBOR reform – i.e. update the effective interest rate of the financial asset or financial liability. For this purpose, a change is required by IBOR reform if the following conditions are met.

- The change is necessary as a direct consequence of the reform.
- The new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately before the change).

If there are other changes to the basis for determining the contractual cash flows, then a fund first applies the practical expedient to the changes required by IBOR reform and then other applicable requirements of
IFRS 9.

An insurer applying IAS 39 will also apply amendments similar to the above. The amendments are applied for annual periods beginning on or after 1 January 2021 with earlier application permitted. It is not expected that this will impact the Fund significantly.

4. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been applied in preparing these financial statements. Those which may be relevant to the Fund are set out below. The Fund does not plan to early adopt these Standards. The Fund is yet to assess the impact of the standards on the financial statements.

a. Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:
- the incremental costs – e.g. direct labour and materials; and
- an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. Earlier application is permitted.

INVESTCORP TREASURY SECURITIES FUND PLC NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

b. Annual Improvements to IFRS Standards 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards	The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
IFRS 9 Financial Instruments	The amendment clarifies that for the purpose of performing the ''10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
IFRS 16 Leases	The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.
IAS 41 Agriculture	The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

c. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
- costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the fund first applies the amendments.

d. Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendment has:

- updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and

INVESTCORP TREASURY SECURITIES FUND PLC NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

e. Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

It is not expected that this will impact the Fund significantly.

The amendments are to be applied retrospectively from 1 January 2023.

f. Definition of accounting estimates (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

policies occurring on or after the beginning of the first annual reporting period in which the fund applies the amendments. It is not expected that this will impact the Fund significantly.

g. Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a fund's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

It is not expected that this will impact the Fund significantly.

The amendments are effective from 1 January 2023 but may be applied earlier.

h. Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendment to IAS 12)

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

It is not expected that this will impact the Fund significantly.

The amendments are effective from 1 January 2023 but may be applied earlier.

i. COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

In May 2020, the Board issued COVID-19 Related Rent Concessions (the 2020 amendments), which amended IFRS 16 Leases. The 2020 amendments introduced an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19.

INVESTCORP TREASURY SECURITIES FUND PLC NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Under that practical expedient, a lessee is not required to assess whether eligible rent concessions are lease modifications, instead accounting for them in accordance with other applicable guidance.

The practical expedient introduced in the 2020 amendments only applies to rent concessions for which any reduction in lease payments affects solely payments originally due on or before 30 June 2021. The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated. As a result, lessors and lessees are negotiating rent concessions that extend beyond 30 June 2021. The Board has therefore extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

It is not expected that this will impact the Fund significantly.

The 2021 amendments are effective for annual reporting periods beginning on or after 1 April 2021. Lessees are permitted to apply it early, including in financial statements not authorised for issue. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings.

5. FINANCIAL RISK MANAGEMENT

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

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

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

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

The COVID-19 pandemic did not have a significant impact on the Fund and its financial risk management.

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

5.1. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from non-derivative financial instruments held by the Fund and cash and cash equivalents. For risk management reporting purposes, the Fund considers and aggregates all elements of credit risk exposure such as individual obligor default risk, country risk and sector risk.

The Fund'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 credit standards set out in the Fund's

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

prospectus.

Credit risk is monitored on a daily basis by the fund administrator in accordance with policies and procedures in place.

5.1.1 Concentration of credit risk

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

	2021	2020
	GH¢	GH¢
Financial institutions:		
Investments	62,350,466	14,171,813
Cash at bank	207,183	342,710
	62,557,649	14,514,523

5.1.2 Amounts arising from ECL

Impairment of cash and cash equivalents, and investment in fixed deposits and government securities have been measured on a 12-month expected credit loss basis and reflects the maturities of the exposures. The Fund considers that these exposures have low credit risk because they are held with Government of Ghana and reputable regulated banks.

The Fund monitors changes in credit risk on these exposures by tracking published external credit ratings of the Government of Ghana. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Fund supplements it by reviewing changes in bond yields, where available together with available press and regulatory information about counterparties.

