



ENSURING INVESTOR PROTECTION

# SEC NEWS

OFFICIAL NEWSLETTER OF SECURITIES & EXCHANGE COMMISSION

2ND QUARTER (APR. - JUN.) 2019



## 44th Annual IOSCO Meeting

Sydney, 2019



*New Members join the AMERC Working Group on Listing*



*Highlights of the 43rd Africa Middle East Regional Committee Meeting*



*2nd Quarter Market Summary Analysis & Highlights*



*Key Market Statistics*

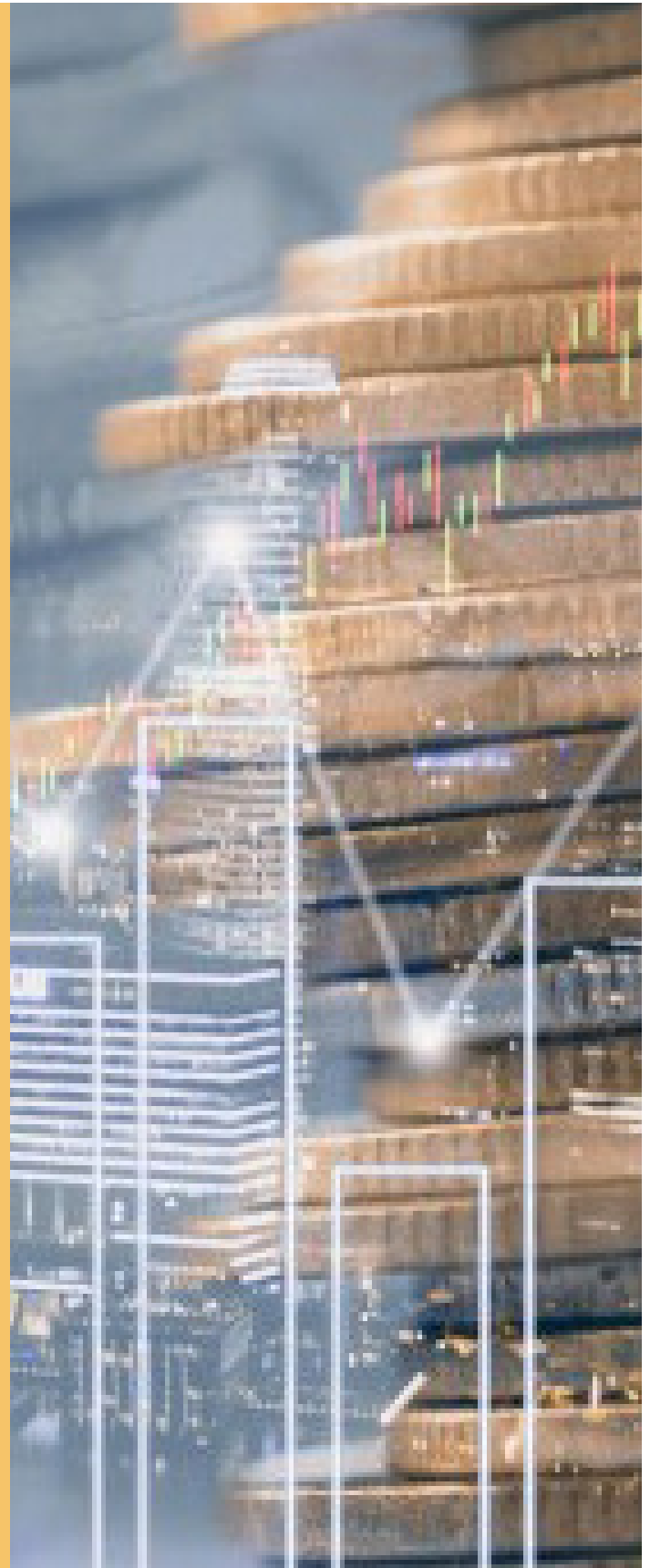


*Infractions, Penalties and Complaints Received in the Second Quarter of 2019.*

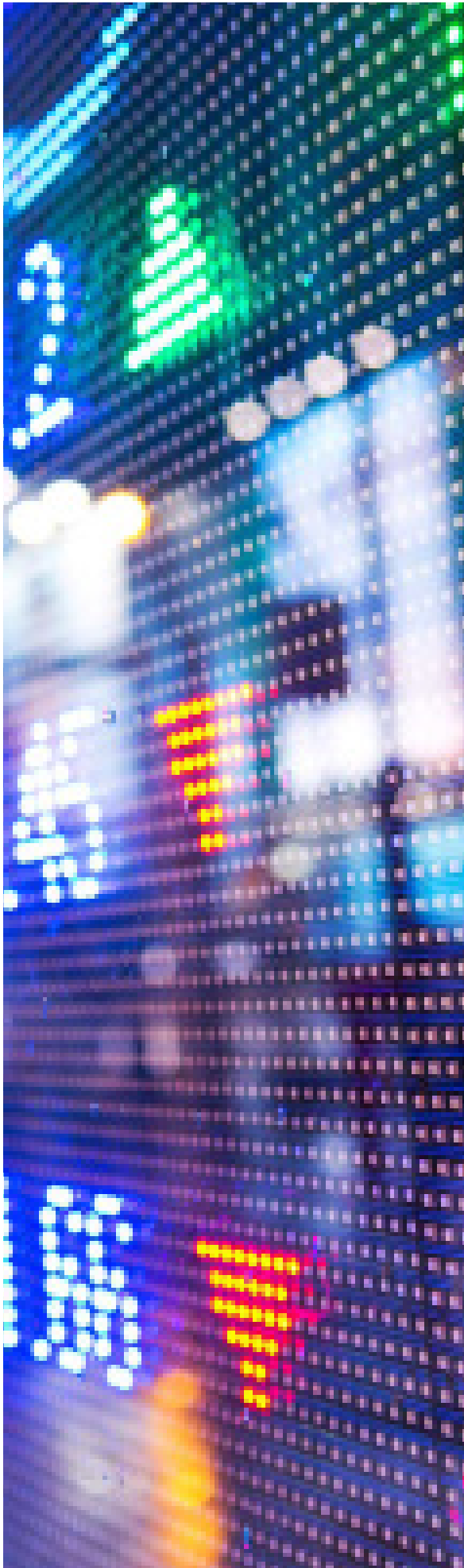


*"We don't have to be smarter than the rest, we have to be more disciplined than the rest."*

*- Warren Buffet*







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The Ghana Stock Exchange Composite index, the GSE-CI closed at 2,394.82 points at the end of the second quarter 2019 from 2,454.51 points recorded at the end of first quarter 2019. This represents a -6.90% year-to-date (YTD) change compared to -4.58% YTD as at the end of March 2019.

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### **EDITORIAL TEAM**

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- |                             |                              |
|-----------------------------|------------------------------|
| 1. Dr Jacob Aidoo           | 5. Mrs Naomi Simpson         |
| 2. Mr Emmanuel Ashong-Katai | 6. Ms Dorothy Yeboah-Asiamah |
| 3. Mrs Marian Afriye-Opoku  | 7. Mrs Lilian Danso Affum    |
| 4. Mr Frank Biney Donkor    | 8. Mr Andy Anim              |

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DESIGNED & PRINTED BY:



# NOTICE TO THE PUBLIC

## 1. PUBLIC ADVICE

Members of the general public are advised to use the Commission's Toll-Free Line 0800100065 or Main Line 0302768970-2 to contact the Commission on any issue they may have relating to the securities market and investments, including:

- Seeking general information about the securities market and products.
- Seeking information about licensed capital market operators.
- Reporting persons suspected to be operating in the securities market without a license.
- Reporting fraudulent investment schemes (e.g. Ponzi schemes).
- Reporting fraudulent activities of capital market operators.
- Making complaints against capital market operators.

## 2. PUBLIC NOTICE

### A) Notice 1

#### **PUBLIC NOTICE ON BLACKSHIELD CAPITAL MANAGEMENT (FORMERLY GOLDCOAST FUND MANAGEMENT LIMITED) (NOTICE NO. SEC/PN/011/10/2019)**

The attention of the Securities and Exchange Commission (SEC) has been drawn to a publication on page 44 of the Daily Graphic newspaper of 18th September, 2019, captioned "Out of adversity, golden key to the future" by Papa Kwesi Nduom of Gold Coast Fund Management Limited (GCFML) in relation to its inability to honour clients' investments redemption requests and efforts at resolving the challenge.

