



CM FUND LIMITED

ANNUAL REPORT 2013



SDC

GROUP

BLA & ASSOCIATES
CHARTERED ACCOUNTANTS

C M FUND LIMITED

**FINANCIAL STATEMENTS
31ST DECEMBER, 2013**

**BLA & ASSOCIATES
CHARTERED ACCOUNTANTS**

CM FUND LIMITED
NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of CM Fund Limited will be held at Teacher's Hall on Friday, 30th June 2014 at 10:00am

AGENDA

1. To consider the Directors Report and the Report of Auditors for the year ended December 31, 2013.
2. To receive and adopt the statement of Asset and Liabilities and statement of Operations for the year ended December 31, 2013.
4. To transact any other business appropriate to be dealt with at the Annual General Meeting

BY ORDER OF THE BOARD

(sdg)

BOARD SECRETARY

Note: A shareholder is entitled to attend and vote at the meeting or appoint a proxy to attend and vote instead of himself or herself. A proxy need not also be a shareholder of the Fund. Copies of the proxy forms are annexed to the audited accounts and reports.

Completed proxy forms should be lodged with the Board Secretary, SDC Capital Limited,

Box GP 14198 Accra not later than two days before the meeting.

Shareholder who has not received the audited accounts and reports may contact the Fund Manager, SDC Capital Limited, High Street, Accra.

C M FUND LIMITED

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C M FUND LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Emile Yartey
Mathias Dorfe
Reginald Hansen - Thompson
Seth Kwasi Asante

REGISTERED OFFICE

H/No D921/3 Adjacent AMA
Asafoatse Nettey Street. Accra
P. O. BOX GP 14198
Accra, Ghana.

CUSTODIAN

Standard Chartered Bank Ghana Limited
P.O.Box GP 768
High Street, Accra.

AUDITORS

BLA & Associates
Chartered Accountants
P. O. BOX AB 295
Abeka Accra.

INVESTMENT MANAGER

SDC Capital Limited
H/se D/921/3 Adjacent (AMA)
Asafoatse Nettey Street, Accra.
P. O. BOXGP 14198
Accra, Ghana.

C M FUND LIMITED

REPORT OF DIRECTORS

The Directors have pleasure in submitting the financial statements of the Company for the year ended December 31, 2013.

Statement of director's responsibilities

The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the statements of operations for that period. In preparing those financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed Ghana Accounting Standards.

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial positions of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nature of business

The nature of business of the Company is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of securities and other property acquired with such monies.

The Company is licensed by the Securities and Exchange Commission to operate as an authorized mutual fund.

Financial results


The results for the year are as set out in the attached financial statements.

Distribution policy

The Fund does not distribute income. All income earned is reinvested.

Shareholders should be aware that the prime objective of the Fund is to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

BY ORDER OF THE BOARD


.....
Director


.....
Director

C M FUND LIMITED

REPORT OF THE AUDITORS TO THE INVESTORS OF C M FUND LIMITED

We have audited the financial statements set out on pages 5 to 13. We have obtained all the information and explanations we required for the purpose of our audit.

Respective Responsibilities of Directors and Auditors

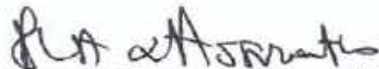
As stated, the directors are responsible for the preparation of the financial statements. Our responsibility is to express an independent opinion on those financial statements based on our audit.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, proper books of account have been kept and the financial statements which are in agreement therewith give a true and fair view of the state of affairs of the Campus Mutual Fund Limited at 31st December 2013 and of the results of its operations and changes in the net assets for the year ended and comply with the Ghana Accounting Standards, Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695) and the Ghana Companies Code, 1963, Act 179.



Bossman Nii Laryea Laryea (ICAG/P/1025)

For and on behalf of

BLA & ASSOCIATES (ICAG/F/128)

Chartered Accountants

DATED 29/12/2014 2014

C M FUND LIMITED

STATEMENT OF NET ASSETS AS AT DECEMBER 2013


Description	Shares	Price as at 31 Dec-2013 GH¢	Market Value GH¢	% Net Assets
Shares				
<i>Financial & Insurance</i>				
Ghana Commercial Bank	37,008	4.850	179,488.80	12.48%
Societe Generale Ghana Limited	10,000	0.750	7,500.00	0.52%
Cal Bank Limited	20,000	0.970	19,400.00	1.35%
SIC Insurance Company Limited	10,000	0.390	3,900.00	0.27%
<i>Manufacturing</i>				
PZ Cussons Ghana Limited	5,600	0.790	4,424.00	0.31%
<i>Oil & Marketing</i>				
Total Ghana Limited	14,960	5.060	75,697.60	5.27%
Ghana Oil Company Limited	18,000	0.890	16,020.00	1.11%
Total Shares (Cost GH¢ 261,396.30)			306,430.40	21.31%
Short Term Funds				
Unlisted Bond			103,069.84	7.17%
Fixed Deposits			1,016,455.77	70.68%
Bank Balance			30,238.95	2.10%
Total Cash and Short-Term Funds			1,149,764.56	79.95%
Total Investments			1,456,194.96	101.26%
Net Current Assets			(18,121.25)	-1.26%
Total Net Assets			1,438,073.71 =====	100.0%

