

SEC NEW

4TH QUARTER, 2023



OFFICIAL NEWSLETTER OF THE SECURITIES & EXCHANGE COMMISSION OF GHANA

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SCAN FOR DIGITAL VERSION

SEC Ghana Launches Strategic Plan



SEC Empowers Technical Working Group with Two-Day Residential Workshop on Risk-Based Supervision Framework

SEC Ghana Pays Respects to Ga State in a Heartfelt Courtesy Visit

Unit Trust 101: Exploring the Basics and Operational Dynamics for Investors"

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THE SECURITIES & EXCHANGE COMMISSION (SEC), GHANA

ABOUT

The Securities and Exchange Commission (“the Commission”) is established by the Securities Industry Act, 2016 (Act 929) (“the Act”) as amended with the object to regulate and promote the growth and development of an efficient, fair and transparent securities market in which investors and the integrity of the market are protected.

VISION

To be a top-tier securities market regulator in Africa.

MISSION

To regulate, innovate and promote the growth and development of an efficient, fair, and transparent securities market in which investors and the integrity of the market are protected.

OBJECTIVES

1. Enhancement of capital market infrastructure and strengthening the capacity of market institutions and intermediaries.
2. Providing the legal and regulatory framework for market and product innovation.
3. Promotion of public awareness, investor rights and corporate education.
4. Establishment of an overall robust, supportive, legal and regulatory framework that conforms to international best practices.



CHAPTER
01
NOTICES
& ADVICE

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 license.
- Reporting fraudulent investment schemes (e.g., Ponzi Schemes).
- Reporting fraudulent activities of Capital Market Operators.
- Making complaints against Capital Market Operators.



0800100065

Toll-Free Line

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Main Line



1

Ghana

Capital Market Conference 2023: Charting a Resilient Financial Future

The Ghana Capital Market Conference (GhaCMaC) 2023, a landmark event organized by the Securities and Exchange Commission (SEC) as part of its 25th-anniversary celebrations was successfully undertaken in Accra on 30th November 2023. The conference, held under the theme 'Deepening and diversifying Ghana's Capital Market Towards A More Resilient Financial System,' showcased a commitment to shaping the future of Ghana's financial landscape.







2

EVOLUTION OF THE SEC:

A QUARTER OF A CENTURY IN REVIEW

In his welcome address, the Board Chairman of the SEC, Dr. Yeboa Ainoa, reflected on the evolution of the Commission over the past 25 years. From its transformation into the Securities and Exchange Commission in 2000 to the enactment of the Securities Industry Act in 2016, the SEC's journey has been marked by a commitment to elevating the quality of standards and regulation in the capital market.

Dr. Ainoa noted, "these transitions and evolution of the SEC have progressively elevated the quality of standards and regulation in the capital market, positioning Ghana as a player on the global financial stage."



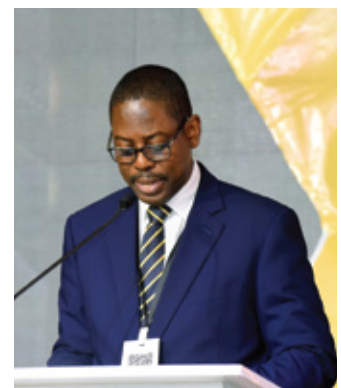


3

Strategic Plan Launch By Finance Minister

A key highlight of the conference was the launch of the SEC's 5-year Strategic Plan by the Finance Minister of Ghana, Hon. Ken Ofori-Atta. The plan aims to set a comprehensive roadmap for the SEC, outlining strategic initiatives to deepen and diversify Ghana's capital market. The Finance Minister emphasized the government's commitment to creating a resilient financial system that can withstand global economic challenges. "The government is committed to deploying targeted policy initiatives to diversify the investor base, reduce external dependency and broaden market participation within the securities market" he said.







4

SEC'S DIRECTOR GENERAL OUTLINES **REGULATORY INITIATIVES**

Rev. Daniel Ogbarmey Tetteh, the Director General of the SEC, in opening the conference, outlined the SEC's commitment to a robust and resilient capital market. Rev. Ogbarmey Tetteh announced a series of new guidelines focused on crowdfunding, green bonds, financial resources, market making, margin trading, securities lending, borrowing, and asset-backed securities. These guidelines are expected to contribute significantly to strengthening the market's resilience.

Rev. Ogbarmey Tetteh stated, "these regulatory initiatives showcase the SEC's dedication to cultivating a dynamic and responsive capital market, capable of thriving in the face of evolving financial landscapes."

