



"ENSURING INVESTOR PROTECTION"

SEC News

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2014 Capital Market Week

The 2014 Capital Market Week was launched at the Press Center in Accra by the Director General of the Securities and Exchange Commission (SEC) on 20th October 2014. The theme for the celebration was "The Capital Market: Creating Wealth for All," The occasion was to meet the press to unveil the week long activities which started from 27th to 31st October 2014. The week was marked by a series of activities which included a press launch, an opening ceremony, media appearances and quiz programme for Senior High Schools in the Greater Accra Region.

Briefing the press at its launch at the International Press Conference, the Director-General of the SEC, Mr. Adu A. Antwi said the week's celebration would be used as a platform to educate the public on how to create wealth using the capital market as a means.

He emphasized that, the primary mission of the Ghana Securities and Exchange Commission (SEC) is to protect investors and maintain the integrity of the securities market, hence the need for the Commission to always ensure that sector players are more informed about activities in the capital market.

He noted that investor interest in the capital market and investment instruments in general will grow if Ghanaians are properly educated on the operations and benefits of that segment of the financial market to their everyday life. Mr. Antwi stressed that, poor investor education affects capital market growth and therefore the Commission sees investor education as a necessary ingredient to the growth of the market hence the decision by the SEC to organize the week.

The Capital Market week began with an opening ceremony and a public lecture at the British Council Hall in Accra on 27th October 2014. The opening ceremony was chaired by Mr. Kofi Adu Labi, a former Commissioner of SEC, and the Chairman of the SEC, Mr. Eric Okai delivered the welcome address. The Guest Speaker for the ceremony was Hon. Mrs. Mona

3 Ds of Capital Market

- Don't lie
- Disclose fully
- Deal fairly

Helen Quartey, a Deputy Minister of Finance. In her address, the Deputy Minister indicated that the capital market as part of the financial system is critical to the economic development of the country and that a vibrant capital market will close the infrastructure deficit, create wealth and unleashed the potentials of the people. She noted that wealth creation through the capital market can be achieved by individuals who desire to invest with whatever income they may have, irrespective of the size. She stressed that though many people have little or no knowledge about the capital market, government views it as a key catalyst of change in the economic fortunes of Ghana, noting that the economy requires massive doses of capital investments to generate enough returns and multiplier effects to make a positive dent on poverty levels in the country.

At the public lecture, presentations were made by the Director-General of the SEC, who spoke on the topic "Investment opportunities in the capital market". Other presentations were made by the Deputy Managing Director of the GSE, Mr. Ekow Afedzie and Rev. Ogbarmey Tetteh who made a presentation on behalf of the Ghana Securities Industry Association.

As part of the week, staff of the SEC and market operators embarked on outreach programmes to selected tertiary institutions in some regional capitals. They also made appearances on various media platforms in the regional capitals.

The Capital Market Week celebration which was formally instituted in 2007 has greatly helped to educate a large number of Ghanaians on how to create wealth using the capital market as a means of investment.

PRESEC Wins 1st Capital Market Quiz

As part of the 2014 capital market week activities, the SEC organized the first Capital Market quiz for second cycle institutions in the Greater Accra Region. The quiz was sponsored by Ecobank Transnational Incorporate (ETI). The objective for organizing the quiz was to help the young ones, as potential managers of the country's financial and economic affairs, learn about investment. Fifteen schools competed in the zonal event after which five schools namely Odorgonno SHS, St. John's Grammar SHS, Datus SHS, Presby Boys SHS and West Africa SHS qualified to participate in the finals.

The competing schools answered questions covering areas related to the capital market like saving, investment and the stock exchange in addition to questions on general knowledge and current affairs. At the end of the contest, Presby Boys SHS (PRESEC) emerged the winner, with West Africa SHS taking the second position followed by Odorgonno SHS. St. Johns Grammar SHS and Datus SHS took the fourth and fifth positions respectively.

Citations and cash prizes were presented to all the participating schools. The winner received a cash prize of GH¢3,700.00, the first runner-up received GH¢3,200.00, the second runner received GH¢2,700.00, while the fourth and fifth schools received GH¢2,300.00 each. The prizes were invested by the SEC on behalf of the prize winners in mutual funds of their choice.

