



INVESTCORP TREASURY SECURITIES FUND PLC.

ANNUAL REPORT 2022

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NOTICE OF 3RD ANNUAL GENERAL MEETING OF INVESTCORP TREASURY SECURITIES FUND PLC

NOTICE IS HEREBY GIVEN that the 3rd Annual General Meeting of InvestCorp Treasury Securities Fund PLC (the “**Company**”) will be held **VIRTUALLY and streamed live via Zoom on Thursday, 24th August, 2023 at 11:00 am**, for the transaction of the following business:

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the Financial Statements of the Company for the year ended December 31, 2022, 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 ratify the appointment of John Kay & Associates as Auditors of the Company.
4. To approve Directors’ remuneration.

ANY OTHER MATTERS

Dated this 20th day of June, 2023.

BY ORDER OF THE BOARD



JLD & MB LEGAL CONSULTANCY
P.O. BOX 410
ACCRA

JLD & MB LEGAL CONSULTANCY
(COMPANY SECRETARY)

NOTE

- i. 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.
- ii. Completed proxy forms should be lodged with the Company Secretary, JLD & MB Legal Consultancy, No. 23 Nortei Ababio Street, Airport Residential Area, Accra or sent via email to info@jldmblaw.net not less than 48 hours before the appointed time for the meeting (that is, no later than 11:00 am on 22nd August, 2023).
- iii. 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 Shareholders by 22nd August, 2023 via email and/or SMS together with other details of participation
- Shareholders who do not receive the access details should contact clientexperience@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 11:00am
- Participants can raise their hands to either second a motion or ask a question during the meeting
- At the time of voting, the resolution 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 PLC

Dear Valued Shareholder,

On behalf of the Board of Directors of the InvestCorp Treasury Securities Fund PLC (ITSF), I welcome you to the third Annual General Meeting (AGM) of the Fund, for the year ended December 31, 2022. I would like to express my sincere gratitude to each and every one of you for your unwavering trust in the Fund. A special welcome goes to all the new shareholders. You have been instrumental to the success of the Fund, and it is through your collective efforts that we have been able to navigate the ever-changing landscape of the financial market.

During the year under review, the ITSF continued to be a preferred mutual fund for pension schemes, institutional investors as well as conservative individual investors seeking solutions for retirement planning and education planning among others. The Fund's performance however declined significantly in the second half of the year as an unprecedented rise in interest rates led to a slump in the value of Government of Ghana (GoG) securities, and the value of the ITSF on marked-to-market basis. Coupled with a change in valuation method, in line with the Securities and Exchange Commission (SEC) directive number (SEC/PN/005/11/2022), you all witnessed a significant reduction in your investment values.

Through these challenging times, we engaged you, our valued clients through webinars and other platforms, regarding our strategy to keep your investment balances protected. This helped to significantly ease redemptions during the month of December. Thank you, once again, for trusting us.

In a moment, I will share an overview of how the global and Ghanaian economies fared during the year 2022 and how the ITSF performed during the period, in response to the market. I will then share our economic outlook and expectations for the Fund for the year 2023.

ECONOMIC REVIEW

Global

Economic risks rose sharply in 2022 as a result of sustained geopolitical and social tensions which escalated a cost of living crisis across the globe. Gross Domestic Product (GDP) growth reported in the International Monetary Fund (IMF) World Economic Outlook indicated a decline in the output of Advanced Economies (from 5.2% in 2021 to 2.7% in 2022), Emerging Market and Developing Economies (from 6.8% in 2021 to 4.0% in 2022) and Sub-Saharan Africa (from 4.5% in 2021 to 3.9% in 2022). Inflation in many countries reached historic highs, fuelled by surging energy, food and commodity prices, labour shortages and supply chain disruptions. By the end of the third quarter, China's zero Covid-19 policy and subsequent lockdowns worsened the existing supply chain bottlenecks, before it was repealed in December 2022. With limited fiscal space and significant debt overhang, countries were faced with tackling rising inflation, slow growth and a challenging macroeconomic environment. Major Central Banks across the globe embarked on aggressive monetary policy rate hikes to rein in inflation despite the prospects of a global recession. With the strengthening US dollar, major world currencies experienced value destruction. Even as policy makers focused on cushioning the impact of the war in Ukraine and the pandemic, there was still the need for some structural reforms and



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

improvements to policy frameworks for building resilience and achieving long term growth.

Ghana

Ghana's GDP growth slowed to 3.1% in 2022, down from 5.4% in 2021. The services sector recorded a growth rate of 5.5% (down from 9.4% in 2021), agriculture grew by 4.2% (down from 8.5% in 2021) while industry grew by 0.9% (up from -0.5% in 2021). The improved growth in industry during the year was due to increased gold production. The level of economic activity [(measured by the Composite Index of Economic Activity (CIEA)] struck a level of -3.5%, from the 5% growth recorded in 2021, helping to push the Ghana Stock Exchange Composite Index (GSE-CI) to a YTD return of -12.38%, compared to the 43.66% recorded in 2021.

Inflation accelerated throughout the year 2022, from 12.6% in December 2021 to 54.1% as at December 2022 (the highest in 22 years). The Bank of Ghana (BoG) responded to the surge in inflation by increasing the Monetary Policy Rate (MPR) steadily from the year-open of 14.50% to 27% by the end of the year. Overall, the balance of payments deficit reached 5% of GDP, from a surplus of 0.6% in 2021. As a result, international reserves fell to US \$6.2 billion (2.7 months of import cover) in December 2022 from US \$9.7 billion (4.3 months of import cover) in 2021. Despite remaining fairly stable during the first quarter of 2022, the cedi witnessed a steady sharp YTD depreciation, reaching record highs of 54.17%, 48.92% and 49.95% against the US dollar, the Pound Sterling and the Euro respectively by November 2022. The cedi recovered somewhat during the month of December 2022.