SEC wants to bring to the attention of the general public that Cardinal Asset Master Trust is an unlicensed product. GCFML submitted an incomplete application and was asked to submit an updated version in July 2019 but GCFML has failed to do so. What Dr. Papa Kwesi Nduom has sought to do with his publication is to advertise an unapproved investment product in contravention of Securities Industry Act, 2016 (929) and Securities and Exchange Commission Regulations, 2003 (LI 1728).

SEC was notified on the name change of the GCFML to Blackshield, the name change did not require the approval of SEC. We want to assure investors of GCFML that their rights under existing contracts with GCFML remain unchanged in spite of the name change. GCFML was directed to publish the name change in a specified manner but they have failed to do so.

We would also like to avert the mind of the general public and GCFML to our public notice number SEC/PN/004/04/2019 dated 15th April 2019 in which the SEC informed investors and the general public of its awareness of the plight of investors who are unable to redeem investments made with GCFML and the SEC's engagement with GCFML aimed at securing a sustainable solution to the liquidity challenge. SEC remains committed to this resolution process.

This Notice is issued pursuant to Sections 3(b) (k) (m), and 208 (c) of the Securities Industry Act, 2016 (Act 929) and Sections 40(1) of Securities and Exchange Commission Regulations, 2003 (LI 1728).

ISSUED BY ORDER OF  
THE SECURITIES & EXCHANGE COMMISSION (SEC)  
DATED: September 19, 2019

## B) Notice 2

### **PUBLIC NOTICE TO THE INVESTING PUBLIC (NOTICE NO. SEC/PN/009/08/2019)**

The Securities and Exchange Commission (The Commission) wishes to assure the investing public that it is committed to regulating and promoting the growth and development of an efficient, fair and transparent securities market in which both investors and the integrity of the market are protected.

We are aware of some level of anxiety among a section of investors because of the recent reforms taking place within the financial system. We wish to reiterate that the objective is to produce sound market operators, stronger financial intermediation and financial inclusion and ultimately a more robust financial sector.

We are also aware that certain investors are unable to access their matured investments from some of our licensed Asset Management Companies (AMCs) or Fund Managers (FMs) due to some liquidity challenges.

The Commission has instructed all AMCs/FMs to put in place mechanisms to meet their obligations as they fall due to their clients, consistent with the terms and conditions of the investment contracts signed with them. Dissatisfied customers of these AMCs/FMs may lodge written complaints with the Commission.

