



ANNUAL REPORT 2016

REIT

HFC REAL ESTATE
INVESTMENT TRUST

HFC INVESTMENT SERVICES LIMITED
A SUBSIDIARY OF HFC BANK (GHANA) LIMITED



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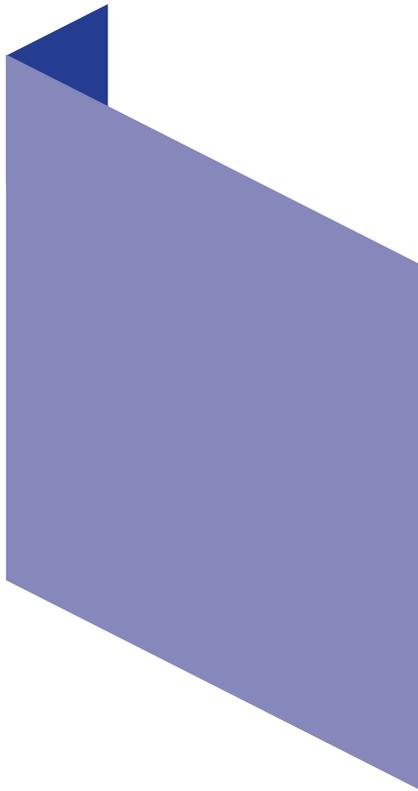
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HFC REAL ESTATE INVESTMENT TRUST

AS AT 31ST DECEMBER 2016

THE MANAGER

| | |
|---|---|
| Name: | HFC Investments Services Limited (HFC Investments) |
| Country of Incorporation: | Ghana |
| Registration Number: | 50,533 |
| Nature of Corporate Form: | Limited liability, wholly-owned subsidiary of HFC Bank (Ghana) Limited. |
| Registered Office: | Ebankese No. 35 Sixth Avenue, North Ridge P. O. Box CT. 4603 Cantonments, Accra |
| Principal Place of Business: | No. 48 A, Sixth Avenue North Ridge, Accra |
| Date of Incorporation: | 7th July, 1993 (Name changed from Home Finance Investment Fund Limited to HFC Investment Services Limited on 1st October, 2001). |
| Capitalization (As at December 31st, 2016) | |
| Authorized: | 10,000,000 (Ten million) Ordinary shares of no Par value |
| Issued: | 2,346,400 shares |
| Auditors: | Ernst and Young G 15 White Avenue Airport Residential Area P.O. Box 16009 Accra |

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty First Annual General Meeting of Unitholders will be held at the Osu Presby Church Hall, Accra at 10:30am on Tuesday 6th June, 2017 to transact the following businesses:

Agenda

1. To receive the report of the Manager for the Year 2016.
2. To receive the Audited Statement of Income and Expenditure of HFC REIT for the financial year ended December 31, 2016 together with the Trustees and Auditors report there on.
3. To authorize the Manager to fix the remunerations of the Auditors for Year 2017.

A Unitholder has the right to appoint a proxy to attend and vote on his/her behalf at the Meeting. Such a proxy need not be a Unitholder. A copy of the instrument appointing the proxy may be deposited at any time prior to the commencement of the Meeting at the principal place of business of the Manager.

HFC Investments
No. 48 A, Sixth Avenue
North Ridge, Accra

Dated 15th May 2017
By Order of the Manager.

HFC Investments

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trust Deed requires the Trustees to prepare financial statements for each financial period, which gives a true and fair view of the state of affairs of the HFC Real Estate Investment Trust. In preparing the financial statements, the Trustees are required to:

1. Select suitable accounting policies and apply them consistently,
2. Make judgments and estimates that are responsible and prudent,
3. State whether applicable accounting standards have been followed, subject to any material departures, disclosed and explain them in the financial statements, and
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Investment Trust will continue in business.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the HFC Real Estate Investment, which will ensure that the financial statements comply with the Trust Deed and Securities Industry Act, 2016 (Act 929). They are also responsible for safeguarding the assets of the Investment Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The statements should be read in conjunction with the statement of the Auditors' responsibilities as set out on page 12, the respective responsibilities of the Trustees and the Auditors in relation to the financial statements.

REPORT OF THE TRUSTEES

TO THE UNIT HOLDERS OF THE
HFC REAL ESTATE INVESTMENT TRUST
FOR THE YEAR ENDED 31 DECEMBER, 2016

In our opinion, according to the information made available to us and the explanations provided, we confirm that in all material respects, the manager has managed the scheme during the period covered by these financial statements in accordance with the Trust Deed dated 5th August, 1994 and all regulations for the time being in force under the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695).



