AXIS PENSION TRUST

CEDAR PROVIDENT FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2019

Contents

Particulars of Service Providers / Advisors. — 3

Chairman's Remarks — 4

Scheme Administration Report — 6

Investment Report — 9

Outlook & Portfolio Strategy — 11

Independent Auditor's Report — 11-16

Statement of Net Assets Available For Benefits — 22

Statement of Changes in Net Assets Available For Benefits — 23

Statement of Movement in Net Assets Available For Benefits — 23

Statement of Cash flows — 24

Notes to the Financial Statements — 25-38

PARTICULARS OF SERVICE PROVIDERS / ADVISORS

SPONSORING TRUSTEE
Axis Pension Trust Ltd.
#4 Ibadan Avenue
East Legon
Accra.
Tel No.: 0302-543287
Email: aptl@axispension.com

FUND CUSTODIAN
Zenith Bank (Ghana) Limited
Premier Towers, Liberia Road
PMB CT 393, Cantonments
Accra.
Tel No.: 0302 611500
E-mail: custodianservices@zenithbank.com.gh

INDEPENDENT AUDITORS
John Kay & Co
7th Floor, Trust Towers
Farrar Avenue, Adabraka
Accra.
Tel No.: 0302235406
E-mail: jkayal@yahoo.com

FUND MANAGERS
1.Databank Asset Management Services Ltd
#61 Barnes Road
Adabraka, Accra.
Tel No.: 0302610610
E-mail: pensions@databankgroup.com

2.STANLIB Ghana Ltd
Stanbic Height, Plot 215, South Liberation Link
Airport City, Accra.
Tel No.: 0302610690
E-mail: s2stanbic.com.gh

IC Asset Managers
2nd Ridge Link, North Ridge Accra
Tel No.: 0302765086
E-mail: info@icassetmanagers.com

CHAIRMAN'S REMARKS

Dear Employers and Scheme Members,

It is my pleasure to present you with the Cedar Provident Fund Annual Report and Financial Statement for the year ended 31 December 2019. As we write this year's report, we are in the midst of the greatest pandemic battle we have experienced in a generation. Our prayers goes out to the individuals, including healthcare workers and front line responders, most deeply hit by the COVID-19 crisis.

As a Pension Fund Trustee, Axis invests on behalf of our members in a fiduciary capacity. The money we manage is not our own. It belongs to the thousands of hard working men and women across the length and breadth of the country who are saving to finance their retirement goals. We have a deep responsibility to our clients to ensure your money is invested prudently.

After 10 years of implementation of the National Pensions Act, 2008 (Act 766), it is important to take stock, reflect on our successes and re-strategize for the next decade. Without doubt, the pension reform has been a monumental achievement for Ghana. Pension assets to GDP reached 9.3% in 2018, from 5.59% in 2013. An evolving savings culture, inspired by tax incentives and robust governance, has helped mobilize over GH¢13b in long-term capital as at December 2018.

As we begin the new decade, it is important to reflect upon and present your Fund's activities in 2019. The financial sector-wide clean up in 2019 led to hundreds of licenses revoked across savings and loan, finance houses and asset management companies. The private pensions industry was largely spared from the harsh brunt of the clean-up due to pre-emptive regulations by the National Pension Regulatory Authority (NPRA).

The Trustees of the Cedar Provident Fund invested the assets under our management with due care and diligence. Net Asset Value (NAV) increased from GH¢145.35 million to GH¢206.30 million, with total inflows (contributions and transfer-in) of GH¢63.25 million, benefit payments of GH¢22.32 million and net investment income of GH¢23.52 million representing a year-to-date return of 13.98%. The 2019 investment returns' represents 5.29% above average inflation rate of 8.69%, which is consistent with the Fund's investment objective.

The reported return is net of a total impairment of GH¢2.57 million taken on our investment in two listed bonds; PBC Ltd and Edendale Properties Ltd. These issuers failed to pay full principal after their bond matured. The impairment provision is therefore in line with prudent accounting requirement. We are hopeful of recovery in the near future. Any recovery will accrue to members as gains.

The events of the past three years confirms the critical importance of our financial literacy and retirement planning campaigns. In 2019, we intensified our educational outreach to members of our scheme. We organized 80 retirement planning outreaches across our member organizations with about 2,756 participants in attendance. Regrettably, members are apathetic to this initiative. Nonetheless, we are not perturbed because we believe the initiative is in the best interest of members. These efforts will therefore continue unabatedly in the coming years. We owe it a duty to liberate the masses from the constant financial pitfalls through investment and retirement savings education.

We organized an industry first annual general meeting for the Cedar Provident Fund. We also brought together our members who are nearing retirement; in what was also an industry first, for a comprehensive one-day education on navigating life after retirement.

Lastly, I would want to use this opportunity to extol the virtue of long term investing. No one can build wealth without consistently investing over a very long time. We all know this; however the challenge of self-discipline makes it extremely hard to save for the long term. Issues relating to financial self-discipline arise when choices and their consequences are separated in time. For instance, how do I forgo present consumption for some benefit which might be 10, 20 or 30 years away?

It is for this reason that we are better off allowing complementary retirement saving schemes like Tier 3 including personal pension schemes to fulfill our retirement needs without interrupting it. If you want an evidence of what consistent long term saving does, take a look at your Cedar Pension fund (Tier 2) account balance. Check out the break down between investment income and contributions. Imagine what your Provident Fund account will look like today if you had one and have not drawn down since it begun. Most importantly imagine how your retirement future will look like if you decide today you will not interrupt the growth of your provident fund.