C M FUND LIMITED

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER, 2013

ASSETS	2013 GH¢	2012 GH¢
Total Investments	1,456,195	475,503
Receivables:		
Dividend	-	-
Interest Receivable	-	-
	-----	-----
Total Receivables	-	-
Total Assets	1,456,195	475,503
Liabilities		
Accrued Audit Fees	5,000	3,500
Management & Custody Fees	13,121	16,274
	-----	-----
Total Liabilities	<u>18,121</u>	<u>19,774</u>
Net Current (Liabilities)	<u>(18,121)</u>	<u>(19,774)</u>
Net Assets	<u>1,438,074</u>	<u>455,729</u>

The financial statements were approved by the board of directors onand signed on its behalf by:



 Director



 Director

The Accounting policies and notes form an integral part of the financial statements.

C M FUND LIMITED

INCOME AND DISTRIBUTION ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2013

	NOTE	2013 GH¢	2012 GH¢
Investment Income			
Gross Dividend		20,518	14,320
Less: Withholding Tax		<u>(1,641)</u>	<u>(1,146)</u>
Net Dividend Income		<u>18,877</u>	<u>13,174</u>
Other Income		394,168	34,608
Interest Income		<u>70,957</u>	<u>26,914</u>
Total Income		<u>484,002</u>	<u>74,696</u>
Investment Management Fees		(29,805)	(11,531)
Other Expenses	(3)	<u>(59,648)</u>	<u>(23,158)</u>
Total Expenses		<u>(89,453)</u>	<u>(34,689)</u>
Net Investment Income		394,549	40,007
Change in Unrealised (Loss)/ Gain	(2)	<u>(68,129)</u>	<u>36,446</u>
Net Increase in Net Assets Resulting from Operations		<u>326,420</u>	<u>76,453</u>

C M FUND LIMITED

ACCUMULATED NET INVESTMENT INCOME

	2013	2012
	GHe	GHe
Beginning Period	57,280	17,273
Net Investment Income	<u>394,549</u>	<u>40,007</u>
End of Period	<u>451,829</u>	<u>57,280</u>

ACCUMULATED NET REALIZED GAINS

	2013	2012
	GHe	GHe
Beginning Period	37,234	2,975
Change in Realised Gain at end of Period	<u>391,618</u>	<u>34,259</u>
End Period	<u>428,852</u>	<u>37,234</u>

C M FUND LIMITED

STATEMENT OF MOVEMENTS IN NET ASSETS FOR YEAR ENDED DECEMBER 31, 2013

	2013 GHe	2012 GHe
Increase in Net Asset Operations:		
Operations:		
Net Investment Income	394,549	40,007
Net Unrealized Gain	<u>(68,129)</u>	<u>36,446</u>
Net Increase in Net Assets Resulting from Operations	<u>326,420</u>	<u>76,453</u>
Capital Transactions:		
Proceeds from share issue	743,622	95,373
Shares redeemed	<u>(87,697)</u>	<u>(36,588)</u>
Net Proceeds from Capital Transactions	655,925	58,785
Total Increase in Net Assets	<u>983,345</u>	<u>135,238</u>
Beginning of Period	<u>455,729</u>	<u>320,491</u>
End of Period	<u>1,438,074</u>	<u>455,729</u>

C M FUND LIMITED

STATEMENT OF MOVEMENT IN ISSUED SHARES FOR THE YEAR ENDED DECEMBER 31, 2013

	31 - Dec -13 '000	31- Dec- 12 '000
Shares in Issue at Beginning of Period	1,895	1,683
Net Shares Issued During the Period (4)	1,665	212
Shares in Issue at 31 st December	3,560 =====	1,895 =====

C M FUND LIMITED

NOTES TO FINANCIAL STATEMENTS

1. Accounting Policies

The principal accounting policies adopted in the preparation of the fund's financial statements are:

i) Valuation of investment

Securities listed on a stock exchange or traded on any other organized market are valued at the last available market price on the relevant valuation day.