Dated this **30th** Day of **March, 2017**
For: UNIVERSAL MERCHANT BANK (GHANA) LIMITED

FUND MANAGER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

Economic Overview

The global economy remained fragile with uncertainties for the most part of 2016 which led to a growth of 3.1%. Economic activity in Sub-Saharan Africa remained less robust on the back of falling commodity prices and poor macroeconomic performance. Notable among the events in 2016 were the election of Donald Trump as the President of the United States and the United Kingdom's exit from the European Union, dubbed Brexit.

The Ghanaian economy for the year 2016 continued to stumble and show weaknesses, exacerbated by a wide fiscal deficit, an unstable currency, generally high interest rates and an extended energy crisis. Consequently the economy recorded a GDP growth of 3.60% for 2016, representing a dip on the year 2015 growth rate of 3.9%

Macroeconomic Indicators

Inflation

Headline inflation rate closed 2015 at a rate of 17.70% but steadily trended downwards to close the year 2016 at 15.40%.

Interest rate

The 91- Day Treasury bill opened the year at 22.79% but dropped to 16.43% in December 2016. The 182-Day Treasury bill also dipped from 24.36% in January 2016 to 17.64% in December 2016. The 1-Year note which commenced the year at 23.0% declined to 21.0% as at close of the year 2016.

Exchange rate

The Ghana Cedi depreciated by 9.50% against the Dollar and 5.30% to the Euro but appreciated by 10.0% against the Pound Sterling.

Real Estate Sector

For the real estate market the slow pace of growth naturally did not bode well for activities within the sector over the period, just as was witnessed in the preceding year. Property sales stagnated once again in 2016, leaving many completed houses empty and leading to the worsening of the non-performing loan positions of financial institutions. Perhaps the defining characteristic for the sector for 2016 was that rental charges for new contracts across most quarters of the residential and commercial space were readily negotiated downwards in response to the depressed sector. At the high end of the market a three bedroom apartment whose rental charge that would have been anywhere between \$2800 to \$3000 per month in 2015, were now fetching \$2,000 per month for 2016. Prime retail space that were letting at \$35 per square meter in 2015 were available to be negotiated down by as much as 10%. The prices for land followed suit in the same fashion, firmly making the Ghanaian real estate market a buyer's market.

Fund Performance

These daunting statistics notwithstanding, HFC REIT's assets grew by a significant 36.19% from Ghs45.1million to end the year 2016 at Ghs61.42million.

Considering the difficult environment within which the fund operated in 2016, your fund manager is pleased to note that the fund returned a respectable 18% for the period under review, and this was above the year on year inflation rate of 15.4% as at December 2016. Significantly though, it is worthy of note that over the past five years your fund has outperformed its performance benchmark, the GOG 1 year treasury note.

The number of unit holders in the fund increased over the year under review from 5,575 unit holders to 5,928 unit holders, representing a 6.33% increase.

Portfolio Review and Asset Mix

The portfolio mix as at the end of the review period was dominated by Properties and Land which made up 55% of the assets, as against a 59% holding for the preceding year. Investments in relatively liquid instruments comprising fixed income, and cash made up the difference of 45%.

Fund Strategy

Your manager has skilfully managed this fund over the years to provide above benchmark returns in a largely illiquid fund, while ensuring that liquidity demands are met in a timely fashion. Your manager will continue to modulate the asset mix to ensure that these twin objectives continue to be met. Largely as a result of the dictates of the real estate market, your fund has identified prime Sale and Leaseback transactions it intends to undertake in the immediate term. We believe this is the way forward for your fund in its current guise and in the context of the prevailing conditions of the real estate market. With that strategy at the forefront however your fund manager will continue to take advantage of excellent developmental opportunities when they do arise.

Outlook for 2017

By all accounts the medium term outlook for the real estate market is a promising one. The economy is on the mend following the commencement of the three-year extended credit facility and fiscal consolidation programme with the IMF, aimed at restoring debt sustainability and macroeconomic stability. The programme is broadly on track, with interest rates and inflation; two key catalysts in the real estate market having assumed a positive trend.