2020 will see us continue to accelerate investments in products, services and technology. Members should be able to update their beneficiary details on our Client Relationship Management (CRM) platform and access our services on USSD short code 1860. We encourage you to explore all our digital channels to ensure you are close to us. On behalf of the Board of Trustees, I thank all participating employers and scheme members for your continued trust in our stewardship. I wish you well.

Robert Marshall Bennin
Chairman, Board of Trustees

SCHEME ADMINISTRATION REPORT

Governance

A master-trust provident fund, Cedar Provident Fund is designed for employers of all sizes to use as a vehicle for investing mandatory second tier pension contributions of their employees. Axis Pension Trust Limited is the scheme sponsor for Cedar Provident Fund.

The scheme is established under a Trust Deed and runs under the National Pensions Act, 2008 (Act 766) as amended in the National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pensions Scheme (General) Regulations 2011, L.I 1990. A six-member Board of Trustees (the "Trust") was inaugurated in 2017 to run of the scheme. It is the responsibility of the Trust- membership of which is listed below - to formulate investment policies for, and supervise, the day-to-day management of the scheme:

Licence Number	Trustee Name	Position	Appointment Date	Date of Exit
NPRA17007	Robert Marshall Bennin	Chairman	13/10/2017	
NPRA/MTOPS/12002/15001	Afriyie Oware	Member	12/11/2012	
NPRA19024	Dorcas Okantey	Member	09/01/2019	
NPRA17025	Daniel Kwasi Sarpong	Member	13/10/2017	
NPRA19025	Matthew Mani	Member	28-Jun-19	
NPRA19026	Ato Boateng	Independent Trustee	28-Jun-19	
NPRA/MTPFS/12001/15003	Simon Komla Agbenyegah Ayivi	Member	12/11/2012	28-Jun-19
NPRA/MTPFS/12001/15002	Ivy Naa Odey Hesse	Independent Trustee	13/09/2016	28-Jun-19

Scheme Membership Statistics

	2019	2018	2017
Members as at 1st January	9,231	5,567	4,427
Additions	3,228	4,077	1,703
Withdrawals	1,681	413	563
Members as at 31st December	10,788	9,231	5,567

Summary statistics

Description	Deferred Contributions	Transfers In	Transfers Out	Resignation	Retirement (Statutory)	Retirement (Early)	Permanent Emigration	Incapacitated Members	Deaths
Numbers	151	75	23	1,787	72	-	6	-	5

Financial Highlights

Activity	2019(GH¢)	2018(GH¢)	2017(GH¢)
Contributions	63,245,329	56,575,694	27,830,568
Net Investment Income	23,517,460	17,334,540	13,722,905
Benefits Paid	22,319,391	15,259,325	19,778,455
Assets Under Mgt.	206,297,645	145,354,694	88,640,648

Expenses

All expenses of the Scheme are charged against the Scheme. We confirm that expenses charged and deducted from the Scheme funds are those allowable under the National Pensions Act, 2008 (Act 766), Guidelines on Fees and Charges and any other directives issued by the Authority from time to time.

Fee Type	Maximum Rate (% p.a.)	Actual Rate (% p.a.)	2019 Amount (GH¢)	2018 Amount (GH¢)
NPRA Fees	0.33	0.33	559,581	16,984,658
Trustee (Administrator) Fees	1.33	1.15	2,005,304	1,157,790
Pension Fund Custodian Fees	0.28	0.18	306,267	199,322
Pension Fund Mgr. Fees	0.56	0.50	778,843	510,597
Audit Fees			8,937	4,468

Member Communication

Scheme Information is disseminated through SMS, emails, the Client Access Portal and the Mobile App downloadable on Google Pay Store and the App Store.

Access to Benefit Statements

Scheme members have a 24-hour online access to their benefit statements via https://cap.axispension.com/crm/ and the Axis Mobile App. Members may use their SSNIT numbers or Axis membership numbers to log on to the platform to view and print statements. All scheme members are encouraged to take advantage of this platform to update themselves with the growth and performance of their retirement savings. Members can also update their beneficiary details using the Axis Mobile App.

INVESTMENT REPORT

Economic & Market Overview

In 2019 the key drivers of global markets were the trade tensions between the USA and China and central bank monetary policy easing. Geopolitics and trade disputes influenced asset prices and market volatilities. Global Central Banks reduced policy rates with the aim of offsetting the trade shocks and sustaining the economic expansion in spite of the late stage of the business cycle. The expansionary monetary policy tilt were key drivers of strong assets returns across global markets.

The Ghanaian economy saw robust economic growth albeit below 2018 and 2017 growth outturns. Third quarter economic growth rate was 5.6% compared to 6.7% and 5.7% in the first quarter and second quarter respectively. Overall, we expect full year 2019 GDP to come in stronger due to stronger fourth quarter holiday demand and boost from the Tourism Authority's Year of Return Initiative. Year-end Inflation declined to 7.9% from same period 2018 figure of 9.3% driven mainly by a fall in food inflation - 7.2% in 2019 compared with 8.4% in 2018 - coupled with the rebasing and reconstitution of the inflation basket in September 2019.

Government's short term treasury rates were relatively unchanged in the year under review increasing marginally by just 0.1% across both the 91 and 182 days bills to close the year at 14.7% and 15.15% respectively.

The primary market yield of the 2 and 5 year notes increased by 1.5% and 3% respectively whiles the 3year frequently issued bond yield fell by 0.3%. On the secondary market, we saw weak performance across the government sector with the S&P Ghana Sovereign Bond Index recording end of year USD return of 2%.