12-month and lifetime probabilities of default are based on historical data supplied by rating agency for each credit rating. Loss given default parameters generally reflect an assumed recovery rate of 60%. However, if the asset were credit-impaired, then the estimate of loss would base on a specific assessment of expected cash shortfalls and on the original effective interest rate.

Impairment loss recognised for financial assets at the end of the year was GH¢ 100,941 (2020: GH¢ Nil).

5.1.3 Credit quality of investments and cash and cash equivalents

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

5.1.4 Accounting classification and fair values of financial assets and liabilities

The table below shows the carrying amounts and fair values of financial assets and liabilities in the statement of financial position and their categories. It does not include the fair value information for

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying value 2021 GH¢	Carrying value 2020 GH¢
Financial assets not measured at fair value		
Government securities	62,350,466	14,171,813
Cash and cash equivalents	207,183	342,710
Financial liabilities not measured at fair value		
Accrued expenses	67,266	15,373

Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value in the statement of financial position, analysed by reference to levels in the fair value hierarchy into which each fair value measurement is categorized:

31 December 2021

Assets	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Cash and cash equivalents	-	207,183	-	207,183	207,183
Investment Securities	-	55,058,678	-	55,058,678	55,058,678
	-	55,058,678	-	55,058,678	55,058,678

31 December 2020

Assets	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Cash and cash equivalents	-	342,710	-	342,710	342,710
Investment Securities	-	12,308,227	-	12,308,227	12,308,227
	-	12,308,227	-	12,308,227	12,308,227

5.2 Market risk

Market risk is the risk that changes in market prices such as interest rates will affect the Fund's income or the value of its holding of financial instruments. The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The primary investment objective of the Fund is to seek growth and create value for shareholders by investing in government bills and bonds, or treasury backed securities. The Fund's market risk is managed on a daily basis by the Fund Manager in accordance with the policies and procedures in place. The Fund diversifies its portfolio with the approval of its Board of Directors. However, borrowing may be done for the purpose of ensuring liquidity, if the need arises. This may not be more than 15% of the total assets of the Fund at the time of borrowing.

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5.2.1 Interest rate risk

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

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

Exposure to interest rate risk

The Fund does not account for any fixed rate financial instruments at fair value through profit or loss therefore a change in interest rates at the reporting date would not affect profit or loss. No interest rate sensitivity analysis has thus been disclosed.

The Fund did not have variable-rate financial instruments and interest-bearing liabilities in 2021 (2020: GH¢ Nil).

The table below summarises the repricing profiles of the Fund's financial instruments as at 31 December 2021 and 31 December 2020. Items are allocated to time periods by reference to the earlier of the next contractual interest rate repricing and maturity dates.

At 31 December 2021

	Up to 1mth GH¢	1-3mths GH¢	3-12mths GH¢	Above 1year GH¢	Total GH¢
Investments	-	-	2,769,727	59,580,739	62,350,466
Total financial assets	-	-	2,769,727	59,580,739	62,350,466

At 31 December 2020

	Up to 1mth GH¢	1-3mths GH¢	3-12mths GH¢	Above 1year GH¢	Total GH¢
Investments	-	117,752	1,504,892	12,549,169	14,171,813
Total financial assets	-	117,752	1,504,892	12,549,169	14,171,813

5.2.2 Currency risk

The Fund's currency risk is managed on a daily basis by the investment manager in accordance with the policies and procedures in place. At 31 December 2020, all assets and liabilities of the Fund were denominated in the presentation and functional currency therefore there is no currency mismatch.

5.2.3 Operational risk

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

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

and generally accepted standards of investment management behaviour.

Substantially all of the assets of the Fund are held by Standard Chartered Bank Ghana PLC. The bankruptcy or insolvency of the Fund's Custodian may cause the Fund's rights with respect to the securities held by the Custodian to be limited. The Investment Manager monitors the credit ratings and capital adequacy of its Custodian on a regular basis.