The election of a new government with a focus on providing an enabling environment for the private sector to thrive is welcome. In particular, the implementation of policies such as the scrapping of the five percent real estate tax, rent tax and VAT on raw materials will help boost growth within the market. Real estate remains a key engine for economic growth and we are confident the necessary attention will be given to it.

Indeed the country's demographic trends, characterised by rapid urbanisation and a fast growing middle class will continue to be a strong push factor that will continue to pile pressure for the market to meet their housing needs.

Your fund manager is however not oblivious to the fact that there remain inconsistencies and difficulties that weigh down activities within the sector. These include the lack of adequate infrastructure, bureaucratic challenges and difficulties with land acquisition. These are however not insurmountable hurdles.

We can therefore firmly state that the drivers of growth within the sector are well primed, and the outlook for your fund is a bright and promising one. We therefore cannot overemphasise the need to continue to diversify your investment portfolios with holdings in the HFC REIT.

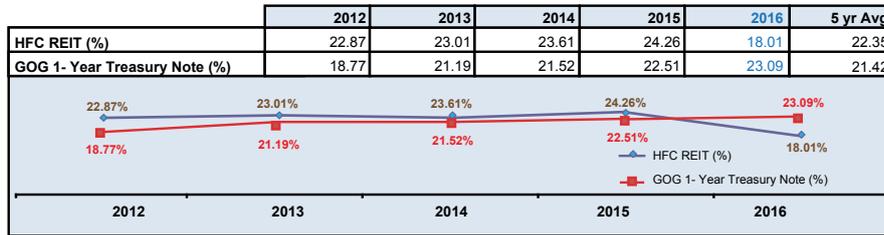
We thank you for your custom and look forward to a successful 2017.



PETER LARBI-YEBOAH
 CHIEF EXECUTIVE OFFICER

HIGHLIGHTS OF FUND STATISTICS

HFC REIT Returns vrs Benchmark Indicators



No. of Unit Holders



Fund Value



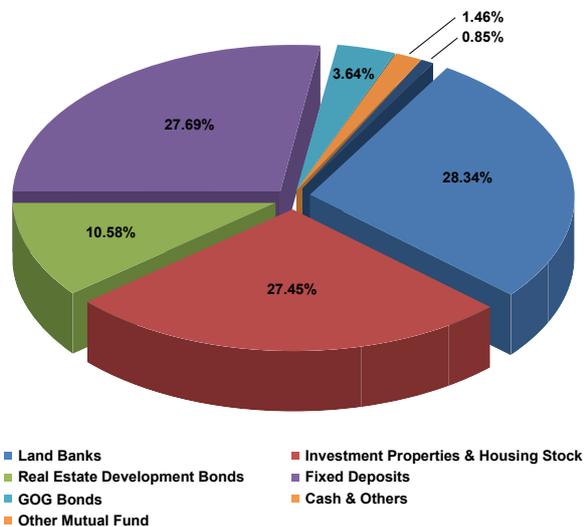
2016 Return (YTD)

18.01%

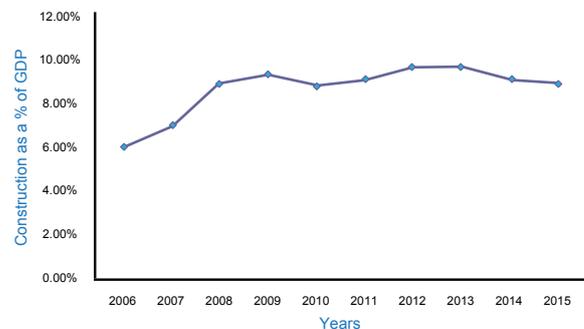
Fund Growth (GH¢'m)



Portfolio/ Asset Mix (Fund Value 2016)



Construction as a Percentage of GDP



Source: Ghana Statistical Services: Revised 2015 GDP document



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE
HFC REAL ESTATE INVESTMENT TRUST
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Opinion

We have audited the financial statements of HFC Real Estate Investment Trust which comprise the statement of assets and liabilities as at December 31, 2016, and the income and distribution account and statement of movement in net assets and issued units for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes as set out on pages 20–21.

In our opinion, the financial statements give a true and fair view of the financial position of HFC Real Estate Investment Trust as at December 31, 2016 and of its financial performance and its cash flows for the year then ended and are in accordance with International Financial Reporting Standards and in the manner required by Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695) and the Companies Act, 1963 (Act 179).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Responsibilities of The Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Trustees are responsible for overseeing the Funds financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, 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 those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds internal control.