The equities market continued its bearish run in 2019. The general market fell by 12.25%, whiles the financial composite declined by 6.23%. The fall in stocks is in spite of a rebound in earning per shares across most of the listed companies. Overall, weaker sentiments due to a protracted financial sector clean up exercise and favorable developed market stock performance weakened offshore demand and drove equities southward

Investment Policy

The strategic asset allocation for the Cedar Provident Fund remains unchanged. The Cedar Provident Fund is a master-trust scheme made up of two investment packages (investment plans) namely moderate and capital preservation accounts. These investment plans are underlined by segregated asset class-based constituent fund namely; Equity, Government Bond, Alternative assets and Income and Credit Constituent Funds.

In whatever asset class we invest in, our goal is clear, i.e. to grow the value of the fund so members enjoy decent pensions at retirement. Cedar Provident Fund return objective are therefore to achieve a stable real return of 5% and/or attain a return that exceeds the 364 days Government Paper return on a rolling 5 year basis. Below is the strategic global asset allocation of the scheme:

Asset Class	Policy Allocation	Control Ranges (%)
Corporate bonds & debts[1]	10%	+10% to -5%
Government notes & bonds[2]	45%	+10% to -10%
Treasury bills	5%	+10% to -5%
Money market securities	15%	+5% to -10%
Equity	15%	+5% to -7.5%
Alternative investments	10%	+5% to -5%
Local government and statutory agency	15%	-5%
Mutual fund	5%	+5% to -5%

Statement of Investment Principles

We the Trustees attest that Scheme funds have been invested with the objective of obtaining safe and fair returns in accordance with National Pensions Act, 2008 (Act 766). We confirm that there has been full compliance with prohibitions on investments which include but are not limited to, use of Pension Fund assets as collateral, investing outside maximum allowable limits, investing outside the scope of Assets stipulated by the Investment Guidelines and investing in securities issued by any issuer for which there exists a conflict of interest.

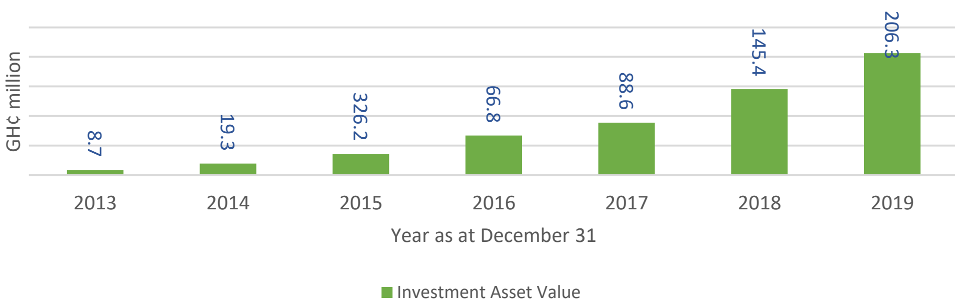
Portfolio Execution & Performance

The table highlights our significant increase in our Local Government and Statutory Agency (LGSA) and Treasury Securities allocation, whiles we cut back in our bank fixed deposit exposures in 2019. We increased our exposure in equities during the fourth quarter of 2019 to lower the average purchase cost of key holding as we believed the general fall in price present great buying opportunities in our top equity picks.

Asset	Maximum Allocation(%)	Actual Allocation(%)	Investment Income Earned (GH¢)	2019 Year End Value (GH¢)	2018 Year End Value (GH¢)
Government Securities	60%	62%	19,018,253	127,543,274	76,937,669
Corporate Bonds/ (REITs)	35%	6%	1,838,254	11,992,485	11,862,220
Money Market	35%	8%	2,377,587	17,585,319	12,709,858
Local Government & Statutory Agencies Securities	15%	12%	3,393,169	23,930,313	15,419,866
Listed Equities	20%	5%	(1,157,172)	10,203,950	8,333,524
Alternative Investments	5%	0%	(43,586)	1,140,697	670,652
Open and Closed Ended Funds	15%	2%	702,631	4,057,327	6,871,954
Cash and Receivables		5%	136,109	10,905,708	13,278,627
Total		100%	26,265,245	207,359,073	146,084,370

Strong Net Asset Growth since Inception

Below is the evolution of the Cedar Provident Funds net asset value (NAV) over the past 7years

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Investment Management Mandates

The Cedar Provident Fund assets are invested to reflect segregated asset class based constituent funds namely; Equity Fund, Government Bond Fund, Income plus Credit Fund and Alternative Asset Funds. This strategy is designed to improve investment returns within an asset class and to optimize efficiency in management of assets. The arrangements for segregated management of the scheme's assets, as at December 31, 2019, are set out below:

Constituent Fund	Fund Manager	% of the Fund
Government Bond Constituent Fund	Databank Asset Management Ltd	55.6%
Income and Credit Fund	Stanlib Ghana Ltd.	31.4%
Equity Constituent Fund	IC Asset Manager Ltd.	12.4%
Alternative Assets Constituent Fund	Stanlib Ghana Ltd.	0.58%

Government Bond Constituent Fund

	Maturity	Target Allocation	Lower Limit	Upper Limit
Treasury Bonds/Notes	>2- 10 Years	100%	78%	122%
Portfolio Total		100%	78%	122%

Tactical Allocation

Asset Class	Maturity	Target Allocation	Lower Limit	Upper Limit
Money Market Securities	1 – 270 days	10%	0%	15%