5.4 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations that are settled by delivering cash or another financial asset. The Fund's policy and the investment manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund holds investments in government securities. The Fund's liquidity risk is managed on a daily basis by the Fund Manager in accordance with the policies and procedures in place. The Manager of the Fund will at all times maintain prudent levels of liquidity. The Fund may keep up to 5% of its NAV in cash and cash equivalents or treasury debt to meet possible redemptions. In the unusual event that the Fund suffers withdrawals in excess of liquid funds for such purpose, the Fund may borrow on its assets to meet such withdrawals with interest charged to the Fund. In such event, the Fund Manager shall use all reasonable efforts to reverse this trend within the shortest possible time.

5.3.1 Non-derivative financial assets held for managing liquidity risk

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

2021	Up to 1mth GH¢	1-3mths GH¢	3-12mths GH¢	Above 1year GH¢	Total GH¢
Liabilities					
Accrued expenses	67,266	-	-	-	67,266
	67,266	-	-	-	67,266
Assets					
Investments	-	-	2,769,727	59,580,739	62,350,466
Cash and cash equivalents	207,183	-	-	-	207,183
Assets held for managing liquidity risk	207,183	-	2,769,727	59,580,739	62,557,649
Liquidity gap	139,917	-	2,763,696	59,580,739	62,490,383

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2020	Up to 1mth GH¢	1-3mths GH¢	3-12mths GH¢	Above1 year GH¢	Total GH¢
Liabilities					
Accrued expenses	15,373	-	-	-	15,373
	15,373	-	-	-	15,373
Assets					
Investments	-	117,752	1,504,892	12,549,169	14,171,813
Cash and cash equivalents	342,710	-	-	-	342,710
Assets held for managing liquidity risk	342,710	117,752	1,504,892	12,549,169	14,514,523
Liquidity gap	327,336	117,752	1,504,892	12,549,169	14,499,150

6. CAPITAL MANAGEMENT

At 31 December 2021, the Fund had GH¢ 56,226,257 (2020: GH¢ 13,833,707) of redeemable share capital classified as equity.

i. Fund objectives

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

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

There were no changes in the policies and procedures during the year ended 31 December 2021 and 31 December 2020 with respect to the Fund's approach to its redeemable share capital management. The Fund is not subjected to externally imposed capital requirements and has no legal restriction on the issue, repurchase or resale of redeemable shares beyond those included in the scheme particulars of the Fund.

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

	2021 GH¢	2020 GH¢
Total liabilities	67,266	15,373
Less: Cash and bank balances	207,183	342,710
Net debt	(139,917)	(327,337)
Equity	62,490,383	14,499,150
Net debt to equity ratio	-0.22%	-2.26%

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INTEREST INCOME CALCULATED USING THE EFFECTIVE INTEREST METHOD

	2021	2020
	GH¢	GH¢
Interest on matured fixed deposits	3,203,561	221,393
Interest on fixed deposits yet to mature	2,840,249	486,768
	6,043,810	708,161

8. EXPENSES

	2021	2020
	GH¢	GH¢
Management fee	172,093	21,359
Administrative fee	172,093	21,359
	344,186	42,718

The Fund appointed InvestCorp Asset Management Limited, an investment management company, incorporated in Ghana, to implement the investment strategy as specified in its prospectus. Under the investment management agreement, the Investment Manager receives a management fee at an annual rate of 0.5% of the net asset value attributable to holders of redeemable shares as defined in the prospectus. The Fund Manager is also entitled to an additional charge of 0.5% per annum of net asset value attributable to holders of redeemable shares as administrative fees to enable it meet general expenses and make payments to service providers. The investment management and administrative fees incurred during the year amounted to GH¢ 344,186 (2020: GH¢ 42,718).

Included in administrative fee is vat exclusive audit fee of GH¢ 22,540 (2020: GH¢ 20,000).