Banking sector vulnerabilities heightened in response to policy tightening by the BoG, which affected credit conditions and the value of long-term fixed-income assets of commercial banks. With commercial banks holding the largest portion (approximately 34%) of local GoG bonds, various aspects of the banking sector experienced significant stress and volatility, which was aggravated by the proposed Domestic Debt Exchange Program (DDEP). End of year financial reports of most commercial banks indicated huge losses and high Non-Performing Loans (NPL). Additionally, the implementation of the marked-to-market valuation methodology decimated some mutual funds and significantly eroded confidence in the financial sector as it faced dire liquidity challenges.

HIGHLIGHTS OF KEY ECONOMIC INDICATORS

Exchange Rates

The local currency came under intense pressure during the year, reflecting a strengthening US dollar, portfolio investment reversals and lower Foreign Direct Investment (FDI) inflows, while demand pressure for the greenback increased. The cedi depreciation against the USD reached an all-time high of 54.17% in November 2022, but recovered to record a YTD depreciation of 29.97% at the end of the year. The cedi's performance improved in December 2022 as Ghana reached a Staff Level Agreement (SLA) with the IMF, amid tight monetary policy conditions, and marginal weakness in the US dollar as inflation peaked in the United States.

Inflation

Headline inflation soared throughout the year, averaging 31.5% compared to the previous year's average of 10.0%. The surge in inflation reached an all-time high of 54.10% in December 2022, attributable to the ripple effect of the Russia-Ukraine war and the resurgence of the Covid-19 pandemic in China, which led to soaring global food and commodity prices. The combined effect of currency depreciation, upward trend in ex-pump prices and transport fares, supply chain bottlenecks, upward utility price adjustments and the BoG's financing of government budget, among others, contributed to the steady rise in headline inflation. To address the price pressure, the BoG implemented a series of measures, including a total 1,250 bps-increase in the MPR and the removal of foreign exchange interventions on some imported items.

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

Interest rates

Treasury yields recorded a steady rise in the second half of the year, to compensate for the high inflationary environment, and reached 35.36%, 35.90% and 36.10% for the 91, 182 and 364 Day bills respectively, at the end of the year. Bond yields also increased by an average of 25 percentage points in the period under review. This upward trend was supported by the rapid depreciation of the local currency, the government's limited access to the international market and talks of the restructuring of both domestic and external debt. These circumstances led to the government's dependence on the primary market to finance its activities, causing a significant rise in Treasury bill yields, further widening yields on the market.

Fund Performance

The ITSF closed the year 2022 with a YTD return of -29.28%. The Fund suffered from massive redemptions, as investors relied on their mutual fund holdings to support themselves in the high cost of living environment as inflation spiked. The Fund's negative performance was however driven by the change in valuation methodology from amortization to mark-to-market, which was accompanied by panic withdrawals and a complete halt in additional investments or top-ups. The Fund Manager was compelled to exit some security positions to make available sufficient liquidity for redemptions. By the close of the year, Assets Under Management (AUM) was eroded by 53.62% to GHS 28.98 million.

To ensure you, our Valued Shareholders, understand the effects of the recently adopted valuation methodology and the DDEP on your investments, webinars were organised to bring you up to speed on these developments. During these engagements, the Fund Manager also discussed its strategy in riding the storm, outlined the opportunities that existed for new investments and encouraged investors to remain calm.

The ITSF will benefit from the completion of the DDEP as the replacement of the old bonds with the new bonds is expected to result in price recovery. However, you may have witnessed some volatility in the value of your investments because of the mark-to-market valuation, affected by changes in the prices of bonds on the secondary market. It is our expectation that volatility in the value of the Fund would be minimal when the market stabilizes.

Economic Outlook

The IMF forecasts global economic growth to decelerate from the 3.5% recorded in 2022 to 3.0% in 2023 and 2024. Emerging markets and developing economies show signs towards a steady rebound, but the slowdown in global growth is expected to be driven by advanced economies, particularly the euro area and the United Kingdom (UK) where inflation remains sticky. While global inflation shows a downward trend, core inflation in most economies are not near a decline. The uniform aggressive monetary policy tightening is directing inflation towards Central Banks' targets, supported by declining global crude oil prices. Although food inflation has seen some downward tilt, averting fears of hunger crises, there is still some upside risk should the Russia-Ukraine war persist.

Ghana's growth prospects for 2023 is projected to be sluggish, but with a potential upturn in 2024, in line with global markets. The BoG's CIEA performance in 2023 may continue to show the effect of low port activity, low cement sales, weakened imports, and reduced credit access for the private sector. The IMF's Extended Credit Facility (ECF) arrangement is expected to help restore macroeconomic stability and bring debt to sustainable levels in the medium term.

The revenue outlook is fairly positive, as the IMF program seeks to make domestic revenue mobilization a key focus to support fiscal consolidation. In addition to the recent implementation of some tax increments, revenue figures may see some improvement if the strengthening of VAT compliance, streamlining of large VAT exemptions, and the strengthening of compliance of e-commerce, to maximise revenue mobilization, are successfully implemented.

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

Headline inflation is projected to decline this year, influenced by zero budget financing by the Central Bank, the economy's response to the downturn in energy prices on the international market as well as the response of the market to the recent MPR hikes. However, the implementation of new tax measures enacted by parliament in March 2023, coupled with other government revenue measures are expected to exert upward pressure on prices.

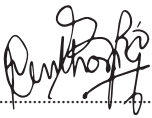
There are indications of an uptick in benchmark interest rates as the government continues to rely heavily on the primary market to finance its activities. The uptick is also supported by comments by the Finance Ministry that the country will not be in a hurry to return to the bond market as it seeks a road map for a gradual resumption of activities in the bond market, despite the expected increase in borrowings. Completion of full debt restructuring may however lead to a decline in benchmark yields as fiscal space will be created and GoG financing mix may not include significant amounts of these short-term benchmark instruments.

Closing Remarks

The Fund may experience liquidity challenges as the bond market continues to record minimal to no trading activity. However, with the liquidity arrangement put together by the Ministry of Finance to support the financial sector, liquidity needs will be managed. Many of us are not used to observable volatility on our mutual fund account statement but the volatility can be expected because the prices of securities change in line with market sentiments and expectations. Clearly, high levels of uncertainty exist, but we must continue to remind ourselves of our investment goals and life objectives. I am particularly excited about the opportunity to bounce back stronger in the coming year.