Speaking at the event, the Director-General of Securities and Exchange Commission, Mr. Adu A. Antwi said that the quiz programme would educate the students on how to handle financial issues like the principles of early savings and investment in one's life before becoming an adult.

According to the Director General, the creation of the Child Finance Club by the SEC was to motivate children from upper primary to senior high schools to use and manage the internet more useful than indulging in other activities which they will not benefit from.

Rev. Daniel Ogbamety Tetteh who spoke at the programme encouraged the students to read more financial and investment literature to know how to spend less, save more and invest to build wealth for their future.

SEC Ghana Organised Health Walk To Ushere In Capital Market Week

The SEC organized a health walk on Saturday, 18th October 2014 to usher in the 2014 Capital Market Week. The 14-kilometre health walk saw SEC staff, some of their relations and capital market operators exercising their bodies to keep fit. The walk which was undertaken with brass band music provided by the Osu Brass Band, commenced from SEC offices at exactly 7 am. Participants

went through the Togo Embassy and through Danquah Circle to Oxford Street, Osu. The walk continued through Osu cemetery to Liberty square through Ako Adjei Interchange and Danquah circle and back to the SEC office.

The Director-General of the SEC, Mr. Adu A. Antwi who addressed the participants at the end of the walk stated that the essence of the walk was to highlight the importance of regular exercises and the need for all to stay fit and healthy. He said the event also served as a platform for staff of the Commission and the capital market operators to socialise. He pledged the SEC's commitment to healthy lifestyle programmes like the walk and wished it is organised quarterly instead of it being an annual event.

SEC'S Evening with CEO'S and CFO'S of Listed Companies

The Securities and Exchange Commission organized a seminar for Chief Financial Officers and Chief Executive Officers of listed companies to discuss matters of mutual interest to the SEC and listed companies. The programme, dubbed SEC's evening with CEOs and CFOs of Listed Companies was held at the Coconut Grove Regency Hotel in Accra on 11th December, 2014. Issues discussed at the meeting included:

- Improving disclosures in annual reports
- The quality of financial disclosures in annual and quarterly reports
- The quality of the auditor's report
- Late submission of annual and quarterly reports
- Filing of returns at the Register General Department for changes in stated capital
- The establishment of investor's relation desk to enhance shareholder relationship and resolution of shareholder complaints.

The Director-General of SEC emphasized the need for listed companies to improve disclosures in their annual reports, using the 52 corporate governance disclosure items recommended by UNCTAD as the standard. He also advised the CEOs and CFOs to ensure that reports issued on their financial statements by audit firms are signed in the name of the partner in charge of the audit as that is expected to be the standard in Ghana, given the provisions in the Companies Act relating to the appointment of firms as auditors.

During discussions, it came to light that the Institute of Chartered Accountants (Ghana) had in 2012 issued a notice requiring audit partners to sign audit reports in their names, and on behalf of their firms, but the Institute had not enforced the directive.

Director- General of SEC Receives Award

The Director-General of SEC, Mr. Adu A. Antwi has been presented with the Nobles International Award by the West Africa Nobles Forum for being an eminent West African who upholds the virtues of honesty, integrity and accountability. The award was conferred on him at a Dinner Dance/Awards ceremony held at the Volta Hotel, Akosombo on 23rd October 2014. Mr. Antwi was among 29 selected distinguished individuals from both the public and private sector in the West African region who were recognized for their high level of integrity and morals in the pursuit of their work.

The West Africa Nobles Forum, a group of eminent West Africans, is a non-governmental, non-religious and non-profit making organization with its headquarters in Accra, with a membership of over 1,000. The Forum works to compliment the efforts of the ECOWAS secretariat to make the ECOWAS dream a reality, and has been collaborating with the West Africa International magazine to annually honour men and women of integrity in the sub-region. The organization recognizes men and women of integrity, in the hope that such honesty will be replicated and emulated by others in the society to enhance the ethical behavior of people in society.

SEC Organizes Training for Financial and Economic Journalists

Members of the Institute of Financial and Economic Journalists attended a training seminar on Corporate Governance at the SEC on 14th November, 2014. The training was on the topic “Who is running the company: guiding journalists to report on corporate governance”.