The Commission is engaging with stakeholders on efforts to improve liquidity in the industry. The Commission has and continues to introduce regulatory measures to help ensure a stable, efficient, transparent and fair marketplace where investors' funds are protected. Some of these measures include:

- Holding AMCs/FMs accountable for honoring their obligations to their clients
- The introduction and enforcement of corporate governance guidelines for operators in the industry including AMCs/FMs,
- Higher minimum capital/liquidity requirements for AMCs/FMs and other operators,
- Stringent licensing requirements,
- Investment guidelines including restrictions on related party investments/guaranteed investments and
- Streamlining of the Commission's internal processes including through automation of processes to promote efficiency.

Once again, we wish to reiterate that there is no need for panic withdrawals as the Commission is committed to ensuring a sound, efficient and robust market where investors' funds are protected.

There are well-run and sound licensed AMCs/FMs and investors can confirm by asking a few questions regarding their governance practices, their track record, staff turnover, any unresolved complaints and regulatory breaches.

The investing public is also encouraged to call our toll free line, 0800100065 or visit our website, [www.sec.gov.gh](http://www.sec.gov.gh), for any enquiries they may have. *SEC ..... Ensuring Investor Protection*

ISSUED BY ORDER OF  
THE SECURITIES & EXCHANGE COMMISSION (SEC)  
DATED: August 22, 2019

### C) Notice 3

## **PUBLIC NOTICE ON MORATORIUM ON FUND MANAGEMENT LICENCES (NOTICE NO. SEC/PN/010/10/2019)**

The Securities and Exchange Commission (hereinafter referred to as “SEC”) is the statutory body mandated by the Securities Industry Act 2016 (Act 929) to promote the orderly growth and development of an efficient, fair and transparent securities market in which investors and the integrity of the market are protected.

The SEC also has a mandate to maintain surveillance over activities in securities to ensure orderly, fair and equitable dealings in securities and to protect the integrity of the market in accordance with Section 2, 3 and 208 of Act 929. The SEC wishes to inform the investing and general public that it has placed a moratorium on the issuing of new Fund Management Licences for a period of six (6) months effective 1st October, 2019. The SEC shall however continue to review applications for renewals for existing Fund Management Licencees and new market products. This is to enable the SEC focus on the following:

- A thorough review of the current licensing regime for a stronger and a more efficient and resilient market and the introduction of new licensing guidelines and directives
- A resolution of the current challenges facing the securities industry and the capital market
- The Introduction of new products in the capital market to deepen the existing market and to provide more investment options for investors and the general public
- A thorough overhaul of the Commission’s activities

Market operators, the investing and general public is hereby advised to visit the SEC’s website [www.sec.gov.gh](http://www.sec.gov.gh) for any further clarification or information required. The SEC can also be contacted on its Toll free number: 0800-100-065 or main line: 0302-768-970 for the same purpose.

The Commission wishes to assure all market operators, investors and the general public that it is committed to ensuring rigorous enforcement of all the rules for operators in the capital market in order to promote the growth and development of an efficient, fair and transparent securities market in which investors and the integrity of the market are protected.

This Notice is issued pursuant to section 3(i)(m) and 208 of the Securities Industry Act, 2016 (Act 929).

ISSUED BY ORDER OF  
THE SECURITIES & EXCHANGE COMMISSION (SEC)  
DATED: September 30, 2019

No. 30, 3rd Circular  
Road, Cantonments,  
Accra.

Digital Address:  
GL-076-6028

Toll Free Line  
0800100065  
Main Line  
030768970-2

P.O. Box CT 6181  
Cantonments, Accra.

[www.sec.gov.gh](http://www.sec.gov.gh)  
[info@sec.gov.gh](mailto:info@sec.gov.gh)



## 2. INTERNATIONAL UPDATES

# 44th IOSCO ANNUAL MEETING: 13th-15th MAY 2019, SYDNEY, AUSTRALIA

### DOROTHY YEBOAH-ASIAMAH

Manager, International Relations and Board Secretary

Members of the International Organization of Securities Commissions (IOSCO) met at the organization's 44th Annual Meeting in Sydney, Australia in May 2019 to discuss priority issues facing securities market regulators and supervisors. The meeting, which was hosted by the Australian Securities and Investments Commission (ASIC), was attended by 350 IOSCO members.

IOSCO's priority work, including crypto-assets, Fintech, sustainability, data privacy, market fragmentation, asset management and retail distribution and digitalization. It also discussed technical assistance and capacity building.

During the meeting, the IOSCO Board considered the next steps for these important priority topics, which were consistent with the IOSCO workplan for 2019 that was developed following the IOSCO Board's decision to prioritize key issues in October 2018 and published on 25th March 2019. Below were the priority topics

#### Crypto Assets

The Board members agreed to publish a consultation report on crypto-asset trading platforms, in response to a G20 request. The work aimed to assist IOSCO members in evaluating the serious investor protection challenges relating to these trading platforms.

On 6th May 2019, IOSCO launched an Emerging Digital Threats (EDT) Portal for its members to enable sharing of enforcement-related information on emerging digital

The Annual Meeting, which took place from 13th to 15th of May 2019, included meetings of the IOSCO Board, IOSCO's Growth and Emerging Markets (GEM) Committee, its four Regional Committees and the Affiliate Members Consultative Committee (AMCC).

The event concluded with the annual general meeting of all IOSCO members in the Presidents Committee. Participants discussed different aspects of

*The event concluded with the annual general meeting of all IOSCO members in the Presidents Committee. Participants discussed different aspects of IOSCO's priority work,*



threats, including those arising from crypto-assets. IOSCO would also develop material to assist regulators in educating retail investors about crypto assets.