- █ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- █ Conclude on the appropriateness of the Trustees' 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 Funds 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 Company to cease to continue as a going concern.
- █ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

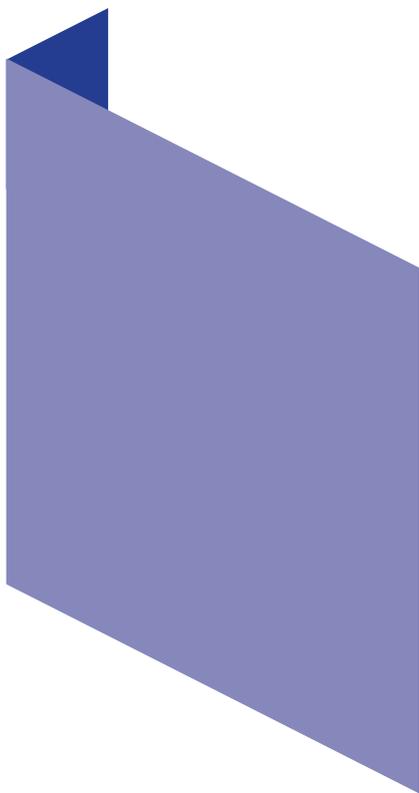
The Companies Act, 1963, (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- █ We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit,
- █ In our opinion proper books of accounts have been kept by the Trust, so far as appears from our examination of those books, and
- █ The Trust's Statement of Assets and Liabilities and Income and Distribution Account are in agreement with the books of accounts.



.....
 Signed by: F. Bruce-Tagoe (ICAG/P/1087)
 For and on behalf of:
 PKF (ICAG/F/2017/039)
 Chartered Accountants
 Farrar Avenue
 P. O. Box GP 1219,
 Accra.

30th March 2017



FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2016

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2016

| | | 2016 | | 2015 | |
|---------------------------------------|---|----------------------|---------------|----------------------|---------------|
| | | Market Value GH ¢ | % Net Assets | Market Value GH ¢ | % Net Assets |
| NON CURRENT ASSETS | | | | | |
| Land- Serviced Plots | | 13,498,699 | 22.10 | 12,468,874 | 27.83 |
| Investment Properties | | 16,889,282 | 27.66 | 3,889,746 | 8.68 |
| Housing Stock | | - | - | 3,741,377 | 8.35 |
| TOTAL | | 30,387,981 | 49.76 | 20,099,997 | 44.86 |
| SHORT TERM FUNDS | | | | | |
| Cash at Bank and on Call | 6 | 576,059 | 0.94 | 525,239 | 1.17 |
| Held to maturity investments | 7 | 24,166,526 | 39.57 | 22,629,905 | 50.50 |
| HFC Equity Trust | | 157,673 | 0.26 | 157,673 | 0.35 |
| | | 24,324,199 | 39.83 | 22,787,578 | 50.85 |
| Total Short Term Funds | | 24,900,258 | 40.78 | 23,312,817 | 52.03 |
| Total Investments | | 55,288,239 | 90.54 | 43,412,814 | 96.88 |
| Other Assets in Excess of Liabilities | | 5,779,124 | 9.46 | 1,396,240 | 3.12 |
| Total Net Assets | | 61,067,363 | 100.00 | 44,809,054 | 100.00 |

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2016

| Assets | Note | 2016 | 2015 |
|--------------------------------|------|--------------------------|--------------------------|
| | | GH ¢ | GH ¢ |
| Total Investments | | 55,288,239 | 43,412,814 |
| Receivables | | | |
| Deposit for Land | 8 | 3,942,450 | 1,552,378 |
| Interest Receivables | 9 | 1,658,772 | 1,254,223 |
| Rent Income Receivable HFC ISL | | 220,000 | 27,500 |
| Current Account | | 57,232 | 61,922 |
| Other Receivables | | 9,754 | 16,963 |
| Total Assets | | <u>61,176,447</u> | <u>46,325,800</u> |
| Liabilities | | | |
| Amount Due to Managers HFC UT | | 4,207 | 94,117 |
| Current Account | | - | 4,496 |
| Other Creditors | | 75,377 | 60,561 |
| Deposits for houses | 10 | - | 1,331,873 |
| Accrued Charges | | 29,500 | 25,699 |
| Total Liabilities | | <u>109,084</u> | <u>1,516,746</u> |
| Net Assets | | <u>61,067,363</u> | <u>44,809,054</u> |

SIGNED FOR HFC INVESTMENT SERVICES LIMITED MARCH 30, 2017.