5

PLENARY SESSIONS EXPLORE FUTURE TRENDS

The conference hosted two plenary sessions. The first, titled 'The Future of Ghana's Capital Market:

Moving From A Frontier Market to an Emerging Market,' delved into the strategies and innovations needed to position Ghana as a prominent player in the global financial market. The second session, 'Broadening the Investment Universe: The Role of Alternative Assets,' explored avenues for diversification and expanding investment opportunities.

6

COMMITMENT TO **FINANCIAL EDUCATION & PROFESSIONAL DEVELOPMENT**

Director General of SEC highlighted the SEC's commitment to financial education through comprehensive campaigns and educational programs. He also announced the introduction of Continuous Professional Development programs for market operators, aiming to maintain a pool of quality practitioners in the securities market.

The Ghana Capital Market Conference 2023 was not only a celebration of the SEC's 25 years but a testament to the commitment of all stakeholders in shaping a resilient and dynamic financial future for Ghana. The event was well attended by over 300 industry practitioners from Ghana and beyond. The conference left participants inspired and equipped with insights to contribute to the ongoing evolution of the country's capital market.

WRITTEN BY: King Adawu Wellington, Manager, Communications and External Affairs Unit

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SEC EMPOWERS TECHNICAL WORKING GROUP WITH TWO-DAY RESIDENTIAL WORKSHOP ON RISK-BASED SUPERVISION FRAMEWORK

In a strategic move to enhance regulatory capabilities and foster a robust financial environment, the Securities and Exchange Commission (SEC) hosted an intensive two-day Residential Workshop on the Risk-Based Supervision Framework (RBSF). The workshop, held on



Rev. Daniel Ogbarmey Tetteh, the Director-General of SEC, welcomed participants to the workshop and outlined the significance of the Risk-Based Supervision Framework in maintaining a resilient and adaptive regulatory approach. He emphasized the

December 7th and 8th, 2023, at the serene Hill View Guest Center in Abokobi, Accra, was designed to build the capacity of the Technical Working Group.

workshop's role in equipping SEC staff with the necessary skills and knowledge to effectively implement the RBSF.



The two-day residential workshop not only equipped the Technical Working Group with the necessary tools to implement the Risk-Based Supervision Framework effectively but also fostered a sense of shared purpose and commitment among SEC staff.

Rev. Ogbarmey Tetteh expressed his gratitude to the facilitators, participants, and all those involved in making the workshop a success. As the SEC continues to position itself as a leader in financial regulation, initiatives like these

"Risk-Based Supervision is crucial in today's dynamic financial landscape. It allows us to be proactive in identifying and mitigating risks, ultimately ensuring the stability and integrity of our capital market," stated Rev. Ogbarmey Tetteh. He urged participants to actively engage in the sessions, highlighting the workshop's pivotal role in shaping the future of regulatory practices.

The workshop sessions were facilitated by experts from IAF Management Consulting in collaboration with the SEC Residential Advisor on Risk-Based Supervision. The collaborative effort was aimed to provide participants with a comprehensive understanding of the RBSF and its application in the context of the SEC's regulatory responsibilities.

Participants delved into topics ranging from risk assessment methodologies to the practical implementation of risk-based supervision in the day-to-day regulatory activities of the SEC. The interactive sessions allowed for a rich exchange of ideas and experiences among participants, fostering a dynamic learning environment.

Mrs. Deborah Mawuse Agyemfra, Deputy Director General Legal, and Mr. Paul Ababio, Deputy Director General Finance, graced the workshop with their presence, reaffirming the SEC's commitment to investing in the continuous professional development of its staff. Their engagement during the workshop underscored the importance of a collaborative and multidisciplinary approach to effective risk-based supervision.

play a vital role in shaping a resilient and responsive regulatory framework for the ever-evolving financial landscape.

WRITTEN BY: King Adawu Wellington, Manager, Communications and External Affairs Unit

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SEC GHANA ENDS THE YEAR WITH THANKSGIVING, CAMARADERIE AND CELEBRATION

The Securities and Exchange Commission (SEC) Ghana marked the close of the year with a triumphant Thanksgiving Service, Staff Durbar, and a memorable End of Year Dinner on Wednesday, December 20, 2023. The events brought together the SEC family, dignitaries from key financial institutions, and well-wishers in a spirit of gratitude, camaraderie, and celebration.

Annual Thanksgiving Service at Covenant Family Community Church

The Annual Thanksgiving Service took place at the Covenant Family Community Church, near Soul Clinic International School in Cantonments, Accra. Attendees, dressed in pristine white, gathered to express gratitude to God for the accomplishments of the year. Dignitaries from SEC, the Ghana Stock Exchange, Ghana Commodity Exchange, Central Securities Depository, Ghana Securities Industry Association, and other esteemed guests filled the venue.