The Director-General of SEC, Mr. Adu A. Antwi who facilitated the programme emphasized the need for financial and economic journalists not to always wait for information to break out before publishing same, but rather be the ones to bring out the news. He cited attending annual general meetings of companies and reading of annual reports of companies as things that financial journalists can do to bring out news about the operations of the companies.

Maiden Edition of “Investing With Confidence” Seminar Series Held

Cambridge Capital Advisors Limited on 9th October, 2014 organized the maiden edition of “Investing with confidence” seminar series in Accra.

The Chief Executive Officer and Chief Strategist of Cambridge Capital Advisors Limited, Mr Evron Rothschild Hughes, who facilitated the seminar took participants through the right products to invest in, to build wealth with confidence. Suggesting alternative investments, Mr Hughes indicated that private equity, real properties, commodities, and other structured forms of investments, including derivatives, present better alternatives, or at least as part of a portfolio, to the traditional investments, and expressed the hope that the SEC will expedite the process of deepening the regulations covering such investments.

Speaking at the seminar, the Director-General of SEC, Mr. Adu A. Antwi, who underscored the importance of saving and investment for national development and prosperity, explained that the review of the regulatory framework would create avenues for more financial products to be introduced in to the market to deepen the saving culture in the country. He explained that the review of the Securities Industry Law would bring credit rating agencies, venture capital funds, commodity exchanges, private equity funds and other of operators under the supervision of SEC to enhance investor confidence in the market. He called for a policy that will ensure that companies operating in sectors like telecommunications, banking, insurance, mining, oil and gas list part of their shares on the stock exchange after operating for a number of years in the country.

The Director-General of the National Development Planning Commission, and Senior Economic Advisor at The Office of the President, Dr. Nii Moi Thompson, who also spoke at the seminar said the Government has a transformation agenda, a matrix under the country’s development agenda, would seek to develop a set of sub-sectors christened “FIRE” – finance, insurance and real estate. He encouraged Cambridge Capital to expand its financial literacy beyond corporate clients to the youth through churches and schools to increase the savings culture in the country

SEC’s Message to Entrepreneurs

Get your company listed on the Ghana Stock Exchange, get access to capital to grow your business, create employment and help develop the economy. Contact a broker-dealer or an investment adviser for support.

What It Means To Invest

Investing involves using your money to buy financial assets such as shares or bonds to increase your future value, or putting your savings to work for your money to grow. This means that you make your money available to be put into a venture and thereby benefit from the profits from that venture. Imagine a person who makes a lot of money from his work and not needing all that money immediately; he/she could decide to buy and stock e.g. building materials, jewellery, cloth etc.

He would then spend time and resources to take care of these assets and subsequently use them or sell them, hoping to obtain profit. This is a form of investment. However, investing with a financial institution frees you from the responsibility of managing the investment. It is done on your behalf by professionals and you receive the profits when they come in whilst paying the professionals for the service.

Forms of Investments Available To You

There are different investment products to choose from and you need to educate yourself fully about them to enable you to determine and choose the one that best suits your situation and financial need. Available investment products to choose from include fixed deposit, shares, bonds and mutual funds/unit trust.

Fixed Deposit or Certificate of Deposit: When you invest in a fixed deposit, you lend your money to the financial institution and benefit from the interest that accrues from that. You can invest in a fixed deposit by paying money into an account set up for you by the relevant financial institution. After going through the relevant processes you will be given proof that you have invested in the form of a certificate of deposit. This gives you a fixed amount of interest which may be paid to you periodically over the life of the investment. It is an obligation on the financial institution to pay you the interest.

Shares: A share is an instrument which represents a partial ownership in a company. When you invest in shares you become a shareholder in the company and are entitled to dividends from the profits of the company. To buy shares in a company that is listed on the Stock Exchange you must contact a stockbroker who will buy them on the stock exchange for you. If you invest in shares you receive income in the form of dividends from the company. Dividends may not always be paid by the company as they depend on the performance of the company and decisions of the Board of Directors.