To close, I wish to say thank you once again to you, our Valued Shareholders, for keeping your relationship with the Fund and I wish to state that we are confident in the Fund's ability to support your investment objectives. On behalf of the Board, I express our profound appreciation to the Fund Manager for the diligent work done in navigating through these challenging times.

Thank you all.



Anthony Ebow Spio
Chairman

FUND MANAGER'S REPORT

Portfolio & Market Review

The year 2022 was truly eventful. It started off with concerns about Ghana's debt sustainability, expressed by credit rating agencies (Fitch, Moody's and S&P), in a series of reports. As a result, they downgraded Ghana's long-term issuer debt ratings. The rating agencies cited government's fiscal challenges, weak liquidity position, inability to stabilize debt, among others as the basis for the downgrades. This resulted in massive sell-offs by non-residents and offshore investors from the Local bond and Ghana Eurobond markets. Additionally, the US Federal Reserve's decision to raise interest rates in 2022, meant that interest rates were reviewed seven times to a range of 4.25%-4.50%, the highest since 2007, all in efforts to counter inflation. This also contributed to capital flight from our local bond market and emerging markets in general.



Concurrently, the Russia-Ukraine conflict sparked global food and energy crises resulting in unprecedented levels of inflation. The Ghanaian economy came under significant pressure as it had to grapple with rising inflation, the depreciating currency, high cost of living and a potential debt restructuring. The InvestCorp Treasury Securities Fund PLC (ITSF) had its most challenging year yet as a result. As a Fixed Income Fund with one hundred percent (100%) exposure to government and government-backed securities, the Fund severely suffered the negative impact of the economic downturn.

Consequently, the ITSF recorded a full year return of -29.28%. This was driven by the combination of the significant decline in bond prices and the directive from the Securities and Exchange Commission (SEC) to all fixed income Collective Investment Schemes (CIS) to change the valuation methodology to mark-to-market. Similarly, the Fund witnessed a significant decline in the Assets Under Management (AUM) from GHS 62,490,383 in 2021 to GHS 28,980,709, which translated to a negative growth rate of -53.62%. With the economic hardship experienced as a result of the high cost of living and rising inflation, the Fund was additionally hit with massive redemptions.

The situation was further exacerbated by rumours of a debt restructuring in Q3 which was confirmed in Q4. The Fund experienced panic withdrawals as shareholders scrambled for their funds as the economic outlook became even more uncertain. The Government of Ghana (GoG) through the Ministry of Finance (MoF) launched a Domestic Debt Exchange Programme (DDEP) on December 5, 2022, in line with its debt operation as part of efforts to secure an International Monetary Fund (IMF) programme to support the economy. The DDEP memorandum listed existing domestic bonds as eligible and subject to the Exchange. This in effect meant that all the assets of the Fund were subject to the Exchange. The initial DDEP proposal was rejected by all stakeholders including CIS as the structure and terms of the Exchange were not favourable and not in the best interest of the Fund and its investors. The DDEP, scheduled to close on December 23, 2022 was suspended for further negotiation with stakeholders.

The Fund took proactive steps and organised an investor engagement webinar on December 14, 2022, to brief shareholders on the impact of the DDEP and valuation methodology on their investments and to reassure them of the safety of their investments.

Outlook / Strategy

The IMF in its 2023 World Economic Outlook has estimated 84% of the world's economies to record lower headline inflation in 2023, compared to 2022, although rates are still expected to remain higher than pre-pandemic levels. The deflationary environment is expected to be driven by declining fuel and non-fuel commodity prices. The IMF forecasts global economic growth to decelerate from the 3.5% recorded in 2022 to 3.0% in 2023 and 2024. The low growth projection for 2023 reflects the weakening impact of the unprecedented policy rate hikes by major economies in 2022 to cope with inflation. There are fears that many economies will experience a recession, as central banks continue

FUND MANAGER'S REPORT (CONT'D)

to implement contractionary monetary policies to tame inflation.

Locally, headline inflation is expected to decline throughout the year, driven by the weakening dollar, fall in oil prices as well as the response to the monetary tightening policy to check inflation. JP Morgan has forecasted Ghana's average inflation rate at 30.9% in 2023.

Similarly, the Ghana cedi is expected to strengthen on the back of the weakening dollar, the suspension of coupon and principal payment of Ghana's Eurobonds, receipts from the IMF bailout and the Gold for Oil Programme. These are expected to reduce pressure on foreign reserves and enhance the stability of the cedi. Furthermore, the GoG's success in reaching a Staff Level Agreement (SLA) with the IMF is expected to renew confidence in the economy.

On the Fixed income market front, the delayed implementation of the DDEP continued to sink the market as bonds traded below 50% of their par values. We however, expect a revised DDEP with enhanced terms to be concluded in Q1 2023. In light of this, we will favour Treasury bills (excluded from the debt exchange) to insulate the portfolio from potential interest losses and enable us realign our portfolio to ensure improved returns. Additionally, we intend to participate in repos (sell-buy backs) in order to create liquidity for the Fund.

Per our analysis, we are confident that the revised DDEP proposal will restore shareholder investment value and we plan to organise another investor engagement post the DDEP to brief our shareholders on the outcome.

To our shareholders, we appreciate your patience and confidence in these difficult times and as managers of the Fund, we are taking steps to realign the portfolio to withstand the volatilities, reduce risk and enhance returns.

Solomon Adatsi
Fund Manager

PERFORMANCE SUMMARY AS AT DECEMBER 2022

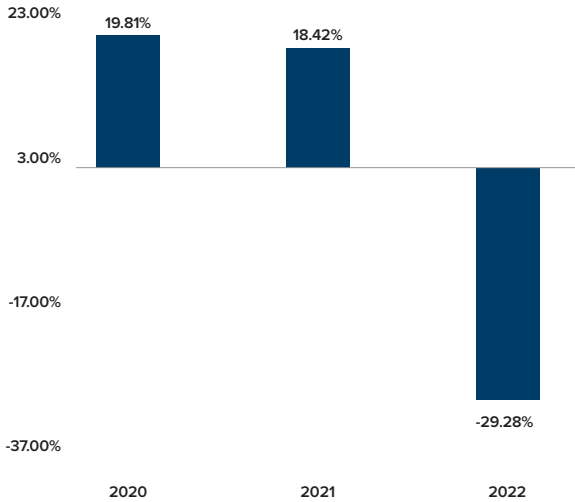
Year	Assets Under Management (AUM)	Annualized Yield
2020	14,499,150	19.81%
2021	62,490,383	18.42%
2022	28,980,709*	-29.28%*

*The sudden fall in the AUM and performance of the Fund is due to the change in valuation methodology from Amortization (HTM) to Mark-to-Market (MTM) methodology as prescribed by the SEC.