Bishop Emeritus James Saah, from Christian Action Faith Ministries, delivered an inspirational message as the Guest Preacher. The melodious tunes of the Harmonious Chorale added a spiritual and uplifting ambiance to the service.

Staff Durbar and Secret Santa at SEC Premises

Following the Thanksgiving Service, the SEC staff reconvened at the office for a Staff Durbar. The event was not only an occasion for reflection but also an opportunity for staff members to engage in a joyful Secret Santa gift exchange. Laughter and camaraderie filled the air as colleagues exchanged thoughtful gifts, fostering a sense of unity and shared joy.

End of Year Dinner

The grand finale of the day was the 2023 End of Year Dinner, held at Zen Gardens in Labone, near the South African High Commission. Staff, accompanied by their spouses, were treated to an evening of fine dining, entertainment, and celebration. The addition of spouses to the dinner

aimed to usher SEC couples into the festive Christmas season with warmth and joy.

The event was not only a celebration of the year's achievements but also a moment to appreciate the hard work and dedication of SEC's talented and committed team. The evening resonated with laughter, music, and the joyous spirit of the holiday season.

As the SEC bid farewell to 2023, these events stood as a testament to the organization's commitment to fostering a positive and inclusive work culture, where gratitude, camaraderie, and celebration are valued traditions.

WRITTEN BY: King Adawu Wellington, Manager, Communications and External Affairs Unit

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TIME WITH SEC

25 YEARS



Time With the SEC

Empowers Ashanti Region Students on Financial Literacy

The Securities and Exchange Commission (SEC) Ghana took its flagship market education program, 'Time With the SEC,' to the Ashanti Region for the first time. This year's edition, held on Friday, November 10, 2023, at the KNUST Business School Block C, marked a historic expansion of the initiative to include students from Senior High Schools (SHS) in the region. Under the theme 'Deepening and Diversifying Ghana's Capital Market Towards A More Resilient Financial System,' the event aimed at enhancing stakeholders' knowledge about the SEC and the capital market while bringing the SEC closer to the market.

Mr. Paul Ababio, Deputy Director-General, Finance, SEC, led the SEC delegation to the region. In his opening statement, he emphasized the SEC's dedication to nurturing financial literacy and creating opportunities for young minds to under-

stand the complexities of the capital market. According to him "the decision to host 'Time With the SEC' in the Ashanti Region reflects the SEC's commitment to reaching a wider audience and fostering financial literacy beyond the capital" he said. This strategic move acknowledges the importance of empowering students with essential financial knowledge, equipping them for future financial decisions.

The event featured four impactful presentations by SEC staff members, covering a range of topics relevant to the students. Mr. Macnamara Peter-Brown, Assistant Manager, Policy Research, SEC, kicked off with an enlightening presentation on 'Understanding the Role of the SEC: An Overview of its Function and Responsibilities.' Dr. Godwin Ansah, Head of Communications & External Affairs, SEC, followed with 'SEC in the News,' shedding light on the SEC's visibility in the media.



A particularly engaging session titled 'Smart Financial Choices for Students: Betting/Scams vs Investing in Your Future' was delivered by Mr. Zakaria Haruna Baba, Senior Manager, Investigations, SEC. The presentation aimed to equip students with the knowledge to make informed financial decisions.

The final presentation, 'Charting a Career Path in the Financial Sector: Exploring Opportunities in the Capital Market,' was skillfully delivered by Ms. Esi Mansowa Monney, Manager, Funds Management, SEC. This session provided insights into potential career paths within the financial sector.

The event was enriched by interactive sessions and moderated by Mr. King A. Wellington, Manager, Communications and External Affairs, and Gladys Opoku Anning, President of the Young Investor Network at the University of Cape Coast. The lively discussions allowed students to engage with SEC representatives, seeking clarification and gaining deeper insights into the world of finance.

More than 1600 students from various SHSs across the Ashanti Region participated in the event, including schools like Prempeh College, Opoku Ware School, St. Louis Senior High School, Yaa Asantewaa Girls SHS, Kumasi High School, and many more. The enthusiastic response from the students demonstrated a keen interest in financial literacy and a hunger for knowledge about the capital market.

A representative of the Ghana Education Service in Ashanti Region who represented the Regional Director expressed gratitude to the students, educators, and all stakeholders for their active participation. He reiterated that the event shows SEC's commitment to promoting financial literacy and empowering the youth with the knowledge to make sound financial decisions.

As 'Time With the SEC' leaves an indelible mark on the Ashanti Region, it sets the stage for future initiatives aimed at deepening financial literacy and fostering a more resilient financial system in Ghana.