Bonds: A bond is an instrument used by the issuer to borrow money from the holder with an obligation to repay the principal and interest on future dates. When you invest in bonds you lend your money to the issuer of the bond who may be a company or government. If you invest in bonds, you receive a promised fixed amount of interest on your investment every half- year or every year. It is an obligation on the issuer of the bonds to pay you the interest.

Mutual Funds/ Unit Trusts: Mutual funds and unit trusts allow investors to pool their money together under the management of a professional fund manager who is responsible for investing the pooled resources in specific investment opportunities. Mutual funds and unit trusts are designed principally for small savers; you can start investing in these schemes with as little as GHC 5.00 and buy more shares or units on a regular basis with even smaller monthly payments. When you invest in a mutual fund or unit trust, you become a part-owner of the fund's assets and share in the returns from investments made by the fund manager. Your investment may, however, fall in value if the fund makes a loss.

Selling Your Investment

You can sell part or all of your investments in shares, bonds, mutual funds or unit trusts any time you want to do so. Getting your shares or bonds sold quickly depends on the availability of buyers in the market and the price that you may want to sell at. For interest in mutual funds or unit trusts, the fund manager stands ready at all times to buy from the investor.

Investment and Risk

Like many of life's activities, investments are associated with risk. Risk is the possibility of losing part or all of the money invested. Investment-associated risk is the chance that the invested capital will drop in value which means that your aim for investing may not be achieved because the investment does not work as one hopes or expects.

Why You Should Invest

How would you like to give a bit of your earnings to someone to do business with and who would then pay you back regularly or at an agreed time with additional money earned from what he used your money for? This is what happens when you invest. Your money which would have sat idle now works for you and brings you more money and that is a good reason to invest. There are many reasons why people invest. Here are some key reasons why you should consider investing your money:

- You generate additional resources to protect your future well being
- You achieve your financial goals such as buying a house, a car or starting a business
- You accumulate resources to pay for education for your children
- You accumulate resources to care for your children, ageing parents or other relatives
- You secure your retirement income
- You preserve the value of your money against inflation.

- You contribute to the growth of our national economy as your investment is deployed in the productive sector of the economy

Where And How You Can Invest

There are financial institutions that specialize in managing investments. These include banks, savings and loans companies, stockbrokerage firms, investment advisory firms, finance houses, discount houses and microfinance companies. A variety of investment avenues are offered by different financial institutions and they are always happy to advise you on what best suits your specific need and how you should go about investing your resources.

Training and Capacity Building of SEC Staff

Annual IOSCO Seminar Training Programme, Spain

Three members of staff attended the annual IOSCO seminar training programme in Madrid from October 21st-24th, 2014. The theme of the programme was "Regulatory collaboration with respect to global/cross-border securities violations and crimes and the role and use of the IOSCO MMoU". Among the issues discussed was on how ordinary or associate members of IOSCO can apply IOSCO MMoUs.

International Regulators' Seminar, United Kingdom

Two members of staff participated in a seminar from 24th to 26th November, 2014 in London, UK. The seminar which was organized by the Financial Conduct Authority (FCA) of UK drew participants from all over the world. The theme of the programme was "Integrity in the financial system". Participants were taken through the UK regulatory framework and the structure of FCA, the UK perspective on market integrity and crowd funding, integrity of financial markets, role of financial services and ways to tackle money laundering and financial crime.

15th Emerging Market Programme, Malaysia

Three members of staff attended the 15th Emerging Markets Programme held organised by the Securities Commission of Malaysia from 24th-26th November 2014. The theme of the programme was 'Enhancing the vibrancy and resilience of emerging markets'. The Emerging Markets Programme is the longest-standing and one of the most prominent platforms for regulators from developing and developed markets to meet, network and exchange thoughts on common concerns and issues that impact their respective markets.

The 2014 programme attracted 46 participants from 17 different countries around the globe.

Areas covered during the programme included:

1. A proactive approach in dealing with risk to securities markets
2. Innovative products and their regulation - Is there a balanced approach?
3. The challenge of promoting greater accessibility and inclusiveness for emerging market Regulators
4. Enforcement - strengthening the deterrent effect and ensuring public trust and confidence
5. Investor education and dispute resolution - empowering investors

Mezzanine and Alternative Finance Forum, United Kingdom

Two management staff of the Commission attended a seminar on Mezzanine and Alternative Finance in London, United Kingdom from 3rd-4th December, 2014. The programme was organized by the IBC Legal of UK. The forum had various speakers making presentations covering areas like benefits and uses of products offered by debt fund and alternative finance providers.