Income plus Credit & Alternative Assets Constituent Fund

Asset Class	Target Allocation	Lower Limit	Upper Limit
Government Securities (up to1 Tenor)	17%	0%	50%
Money Market Securities	50%	17%	67%
Corporate Notes & Bond (2-10 Years)	33%	17%	67%
Portfolio Total	100%	33%	183%

Tactical Allocation

Asset Class	Maturity	Target Allocation	Lower Limit	Upper Limit
Government Notes & Bonds	1-5yrs	5%	0%	10%

Equity Constituent Fund

Asset Class	Target Allocation	Lower Limit	Upper Limit
Money Market Securities	100%	50%	133%

Tactical Allocation

Equity and Balanced Mutual Fund	30%	0%	40%
Money Market	10%	0%	15%

Performance of Investment Packages

The Cedar Provident Fund net return for 2019 was 13.98% at the global level, outperforming inflation by 5.29%. This returns however is different from what is reflected in member's accounts. The Fund applies life cycle investing strategy where members are allocated to different investment packages based on their age. Clearly, investment needs and appetite towards risks tend to differ with age. The scheme has therefore been designed to place younger members in more aggressive portfolios with automatic shift to conservative portfolios as they approach retirement. This is best practice globally for Defined Contribution investing and we at Axis are proud to lead the industry in the application of this strategy since inception in 2012. The NPRA has adopted this practice for industry-wide implementation by all pension schemes in the new guidelines for investments.

Retirement Plan	Moderate Retirement Plan	Preservation Retirement Plan
Age Range	< 50 years	> 50 years

Cedar Provident Fund Historical Performance

Retirement Plans against Benchmarks	2019 Annualized	3-Years CAGR	5-Years CAGR	Since inception CAGR	Cummulative Returns Since Inception
Moderate Portfolio Retirement Plan	12.87%	16.11%	18.70%	19.85%	255%
Preservation Portfolio Retirement Plan	15.08%	17.87%	20.33%	20.72%	274%
Average Scheme's Return	13.98%	17.00%	19.53%	20.29%	264%
Inflation Benchmark	8.69%	10.30%	13.06%	13.17%	138%
US Dollar	11.86%	8.54%	11.55%	16.38%	189%

Outlook & Portfolio Strategy

With a trade truce between the United States of America and China in the offing, 2020 held economic growth prospect. Central bank monetary easing in developed economy was growth supportive until the sudden impact of the COVID-19 pandemic. The human and economic toll of the COVID-19 pandemic cannot be understated. While we expect the worst of the impact to be felt in H1-2020, it could extend beyond this period. 2020 may see the worst peacetime performance for the global economy since the Great Depression of 1929-31

Global credit rating agency, Fitch predicts world economic activity to decline by 1.9% in 2020 with US GDP down by 3.3%, the Eurozone down by 4.2% and the UK down by 3.9%. China's recovery from the disruption in Q1-20 will be sharply curtailed by the global recession and annual growth will be below 2%. Ghana's economic growth which was tipped to grow at 6.8%% is now expected to grow by only 2.6%, the lowest in 36 years. Government fiscal deficit is expected to exceed initial forecast of 4.7% to 7.8% as a result of; significant shortfall in petroleum receipts estimated at GH¢5.7 billion, shortfalls in import duties, shortfall in other tax revenues, and increase in health related expenditure amidst general tightening financial conditions. Together revenue shortfall is expected to exceed GH9 bn.

In Ghana, to mitigate the impact of COVID-19 on economic growth, the central bank eased prime rate by 1.5% to 14.5%, reduced required reserves from 10% to 8%, relaxed provisioning requirement and made use of macro-prudential policy to encourage lending by banks. The fiscal authorities on the other hand will prop up the economy through a release of GH¢1 billion into the Coronavirus Alleviation Program to support businesses that are hard hit by the crisis. Government will further access about GH¢3.1 billion in IMF's Rapid Credit Facility, cut GH¢1.2 billion of recurrent expenditure and capital spending, as well as possibly amending legislation to borrow as much as 10% of the previous year's fiscal revenue from the Bank of Ghana (BOG). We believe the combination of monetary and fiscal policies will help alleviate the economic pains from COVID-19.

Our goal is to build a resilient portfolio that will help us weather the COVID-19 storm while we take advantage of the situation to snap up asset which hitherto will be selling at a premium. In this regard, Government of Ghana intermediate term notes shall continue to dominate our total portfolio. We have seen yields on Government notes and bonds increasing by between 200 bps and 300 bps due to foreign investors sell off driven by the COVID-19 pandemic fear. The fund shall opportunistically pick up yields on government bonds to enhance portfolio return.

The weakening that will be brought upon our fiscal positions implies the local currency may depreciate against other hard currency. This coupled with the fact that asset prices have declined present an opportunity to buy Ghana's Eurobond which is currently selling at a huge discount. We shall over time expose about 10% of our portfolio to this asset class as it provides a hedge against the perennial currency depreciation and an opportunity for good coupons.

We remain very cautious about the general credit environment and will not add much exposure to our credit or corporate bond portfolio. We will evaluate our current corporate credit holdings individually and cut back significantly when credit conditions among issuers deteriorate substantially.

We will maintain our equities holding in line with our strategic asset allocation. In equities our preference are companies with resilient balance sheet, consistently high returns on equities, leaders in their industry and selling at a discount compared with peers. We believe the general stock market is under-valued and will not turn down an opportunity to buy great companies with exceptional management on the low.