### **Market fragmentation**

The Board agreed to publish an IOSCO report on *Market Fragmentation and Cross Border Regulation*, in response to a G20 request, which analyzed how some financial markets may have experienced fragmentation in whole or in part due to regulation. The Board agreed to carry out further work in that area and to continue its collaboration with the Financial Stability Board's efforts on that matter.

### **Asset management**

The Board discussed IOSCO's public consultation on proposals to measure leverage in investment funds and to collect data based on the metrics it had developed. The work was part of IOSCO's follow up to the Financial Stability Board recommendations to address potential structural vulnerabilities in asset management

activities.

### **Margin Requirements**

The Board analyzed issues around the final implementation phase of the BCBS-IOSCO margin requirements for non-centrally cleared derivatives. It discussed various key issues relating to the preparedness of more counterparties coming into scope on or after 1st September 2020, when the final margin requirements goes into effect.

### **Fintech Network**

The Board discussed the work of the IOSCO Fintech network, established in May 2018 to facilitate the sharing of knowledge and experiences among IOSCO members. The Board deliberated on the steps for the four workstreams: distributed ledger technology, ethics in artificial intelligence and machine learning, Regtech and encouraging innovation. Members also discussed how IOSCO could assist emerging markets with Fintech matters.

### **Sustainable finance**

The Board discussed the work of the IOSCO Sustainable Finance network, created in 2018 to focus on the role of regulators in sustainable finance and relevant international initiatives taken by other organizations. The Board took notice of a report on sustainable finance in emerging markets that the GEM Committee planned to publish.

### **Data Protection**

Board members discussed next steps relating to an Administrative Arrangement (AA) regarding the European General Data Protection Regulation (GDPR), which was approved by the IOSCO Board, the Board of Supervisors of the European Securities and Markets Authority (ESMA) and the European Data Protection Board. This included providing guidance to members in determining whether to sign the AA. The AA facilitated the continued cooperation and exchange of enforcement and supervisory information under existing information sharing arrangements or memoranda, including the IOSCO Multilateral Memorandum of Understanding (MMoU) and the Enhanced-MMoU while providing safeguards for the transfer of personal data between European Economic Area (EEA) and non-EEA members.

The Board noted that numerous IOSCO members had signed the AA (currently 16) and encouraged other members to consider signing it.

### **Cyber Task Force.**

The Board agreed to publish a Task Force report that examined how IOSCO members were applying existing cyber standards or guidance in their respective regulatory regimes and identified potential gaps in the application of these standards that may need to be addressed.







**Six members were recognized in Sydney as signatories to the Enhanced Multilateral Memorandum of Understanding (EMMoU), bringing the total number of members who signed the EMMoU to eleven (11) members. The EMMoU was introduced in 2017 to expand the range of enforcement powers that signatories may use to safeguard the integrity and stability of markets, protect investors and deter misconduct and fraud.**



### **Retail distribution and digitalization**

The Board considered IOSCO's work on retail distribution and digitalization, which examines how firms use digital distribution models with features such as online advertising and cross-border marketing to potentially avoid local rules and target vulnerable consumers with offerings of high-risk, complex financial products.

### **Market making and liquidity provision in equity securities**

The Board agreed to examine the evolving role of market makers and other liquidity providers in securities markets, including incentives offered by trading venues regarding liquidity provision, and determine whether additional policy work is needed.

### **Standards implementation**

The Board approved the IOSCO Assessment Committee's workplan for 2019-2020 and proposed to conduct an **IOSCO Standards Implementation Monitoring (ISIM)** project on IOSCO's Principles Relating to the Regulator.

During the annual meeting, IOSCO formally recognized new signatories to the MMoU and Enhanced MMoU.

The following four members were formally recognized at the Annual Meeting for becoming signatories to the IOSCO MMoU since the last Annual Meeting in May 2018, taking the total number of signatories to 123 out of 149 eligible IOSCO members:

- Algeria: Commission d'Organisation et de Surveillance des Opérations de Bourse

- Cabo Verde: Auditoria Geral do Mercado de Valores Mobiliários

- Chile: Commission for the Financial Markets (Comisión para el Mercado Financiero)

- Iran: Securities and Exchange Organization

In addition, six members were recognized in Sydney as signatories to the Enhanced Multilateral Memorandum of Understanding (EMMoU), bringing the total number of members who signed the EMMoU to eleven (11) members. The EMMoU was introduced in 2017 to expand the range of enforcement powers that signatories may use to safeguard the integrity and stability of markets, protect investors and deter misconduct and fraud. Those powers were introduced in light of the new enforcement challenges created by growing cross-border activity and technological developments in securities markets. The new signatories were:

- The Bahamas: Securities Commission of the Bahamas

- Canada: Ontario: Ontario Securities Commission

- Canada: Quebec: Autorité des marchés financiers

- Korea: Financial Services Commission/Financial Supervisory Service

- United States of America: Commodities Futures Trading Commission

- United States of America: Securities and Exchange Commission



## ***NEW MEMBERS JOIN THE AMERC WORKING GROUP ON LISTINGS***

**DOROTHY YEBOAH-ASIAMAH**  
Manager, International Relations and Board Secretary

**D**uring the 43rd Africa Middle East Regional Committee (AMERC) Meeting held in Sydney, Australia, the ARMEC Chairman, Mr. Paul Muthaura invited members interested in joining the Working Group on Listings to express their interest in writing to the AMERC Secretariat by end of May 2019.