9. CASH AND CASH EQUIVALENTS

	2021	2020
	GH¢	GH¢
Absa Bank Ghana Limited	198,065	150,079
Standard Chartered Bank Ghana PLC	9118	192,631
	207,183	342,710

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVESTMENTS

	2021	2020
	GH¢	GH¢
At 1 January	14,171,813	-
Additions	52,082,181	13,685,045
Redeemed on maturity	(6,642,836)	-
Accrued income	2,840,249	486,768
Impairment	(100,941)	-
At 31 December	62,350,466	14,171,813
1 year Government of Ghana bond	1,466,083	1,191,670
2 year Government of Ghana bond	647,292	990,000
3 year Government of Ghana bond	5,328,833	2,001,659
5 year ESLA bond	-	4,137,150
5 year Government of Ghana bond	13,903,980	-
6 year Government of Ghana bond	8,705,642	1,030,000
7 year Government of Ghana bond	3,737,896	-
10 year Government of Ghana bond	8,013,510	2,334,766
10 year Daakye Bond	1,179,613	-
12 year ESLA bond	8,269,977	1,999,800
15 year Government of Ghana bond	8,257,391	-
	59,510,217	13,685,045
Interest receivable	2,840,249	486,768
	62,350,466	14,171,813
Current	2,769,727	1,622,644
Non-current	59,580,739	12,549,169
Total	62,350,466	14,171,813

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. SHAREHOLDER'S FUND

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

	Number of Shares	2021 GH¢	Number of Shares	2020 GH¢
Shares in issue at 1 January	12,755,412	13,833,707	-	-
Shares issued during the year	41,326,685	53,908,238	13,209,566	14,343,359
	54,082,097	67,741,945	13,209,566	14,343,359
Shares redeemed	(8,592,868)	(11,515,688)	(454,154)	(509,652)
Shares in issue at 31 December	45,489,229	56,226,257	12,755,412	13,833,707

Included in share amount redeemed during the year is exit fees of GH¢ 32,863 (2020: GH¢ 3,858). The Fund charges its clients exit fees when investments are liquidated any time before three years. Exit fees charged are paid to InvestCorp Asset Management Limited (Fund Manager). Exit fee ranges from 0% to 1% of the amount disinvested as detailed below:

Years invested		Percentage applied as exit fee
0 – 1	-	1.00%
1 - 2	-	0.75%
2 - 3	-	0.50%
After 3	-	0.00%

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. RELATED PARTY TRANSACTIONS

InvestCorp Asset Management Limited is the Fund Manager of the Fund. The Fund's operations and payments are carried out by the Fund Manager on behalf of the Fund. The related party transactions, outstanding balances at the year end and related income and expense are as follows:

a) Transactions during the year

	2021 GH¢	2020 GH¢
Management fee	172,093	21,359
Administrative fee	172,093	21,359
	344,186	42,718
Exit fee	32,863	3,858

b) Outstanding balances at year end

Accrued Expenses

InvestCorp Asset Management Limited	67,266	15,373

For details of the significant terms of this related party relationship, refer to Note 14.

13. RETAINED EARNINGS

	2021 GH¢	2020 GH¢
At 1 January	665,443	-
Increase in net assets	5,598,683	665,443
At 31 December	6,264,126	665,443

14. ACCRUED EXPENSE

	2021 GH¢	2020 GH¢
Accrued management and administrative fee	67,266	15,373

The Fund is charged Management fees and Administrative fees of 1.25% and 1% respectively on the total Portfolio Value at the end of each day. These fees are paid to the Fund Manager in the following month and are accrued at the end of each month.

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

	2021 GH¢	2020 GH¢
Opening balance	-	-
Charge for the year	100,941	-
Closing balance	100,941	-

2021 **Investment Securities**	**Stage 1** **GH¢**	**Stage 2** **GH¢**	**Stage 3** **GH¢**	**Total** **GH¢**
Gross carrying amount	62,451,407	-	-	62,451,407
Loss allowance	(100,941)	-	-	(100,941)
	62,350,466	-	-	62,350,466

2020 **Investment Securities**	**Stage 1** **GH¢**	**Stage 2** **GH¢**	**Stage 3** **GH¢**	**Total** **GH¢**
Gross carrying amount	14,171,813	-	-	14,171,813
Loss allowance	-	-	-	-
	14,171,813	-	-	14,171,813

16. CONTINGENT LIABILITIES

There are no claims from legal actions brought by various persons against the Fund or any other claims in the current year (2020: GH¢ Nil).

17. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2021 (2020: GH¢ Nil).

18. SUBSEQUENT EVENTS

No events have occurred since the end of the reporting period that would have had a material effect on the financial statements or require disclosure.