SEC Ghana

Pays Respects to Ga State in a Heartfelt Courtesy Visit

In a poignant show of respect and solidarity, the leadership of the Securities and Exchange Commission (SEC) Ghana, on Friday October 20th, 2023, embarked on a

solemn courtesy call to His Royale Majesty King Tackie Teiko Tsuru II, the esteemed King of the Ga State, to offer their heartfelt condolences on the passing of the illustrious Queen of the Ga State, Naa Dedei Omaedru III.

Queen Naa Dedei Omaedru III, who was born in 1934 and enstooled as the queen mother in 1963, passed away in 2022, leaving behind a legacy of wisdom and compassion that touched the lives of many. The SEC delegation was warmly received by Nii Quao Donkor III, Asere Tsono Mantse, who represented His Royale Majesty King Tackie Teiko Tsuru II.

Leading the delegation, Dr. Yeboah Amoa, Board Chairman of SEC, expressed his gratitude to His Royale Majesty for granting them an audience on short notice. In his address, Dr. Amoa highlighted the significance of the enduring relationship between the SEC and the Ga State and presented

a delegation that included esteemed Board members, the Director General and his Deputies, Directors and Heads of Departments and Units, and dedicated staff members of the SEC.

Dr. Amoa stated, "we are here today with a delegation of committed individuals, representing the leadership and dedicated members of the Securities and Exchange Commission Ghana. This visit is to pay our respects and offer our heartfelt condolences on the passing of the Ga Manye Naa Dedei Omaedru III. Her legacy, her leadership, and her contributions to the Ga people will forever be remembered and cherished."

During the visit, the SEC presented items and made a cash donation to support the funeral arrangements. Nii Quao Donkor III conveyed his gratitude for the SEC's kind gesture and expressed his appreciation for the show of solidarity.

Rev. Daniel Ogbarmey Tetteh, Director General of SEC, took the opportunity to elaborate on the SEC's mandate. He explained the SEC's primary function, which is to ensure the growth and development of an efficient, fair, and transparent



securities industry that safeguards the interests of investors and the integrity of the market. Rev. Ogbarmey Tetteh emphasized the critical role the capital market plays in raising patient capital for development projects, empowering businesses, and contributing to the nation's progress.



He also shared that the SEC has

developed and implemented a 10-year Capital Market Master Plan (CMMP), aiming to create a deep, efficient, and diversified capital market attractive to both domestic and international investors. In addition, Rev. Ogbarmey Tetteh outlined the SEC's plans for the rest of the year noting that the SEC will be celebrating its 25th-anniversary in November 2023 and as part of planned activities, the SEC will be engaging in educational initiatives for students, organize the flagship Ghana Capital Market Conference (GhaCMaC), and provide support for a health facility in Ghana.

The visit concluded with the Board Chairman of SEC, Dr. Yeboah Amoah, signing the book of condolences opened for the late Queen Mother of the Ga State, symbolizing the SEC's commitment to honoring the memory of Queen Naa Dedei Omaedru III.

Among the dignitaries who were part of the SEC delegation were Mr. Augustine Addo, Commissioner (Board Member); Ms. Deila Asimeh, Commissioner (Board Member); Mrs. Deborah Mawuse Agyemfra, Deputy Director General Legal; Mr. Paul Ababio, Deputy Director General Finance; Mr. Francis Boadu, Head of the Department, Broker-Dealers, and Investment Advisors Department; Dr. Godwin Ansah, Head of

the Unit, Communications and External Affairs Unit; Ms. Dorothy Yeboah Asiamah, Board Secretary; Mrs. Lilian Danso Affum, Senior Manager, Risk Management Department; Mr. King Wellington, Manager, Communications and External Affairs Unit; Nanayere Miriam Apima Kwao, Assistant Manager, Executive Assistant of Director-General.

The visit served as a poignant reminder of the enduring bonds between the SEC and the Ga State and their shared commitment to prosperity and development in Ghana. Queen Naa Dedei Omaedru III's legacy will continue to inspire the SEC and the Ga people as they work together for the betterment of the nation.



WRITTEN BY: King Adawu Wellington,
Manager, Communications and External Affairs Unit.

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NORTH
AMERICA

EUROPE

AFRICA

ASIA

INDONESIA

AUSTRALIA

AUSTRALIA
& OCEANIA

CHAPTER
03
INTERNATIONAL
UPDATES

WEST AFRICA **CAPITAL MARKET CONFERENCE (WACMaC) 2023**

The third edition of the biennial West Africa Capital Market Conference (WACMaC) was successfully held for two days on Wednesday, 25th and Thursday, 26th October 2023. The conference was hosted by the SEC Nigeria and was held at the Eko Hotel in Lagos, Nigeria. The conference being a flagship programme of the West Africa Securities Regulators Association (WASRA), brought together key players in capital market across West Africa and indeed the entire sub-region to expound the theme, "Infrastructure Deficit And Sustainable Financing In An Integrated West Africa Capital Market". The conference theme was anatomized by over 25 speakers sharing industry data and their expert opinions.