RIPA International Programme, United Kingdom

A management staff of the Commission attended a training programme organised on developing effective performance management, reward and retention strategies, by RIPA International in London from 8th-12th December, 2014. Participants were taken through the steps of designing personal development plans to meet individual learning objectives and finding practical ways to enhance organisational strategic/operational activities. As part of the training, the participants toured the National Health Service to observe their performance management system.

Director- General of SEC Completes a Doctorate Programme

The Director-General of SEC, Mr. Adu A. Antwi has completed a Doctor of Business Administration programme at the PSB Paris School of Business, Paris-France. He had a successful defense of his dissertation titled "Corporate Governance Disclosure Practices of Listed Companies in Ghana: An Evaluation" on 2nd December 2014 in Paris, France. He will be presented with his Doctor of Business Administration degree at a graduation ceremony of the School on 7th February 2015 in Paris, France.

SEC News congratulates him on the successful completion of his studies.

"Early Bird" for the Quarter



Mr. William Nii Armah Obli of the HR and Administration Department was adjudged the most punctual employee for the period Oct-Dec 2014. SEC News congratulates him on being the "Early Bird" for the quarter.

Approvals

During the fourth quarter of 2014, approvals were given to various entities to operate as follows.

Company	License Category
Corporate Hills Advisory Services Limited	Investment Advisor (Advisory & Fund Mgt)
George Town Capital Partners Limited	Investment Advisor (Advisory & Fund Mgt.)
Investa Capital Fund Management Limited	Investment Advisor (Advisory & Fund Mgt)
Investiture Fund Managers Limited	Investment Advisor (Advisory & Fund Mgt)
EGAS Capital Limited	Investment Advisor (Advisory & Fund Mgt)
EC Capital Partners Limited	Investment Advisor (Advisory & Fund Mgt)
Delta Capital Limited	Investment Advisor (Advisory & Fund Mgt)
CDH Balanced Fund Limited	Mutual Fund

Capital Market Operators

Category of Licensed Operators	End Sept 2014	End Dec 2014	Change
<i>Broker-Dealers</i>	22	22	-
<i>Custodians</i>	17	18	1
<i>Exchange Traded Funds</i>	1	1	-
<i>Investment Advisors (Advisory Only)</i>	2	2	-
<i>Investment Advisors (Advisory & Fund Mgt.)</i>	102	109	7
<i>Mutual Funds</i>	22	24	2
<i>Primary Dealers</i>	15	15	-
<i>Registrars</i>	3	3	-
<i>Securities Depository</i>	1	1	-
<i>Stock Exchange</i>	1	1	-
<i>Trustees</i>	3	4	1
<i>Unit Trusts</i>	17	18	1
TOTAL	206	218	12

Enforcement Actions

During the quarter under review the following market operators were sanctioned for various violations of the Securities Industry Law.

Company	Infringement	Penalty (GH¢)
Jos Securities & Investment Management Limited	Failure to renew operating licence of company and two investment representatives.	5,400.00
SAS Investment Management Limited	Failure to notify the Commission about the resignation of Compliance Officer.	21,500.00
Canal Capital Limited	Failure to renew operating licence of company and three investment representatives.	6,600.00
Ecobank Capital Advisors Limited	Late submission of Funds Under Management report for 3rd quarter 2014.	500.00
Ecobank Investment Managers Limited	Late submission of cashflow and liquid funds report for 3rd quarter 2014	800.00
Nimed Capital Limited	Operating without a licence.	3,000.00
National Investment Bank	Late renewal of Custodian licence.	3,000.00
Stanbic Bank	Failure to notify the Commission of changes in Directorships.	600.00
UT Bank	Late submission of custodian report for 3rd quarter 2014	5,100.00
Fidelity Bank	Late submission of custodian report for 3rd quarter 2014	5,100.00