INVESTCORP TREASURY SECURITIES FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. SEGMENT REPORTING

An operating segment is a component of the entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Fund does not have an operating segment.

20. EARNINGS PER SHARE

The Fund presents basic and diluted EPS data for its shares. Basic EPS is calculated by dividing the profit or loss that is attributable to shareholders of the Fund by the weighted-average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to shareholders and the weighted-average number of shares outstanding for the effects of all dilutive potential shares.

The calculation of basic and diluted earnings per share has been based on the profit attributable to shareholders of and weighted-average number of shares outstanding. Diluted earnings per share was calculated after adjusting for all the effects of all dilutive potential shares.

	2021	2020
Increase in net assets attributable to equity holders (GH¢)	5,598,683	665,443
Weighted average number of shares at 31 December	45,489,229	12,755,412
Basic earnings per share (Ghana cedis per share)	0.12	0.05
Diluted earnings per share (Ghana cedis per share)	0.12	0.05

CORPORATE INFORMATION
INVESTCORP TREASURY SECURITIES FUND PLC

BOARD OF DIRECTORS	Anthony Ebow Spio (Chairman) Mark Amoako (Director) Waltrude Aboagye (Director) Henry Sunkwa-Mills (Director) Kwabena Ofori Apeagyei (Director)
FUND MANAGER	InvestCorp Asset Management Ltd. No.15, Wawa Drive North Dzorwulu Accra
REGISTERED OFFICE	No.15, Wawa Drive North Dzorwulu Accra
CUSTODIAN	Standard Chartered Bank Ghana Ltd. Head Office 87 Independence Avenue Accra
COMPANY SECRETARY	JLD & MB Legal Consultancy No. 18 Quartey Papafio Avenue Airport Residential Area P.O. Box 410 Accra
AUDITOR	KPMG Chartered Accountants 13 Yiyiwa Drive, Abelenkpe P.O. Box 242 Accra
BANKERS	Absa Bank Ghana Ltd. Independence Avenue Accra

DIRECTORS' PROFILE

NAME
ANTHONY EBOW SPIO

OCCUPATION
CORPORATE EXECUTIVE

POSITION
BOARD CHAIRMAN

Mr. Anthony Ebow Spio is a Senior Lecturer and Head of the Business Administration Department of Ashesi University College where he is responsible for providing strategic and academic leadership. Before joining Ashesi University, Mr. Spio was the General Manager of DiscoveryTel Ghana Limited where he developed a business plan to raise USD 1million to launch new internet service/technology with the potential of generating USD 10million. He was also the President and Managing Director of Spio & Spio Consulting Limited. Mr. Spio also held various top-level positions at Unilever Ghana and Nigeria as a Brands and Marketing Manager. His professional skills center on strategy development, competitor analysis, enterprise development, marketing and brand development.

He earned a Diploma in Sustainable Local Economic Development from Erasmus University, Rotterdam, an MSc in International Marketing from the University of Strathclyde, Scotland and an Advanced Marketing Diploma from the Institute of Marketing Management, South Africa. Mr. Spio also possesses a B.A. (Hons) Economics from the University of Ghana. He is a fellow of the Chartered Institute of Marketing U.K. 2013.

NAME
MARK AMOAKO

OCCUPATION
ACCOUNTANT

POSITION
DIRECTOR

Mr. Mark Kofi Amoako is a Chartered Accountant with over 10 years experience in Financial Management,Taxation, Mergers & Acquisitions, Public Finance Management, Financial and Operational Audit. He has been a Regional Accountant at the National Health Insurance Authority since 2012 with the Core Responsibility of training, supervising, monitoring and evaluating of Accountants, examining financial transaction processes to help establish financial controls, supervise and prepare budgets.

He holds a first Degree in Banking and Finance with the University of Ghana; MSc. International Economics, Banking and Finance and a member of the Association of Chartered Certified Accountants – UK and Institute of Chartered Accountants – Ghana.