An opening ceremony segment on the first day of the conference featured goodwill messages and speeches from dignitaries in the capital market industry. The Director-General (DG) of the SEC Ghana, Rev Daniel Ogbarmey Tetteh who is also an Executive Council member of WASRA in his welcome address noted that the conference theme "Infrastructure Deficit and Sustainable Financing In An Integrated West Africa Capital Market" resonated profoundly in the context of West Africa's infrastructure deficit, estimated to be between \$20billion and \$30billion per annum.

He added that "the integration will help attract financing for projects that align with the



(DG of the SEC Ghana), Dr Yeboa Amoa (Board Chairman of the SEC Ghana) His Excellency Mr Babajide Sanwo (Executive Governor of Lagos State, Nigeria). With over four hundred (400) people attending in-person, the WACMaC 2023 was deemed peaceful, insightful and a success.

Sustainable Development Goals (SDGs) and, in turn, empower the region to tackle critical issues, including the development of renewable energy, social infrastructure enhancement, and poverty alleviation". There were panel discussions and presentations on topics such as Adoption Of ISSB Standards For Sustainability Disclosures In West African Countries, Regional Bonds As A Catalyst For Sustainable Development In West Africa etc.

There was a dinner and awards night on the second day of the conference where some key industry players who had played vital roles in the capital market integration process were awarded.

Amongst the dignitaries who attended the conference were Rev Daniel Ogbarmey Tetteh



WRITTEN BY: Dorothy Yeboah-Asiamah, Board Secretary and Senior Manager International Relations

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Article

Olympia

CHAPTER

04

MARKET
EDUCATION

UNIT TRUST 101: EXPLORING THE BASICS AND OPERATIONAL DYNAMICS FOR INVESTORS"

INTRODUCTION

In the diverse landscape of investment opportunities in Ghana, investors are often faced with a multitude of choices. Amidst this diverse landscape, one option stands out: Unit Trusts. Mostly known for their distinctive framework and numerous benefits, Unit Trusts can be an attractive option for investors seeking a prudent option for financial growth.

Why consider Unit Trusts, you may ask? The answer lies in their role as a gateway to the financial markets, providing a compelling alternative to the direct acquisition of individual

stocks or bonds. Through Unit Trusts, investors gain access to diversified portfolios managed by investment professionals, effectively mitigating risks and optimizing potential returns.

This paper provides a basic understanding of Unit Trusts and shed light on why they have remained a popular investment choice for retail investors in Ghana for years.



1 WHAT ARE UNIT TRUSTS

Unit Trusts are a type of a Collective Investment Scheme that pool money from various investors to construct a diversified portfolio comprising various assets such as bonds, equities, money market instruments, and other securities to meet the clear objectives of the fund. The objectives of the Unit Trust are stated in their prospectuses and fund fact sheets. The pooling of funds in Unit Trusts serves as a strategic move to spread/diversify risk across multiple investments, fostering a stable and approachable environment for individuals seeking to expand their wealth.

The concept of a Unit Trust involves investors buying units in the trust, each unit denoting their proportional ownership of the underlying assets within the trust. These trusts are overseen by professional fund managers, entrusted with the important role of making investment decisions on behalf of the investors.

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

2 WHAT ARE THE TYPES OF UNIT TRUSTS

Unit Trusts offers a wide range of options tailored to meet varying investor needs and preferences. Unit Trusts are broadly categorized to include a spectrum of investment strategies, assets, risk profiles and investment objectives.

Growth or Equity Unit Trusts: These funds primarily invest in equities (Common Stocks) . The aim for these funds is to benefit from capital appreciation over the long term. Equity Unit Trusts may focus on specific sectors, regions, or market capitalizations to achieve specific investment objectives.

Bond Funds or Fixed-Income Unit Trusts: These funds invest in a portfolio of fixed-income securities such as government bonds, corporate bonds, debentures and other debt instruments.

These funds typically prioritize income generation and capital preservation. They are suitable for investors seeking stable returns and lower levels of volatility.

Money Market Funds: Money Market Unit Trusts invest in short-term, low-risk instruments such as highly liquid bank deposits, treasury bills, certificates of deposit, and commercial paper. These funds focus on preserving capital and providing liquidity, making them ideal for investors seeking a safe haven for their cash reserves or short-term investments.