At the end of May, two new members; Capital Markets Authority, Saudi Arabia and Securities and Exchange Organization, Iran expressed their

interest to join the Working Group on Listings. The Working Group members have been outlined below and was headed by Capital Markets Authority Uganda, Chief Executive Officer Mr. Keith Kalyegira.

1. Securities and Exchange Commission, Ghana
2. Capital Markets Authority, Uganda
3. Autorité Marocaine du Marché des Capitaux Morocco
4. Securities and Exchange Commission, Nigeria
5. Capital Markets Authority, Saudi Arabia
6. Securities and Exchange Organization, Islamic Republic of

Iran

Subsequently, the AMERC Chairman informed AMERC members he had secured support from the World Federation of Exchanges who was willing to marshal its members to share experiences and recommendations that will encourage listings. They also stand ready to provide some of their secretariat resources to help review and make inputs into the recommendations that would be developed. That was in addition to the technical and financial support Financial Sector Deepening Africa (FSDA) was providing.



# HIGHLIGHTS OF THE 43RD AFRICA MIDDLE EAST REGIONAL COMMITTEE MEETING

13TH MAY 2019, SYDNEY, AUSTRALIA

**DOROTHY YEBOAH-ASIAMA**

Manager, International Relations and Board Secretary

**T**he 43rd Africa Middle East Regional Committee (AMERC) meeting was held in Sydney, Australia on Monday, 13th May 2019. The meeting took place within the 44th Annual Meeting of the International Organization of Securities Commissions (IOSCO)

## Discussion on Emerging Risks in AMERC Region

The 43rd AMERC meeting provided an opportunity for members to reflect on emerging risks, vulnerabilities and trends in the region, which called for regulators' attention. The deliberations took place within the context of the development of IOSCO's Risk Outlook for 2020. Risk Outlook provided an important basis for determining the Priorities and Work Plan of the IOSCO Board in 2020. Input from the members was therefore critical in ensuring that the work of IOSCO Board remained relevant to the realities experienced in the region.

The AMERC members were fortunate to engage with Chair of the Committee on Emerging Risks (CER) in the person of Mr. Paul Redman. During the meeting, Mr. Redman detailed the process that was involved in development of the Risk Outlook, which was submitted to IOSCO Board for adoption in October 2019.

New themes on emerging risks observed included - market integrity and financial stability, risks of macroeconomic dynamics and how they influenced investors' risk appetite, intersection of real estate and securities market and concerns that may arise from this, credit default swaps trends and leveraged loan market.

## Key Matters for IOSCO Board Meeting in Sydney

Mr. Andrews updated AMERC members during the meeting, on key issues that IOSCO Board would be considering on 14th May 2019 and in particular, the input that would be required from AMERC representatives in their capacity as members of the IOSCO Board. Six matters were outlined for discussion namely:

### • Margin requirements

Mr. Andrews informed AMERC members that the IOSCO Board would consider an update on analyses and options proposed by the Working Group on Margin Requirements (WGMR), on potential adjustments to the margin requirements framework for non-centrally cleared derivatives and their impact to the end user. The Board would be expected to clarify whether it supported any of the options highlighted by WGMR.

### • Asset management leverage

The IOSCO Board would also consider the use of leverage in investment funds in a way that could support financial stability, including measurement of leverage across all funds and jurisdictions.

### • Market fragmentation

Mr. Andrews indicated that this was a key issue for the Group of 20 (G20) Presidency of Japan. He indicated that the IOSCO Board approved a mandate relating to market fragmentation in securities and derivatives markets in December 2018.

### • Fintech

The Chair of the Fintech Network would present the Network's first output produced to date and further seek the IOSCO Board's decision/feedback on the next steps. The Fintech Network's main purpose had been to facilitate the sharing of information and expertise amongst its membership during conference calls, and to undertake substantive work to bring important Fintech-related issues to the attention of the Board.

### • Crypto assets

The Chair of Committee 2 would present a paper on issues and risks related to crypto assets trading platforms. Mr. Andrews noted that initial coin offerings had decreased in popularity and prevalence. The IOSCO Board would consider a Consultation Paper for market participants and the public clarifying how digital assets were traded and valued. The purpose was to formulate a final paper for submission to G-20 before the end of the year.

### • Sustainable Finance

Mr. Andrews acknowledged the GEMC and especially Malaysia and Argentina for their leadership in developing a Final Draft Report on Sustainability Finance and for coordinating with members of the Sustainable Finance Network of IOSCO. AMERC members were encouraged to review the videos to enhance understanding of the IOSCO Principles for Securities Regulation and capacity to undertake self-assessment.

The Chair of the Working Group on Listings, Mr. Keith Kalyegira updated the AMERC members on the progress of the study on increasing listings. He noted that Chile Capital was recruited as the consultant to undertake the study, within a 60-day period. Members resolved to share the Initial Report of the Working Group on Listings.

The AMERC Chairman invited members who wished to participate in a Steering Committee of the Listings Working Group to provide written expression of interest to the AMERC Secretariat by 31 May 2019.





# 3 KNOWLEDGE BANK

## WHAT ARE COLLECTIVE INVESTMENT SCHEMES?

Filed by the Policy Research Department, SEC

**C**ollective Investment Schemes are pools of funds that are managed on behalf of investors by a professional money manager. The manager uses the money to buy stocks, bonds, or other securities according to specific investment objectives that have been established for the scheme.

In return for putting money into these funds, the investor receives shares or units that represent his/ her pro-rata share of the pool of fund assets. In return for administering the fund and managing its investment portfolio, the fund manager charges a fee based on the value of the fund's assets.