We have already committed about USD2.0 million to two private equity funds, Oasis Africa VC Fund and Injaro Ghana Venture Capital Fund. We will continue to make cash available to them when they make a call on the committed capital. We believe in times of market stress such as we are facing, private equity as an asset class usually stands out in terms of performance and will count on this asset class to make our investment worthwhile.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The National Pensions Act, 2008 (Act 766) requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the financial transactions of the Scheme for the year and of the disposition at year end of its assets and liabilities. It also requires the Trustees to ensure that the Scheme keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme. They are also responsible for safeguarding the assets of the Scheme.

The Trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the National Pensions Act, 2008 (Act 766) and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990). The Trustees have instituted appropriate internal controls to avert cases of fraud or error from which material misstatements may arise.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the National Pensions Act, 2008 (Act 766) and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990). The Trustees assert that the financial statements give a true and fair view of the state of the financial affairs of Cedar Provident Fund.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEDAR PROVIDENT FUND

Opinion

We have audited the accompanying financial statements of Cedar Provident Fund, which comprise Statement of Net Assets available for benefits as at 31st December, 2019, and the Statement of Changes in Net Assets available for benefits and Statements 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 19 to 35.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme at 31
December 2019 and 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 National Pensions Act, 2008 (Act 766) and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990).

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 Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the National Pensions Act, 2008 (Act 766)and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990), 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 Trustees are also responsible for overseeing the Scheme's financial reporting process.

In preparing the financial statements, the Trustees are responsible for assessing the Scheme'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 Scheme or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 thos e 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 Funds internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• 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.

• 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.

• Obtain sufficient appropriate audit evidence regarding the financial information of the Fund or its activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

Key Audit Matter

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgment, were most significant in the audit of the financial statements.
Key audit matters identified during the audit have been communicated to those charged with governance in a separate management letter.

Report on Legal and Regulatory Requirements

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, and the Trustees of the Scheme have complied with the prohibited investment practices requirements under Regulation 35 as well as the requirements of all other regulations specified by the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990), the requirements of the National Pensions Act, 2008 (Act 766), the requirements of the National Pension (Amendment) Act, 2014 (Act 883) so far as appears from our examination of the books.

Signature

The engagement partner on the audit resulting in this Independent Auditor's report is John Armstrong Yao Klinogo (ICAG/P/1116)

For and on behalf of John Kay & Co.
(ICAG/F/2020/128)
Chartered Accountants

11th May, 2020

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AS AT 31ST DECEMBER, 2019

	Note	2019 GH¢	2018 GH¢
ASSETS			
Bank Balance	4	2,754,699	4,422,407
Investments Held at Amortized Cost	5	181,051,391	115,893,179
Fair Value Through Profit and Loss	6	15,401,974	16,912,564
Receivables	7	8,151,009	8,856,220
TOTAL ASSETS		207,359,073	146,084,370
LIABILITIES			
Administrative Expenses Payable	8	368,830	307,116
Benefits Payable	16	631,212	385,181
Other Payables	14	61,386	37,379
TOTAL LIABILITIES		1,061,428	729,676
TOTAL LIABILITIES		206,297,645	145,354,694
Represented By:			
TOTAL ASSETS LESS LIABILITIES		206,297,645	145,354,694

The Financial Statements on pages 19 to 35 were approved by the Trustees on 19th March, 2020 and were signed on their behalf by:

ON BEHALF OF THE BOARD OF TRUSTEES

Afriyie Oware		19th March, 2020
Trustee	Signature	Date
Matthew Mani		19th March, 2020
Trustee	Signature	Date

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31ST DECEMBER, 2019

	Note	2019 GH¢	2018 GH¢
DEALINGS WITH MEMBERS			
Contributions	9	63,245,329	56,575,694
Benefits	10	(22,319,391)	(15,259,325)
Net Additions from Dealings with Members		40,925,938	41,316,369
RETURNS ON INVESTMENTS			
Investment Income	11	26,106,760	17,465,511
Brokerage Fees/Commissions		(19,179)	(22,630)
Provision for Impairment Loss	15	(2,570,121)	(108,341)
Net Investment Income		23,517,460	17,334,540
Net Gains / (Losses) on Investment Income	12	158,485	302,023
Administrative Expenses	13	3,658,932	2,238,886
Increase In Net Assets For The Year		60,942,951	56,714,046

STATEMENT OF MOVEMENT IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31ST DECEMBER, 2019

	Note	2019 GH¢	2018 GH¢
Net Assets Available For Benefits As At 1st January		145,354,694	88,640,648
Increase In Net Assets For The Year		60,942,951	56,714,046
Net Assets Available For Benefits As At 31st December	17	206,297,645	145,354,694

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2019

	Note	2019 GH¢	2018 GH¢
Increase in Net Assets for the Year		60,942,951	56,714,046
Adjusted for: Investment Income (Non-Cash)		(14,027,098)	(5,977,678)
CASH FLOWS FROM OPERATING ACTIVITIES			
Increase/(Decrease) in Benefits Payable		246,031	(1,726,867)
Increase/(Decrease) in Admin Exp. Payable		61,714	136,186
Increase/(Decrease) in Other Payables		24,007	(2,832)
Increase/(Decrease) in Receivables		705,211	(4,013,042)
Net Cash Generated from Operating Activities		**45,129,813**	**45,129,813**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Treasury Bonds		(64,768,081)	(37,051,657)
Purchase of Treasury Bills		(4,107,979)	(9,357,461)
Purchase of Ordinary Shares		(5,295,149)	(5,187,883)
Purchase of Money Market Securities		(33,552,329)	(27,940,429)
Purchase of Corporate Bonds		(1,170,000)	(1,818,409)
Purchase of Units in Open / Close Ended Funds		(61,200)	(1,350,000)
Purchase of LGSA Securities		(27,356,718)	(12,017,938)
Purchase of Private Equity		(513,633)	(670,652)
Proceeds from Disposal of Treasury Bonds		26,171,951	11,187,652
Proceeds from Disposal of Treasury Bills		144,999	10,764,769
Proceeds from Disposal of Ordinary Shares		2,498,936	-
Proceeds from Disposal of Money Mkt Sec		29,546,449	26,235,546
Proceeds from Disposal of Corporate Bonds		4,760,988	4,014,052
Proceeds from Disposal of Units of Open/Closed End Funds		4,354,038	448,638
Proceeds from Disposal of LGSA Securities		19,727,204	313,577
Net Cash Used in Investing Activities		**(49,620,524)**	**(42,430,195)**
Net Increase (Decrease) in Cash and Cash Equivalents		**(1,667,708)**	**2,699,618**
Cash and Cash Equivalents as at 1st January		4,422,407	1,722,789
Cash and Cash Equivalents as at 31st December		**2,754,699**	**4,422,407**