Fund Information

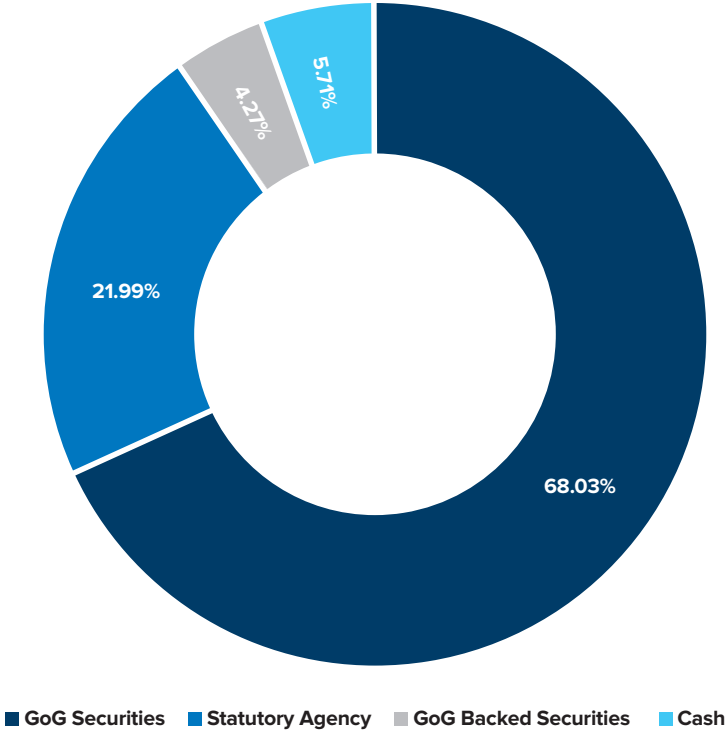
Weighted Average Maturity (Yrs.)	6.01
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FUND PERFORMANCE (%)

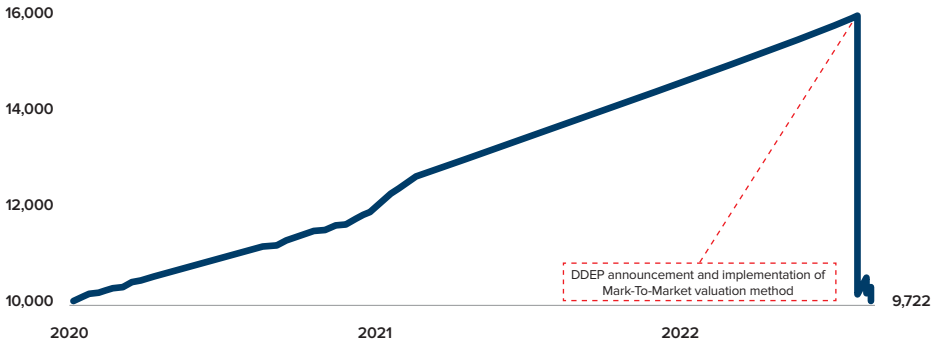


PERFORMANCE SUMMARY AS AT DECEMBER 2022 (CONT'D)

INVESTMENT ALLOCATION



GROWTH OF GHS 10,000 IN THE FUND SINCE INCEPTION



The sudden fall in the value of the Fund is due to the change in valuation methodology from Amortization (HTM) to Mark-to-Market (MTM) methodology as prescribed by the SEC.

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

The Directors present their report and the financial statements of the Fund for the year ended 31 December 2022.

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 assets and liabilities, the statement of financial position at 31 December 2022, and the statements of profit or loss and other 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), the Securities Industry Act, 2016 (Act 929) and the Unit Trust and Mutual Fund Regulations, 2001 (L.I. 1695). In addition, the Directors are responsible for the preparation of the Directors' report.

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

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.

DIVIDEND DISTRIBUTION POLICY

The Fund does not distribute dividend. All income earned is reinvested. Shareholders should be aware that the mutual fund aims to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

Total investment as at 31 December is made up as follows:

	2022 GH¢	2021 GH¢
Government notes and bonds	19,768,988	52,357,335
Local government securities	6,390,939	8,858,467
Corporate bonds	1,240,254	1,235,605
Cash and cash equivalents	1,699,945	207,183
Total Investment	29,100,126	62,658,590

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

CORPORATE SOCIAL RESPONSIBILITY

The Fund did not undertake any Corporate Social Responsibility (CSR) programs during the year.

CAPACITY BUILDING OF DIRECTORS TO DISCHARGE THEIR DUTIES

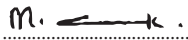
On appointment to the Board, Directors are provided with full, formal and tailored programs of induction, to enable them gain in-depth knowledge about the Fund's business, the risks and challenges faced and the economic knowledge, legal and regulatory environment in which the Fund operates. Programs of strategic and other reviews, together with the other training programs 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 auditors of the Fund, John Kay & Co. agreed with the directors and charged a fee of GH¢ 25,000 exclusive of NHIL, GETFund, COVID 19 Levy and VAT.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of InvestCorp Treasury Securities Fund PLC as identified in the first paragraph, were approved by the Board of Directors on27th April..... 2023 and signed on their behalf by:



Signature

Mark Kofi Amoako
Name of Director



Signature

Henry Sunkwa-Mills
Name of Director

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

Opinion

We have audited the accompanying financial statements of InvestCorp Treasury Securities Fund PLC, which comprise the statement of assets and liabilities, the statement of financial position as at 31 December 2022, the statement of profit or loss for the year ended, the statement of movements in net assets for the year ended, the statement of cash flows for the year ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 21-29.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Existence and Valuation of Investment Assets

The assets of the Fund are invested in government securities and government-backed securities as well as local government securities. In many respects, the custody of these investments is by third-party entities specifically authorized or nominated for such holding purposes. Based on the business model of the Fund, these investments can either be valued at amortized cost or at fair value and the returns on these investments depend on the face value/cost, interest rates, and the tenor.