Collective investment schemes in Ghana take the form of either a Mutual Fund or a Unit Trust. The characteristics of collective investment schemes in Ghana are provided for in the Securities Industry, 2016 (Act 929) and are not necessarily the same as those of other jurisdictions. It is worth noting that variations exist in collective investment schemes from jurisdiction to jurisdiction. The definitions in this brochure are based on the Securities Industry Act, 2016 (Act 929).

Mutual funds in Ghana are companies formed under the Companies Act,

1963 (Act 179), whilst Unit Trust operations are based on trusts under Trust deeds.

In the previous edition (Q1 of SEC NEWS 2019), we dealt with mutual funds. However in this edition, we will focus on unit trust and its operations.

### WHAT IS A UNIT TRUST?

A unit trust is an arrangement whereby investors' funds are pooled together and used to invest in a portfolio of securities and other financial assets, with the beneficial interest in the assets of the trust divided into units. The funds are managed by a professional manager.

A unit trust is constituted by a document known as the Trust Deed. Under the Securities Industry Act, 2016 (Act 929), unit trusts are open-ended funds and its managers stand ready to issue new units or redeem outstanding units on a continuous basis.

### WHO ARE PARTIES TO A UNIT TRUST?

The parties to a Unit Trust are:

i. The Manager is the company that establishes the unit trust. The law requires the company seeking to establish a unit trust to be the manager of the trust. The manager must be a body corporate licensed by the Securities and Exchange Commission as a fund manager prior to the establishment of the unit trust.

ii. The trustee is a company appointed by the Manager to take into its custody or under its control the property of the unit

trust and hold it in trust for the investors. The trustee must either be a bank, an insurance company or a financial institution or a wholly owned subsidiary of any of them approved by the SEC. The trust deed of the unit trust is made under seal between the manager and the trustee.

### WHAT RELATIONSHIP SHOULD EXIST AMONG THE PARTIES TO A UNIT TRUST?

The manager appoints the trustee but the manager and the trustee must be independent of each other. Independent here means that the manager is not a substantial shareholder of the trustee, and the trustee is not a substantial shareholder of the manager.

A substantial shareholder means a shareholder entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of the company or one who is in a position to control the composition of a majority of the board of directors of a company.

**See sections 59 to 108 of the Securities Industry Act, 2016 (Act 929) for more information on CIS.**

*To be continued in the next edition!*

**Disclaimer: The views expressed are the author's own and do not necessarily represent the views of the Securities and Exchange Commission, its members or staff.**



# 4. ENFORCEMENTS

## **INFRACTIONS & PENALTIES; COMPLAINTS RECEIVED DURING THE SECOND QUARTER**

### 1.0 Infractions and Penalties

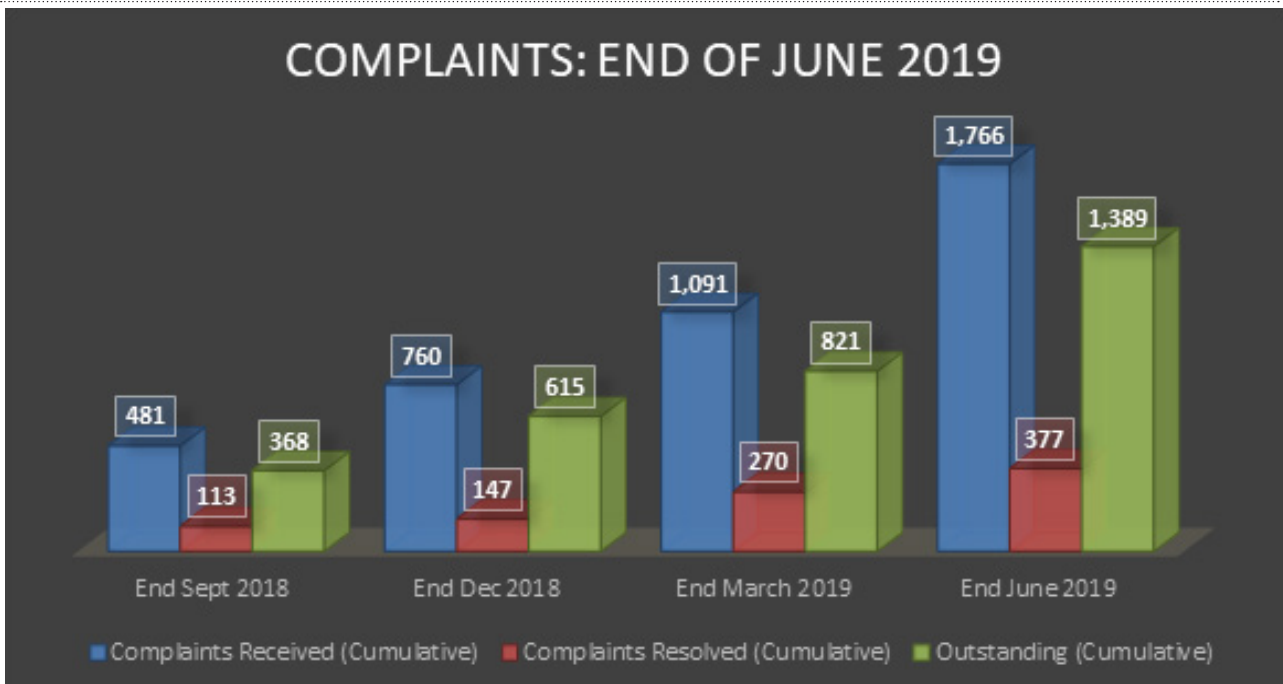
The following companies were sanctioned for various violations of the Securities Industry Act:

COMPANY	INFRINGEMENT	PENALTY (GH¢)
DeVere Ghana Limited	Failing to maintain the required number of directors	3,600.00
Oasis Capital Limited	Late submission annual statutory returns	6,400.00
Galaxy Capital Ltd	Late submission of 1st Quarter returns	300.00
Nickel Keynesbury Ltd	Late submission of Annual Report	1,600.00
Capstone Capital Ltd	Various infringements including Operating without a license	7,000.00

### 2.0 Complaints

Complaints received during the second quarter of 2019

PERIOD	COMPLAINTS RECEIVED (CUMULATIVE)	COMPLAINTS RESOLVED (CUMULATIVE)	OUTSTANDING (CUMULATIVE)
End Sept 2018	481	113	368
End Dec 2018	760	145	615
End Mar 2019	1,091	270	821
End June 2019	1,766	377	1,389



The above complaints were mainly related to:

- i) Non-payment of redemption requests.
- ii) Failure to provide statement of accounts

## ANSWERS TO QUIZ FROM PREVIOUS ISSUE



1. C. Less than a Cedi today
2. A. Go up
3. B. The company's common stock
4. B. False
5. A. Interest, dividends and capital gains
6. B. False
7. B. Earnings per share
8. D. Maturity date



# MARKET STATISTICS OFFERS & OTHER APPROVALS

## MARKET STATISTICS

### Assets under Management (1st Quarter 2019): Table M

AUM	End Mar, 2019	End Dec, 2018	% Change
Pension	13,585,045,589.98	8,592,862,547.35	58.10
CIS	3,345,757,537.55	2,451,936,528.11	36.45
Other funds	9,129,446,125.10	14,202,320,594.20	(35.72)
Total	26,060,249,252.63	25,247,119,669.66	3.22

### Assets under Management (2nd Quarter 2019) : Table Q

AUM	End Jun, 2019	End Mar, 2019	% Change
Pension	14,436,312,657.34	13,585,045,589.98	6.27
CIS	3,505,459,508.08	3,345,757,537.55	4.77
Other funds	13,097,828,563.04	9,129,446,125.10	43.47
Total	31,039,600,728.46	26,060,249,252.63	19.11

## Offers and Other Approvals

Offers, Approvals and Listings (Primary and Secondary Market)

List of Approvals

- Offers and Approvals and Listing (Primary and Secondary Market)

### OFFER, LISTING AND BUSINESS COMBINATION APPLICATIONS

There were no approvals of applications for offer, listing and bond programmes in the second quarter.

### 2. Note Tranches

#### APPROVAL OF NOTE TRANCHES

	ISSUER	TRANCHE NO.	AGGREGATE OFFER SIZE	SUBSCRIPTION (%)
1	AFB	25	GH¢ 15M	21.06
2	BOND S&L	10	GH¢ 7M	92.90
3	BAYPORT S&L	11	GH¢ 30M	84.23
4	ESLA	3	GH¢ 1B	100.00



## CAPITAL MARKET STATISTICS AND ANALYSIS

### 1. Capital Market Operators as at end of Second (2nd) Quarter 2019

	CATEGORY OF LICENSED OPERATORS	END JUN 2019	END MAR 2019	CHANGE
1	Broker-Dealers	24	24	0
2	Custodians	16	16	0
3	Exchange Traded Funds	1	1	0
4	Investment Advisers	9	9	0
5	Fund Managers	138	140	(2)
6	Mutual Funds	40	38	2
7	Primary Dealers	15	15	0
8	Registrars	4	4	0
9	Securities Depositories	1	1	0
10	Securities Exchange	2	2	0
11	Trustees	5	5	0
12	Issuing House	6	5	1
13	Unit Trusts	21	19	2
	TOTAL	282	279	3

### 2. Stock Market Statistics

	End Jun 2019	End Mar 2019	% Change
Number of Listed Companies (Main Market)	33	33	0.00
Number of Listed Companies (Ghana Alternative Market)	5	5	0.00
Volume of Trades (Equities)	12,404,411	7,304,596	69.82
Value of Trades (GH¢): Equities	15,976,417.57	7,959,221.59	100.73
Market Capitalization (GH¢ million)	58,729.64	59,750.01	(1.71)
GSE- Composite Index (GSE-CI)	2,394.82	2,454.51	(2.43)
GSE- CI YTD Returns (%)	(6.90)	(4.58)	(50.66)
GSE- Financial Stock Index (GSE-FSI)	2,089.99	2,155.29	(3.03)