1. SCHEME INFORMATION

The Scheme is a defined Contribution Scheme which provides Lump Sum benefits on Retirement and such other ancillary benefits to members who meet the qualifying conditions stipulated under the National Pensions Act, 2008 (Act 766). Axis Pension Trust Ltd. is the sponsor of the Cedar Provident Fund. The Scheme is a Master Trust Scheme with 172 employers contributing into the Fund for 10,778 members as at the date of reporting.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Scheme have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the National Pensions Act, 2008 (Act 766), the Occupational and Personal (General) Regulations, 2011 (L.I. 1990) and relevant Guidelines

2.2 Basis of Measurement

The Financial Statements are prepared under the historical cost convention, as modified by the revaluation of certain financial instruments. The actuarial present value of pensions and other future benefits of the Scheme are not applicable to these Financial Statements.

2.3 Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRS requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and the associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.4 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Quoted Investments

The financial assets at fair value through profit or loss are determined by reference to their quoted bid price at the reporting date. Changes in market values are recognised in the Statement of Changes in Net Assets Available for Benefits.

(ii) Cash and Cash Equivalents

The fair value of cash and cash equivalents approximates their carrying values.

(iii) Non-Derivative Financial Liabilities

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Instruments with maturity period of 6 months are not discounted as their carrying values approximate their fair values.

2.5 Fair value of Financial Instruments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under IFRS 13 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Scheme has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

2.6 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the financial statements are set out below.

3.1 Functional and Presentation Currency

The financial statements are presented in Ghana Cedis (GHS), which is the Scheme's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of changes in net assets.

3.2 Contributions

Contributions are recognized in the period in which they fall due. The Contributions are in compliance with rates as per the National Pensions Act, 2008 (Act 766) and the Scheme Governing Rules.

3. SIGNIFICANT ACCOUNTING POLICIES CONTD.

3.3 Benefits

Benefits are recognized in the period in which they fall due. Benefits represent all valid benefit claims paid/payable during the year in compliance with the National Pensions Act, 2008 (Act 766) and the Scheme Governing Rules.

3.4 Investment Income

Dividend Income from investments is recognized when the shareholders' right to receive payment has been established. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

3.5 Financial Assets

The Trustees determine the classification of Financial Assets of the Scheme at initial recognition.

Financial Assets are classified as follows:

a. Financial Assets at Fair Value through Profit or Loss (FVTP&L)

Fair value through profit or loss is the classification of instruments that are held for trading or for which the entity's business model is to manage the financial asset on a fair value basis i.e. to realise the asset through sales as opposed to holding the asset to collect contractual cash flows.

Financial Assets are classified as follows:

a. Financial Assets at Fair Value through Profit or Loss (FVTP&L)

Fair value through profit or loss is the classification of instruments that are held for trading or for which the entity's business model is to manage the financial asset on a fair value basis i.e. to realise the asset through sales as opposed to holding the asset to collect contractual cash flows. Upon initial recognition as financial asset or financial liability, it is designated by the Trustees at fair value through profit or loss except for investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. The trustees have elected to classify all investments in equity under FVTP&L.

b. Investment Held at Amortised Cost

Investments held at amortised cost are non-derivative financial assets with fixed or determinable payments and fixed maturity. In determining the classification of financial assets to the above class, two test criteria are applied;

Business model test: The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The Trustees have assessed the business model of the Pension Scheme and cash flow characteristics of its fixed income investments and elected to classify all fixed income instruments under amortised cost.

c. Initial Recognition of Financial Asset

Purchase and sales of financial assets held at fair value through profit or loss and liabilities are recognized on the date the Trustees commit to purchase or sell the asset. Financial assets are initially recognized at fair value plus directly attributable transaction costs, except for financial assets at fair value through profit or loss.

d. Subsequent Measurement of Financial Asset

Financial Assets classified as fair value through profit or loss are subsequently measured at fair value with the resulting changes recognized in the Statement of Changes in Net Assets.

e. De-recognition

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

f. Amortized Cost Measurement

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayment, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

g. Identification and Measurement of Impairment

A financial asset or a group of financial assets are impaired using the "expected credit loss" model, where the Trustees calculate the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

The Expected Credit Loss Model (ECL) is used in the recognition of impairment losses. The ECL means that on the day an entity recognizes (enters into a an investment contract) a financial asset, it has to provide from day 1 credit losses up to 12 months expected credit loss even if the financial assets are not credit impaired. When the issuer's credit risk worsens due to some observed conditions, then a lifetime ECL must be booked.