How the matter was addressed in our audit

- We obtained a list of investments in the name of the Fund from the Central Securities Depository to confirm their existence and agreed the total to the Fund manager's accounting records.
- We reviewed the Securities and Exchange Commission's directive on the use of the fair value method in the valuation of investment assets.
- We reviewed the Fund manager's valuations of the investment assets to ensure that they were done using the fair value method as directed by the Securities and Exchange Commission (SEC).
- We also reviewed whether the quarterly valuation of the investment portfolio by the Fund manager as the basis for determining management fees was reasonably made and accurate.
- We evaluated the adequacy of disclosures of investment assets recognized in the Fund's statement of financial position and the statement of assets and liabilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP TREASURY SECURITIES FUND PLC (CONT'D)



2. Income Recognition

The investment asset of the Fund yields interest income based on the rates of interest, face value/cost, and the tenor related to each investment type of asset. Interest income is recognized in the financial statements on an accrual basis on the basis that it is probable that economic benefits associated with the assets will flow to the Fund.

How the matter was addressed in our audit

- We reviewed the design and implementation of controls over the Fund's income recognition.
- We recomputed the interest income based on the agreed interest rates, face value/cost, and the duration for which the interest income relates to.
- We reviewed the cut-off period for investment assets of the Fund to ensure that interest income accruing to the Fund after 31 December 2022 are not recognized as interest income for the current year.
- We evaluated the adequacy of disclosures of interest income recognized in the Fund's income and distribution account.

Responsibilities of the Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 judgement 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP TREASURY SECURITIES FUND PLC (CONT'D)



- 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report 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.

Report on Other Legal and Regulatory Requirements

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

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, proper books of accounts have been kept by the Fund so far as it appears from our examination of those books.

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



STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022

	MARKET VALUE GH¢	PERCENTAGE OF NET ASSETS%
Government Bonds		
2 Year GoG Bond	374,230	1.29
3 Year GoG Bond	756,591	2.61
5 Year GoG Bond	6,694,401	23.10
6 Year GoG Bond	2,046,523	7.06
7 Year GoG Bond	1,927,527	6.65
10 Year GoG Bond	3,960,490	13.67
15 Year GoG Bond	4,009,226	13.83
	19,768,988	68.21
Corporate Bonds		
10 Year Daakye Bond	1,240,254	4.28
Local Gov. And Statutory Agencies Securities		
12 Year ESLA Bond	6,390,939	22.05
Cash and Bank		
Cash and Cash Equivalent	1,699,945	5.87
Total Assets	29,100,126	100.41
Total Liability	(42,003)	(0.14)
ECL Allowance	(77,414)	(0.27)
Net Assets	28,980,709	100

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 GH¢	2021 GH¢
Assets			
Financial assets at amortised cost	8	-	62,350,466
Financial assets at FVTOCI	9	27,322,767	-
Cash and cash equivalents	10	1,699,945	207,183
Total Assets		29,022,712	62,557,649
Liabilities			
Accounts payable	11	42,003	67,266
Total Net Assets		42,003	67,266
Net Assets		28,980,709	62,490,383
Equity			
Capital Account	12	32,874,741	56,226,257
Retained Earnings	13	13,724,683	6,264,126
Investment Valuation Reserve	18	(17,618,715)	-
Total Equity		28,980,709	62,490,383

Approval of the financial statements

The notes on pages 21 to 29 form an integral part of these financial statements.

The financial statements of InvestCorp Treasury Securities Fund PLC were approved by the Board of Directors on27th April..... 2023 and signed on their behalf by:



Signature

Mark Kofi Amoako
Name of Director



Signature

Henry Sunkwa-Mills
Name of Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		2022 GH¢	2021 GH¢
	Note		
Investment income			
Interest income	14	8,319,744	6,043,810
Total Revenue		8,319,744	6,043,810
Expenses			
Administrative expenses	16	882,714	344,186
Expected credit loss allowance	17	(23,527)	100,941
Total expenses		859,187	445,127
Net Investment Income		7,460,557	5,598,683
Other comprehensive Income			
Net gain/(loss) on investments	15	(17,618,715)	-
Total other Comprehensive Income		(17,618,715)	-
Total Comprehensive Income		(10,158,158)	5,598,683

ACCUMULATED NET INVESTMENT INCOME

	2022 GH¢	2021 GH¢
Balance at 1 January	6,264,126	665,443
Net Investment Income	7,460,557	5,598,683
Balance at 31 December	13,724,683	6,264,126

The notes on pages 21 to 29 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Capital Transactions GH¢	Investment Income GH¢	Valuation Reserve GH¢	Total GH¢
2022				
At 1 January	56,226,257	6,264,126	-	62,490,383
Net Investment Income		7,460,557	-	7,460,557
Other Comprehensive Income		-	(17,618,715)	(17,618,715)
Share Issue	21,531,732	-	-	21,531,732
Share Redemption	(44,883,248)	-	-	(44,883,248)
At 31 December	32,874,741	13,724,683	(17,618,715)	28,980,709

	Capital Transactions GH¢	Investment Income GH¢	Valuation Reserve GH¢	Total GH¢
2021				
At 1 January	13,833,707	665,443	-	14,499,150
Net Investment Income		5,598,683	-	5,598,683
Other Comprehensive Income		-	-	-
Share Issue	53,908,238	-	-	53,908,238
Share Redemption	(11,515,688)	-	-	(11,515,688)
At 31 December	56,226,257	6,264,126	-	62,490,383

The notes on pages 21 to 29 form an integral part of these financial statements.