Mixed assets funds or Balanced Unit Trusts: These are diversified blend of financial instruments, which could include equities, bonds, commodities, and currencies, aiming to achieve a balanced risk-return profile. By diversifying across asset classes, these funds offer investors exposure to both growth opportunities and decent returns with risk protection.

Sector-Specific Unit Trusts: These funds concentrate their investments in particular industries or sectors of the economy, such as agriculture, finance, healthcare, energy, and technology. These funds offer targeted exposure to specific sectors of the economy, allowing investors to capitalize on sector-specific trends and opportunities.

Index Funds: These forms of Unit Trusts are structured to replicate the performance of a specific market index or benchmarks, such as the GSE composite index or GSE financial stock index. Index Unit Trusts aim to match the returns of the underlying index by holding a diversified portfolio of securities that mirror its composition. The associated risk is directly related to the risk of the market that the index is measuring, such as the stock market.

Global/Foreign Unit Trusts: Global or international funds invest in securities across various jurisdictions and regions worldwide, providing investors with exposure to global markets and diversification benefits beyond domestic boundaries.

Fund of Funds: This is also known as multi-manager investment. A fund of funds is a collective investment scheme that invests in



other funds instead of investing in stocks, bonds, or other securities. They specialize in tracking the performance of other funds and investing in them. They may invest in other mutual funds or venture into capital hedge funds, private equity funds, investment trust, etc.

3 THE REGULATION OF UNIT TRUSTS

The Securities and Exchange Commission (SEC) assumes the role of the governing authority, established by law to safeguard the interests of securities investors, foster the growth of the securities market, and oversee matters associated with or ancillary to these pursuits. Given that Unit Trusts fall within the scope of securities, the SEC naturally assumes the responsibility of regulating Unit Trusts. This regulatory oversight extends to the licensing, organization, and supervision of Unit Trusts within the jurisdiction, governed primarily by the following legislative and regulatory frameworks:

- Securities Industry Act, 2016 (Act 929), as amended by the Securities Industry (amendment) Act, 2021(Act 1062)
- Unit Trust and Mutual Fund Regulations (LI 1695).
- Companies Act 2019 (Act 992).
The regulatory framework pertaining to securities laws exercises its influence over Unit Trusts through a series of mechanisms, including:
 - Licensing Requirements: The SEC mandates licensing processes that Unit Trusts must adhere to before commencing operations.
 - Prospectus Requirements: Unit Trusts are subjected to prospectus requirements, ensuring transparent and comprehensive disclosure to potential investors.
 - Regulations and Fund Oversight: Regulations encompassing operational aspects and sales conduct are applied to Unit Trusts, fostering orderly and ethical practices.

- Surveillance and Monitoring: The SEC exercises vigilant surveillance and ongoing monitoring of Unit Trusts to ensure compliance with established regulations and to detect any irregularities.

In essence, the SEC, as the designated regulatory body, employs these multifaceted approaches to ensure the proper functioning, integrity, and safeguarding of Unit Trusts within the broader framework of securities market regulation.

4 HOW DOES A UNIT TRUST WORK?

Unit trust managers serve as custodians of investors' savings, pooling these funds to acquire a diversified portfolio of assets. Their objective is to leverage their expertise in the financial markets to enhance the overall value of the unit trust, often targeting specific performance benchmarks. This is achieved by strategically selecting assets that offer the highest potential returns while aligning with the appropriate risk tolerance for the fund.

For investors, the key lies in selecting a unit trust that aligns closely with their individual risk appetite and return objectives. By carefully assessing their own financial goals and risk tolerance, individuals can choose a unit trust that best fits their requirements. This ensures that their investment aligns with their expectations, whether they prioritize stability and steady growth or are comfortable with higher levels of risk in pursuit of potentially greater returns.



5 HOW DO YOU MAKE GAINS (OR LOSSES) IN A UNIT TRUST?

The values of assets such as equities, bonds, other financial instruments, and cash held within unit trusts fluctuate over time, influenced by daily movements in stock and bond markets, as well as changes in interest rates. These fluctuations directly impact the value of unit trusts invested in these assets. As asset values fluctuate, unit trust investors experience gains or losses, reflecting the cumulative effect of numerous investments over a period.

These gains or losses, known as investment returns, comprise three main components: capital gains resulting from asset price increases, dividends distributed by companies to shareholders, and interest earned from bonds or cash holdings. Together, these elements contribute to the overall performance of the fund, with each component subject to different tax implications.

6 HOW ARE UNIT TRUSTS PRICED?

The Net Asset Value (NAV) of a fund represents the market value of investments, including cash holdings, accrued dividends, and income, minus any liabilities owed by the fund. The value of individual units within a unit trust is determined by dividing the total value of the fund by the number of units issued. This price is based on the NAV of the underlying investments held in the portfolio.