CHIEF EXECUTIVE OFFICER



Director

INCOME AND DISTRIBUTION ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

| | | 2016 | 2015 |
|------------------------------|------|-------------------------|-------------------------|
| | Note | GH ¢ | GH ¢ |
| Investment Income | | | |
| Profit on Sale of Land | | 733,390 | - |
| Treasury Bills | | - | 321,641 |
| Fixed Deposits | | 3,980,143 | 2,085,461 |
| Bonds | | 2,275,571 | 3,424,390 |
| Call Account | | 39,211 | 51,046 |
| Rent Income | | 444,185 | 434,376 |
| Other Income | | 48,708 | 255,915 |
| Total Income | | <u>7,521,208</u> | <u>6,572,829</u> |
| Expenses | | | |
| Management Fees | | 1,232,457 | 1,017,128 |
| Trustees Fees | | 42,723 | - |
| Auditors Remuneration | | 29,500 | 25,700 |
| Other Expenses | 5 | 105,097 | 165,175 |
| | | <u>1,409,777</u> | <u>1,208,003</u> |
| Net Investment Income | | <u>6,111,431</u> | <u>5,364,826</u> |

ACCUMULATED NET INVESTMENT INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

| | 2016 | 2015 |
|---------------------------------|--------------------------|--------------------------|
| | GH ¢ | GH ¢ |
| Balance at 1st January | 15,928,319 | 10,563,493 |
| Net Investment Income | 6,111,431 | 5,364,826 |
| Balance at 31st December | <u>22,039,750</u> | <u>15,928,319</u> |

STATEMENT OF MOVEMENT IN NET ASSETS

FOR THE YEAR ENDED 31 DECEMBER 2016

| | | 2016 | 2015 |
|---|------|-------------------|--------------------|
| | Note | GH ¢ | GH ¢ |
| Net Investment Income | | 6,111,431 | 5,364,826 |
| Change In Unrealised Gains | 11 | 2,080,721 | 4,619,536 |
| Net Increase in Net Assets Resulting from Operations | | 8,192,152 | 9,984,362 |
| Capital Transactions | | | |
| Value of Units Sold and Converted | | 20,740,077 | 17,929,283 |
| Value of Units Disinvested | | (12,673,920) | (19,386,795) |
| Net Proceeds from Capital Transactions | | 8,066,157 | (1,457,512) |
| Total Increase in Net Assets | | 16,258,309 | 8,526,850 |
| Net Assets | | | |
| Balance at 1st January | | 44,809,054 | 36,282,204 |
| Total Increase in Net Assets | | 16,258,309 | 8,526,850 |
| Balance at 31st December | | 61,067,363 | 44,809,054 |

STATEMENT OF MOVEMENT IN ISSUED UNITS

FOR THE YEAR ENDED 31 DECEMBER 2016

| | 2016 | 2015 |
|---|-------------------|-------------------|
| | GH ¢ | GH ¢ |
| Number of Units at 1st January | 21,153,775 | 21,930,243 |
| Number of Units Issued during the year | 7,800,081 | 8,333,253 |
| | 28,953,856 | 30,263,496 |
| Number of Units disinvested during the year | (4,941,307) | (9,109,721) |
| Number of Units at 31st December | 24,012,549 | 21,153,775 |

CAPITAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

| CAPITAL ACCOUNT | 2016 | | 2015 | |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | UNITS | GH¢ | UNITS | GH¢ |
| Balance at 1st January | 21,153,775 | 19,158,285 | 21,930,243 | 20,615,797 |
| Value of Units sold & Converted | 7,800,081 | 20,740,077 | 8,333,253 | 17,929,283 |
| | 28,953,856 | 39,898,362 | 30,263,496 | 38,545,080 |
| Value of Units Disinvested | (4,941,307) | (12,673,920) | (9,109,721) | (19,386,795) |
| Balance at 31st December | <u>24,012,549</u> | <u>27,224,442</u> | <u>21,153,775</u> | <u>19,158,285</u> |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

5. OTHER EXPENSES comprise of the following:

| | 2016 | 2015 |
|------------------|----------------|----------------|
| | 'GH¢ | 'GH¢ |
| Bank Charges | 7,145 | 32,723 |
| Impairment Loss | - | 46,178 |
| General Expenses | 97,952 | 86,274 |
| | <u>105,097</u> | <u>165,175</u> |