STATEMENT OF MOVEMENTS IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 GH¢	2021 GH¢
Net Income from operations			
Increase in net assets		7,460,557	5,598,683
Net Gain/(loss) on investment		(17,618,715)	-
		(10,158,158)	5,598,683
Change in net assets from capital transactions			
Proceeds from Issue of Shares	12	21,531,732	53,908,238
Share Redemption	12	(44,883,248)	(11,515,688)
Net change in net assets from capital transactions		(23,351,516)	42,392,550
Net additions to net assets		(33,509,674)	47,991,233
Analysis of changes in movements in net assets for the year			
At 1 January		62,490,383	14,499,150
Net additions to net assets		(33,509,674)	47,991,233
At 31 December		28,980,709	62,490,383

The notes on pages 21 to 29 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022 GH¢	2021 GH¢
	Note		
Cash flows from operating activities			
Profit for the year		(10,158,158)	5,598,683
Adjustment for:			
Interest income		(8,319,744)	(6,043,810)
Net Gain/(loss) on investment		17,618,715	-
Expected credit loss allowance	17	(23,527)	100,941
		(882,714)	(344,186)
Change in			
Accounts Payable	11	(25,263)	51,893
		(907,977)	(292,293)
Interest received		6,294,742	3,203,561
Net cash flow from operating activities		5,386,765	2,911,268
Cash Flows from Investing Activities			
Purchase of financial assets		(10,307,601)	(52,371,468)
Proceeds from financial assets maturity & disposals		29,765,114	6,932,123
Net cash flow from investing activities		19,457,513	(45,439,345)
Cash Flows from Financing Activities			
Proceeds from issuance of shares	12	21,531,732	53,908,238
Amount paid on redemption of shares	12	(44,883,248)	(11,515,688)
Net cash flow from financing activities		(23,351,516)	42,392,550
Net increase/(decrease) in cash and cash equivalents		1,492,762	(135,527)
At 1 January		207,183	342,710
At 31 December		1,699,945	207,183

The notes on pages 21 to 29 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. REPORTING ENTITY

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 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.

The investment activities of the Fund are managed and administered by InvestCorp Asset Management Limited (IAML), the Fund Manager with Standard Chartered Bank Ghana Limited as the Custodian of the Fund.

2. BASIS OF ACCOUNTING

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Additional information required under the Companies Act, 2019 (Act 179), the Securities and Exchange Commission Regulations, 2003 (LI 1728), the Securities Industry Act 2016 (Act 929) and the Unit Trust and Mutual Fund Regulations, 2001 (L.I. 1695), have been included, where appropriate.

(b) Functional and presentation currency

These financial statements are presented in Ghana cedi, which is the Fund's functional currency. All amounts have been stated in full.

(c) Use of estimates and judgement

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Investment income recognition

(i) Interest Income

Interest income on financial assets at fair value through other comprehensive income (FVTOCI) and amortised cost, is recognized in profit or loss, using the effective interest rate. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition. Interest received or receivable and are recognized in the profit or loss as interest income.

(ii) Pooled Investment Income

Income arising from the underlying investment in a collective investment scheme that is reinvested within the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in the market value of the unit of shares in the collective investment scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D)

(b) Financial Assets

(i) Initial Recognition

The Fund recognizes financial assets in its statement of financial position when and only when the Fund becomes a party to the contractual provisions of the assets. On initial recognition, the Fund classifies its financial assets either at fair value through profit or loss or at fair value through other comprehensive income depending on the Fund's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. At initial recognition, the Fund measures financial assets at their fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

(ii) Financial Assets at Fair Value Through Other Comprehensive Income

After initial recognition, the Fund measures financial assets at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial Assets at Fair Value Through Profit or Loss

After initial recognition, financial assets held for trading are designated at fair value through profit or loss. A financial asset is classified into this category when it is acquired principally for the purpose of selling in the short term and if it forms part of a portfolio of financial assets in which there is evidence of short-term profit taking or if so, designated by the Fund.

(iv) Identification and Measurement of Impairment

The Fund recognises a loss allowance for expected credit losses on its financial assets at each reporting date. The loss allowance is an amount equal to the lifetime expected credit losses if the credit risk on the financial assets has increased significantly since initial recognition. The objective of the impairment requirements is to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition -whether assessed on an individual or collective basis — considering all reasonable and supportable information, including that which is forward-looking.

(v) Derecognition of Financial Assets

Financial assets are derecognized when the right to receive cash flows from the financial assets has expired or where the Fund has transferred substantially all risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

(c) Cash and Cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. NEW AND AMENDED STANDARDS EFFECTIVE FOR THE CURRENT PERIOD

Amendments to IFRS 9, Financial Instruments

The amendment clarifies which fees to include in the '10%' test to determine whether a financial liability has been substantially modified (i.e. the derecognition analysis). A borrower includes only fees paid or received between itself and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

5. NEW AND REVISED STANDARDS IN ISSUE NOT YET EFFECTIVE

Disclosure of Accounting Policies (Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements)

The amendment continues the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include:

- requiring companies to disclose their material accounting policies instead of their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material.

The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

This is effective for periods beginning on or after 1 January 2023.

Definition of Accounting Estimates (Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)

This amendment clarifies how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively.

The amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a fund develops an accounting estimate to achieve the objective set out by an accounting policy.

This is effective for periods beginning on or after 1 January 2023.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D)

period, or in the period of the revision and future periods if the revision affects both current and future periods.

7. RELATED PARTIES AND KEY CONTRACTORS

a. Fund Managers

The Directors of 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 1% of the net asset value attributable to holders of redeemable share as defined in the prospectus. The investment management fees incurred during the year amounted to GH¢441,357 (2021: GH¢172,093)

b. Fund Custodians

The Directors of the Fund appointed Standard Chartered Bank Ghana PLC, a limited liability company incorporated in Ghana and duly licensed by Security and Exchange Commission of Ghana, to provide custody services as prescribed in the Fund's policy manual. Under the custody agreement, the Custodian receives a custodian fee as agreed between the parties. Fees are payables within 30 days of the date of the custodian's invoice.