NAME
WALTRUDE ADZOAVI ABOAGYE

OCCUPATION
LAWYER

POSITION
DIRECTOR

Waltrude is a junior associate at Beyuo & Co. and is heavily involved in arbitration and mediation. She assists the managing partner of the firm in the conduct of all arbitration proceedings, as well as conducting research and writing opinions. Waltrude has attended a number of arbitration conferences including 17th Annual IBA international Arbitration Day, held in Paris, France and the LCIA MIAC International Arbitration Lunch Symposium, held in Accra, Ghana. She also took part in a One Day Sensitization Program on Court Connected Alternative Dispute Resolution (CCADR), held in Accra, Ghana. She is also involved civil litigation and manages the portfolios of clients for which the firm acts as company secretary, including attending board meetings on behalf of the firm.

She is fluent in French and holds a B.A in French and Law from KNUST and a certificate d'étude française from the Université de Caen Basse -Normandie. She studied law at the University of Ghana from 2008- 2010 and obtained her professional certificate from the Ghana School of law in 2012. She is a member of the Chartered institute of Arbitrators and a member of the Ghana Bar Association.

DIRECTORS' PROFILE

NAME
HENRY SUNKWA-MILLS

OCCUPATION
INVESTMENT BANKER

POSITION
DIRECTOR

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

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

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

Henry obtained an honors degree in Business Administration (Finance) from Morehouse College in Atlanta, Georgia, USA, graduating summa cum laude. He is a member of the Phi Beta Kappa and Beta Gamma Sigma honor societies. In 2012, Henry was admitted to Cornell University's Johnson School of Management MBA program but did not pursue it.

NAME
KWABENA OFORI APEAGYEI

OCCUPATION
INVESTMENT BANKER

POSITION
DIRECTOR

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

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

CUSTODIAN'S REPORT

INTERNAL

standard chartered

March 10, 2022

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

REPORT OF THE CUSTODIAN TO THE INVESTORS OF INVESTCORP TREASURY SECURITIES FUND – DECEMBER 31, 2021

Standard Chartered Bank Ghana PLC confirms the investment holding for InvestCorp Treasury Securities Fund as at December 31, 2021 as follows:

GOVERNMENT BONDS		
Security Name	**Position**	**Valuation**
REPUBLIC OF GHANA - 18.3 PCT BDS 02.03.2026 GHS1000	3,081,204.00	3,274,242.59
REPUBLIC OF GHANA - 17.7 PCT BDS 18.03.2024 GHS1000	700,000.00	735,059.62
REPUBLIC OF GHANA - 19.75 PCT BDS 07.07.2031 GHS1000	1,928,016.00	2,120,534.06
REPUBLIC OF GHANA - 19.5 PCT SNR BDS 13.07.2026 GHS1000	3,112,270.00	3,417,106.07
GOG-BD-06.09.27-A5708-1763-18.80	1,495,745.00	1,583,155.59
REPUBLIC OF GHANA - 19 PCT BDS 28.09.2023 GHS1000	2,199,416.00	2,270,240.57
REPUBLIC OF GHANA - 17.6 PCT NTS 20.02.2023 GHS1000	47,292.00	50,287.51
REPUBLIC OF GHANA - 20.75 PCT SNR BDS 16.01.2023 GHS1000	1,329,417.00	1,474,710.52
REPUBLIC OF GHANA - 19.25 PCT BDS 18.01.2027 GHS1000	4,097,627.00	4,502,940.12
REPUBLIC OF GHANA - 19.25 PCT SNR BDS 23.06.2025 GHS1000	2,102,612.00	2,148,148.24
REPUBLIC OF GHANA - 20 PCT BDS 09.08.2027 GHS1000	2,220,869.00	2,461,377.30
GOG-BD-11.05.26-A5616-1746-18.80	3,240,155.00	3,315,096.60
REPUBLIC OF GHANA - 19.8 PCT SNR BDS 11.06.2029 GHS1000	3,154,039.00	3,202,358.90
REPUBLIC OF GHANA - 18.85 PCT SNR BDS 29.05.2023 GHS1000	100,000.00	101,708.93
REPUBLIC OF GHANA - 18.5 PCT NTS 03.10.2022 GHS1000	250,000.00	261,308.38
REPUBLIC OF GHANA - 19.25 PCT BDS 27.11.2023 GHS1000	900,000.00	915,706.73
GOG-NT-31.07.23-A5673-1757-17.25	350,000.00	375,211.54
REPUBLIC OF GHANA - 18.25 PCT SNR BDS 25.07.2022 GHS1000	958,820.00	1,036,769.73
REPUBLIC OF GHANA - 16.5 PCT SNR BDS 06.02.2023 GHS1000	1,039,000.00	1,107,291.41
REPUBLIC OF GHANA - 19 PCT BDS 18.09.2023 GHS1000	100,000.00	105,376.37
GOG-BD-08.11.27-A5471-1720-20.50	617,027.00	618,646.76
REPUBLIC OF GHANA - 18.1 PCT BDS 12.06.2028 GHS1000	900,000.00	905,370.33
GOG-BD-02.11.26-A4338-1511-19.00	2,931,455.00	2,958,531.43
REPUBLIC OF GHANA - 19.75 PCT SNR BDS 15.03.2032 GHS1000	8,257,391.00	8,763,785.42
REPUBLIC OF GHANA - 19.5 PCT SNR BDS 08.07.2024 GHS1000	2,711,087.00	2,962,346.67
REPUBLIC OF GHANA - 19.85 PCT BDS 13.10.2025 GHS1000	771,102.00	829,580.63
Classification Total	**48,594,544.00**	**51,496,892.02**