6. CASH AT BANK AND ON CALL

| | 2016 | 2015 |
|--------------|----------------|----------------|
| | 'GH¢ | 'GH¢ |
| Cash at Bank | 576,059 | 525,239 |
| | <u>576,059</u> | <u>525,239</u> |

7. HELD TO MATURITY INVESTMENTS

| | 2016 | 2015 |
|----------------|-------------------|-------------------|
| | 'GH¢ | 'GH¢ |
| Fixed Deposits | 16,063,506 | 14,553,125 |
| Bonds | 8,103,020 | 8,076,780 |
| | <u>24,166,526</u> | <u>22,629,905</u> |

8. DEPOSITS FOR LAND

| | 2016 | 2015 |
|---------------------------|------------------|------------------|
| | 'GH¢ | 'GH¢ |
| Blue Rose Company Limited | <u>3,942,450</u> | <u>1,552,378</u> |

The Fund made a payment to Blue Rose Company to acquire Land for development. The Fund has since finished payment but the documents are with HFC Bank who are working to transfer ownership of title to the Fund.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

9. INTEREST RECEIVABLE

| | 2016 | 2015 |
|----------------|------------------|------------------|
| | 'GH¢ | 'GH¢ |
| Fixed Deposits | 653,594 | 784,545 |
| Call | 18,474 | 379 |
| Bonds | 986,704 | 469,299 |
| | <u>1,658,772</u> | <u>1,254,223</u> |

10. DEPOSIT FOR HOUSES

| | 2016 | 2015 |
|--|----------|------------------|
| | 'GH¢ | 'GH¢ |
| Amounts paid by customers in respect of subsequent purchase of houses. | - | 1,331,873 |
| | <u>-</u> | <u>1,331,873</u> |

11. UNREALIZED GAINS / (LOSSES)

| | 2016 | 2015 |
|---|-------------------|------------------|
| | 'GH¢ | 'GH¢ |
| Market Value of Investment Property | 30,387,981 | 2,468,874 |
| Cost of Investment Property | (28,307,260) | (7,849,338) |
| Change in Unrealised gains | <u>2,080,721</u> | <u>4,619,536</u> |
| Add Unrealised gains from previous years | 9,722,449 | 5,102,913 |
| Unrealised gains as at 31 December | <u>11,803,170</u> | <u>9,722,449</u> |

12. CONTINGENT LIABILITIES

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

ADMISSION FORM

Annual General Meeting to be held at the Osu Presby Church Hall, Accra at 10:30am on Tuesday 6th June, 2017.

A Unitholder who is unable to attend an Annual General Meeting (AGM) is allowed to vote by proxy. The Proxy form on the next page has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.

Provision has been made on the form for the Chairman of the meeting to act as your proxy, but if you wish, you may insist in the blank space on the form (marked**) the name of any person whether a Unitholder or not, who will attend the meeting and vote on your behalf instead of the Chairman of the Meeting.

Please sign the proxy form on the next page and post it so as to reach the address in the front not later than 6th June, 2017.

If executed by a Body Corporate, the proxy form should bear its common seal or be signed on behalf by a director.

IMPORTANT

- a) The name of the Unitholder must be written in BLOCK LETTERS on the Proxy form where marked (**)
- b) This admission form must be produced by the Unitholder or his/her proxy in order to obtain admission to the Annual General Meeting.
- c) Unitholders or their Proxies are requested to sign the admission form before attending the meeting.
- d) In case of joint holders, each joint holder should sign.

HFC REIT / Proxy Form

Annual General Meeting to be held at the Osu Presby Church Hall, Accra at 10:30am on Tuesday 6th June, 2017.

I/We**.....being a Unitholder(s) hereby appoint

.....or failing him/her the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Fund to be held on 6th June 2017 and at any adjournment thereof.

Dated this 15th day of May 2017.

.....
Unit Holder(s) Signature

| Resolution | For | Against |
|--|-----|---------|
| To adopt the 2016 Manager's Report | | |
| To approve the accounts and distribution statement for the financial year ended 31st December, 2016. | | |
| To authorize the Manager to Fix the Auditor's Remuneration | | |

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

Unless otherwise instructed the proxy will vote for or abstain from voting at his/her discretion.

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

We are driven by our vision of building
successful communities



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