8. FINANCIAL ASSETS AT AMORTISED COST

	2022 GH¢	2021 GH¢
Government notes and bonds	-	52,357,335
Local government securities	-	8,858,467
Corporate bonds	-	1,235,605
Expected credit loss allowance at 31 December	-	(100,941)
	-	62,350,466

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D)

9. FINANCIAL ASSETS AT FVTOCI

	2022 GH¢	2021 GH¢
Government notes and bonds	19,768,988	-
Local government securities	6,390,939	-
Government-backed bonds	1,240,254	-
Expected credit loss allowance at 31 December	(77,414)	-
	27,322,767	-

Per Directive Number SEC/DIR/002/10/2022 issued on 20 October 2022, the Securities and Exchange Commission (SEC) directed fund managers, custodians, and trustees to use fair value through other comprehensive income (FVTOCI) in valuing portfolios of collective investment schemes (Unit Trusts and Mutual Funds). As such, the Fund's assets which were previously valued at amortised cost have been valued at FVTOCI in compliance with this directive.

10. CASH AND CASH EQUIVALENTS

	2022 GH¢	2021 GH¢
Absa Bank	1,131,807	198,065
Standard Chartered Bank	568,138	9,118
	1,699,945	207,183

11. ACCOUNTS PAYABLE

	2022 GH¢	2021 GH¢
Administrative expenses accrual	42,003	67,266
	42,003	67,266

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D)

12. CAPITAL ACCOUNT

	2022 No. of shares	2022 GH¢	2021 No. of shares	2021 GH¢
Balance at 1/1	45,489,229	56,226,257	12,755,412	13,833,707
Contributions	14,777,425	21,531,732	41,326,685	53,908,238
	60,266,654	77,757,989	54,082,097	67,741,945
Redemption	(30,864,268)	(44,883,248)	(8,592,868)	(11,515,688)
Balance at 31/12	27,402,386	32,874,741	45,489,229	56,226,257

13. RETAINED EARNINGS

	2022 GH¢	2021 GH¢
Balance at 1 January	6,264,126	665,443
Net income for the year	7,460,557	5,598,683
Balance at 31 December	13,724,683	6,264,126

14. INTEREST INCOME

	2022 GH¢	2021 GH¢
Corporate Bonds	245,025	61,760
Local government bonds	1,228,354	722,004
Gov. of Ghana bonds	6,846,365	5,260,046
	8,319,744	6,043,810

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D)

15. NET GAIN/(LOSS) ON INVESTMENTS

	2022 GH¢	2021 GH¢
Unrealised loss Govt bonds	(17,618,715)	-
	(17,618,715)	-

16. ADMINISTRATIVE EXPENSES

	2022 GH¢	2021 GH¢
Management fees	441,357	172,093
Administration fee	441,357	172,093
	882,714	344,186

17. EXPECTED CREDIT LOSS ALLOWANCE

	2022 GH¢	2021 GH¢
Opening balance	100,941	
Allowance for the year	(23,527)	100,941
Closing balance	77,414	100,941

18. INVESTMENT REVALUATION RESERVE

	2022 GH¢	2021 GH¢
Bal 1/1	-	-
Gain/(Loss) during the year	(17,618,715)	-
Bal 31/12	(17,618,715)	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D)

19. FINANCIAL RISK MANAGEMENT

(a). Asset/Portfolio/Credit risk

Credit risk is the risk that counterparties (i.e. financial institutions and companies) in which the Fund's assets are invested will fail to discharge their obligations or commitments to the Fund, resulting in a financial loss to the Fund. The Fund's policy over credit risk is to minimize its exposure to counterparties with a perceived higher risk of default by dealing only with counterparties that meet the standards set out in the SEC guidelines and the Fund's investment policy statement.

(b). Liquidity risk

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

The following are contractual maturities of financial assets

31 December 2022

Financial Assets	3 Months or less (GH¢)	4-6 Months (GH¢)	7 Months or more (GH¢)
Government notes and bonds	827,753	100,388	18,840,847
Local Government Securities	-	-	6,390,939
Corporate bonds	-		1,240,254
Cash and cash equivalents	1,699,945		
Total	2,527,698	100,388	26,472,040

The following are contractual maturities of financial Liabilities

31 December 2022

Financial Liabilities	3 Months or less (GH¢)
Accounts Payable	42,003
Total	42,003

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONT'D)

(c) Fair value of financial assets and liabilities

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

The fair value hierarchy is as follows:

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

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

(d) Market risk

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

(e) Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The investment managers advise the board of directors on the appropriate balance of the portfolio. The Fund uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the board of directors.

(f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of fund behaviour. Operational risks arise from all of the Fund's operations and are faced by similar mutual funds.

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

20. EVENTS AFTER THE REPORTING PERIOD

The Government of Ghana launched Ghana's Domestic Debt Exchange Programme on 5th December 2022 with an invitation for the voluntary exchange of domestic notes and bonds of the Republic, including E.S.L.A and Daakye bonds for a package of new bonds to be issued by the Republic. Fund has bonds with a face value of GHS42,829,995 which have been exchanged under the Domestic Debt Exchange Program (DDEP).

CORPORATE INFORMATION

BOARD OF DIRECTORS	Anthony Ebow Spio (Chairman) Mark Amoako (Director) Waltrude Adzoavi 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 Papafo Avenue Airport Residential Area P.O. Box 410 Accra
AUDITOR	John Kay and Co. 7th Floor, Trust Towers Farrar Avenue P.O. Box KIA 16088 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 evaluation 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.

He is a member of the Ghana Securities Industry Association’s Fund Managers & Advisors Committee and also a member of the Technical Committee of the Ghana Fixed Income Market (GFIM).