Unit prices are calculated daily because the value of the underlying investments fluctuates with market movements. Unit trusts typically use forward pricing, a standard practice in the industry. Under forward pricing, the unit price is established each day, using the closing prices of investments for the day. This practice ensures that investors buying or selling units transact at the day's closing price, reflecting the mark-to-market value of the underlying assets.

7 HOW DOES THE PERFORMANCE OF A UNIT TRUST WORK

When measuring the performance of a unit trust, the total return of the fund is evaluated over some time periods. The total return of a fund comprises capital gains (or losses) and income distributions in the form of interest, dividends, and income earned over a given period. The total return of a unit trust fund is directly related to the daily price of the fund. As the price rises, the fund's return increases, and as the price falls so does the fund's return. It is important to know that when prices decrease, the loss of return is only a "paper loss". This means that the loss is only seen on paper as one would only be locked into this loss when selling units. The reason for this is that investing in unit trusts is a medium- to long-term strategy and the fund's prices continually rise and fall over the life of an investment. Generally, the longer one can stay invested, the more likely one is to enjoy a good investment return.

8 WHAT ARE THE RISKS AND RETURNS?

The basic tenet inherent in all investment undertakings is the intrinsic risk-reward tradeoff. Understanding risk is imperative for informed investors. Market fluctuations can lead to gains or losses in any investment. Investing in Unit Trusts may entail specific risks, including:

Market Risk: Market conditions can affect the value of underlying assets, impacting on the value of Unit Trusts' investments. The interplay of supply, demand, geopolitical events, economic indicators, and a myriad of variables affect the valuation of Unit Trusts investments. Acknowledging market risk underscores the imperative for diversification and mitigative measures to market volatilities to secure favorable investment outcomes.

Leverage Risk: Leverage risk in Unit Trusts involves using borrowed funds to amplify potential gains or losses. While it can enhance returns in favorable markets, it also magnifies losses during downturns. Effective management is crucial to align leverage with objectives and risk tolerance.



Liquidity Risk: Liquidity risk stems from market conditions characterized by limited trading activity and reduced buyer interest. Such constraints on liquidity may impede the seamless execution of asset sales during fund redemption, potentially leading to suboptimal pricing outcomes and, consequently, exerting an influence on the overall returns of the investment.

Interest Rate Risk: Market fluctuations in prevailing interest rates hold the potential to affect the valuation of bonds within a scheme portfolio. As interest rates vary, bond prices exhibit corresponding shifts, with an inverse relationship between the two. A rise in interest rates typically leads to a decline in bond prices, thereby diminishing the overall value of the Unit trust portfolio. Conversely, a decrease in interest rates tends to elevate bond prices, consequently augmenting the portfolio's valuation. This phenomenon underscores the inherent sensitivity of a Unit trust portfolio to changes in interest rates, signifying a consequential risk that necessitates vigilant monitoring and strategic management to mitigate potential adverse effects.

Foreign Exchange Risk: Investments in foreign markets can expose Unit Trust to currency fluctuations and affect returns during conversion. As a result, the Unit trust's susceptibility to foreign exchange risk underscores the necessity for comprehensive risk assessment and strategic measures to mitigate the potential influence of currency fluctuations on returns.

Managerial Risk: Inadequate management decisions can affect the performance of a unit trust. Suboptimal judgments, stemming from factors such as flawed asset allocation, misaligned risk management, or an inability to exploit market opportunities, have the potential to reverberate through a Unit Trust investment outcome. Acknowledging the intricacies of managerial risk underscores the importance of robust governance, astute oversight, and continuous evaluation to mitigate potential adverse effects and cultivate favorable returns.

Concentration Risk: When a substantial portion of the value of a Unit Trust is reliant on a specific asset class or sector, there is a higher risk of potential losses when the particular asset class underperforms. This is because any adverse events or issues that affect those specific assets

can have a significant impact on the overall performance and value of the Unit Trust. The lack of diversification in such cases increases the vulnerability to potential losses in the event of problems arising with the concentrated asset.

Counterparty Risk: This risk materializes as the potential for counterparties engaged in various transactions with a Unit Trust to default on their obligations. The ramifications of such defaults can affect the liquidity and the entire operations of a Unit Trust. Prudent risk management necessitates vigilant due diligence in counterpart selection, the establishment of mitigative mechanisms, and a steadfast commitment to fortify the Unit Trusts' resilience against the ramifications of counterparty defaults.

9 FACTORS TO CONSIDER BEFORE INVESTING IN A UNIT TRUST

There are several factors to consider when investing in a Unit Trust. These factors include.