Objective evidence that financial assets are impaired can include default or delinquency by a debt issuer and other observable data that suggests adverse changes in the payment status of the debt issuer.

The Trustees first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Trustees determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized, are not included in a collective assessment of impairment.

Future cash flows in a group of financial assets that are collectively valuated for impairment are estimated on the basis of the historical loss experience for assets with credit risk characteristics similar to those in the Scheme. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based, and to remove the effects of conditions in the historical period that do not exist currently.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impair

3.6 Provisions

Provisions are recognized when the Scheme has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where the obligation is expected to be settled over a period of years, the provision is discounted using a discount rate appropriate to the nature of the provision.

3.7 Cash and Cash Equivalents

Cash and cash equivalents as referred to in the Cash Flow Statement comprises, current and call accounts with banks.

3.8 Standards, Amendments and Interpretations issued but not yet effective

As at the end of the reporting period, there were no new standards, amendments to standards and interpretations issued but yet to be effective for pension fund reporting.

4. BANK BALANCE

	2019 GH¢	2018 GH¢
Call Account	2,754,699	4,422,407
Total Bank Balance	2,754,699	4,422,407

5. INVESTMENTS HELD AT AMORTISED COST

	2019 GH¢	2018 GH¢
Treasury Notes	123,076,449	76,937,669
Corporate Bonds	12,241,548	10,934,127
Treasury Bills	4,466,825	-
Fixed Deposits	17,614,450	12,709,858
Local Gov't and Statutory Agencies Securities	23,930,313	15,419,866
Total Investments Held at Amortised Cost	181,329,585	116,001,520
Expected Credit Loss	(278,194)	(108,341)
Net Investments Held at Amortised Cost	181,051,391	115,893,179

6. FAIR VALUE THROUGH PROFIT AND LOSS

	2019 GH¢	2018 GH¢
Benso Oil Palm Plantation Ltd		65,661
Standard Chartered Bank	100,765	
Ecobank Transnational Incorporation	-	44,800
Ecobank Ghana Ltd.	2,154,561	659,430
CAL Bank Ltd	807,091	434,548
Ghana Commercial Bank	105,060	625,761
Enterprise Group Ltd.	1,687,080	521,696
Mega Capital	753,480	753,480
Ghana Oil Company Ltd.	970,805	510,663
Total Petroleum Ghana Ltd	219,831	293,420
Tullow Oil Ltd.	60	60
Societe Generale	158,508	226,975
Fanmilk Ghana Ltd.	161,504	468,000
Access Bank	756,500	572,615
Scancom Ghana Ltd.	2,227,946	2,303,735
Guiness Ghana Breweries Ltd.	63,865	25,070
Stanlib Income Fund	270,068	300,871
Stanlib Cash Trust Fund	101,164	88,117
Oasis Africa Venture Capital Fund	1,140,697	670,652
Republic REIT	-	1,036,434
EDC Fixed Income Fund	-	3,205,419
Omega Income Fund	1,632,040	1,448,527
Omega Equity Fund	711,492	652,100
Heritage Fund	83,847	87,791
Databank Money Market Fund	1,258,716	1,089,129
Total Fair Value Through Profit and Loss	15,401,974	16,912,564

7. RECEIVABLES

	2019 GH¢	2018 GH¢
Outstanding Contributions For Less than 30 days	7,015,584	3,757,357
Other Receivables	3,535,693	5,098,863
Expected Credit Loss	(2,400,268)	-
Total Receivables	8,151,009	8,856,220

8. ADMINISTRATIVE EXPENSES PAYABLE

	2019 GH¢	2018 GH¢
Asset Based Fees		
NPRA Fees	55,971	38,862
Trustee (Administrator) Fees Payable	195,050	135,429
Pension Fund Manager Fees Payable	81,391	66,754
Pension Fund Custodian Fees Payable	31,950	61,603
Audit Fees Payable	4,468	4,468
Total Administrative Expenses Payable	368,830	307,116

9. CONTRIBUTIONS

	2019 GH¢	2018 GH¢
Contributions Received	50,647,867	34,458,149
Contributions Receivable	6,797,852	3,757,357
Transfer In	5,799,610	18,360,188
Net Contribution	63,245,329	56,575,694

10. BENEFITS

	2019 GH¢	2018 GH¢
Lump Sum Benefit Paid	21,688,179	13,197,829
Taxes Paid on Withdrawals	205,160	385,181
Lump Sum Benefit Payable	426,052	1,676,315
Total Benefits	22,319,391	15,259,325

11. INVESTMENT INCOME

	2019 GH¢	2018 GH¢
Interest on Treasury Bonds	17,733,490	11,054,799
Interest on Treasury Bills	395,001	177,044
Interest on Money Market Securities	2,377,587	1,698,144
Interest on Corporate Bonds	1,771,842	2,387,078
Interest on Local Gov't & Stat. Agency Sec.	3,393,169	1,953,370
Dividend Income	299,562	73,634
Interest on Bank Deposits	136,109	121,442
Total Investment Income	26,106,760	17,465,511

12. GAINS / LOSSES ON INVESTMENT INCOME

	2019 GH¢	2018 GH¢
Gain / (Loss) in valuation of Ordinary Shares holdings	(925,787)	(1,491,485)
Gain/ (Loss) from disposal of Ordinary Share Investments	(530,947)	-
Gain / (Loss) from valuation of holdings in Open/Closed End Funds	441,777	862,126
Gain/ (Loss) from disposal of Open / Closed End Fund Investments	260,854	76,388
Gain / (Loss) in valuation of Treasury Bonds	890,219	230,834
Gain/(Loss) in disposal of Treasury Bonds	(457)	-
Gain / (Loss) from valuation of holdings in REITs	(2,375)	-
Gain / (Loss) from disposal of holdings in REITs	68,787	-
ain / (Loss) from valuation of holdings in Private Equity	(43,586)	-
Net Gains / (Losses) on Fair Value Through P/L	158,485	302,023