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 a 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




June 21, 2023

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, 2022

Standard Chartered Bank Ghana PLC confirms the investment holding for InvestCorp Treasury Securities Fund as at December 31, 2022 as follows:

<i>GOVERNMENT BONDS</i>		
Security Name	Position	Valuation
Gog-Bd-12/06/28-A5638-1751-18.10	900,000.00	901,190.57
Republic Of Ghana - 20.75 Pct Snr Bds 16/01/2023 Ghs1000	17,783.00	19,635.49
Republic Of Ghana - 18.8 Pct Bds 11/05/2026 Ghs1000	3,240,155.00	3,320,482.36
Gog-Nt-20/02/23-A5553-1734-17.60	47,292.00	54,475.61
Republic Of Ghana - 18.8 Pct Bds 06/09/2027 Ghs1000	1,495,745.00	1,581,495.57
Republic Of Ghana - 19.8 Pct Snr Bds 11/06/2029 Ghs1000	3,154,039.00	3,004,579.91
Gog-Bd-13/10/25-A5447-1716-19.85	771,102.00	846,449.50
Republic Of Ghana - 19.25 Pct Snr Bds 23/06/2025 Ghs1000	2,102,612.00	1,437,999.86
Gog-Bd-08/11/27-A5471-1720-20.50	617,027.00	640,714.84
Republic Of Ghana - 19.75 Pct Bds 07/07/2031 Ghs1000	1,928,016.00	2,098,728.83
Republic Of Ghana - 16.5 Pct Snr Bds 06/02/2023 Ghs1000	739,000.00	775,522.16
Republic Of Ghana - 19 Pct Bds 18/09/2023 Ghs1000	100,000.00	105,321.97
Gog-Bd-29/05/23-A5330-1696-18.85	100,000.00	95,867.68
Republic Of Ghana - 19.75 Pct Snr Bds 15/03/2032 Ghs1000	8,257,391.00	8,267,981.06
Gog-Bd-02/11/26-A4338-1511-19.00	2,931,455.00	1,313,965.65
Gog-Nt-31/07/23-A5673-1757-17.25	350,000.00	385,557.19
Republic Of Ghana - 20 Pct Bds 09/08/2027 Ghs1000	2,220,869.00	2,221,834.25
Gog-Bd-18/03/24-A5575-1738-17.70	700,000.00	735,400.00
Gog-Bd-08/07/24-A5067-1650-19.50	650,293.00	722,702.19
Republic Of Ghana - 18.3 Pct Bds 02/03/2026 Ghs1000	3,081,204.00	3,256,565.75
Republic Of Ghana - 19.5 Pct Snr Bds 13/07/2026 Ghs1000	2,082,270.00	2,268,558.80
Classification Total	35,486,253.00	34,055,029.22
<i>LOCAL GOV'T BONDS</i>		
Security Name	Position	Valuation
E.S.L.A PLC - 20 PCT GTD BDS 09/09/2033 GHS	6,169,555.00	4,577,532.52
Classification Total	6,169,555.00	4,577,532.52
<i>CORPORATE BONDS</i>		

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

Tel 0302 610750 / 0302 633366

Ebenezer Twum Asante (Chairman) · Mansa Netley (Managing Director) · Sheikh Jobe · Prof. Akua Kuenyehia · Kwabena Nifa Aning · George Akello · Albert Asante

CUSTODIAN'S REPORT

INTERNAL



 standard
 chartered

Security Name	Position	Valuation
DTP-BD-16/04/31-A5597-1743-20.50	1,191,970.00	1,236,823.99
Classification Total	1,191,970.00	1,236,823.99
SUMMARY		
Description	Market Value	PCT of Total
CORPORATE BOND	1,236,823.99	3.06
LOCAL GOVERNMENT BOND	4,577,532.52	11.32
GOVERNMENT BOND	34,055,029.22	84.22
CASH BALANCE	568,137.84	1.40
GRAND TOTAL (GHS)	40,437,523.57	100.00

Yours faithfully



Beverly Frimpong

Head, Financing and 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

 Ebenezer Twum Asante (Chairman) · Mansa Nettey (Managing Director) · Sheikh Jobe · Prof. Akua Kuenyehia · Kwabena Nifa Aning ·
 George Akello · Albert Asante

**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 3rd Annual General Meeting of the Company to be held **virtually and streamed live via Zoom on Thursday, 24th August, 2023 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 31 December, 2022 together with the reports of the Directors and external Auditors thereon		
2. To authorise the Directors to fix the remuneration of the external Auditors		
3. To ratify the appointment of John Kay & Associates as Auditors of the Company.		
4. To approve Directors' remuneration.		

Signed this.....day.....2023

Shareholder's Signature

We all get here
Eventually
Prepare for 'greyness'

Start a funeral plan by opening
an InvestCorp Treasury Securities
Fund account today



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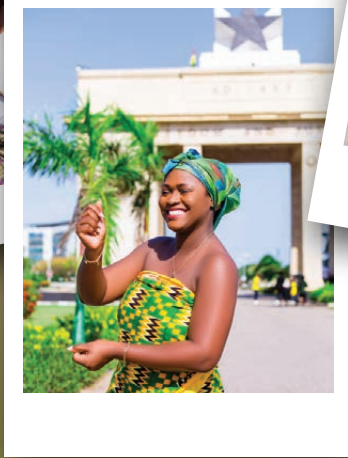
Corporate Social Responsibility (CSR)

As part of our Corporate Social Responsibility, InvestCorp partnered "The Literacy Challenge 2022" a nationwide contest for students in Junior High Schools (JHS), to support inclusive education in Ghana



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**May we strive to achieve
personal financial freedom**



Licensed By



We are Stronger Together



Innovation | Integrity | Leadership

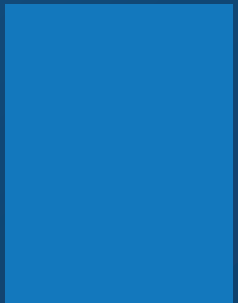
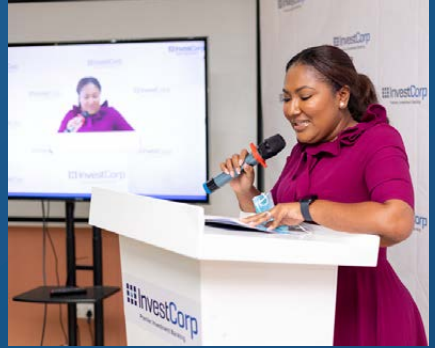
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#InvestCorpgoes

**Early detection
saves lives**

Breast Cancer awareness month

Images from last year's AGM





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Innovation | Integrity | Leadership