Funds under the Management of Licensed Fund Managers

	End Sept 2014 (GHC)	End Dec 2014 (GHC)	% Change
TOTAL FUNDS	6,874,809,672.54	8,388,427,713.45	22.02
<i>Pension</i>	<i>1,108,207,046.00</i>	<i>1,130,187,429.91</i>	<i>01.98</i>
<i>CIS</i>	<i>472,636,877.89</i>	<i>494,622,217.19</i>	<i>04.65</i>
<i>Others</i>	<i>5,293,965,748.65</i>	<i>6,763,618,066.35</i>	<i>27.76</i>

Stock Market Statistics

	End Sept 2014	End Dec 2014	Change
<i>Number of Listed Companies</i>	<i>35</i>	<i>35</i>	<i>0</i>
<i>Volume of Trades*</i>	<i>13,118,593</i>	<i>10,110,518</i>	<i>(22.93)%</i>
<i>Value of Trades (GH¢)*</i>	<i>31,564,697.01</i>	<i>23,274,853.14</i>	<i>(26.26)%</i>
<i>Market Capitalization (GH¢Million)</i>	<i>64,515.25</i>	<i>64,352.42</i>	<i>(0.25)%</i>
<i>GSE-Composite Index</i>	<i>2,239.68</i>	<i>2,261.02</i>	<i>0.95%</i>
<i>GSE- Financial Stock Index</i>	<i>2,154.10</i>	<i>2,243.63</i>	<i>4.16%</i>

* Total for the quarter

Performance Of Equities on the Ghana Stock Exchange

Name of Company	Closing Price(GH¢) Sept 2014	Closing Price(GH¢) Dec 2014	Gain / (Loss) (GH¢)
1 African Champion Ltd.	0.03	0.02	(0.01)
2 Aluworks Limited.	0.03	0.02	(0.01)
3 AngloGold Ashanti Ltd.	37.00	37.00	-
4 Ayrton Drug Manufacturing Ltd.	0.17	0.18	0.01
5 Benso Oil Palm Plantation.	3.66	4.10	0.44
6 Cal Bank Ltd.	0.93	1.01	0.08
7 Camelot Ghana Ltd.	0.15	0.12	-
8 Clydestone (Ghana) Ltd.	0.04	0.03	-
9 Cocoa Processing Co. Ltd.	0.02	0.02	-
10 Ecobank Ghana Ltd.	7.11	7.60	0.49
11 Ecobank Transnational Inc.	0.33	0.28	(0.05)
12 Enterprise Group Ltd.	1.64	1.75	0.11
13 Fan Milk Ltd.	4.90	5.25	0.35
14 GCB Bank Ltd.	5.11	5.30	0.19
15 Ghana Oil Company Limited.	0.99	1.05	0.06
16 Golden Star Resources Ltd.	2.34	2.34	-
17 Golden Web Ltd.	0.03	0.03	-
18 Guinness Ghana Breweries Ltd.	3.10	3.20	0.10
19 HFC Bank (Ghana) Ltd.	1.35	1.50	0.15
20 Mechanical Llyod.Co. Ltd.	0.26	0.28	0.02
21 Mega African Capital Ltd.	3.59	4.50	0.91
22 Pioneer Kitchenware Ltd.	0.06	0.06	-
23 Produce Buying Company Ltd.	0.12	0.12	-
24 PZ Cussons Ghana Ltd.	0.39	0.30	(0.09)
25 Sam Woode Ltd.	0.04	0.04	-
26 SG-SSB Limited.	0.93	1.00	0.07
27 SIC Insurance Company Ltd.	0.40	0.37	(0.03)
28 Standard Chartered Bank Gh. Ltd.	18.25	20.35	2.10
29 Starwin Products Ltd.	0.03	0.02	(0.01)
30 Total Petroleum Ghana Ltd.	6.10	6.10	-
31 Transactional Solutions (Ghana) Ltd	0.03	0.03	-
32 Trust Bank Ltd. (The Gambia)	0.27	0.24	(0.03)
33 Tullow Oil Plc.	36.00	34.99	(1.01)
34 Unilever Ghana Ltd.	15.75	10.70	(5.05)
35 UT Bank Ltd.	0.27	0.25	(0.02)

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