13. ADMINISTRATIVE EXPENSES

	2019 GH¢	2018 GH¢
Asset Based Fees		
NPRA Fees	559,581	365,912
Trustee (Administrator) Fees	2,005,304	1,157,790
Pension Fund Manager Fees	778,843	510,597
Pension Fund Custodian Fees	306,267	199,322
Audit Fees	3,649,995	2,233,621
Bank Charges	8,937	4,468
		797
Total Administrative Expenses	3,658,932	2,238,886

14. OTHER PAYABLES

	2019 GH¢	2018 GH¢
Benefits returned into fund	-	37,379
Excess Coupon payment received on GOG Note	61,386	-
	61,386	37,379

15. IMPAIRMENT LOSS

	2019 GH¢	2018 GH¢
IFRS 9 opening balance adjustment	108,341	-
Provision for Impairment loss on Fixed Deposits	139	48,332
Provision for Impairment loss on Corporate Bonds	169,714	60,009
Total Impairment Loss	278,194	108,341
Provision for Impairment loss on PBC & Edendale Bond (Receivable)	2,400,268	-
Provision for Impairment	2,678,462	108,341

16. BENEFITS PAYABLE

	2019 GH¢	2018 GH¢
Lump Sum Benefit Payable	426,052	338,435
Taxes Payable on Withdrawals	205,160	46,746
	631,212	385,181

17. NET ASSETS AVAILABLE FOR BENEFITS

2019			
	Contribution GH¢	Net Investment Income GH¢	Total GH¢
Balance as at 1st January	97,285,552	48,069,142	145,354,694
Additions	63,245,329	20,017,013	83,262,342
Deductions	(22,319,391)		(22,319,391)
Balance as at 31st December	138,211,490	68,086,155	206,297,645

2018			
	Contribution GH¢	Net Investment Income GH¢	Total GH¢
Balance as at 1st January	55,969,183	32,671,465	88,640,648
Additions	56,575,694	15,397,677	71,973,371
Deductions	(15,259,325)		(15,259,325)
Balance as at 31st December	97,285,552	48,069,142	145,354,694

18. BROKERAGE FEES/COMMISSIONS

This refers to service charges assessed by brokers in return for handling the purchase or sale of securities on behalf of the Scheme

19. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Scheme has exposure to the following risks from its use of financial instruments:

- Asset/Portfolio/Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information on the Scheme's exposure to each of the risks, the Scheme's objectives, policies and processes for measuring and managing risk.

Risk Management framework

The Trustees have overall responsibility for the establishment and oversight of the Scheme's Risk Management framework. The Scheme's Risk Management policies are established to identify and analyze the risks faced by the Scheme, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Trustees, through the standards and procedures aims to develop a disciplined and constructive control environment, in which all Trustees understand their roles and obligations.

The Trustees are responsible for monitoring compliance with risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Scheme.

(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 minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meets the standards set out in the NPRA 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 (including benefits) when due.
The following are contractual maturities of financial assets:

31 December 2019:

Financial Assets	3 months or less (GH¢)	4 - 6 Months (GH¢)	7 - 12 Months (GH¢)	More than 12 Months(GH¢)
Fixed Deposits	9,538,083	5,163,140	-	2,913,088
Corporate Bond	-	-	-	11,963,493
Government Securities	5,314,823	4,028,088	11,930,519	106,269,844
Local Gov't and Statutory Agencies Securities	-	-	-	23,930,313
	14,852,906	9,191,228	11,930,519	145,076,738

19. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTD.)

The following are contractual maturities of financial liabilities:

31 December 2019:

Financial Assets	3 months or less (GH¢)	4 - 6 Months (GH¢)	7 - 12 Months (GH¢)	More than 12 Months(GH¢)
Benefit Payable	631,212	-	-	-
Administrative Expenses Payable	368,830	-	-	-
Other Payables	61,386	-	-	-
	1,061,428	-	-	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates on investments will affect the fund's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(d) Equity Price risk

Listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Fund's policy over equity price risk is to minimize its exposure to equities and only deal with equities that meets the standards set out in the NPRA guidelines and the Fund's investment policy statement.

(e) Interest Rate risk

Interest 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 Trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The Fund has no interest bearing liabilities.

(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 all pension schemes.

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

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the administrator. This responsibility is supported by the development of following policies and standards;

- governing rules and trust deed;
- investment policy statement;
- requirements for the reporting of non-compliance with regulatory and other legal requirements;

- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Compliance with the Fund governing rules is supported by a programme of annual reviews undertaken by the external auditor. The results of these reviews are discussed with Trustees.

20. TAX

Under Section 89 (1) of the National Pensions Act, 2008 (Act 766), the Scheme is exempt from income tax.

21. COMMITMENTS AND CONTINGENCIES

As at the date of reporting, there were no outstanding Commitments or contingencies.

22. EVENTS AFTER THE REPORTING PERIOD

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. As at the end of the reporting period, there were no events after the reporting period that relate to the year under consideration.

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Location: No 4 Ibadan Ave. East Legon, Accra
Takoradi Office:(0312) 001-872
Kumasi Office: (0312) 001-872

Tamale Office: (0312) 001-872
Fax: (0312) 001-872 Email: aptl@axispension.com
Website: www.axispension.com