### 3. Performance of Equities on Ghana Stock Exchange

NO.	NAME OF COMPANY	CODE	CLOSING PRICE (GH¢) END JUN 2019	OPENING PRICE (GH¢) END MAR 2019	CHANGE (GAIN/LOSS) (GH¢)
1	Access Bank Ghana PLC	ACCESS	3.40	4.00	(0.60)
2	Agricultural Development Bank	ADB	5.06	5.95	(0.89)
3	AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00
4	Aluworks Limited	ALW	0.09	0.09	0.00
5	Ayrton Drug Manufacturing Ltd.	AYRTN	0.08	0.08	0.00
6	Benso Oil Palm Plantation	BOPP	3.50	4.15	(0.65)
7	Cal Bank Ltd	CAL	1.04	1.05	(0.01)
8	Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	0.00
9	Camelot Ghana Ltd.	CMLT	0.10	0.10	0.00
10	Cocoa Processing Co. Ltd.	CPC	0.02	0.02	0.00
11	Ecobank Ghana Ltd.	EGH	8.49	8.03	0.46
12	Enterprise Group Ltd.	EGL	2.10	2.25	(0.15)
13	Ecobank Transnational Inc.	ETI	0.12	0.15	(0.03)
14	Fan Milk Ltd.	FML	5.00	8.00	(3.00)
15	GCB Bank Ltd.	GCB	4.93	4.00	0.93
16	Guinness Ghana Breweries Ltd.	GGBL	2.18	2.19	(0.01)
17	Ghana Oil Company Limited	GOIL	2.20	2.51	(0.31)
18	Golden Star Resources Ltd.	GSR	9.50	9.50	0.00
19	Mega African Capital Ltd	MAC	5.98	5.98	0.00
20	Mechanical Lloyd Co. Ltd.	MLC	0.09	0.09	0.00
21	Scancom PIC	MTNGH	0.73	0.70	(0.03)
22	PBC Ltd.	PBC	0.03	0.04	(0.01)
23	PZ Cussons Ghana Ltd.	PZC	0.40	0.40	0.00
24	Republic Bank (Ghana) Ltd	RBGH	0.65	0.63	0.02
25	Standard Chartered Bank Gh. Ltd.	SCB	19.02	20.00	(0.98)
26	SIC Insurance Company Ltd.	SIC	0.11	0.15	(0.04)
27	Starwin Products Ltd.	SPL	0.02	0.02	0.00
28	Societe Generale Ghana Limited	SOGEGH	0.75	0.90	(0.15)
29	Sam Woode Ltd.	SWL	0.05	0.05	0.00
30	Trust Bank Gambia Ltd	TBL	0.12	0.23	(0.11)
31	Total Petroleum Ghana Ltd.	TOTAL	4.00	5.09	(1.09)
32	Tullow Oil Plc	TLW	11.94	11.94	0.00
33	Unilever Ghana Ltd.	UNIL	17.65	17.69	(0.04)
<b>Ghana Alternative Exchange (GAX)</b>					
34	Samba Foods Ltd	SAMBA	0.65	0.65	0.00
35	Meridian Marshalls Holdings	MMH	0.11	0.11	0.00
36	Hords Ltd	HORDS	0.10	0.10	0.00
37	Intravenous Infusions Ltd	IIL	0.07	0.08	(0.01)
38	Digicut Production and Advertising Ltd	DIGICUT	0.09	0.09	0.00
<b>Others (Depository and Pref Shares, ETFs)</b>					
39	AngloGold Ashanti Depository shares		0.40	0.40	0.00
40	Standard Chartered Bank Preference shares		0.86	0.85	0.01
41	Exchange Traded Fund (ETFs)		54.00	54.00	0.00



# SECOND QUARTER MARKET SUMMARY ANALYSIS/HIGHLIGHTS

**FRANK BINEY DONKOR**  
Manager, Policy & Research

## EQUITY MARKET

**T**he Ghana Stock Exchange Composite index, the GSE-CI closed at **2,394.82 points at the end of the second quarter 2019 from 2,454.51 points** recorded at the end of first quarter 2019. This represents a -6.90% year-to-date (YTD) change compared to -4.58% YTD as at the end of March 2019.

At the end of the second quarter 2019, there are thirty-eight (38) equities listed on the GSE. Out of the thirty-eight (38) equities, thirty-three (33) of the stocks were listed on the Main trading platform of the GSE whilst the five (5) remaining stocks were listed on the Ghana Alternative Market (GAX) trading platform of the GSE.

During the period under consideration, four (4) stocks appreciated in price, seventeen (17) stocks recorded price decline and the remaining seventeen (17) stocks traded flat.

The total **market capitalization** recorded during the period under consideration was **GHS 58,729.64 million** compared to **GHS 59,750.01 million** at the end of March 2019. The decline in market capitalization could mainly be attributed to falling prices of stocks during the period under review. Volume and value of equities traded up to the second quarter of the year were **98,215, 545** shares and

**GHS 109,990,041** respectively.

### Fixed Income/Debt Market:

At the end of second quarter 2019, the GSE had 123 fixed income (debt) securities listed on the GFIM. The debt securities listed are made up of 55 corporate bonds, 62 Ghana Government (GOG) bonds and 6 Eurobonds respectively. The value of Government listed debt securities (GOG), corporate debt and Eurobonds on the GFIM at the end of the second quarter 2019 were **GHS 58,628.13 million, GHS 8,016.33 million and \$8,750.00 million** respectively. In addition, the value of listed Corporate and GoG bonds in dollars were \$15million and \$221.40 million respectively.

Finally, the value of trades on the GFIM from January 2019 to the end of June 2019 was **GHS 24,526,086,182.00** compared to **GHS 781, 190,000.00** at the end of the first quarter.

### Funds Management Industry:

In the Funds Management industry, the total assets under management (AUM) for the **second quarter** of 2019 was **GHS 31,039,600,728.46** which represented an increase of **19.11%** from the previous quarter. The total assets under management were made up of pension funds, collective investment schemes (CIS) and other funds (discretionary funds) managed by Fund Managers.

See Table Q on page 13.

**2,394.82**  
**Points**

The points at which the GSE-Composite Index closed at second quarter 2019

**GH¢58,729.64**  
**Million**

The total market capitalization recorded during the second quarter, 2019

**GH¢31,039,600,728.46**  
**Million**

The total asset under management for the the fourth quarter of 2018



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