Standard Chartered Bank Ghana PLC
Head Office,
87 Independence Avenue,
P O Box 768, Accra – Ghana
SC.com/gh
Tel 0302 610750 / 0302 633366

InvestCorp
Premier Investment Banking

CUSTODIAN'S REPORT

INTERNAL

standard chartered

LOCAL GOV'T BONDS		
Security Name	**Position**	**Valuation**
ESLA-BD-29.12.31-5200-1676-20.50-12YR	2,189,007.00	2,405,452.48
ESLA-BD-09.09.33-A5718-1764-20.00	6,169,555.00	6,392,791.55
Classification Total	**8,358,562.00**	**8,798,244.03**
TREASURY BILLS		
Security Name	**Position**	**Valuation**
REPUBLIC OF GHANA - 0 PCT T-BILL 19.09.2022 GHS1000	1,200,000.00	1,080,563.58
REPUBLIC OF GHANA - 0 PCT T-BILL 05.09.2022 GHS1000	183,437.00	166,176.17
Classification Total	**1,383,437.00**	**1,246,739.75**
CORPORATE BONDS		
Security Name	**Position**	**Valuation**
DTP-BD-16.04.31-A5597-1743-20.50	1,191,970.00	1,240,147.38
Classification Total	**1,191,970.00**	**1,240,147.38**

SUMMARY		
Description	**Market Value**	**PCT of Total**
CORPORATE BOND	1,240,147.38	1.98
GOVERNMENT BOND	51,496,892.02	82.01
LOCAL GOVERNMENT BOND	8,798,244.03	14.01
TREASURY BILL	1,246,739.75	1.99
CASH BALANCE	9,117.46	0.01
GRAND TOTAL (GHS)	**62,791,140.64**	**100.00**

Yours faithfully

Beverly Frimpong
Head, Securities Services Ghana

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

Tel 0302 610750 / 0302 633366

PROXY FORM
INVESTCORP TREASURY SECURITIES FUND PLC

I/We...of..

....being a member/members of InvestCorp Treasury Securities Fund PLC hereby appoint .... or, failing him/her, the duly appointed Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held **virtually and streamed live via Zoom on Thursday, August 25, 2022 at 11:00 am prompt** and any adjournment thereof.

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

ORDINARY RESOLUTIONS	FOR	AGAINST
1. To receive and adopt the Financial Statements for the year ended December 31, 2021 together with the reports of the Directors and external Auditors thereon		
2. To authorize the Directors to fix the remuneration of the external Auditors		
3. To re-appoint the Non-Executive Directors for a two (2) year term effective 18th January, 2023		

Signed this..................day..............................2022

Shareholder's Signature ....

Innovation | Integrity | Leadership

InvestCorp
Premier Investment Banking

Dial *789*710# 0302 50 90 45 0501 55 68 70 @investcorpgh www.investcorpgh.com