Securities that are actively traded on the over-the-counter market are valued at the mean between the most recently quoted bid and offer prices provided by the principal brokers. Securities and assets for which market quotations are not readily available are valued at fair values as determined in good faith by or under the direction of the Board of Directors. Short-term debt securities having a maturity of ninety-one days or less are valued at a mortised cost.

ii) Treatment of dividend income

The assets of the Fund include all dividend income. Dividends are accrued if the qualifying date falls within the year under review.

iii) Investment income

Interest income is recorded on an accrual basis.

iv) Investment transaction and investment income

Investment transactions on the Ghana Stock Exchange at the other African Stock Market are accounted for on the trade date. Transactions in stocks listed on the other African Stock Markets are translated at the transaction date to cedis. Realized gains and losses on the sale of investment securities are determined on the identified cost basis.

v) Foreign Currency

Assets and Liabilities denominated in foreign currency are translated into cedis at rates of exchange ruling at the date of the Statement of Assets and Liabilities.

vi) Bonus Shares

Bonus shares recognized when the right to holdings is established.

C M FUND LIMITED

2. unrealised gains on investments

DESCRIPTION	2013 GH¢	2012 GH¢
Market Value of Investments	306,430	251,448
Cost of Investments	<u>(261,396)</u>	<u>(138,285)</u>
	45,034	113,163
Add unrealized gains/ (Loss) on Forex	-	-
	----- 45,034	----- 113,163
Add back (losses)/gains From previous year	<u>(113,163)</u>	<u>(76,717)</u>
Unrealised Gain As at December 31	<u>(68,129)</u> =====	36,446 =====

C M FUND LIMITED

3. Other Expenses include

DESCRIPTION	2013 GH¢	2012 GH¢
Directors Fees	1,911	1,000
Audit Fees	5,000	4,000
Other Expenses	5,765	2,849
Printing & Stationery	4,150	1,008
Redemption Expenses	<u>42,822</u>	<u>14,301</u>
	59,648	23,158
	=====	=====

4. Capital Transactions

	2013 NO.OF SHARES '000	2012 NO.OF SHARES '000
Balance b/d	1,895	1,683
New Issues	2,028	450
Redemptions	<u>(363)</u>	<u>(238)</u>
Balance	<u>3,560</u>	<u>1,895</u>

5. Taxation

Under current legislation, mutual funds in Ghana are not subject to taxes on income or capital gains, nor to any taxes on income distributions.

PROXY FORMS

ANNUAL GENERAL MEETING to be held at 10.00 am on 30th June, 2014 at Teachers Hall, Accra.

I/We..... being a member of the CM Fund Limited hereby appoint

.....or failing him, the chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on Friday, 30th June, 2014 and at any and every adjournment thereof.

Dated thisday of.....2014.....

Shareholders Signature

Resolution	For	Against
To receive the 2013 Annual Reports		
To approve the Remuneration of Auditors		

Please indicate with 'X' in the appropriate box how you wish your votes to be cast on the resolution set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his discretion.

PORTFOLIO MANAGER'S REPORT

Introduction

SDC Capital Ltd, the portfolio manager has a philosophy of ensuring that capital of any funds under its management is preserved. We seek to ensure that funds under our management achieve optimal growth by investing in a well diversified portfolio mix of money market instruments and any other investment opportunities considered viable by the investment committee or in accordance with the investment management guidelines.

Fund Performance

The Fund recorded 67.94 at the end of 2013 financial year compared with a return of 42.82% in 2012. The Ghana Stock Exchange All-share Index the major benchmark on the other hand closed the year at 78.81%.

Investment Objective and Policy

The objective of the fund is to provide long – term capital growth by investing in a well diversified portfolio of shares listed on the Ghana Stock Exchange and money market instruments. In line with the aforementioned investment objective, the portfolio manager will continue to explore opportunities that will maximize returns on the assets of the Fund without assuming undue risks.

Historical Performance – CM Fund & GSE All Share Index

Year	YTD %	GSE – All Share Index %
FY- 2007	23.70	31.84
FY - 2008	31.73	58.06
FY - 2009	-10.71	-48.06
FY - 2010	36.96	32.25
FY - 2011	-3.43	-3.10
FY - 2012	42.82	23.81
FY - 2013	67.94	78.81
Simple Annual Return	Average 27.00	24.80

The Fund's performance over the years is driven by its diversified portfolio mix of equity and money market instruments depending on the direction of market yield at a particular point in time. The Fund manager will continue with its rigorous stock selection process to identify underpriced stocks that provides long term value.

Outlook

Going forward, we aim to be the best choice of investment among the Collective Investment Schemes in the country. We remain optimistic that the fundamentals of our market will continue to support our aspiration for growth for the ultimate benefit of our shareholders.

*Clarkson Duku Acheampong – (CA Gh; MBA Finance)
Portfolio Manager*



Head Office

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