- Investment Objectives
- Risk Tolerance
- Diversification
- Performance Track record
- Fees and charges including management fees, entry fees, exit fees, ongoing expenses.
- Fund manager expertise
- Liquidity
- Transparency and reporting

Conclusion

Embarking on the journey of investing early is often touted as wise counsel. However, for many individuals, the barriers of time, experience, and interest may pose challenges in confidently navigating the investment landscape independently. However, A viable solution to surmount these challenges lies in considering the option of investing in unit trusts, commonly known as mutual funds. Prior to channeling your hard-earned savings into these investment vehicles, it is imperative to ascertain their suitability for your financial goals and risk tolerance. By understanding the dynamics of unit trusts, you can make informed decisions that align with your unique investment needs.



CHAPTER 05 ENFORCEMENT ACTIONS

1. INFRACTIONS AND PENALTIES

COMPANY	INFRINGEMENT	PENALTY (GH¢)
Laurus Africa Securities Limited	Failure to comply with Paragraph 6 (9) of the Securities Industry (Licensing) Guideline 2020	3,000
Agricultural Development Bank Plc	Failure to adhere to Directive on Electronic Director's Personal Note	24,000
Consolidated Bank Ghana Limited	Failure to adhere to Directive on Electronic Director's Personal Note	24,000
Societe Generale Ghana Plc	Failure to adhere to Directive on Electronic Director's Personal Note	24,000
Republic Bank Ghana Plc	Failure to adhere to Directive on Electronic Director's Personal Note	24,000
CM Fund	Failure to adhere to investment restrictions	6,000
Cal Bank Ghana Ltd	Failure to adhere to Directive on Electronic Director's Personal Note	24,000
First Atlantic Bank Ltd	Failure to adhere to Directive on Electronic Director's Personal Note	24,000
Fidelity Bank Ltd.	Failure to adhere to Directive on Electronic Director's Personal Note	12,000
Union Capital Limited	Late notification of resignation of Managing Director	12,000
RAD Business Advisory Network Centre Ltd.	Non-Submission of Statutory Returns-Penalty	15,000
Union Capital Limited	Non-Submission of Statutory Returns-Penalty	27,000
Serengeti Asset Management Limited	Non-Submission of Statutory Returns-Penalty	9,000
Steward Capital Partners Limited	Non-Submission of Statutory Returns-Penalty	24,000



COMPANY	INFRINGEMENT	PENALTY (GH¢)
Inter Trust Capital Limited	Non-Submission of Statutory Returns-Penalty	12,000
PhoenixAfrica Securities Limited	Non-Submission of Statutory Returns-Penalty	9,000
Worldwide Investment Co. Limited	Non-Submission of Statutory Returns-Penalty	9,000
Gateway Wealth Management Limited	Non-Submission of Statutory Returns-Penalty	30,000
HMI Management Services Limited	Late-Submission of Statutory Returns-Penalty	3,400
Serengeti Asset Management Limited	Late-Submission of Statutory Returns-Penalty	5,700
Oya Capital Limited	Late-Submission of Statutory Returns-Penalty	900
Investiture Fund Managers Limited	Late-Submission of Statutory Returns-Penalty	4,300
Steward Capital Partners Limited	Late-Submission of Statutory Returns-Penalty	4,000
Linx Capital Limited	Late-Submission of Statutory Returns-Penalty	4,000
Glico Capital Limited	Late-Submission of Statutory Returns-Penalty	6,200
Waica Re Capital Ltd.	Late-Submission of Statutory Returns-Penalty	12,900
Salem Financial Services Ltd.	Late-Submission of Statutory Returns-Penalty	5,500
Ecobank Investment Managers Ltd	Late-Submission of Statutory Returns-Penalty	6,000

2. COMPLAINTS

TABLE 2: COMPLAINTS RECEIVED DURING THE FOURTH QUARTER OF 2023

PERIOD	COMPLAINTS RECEIVED IN THE QUARTER	COMPLAINTS RESOLVED IN THE QUARTER
Q1 2023	17	10
Q2 2023	27	38
Q3 2023	14	24
Q4 2023	23	109

Source: SEC

The above complaints for the quarter were mainly related to the failure to meet redemption requests.



CHAPTER 06 FACTS & FIGURES

A ASSETS UNDER MANAGEMENT

TABLE 3: FUNDS UNDER MANAGEMENT

FUM (GH¢) **	END DEC 2023	END SEPT. 2023	CHANGE
**Pension	39,325,984,861.33	33,137,672,921.42	19%
Other Funds	10,466,505,034.16	7,922,712,860.68	32%
CIS	5,241,932,897.10	5,478,782,751.51	-4%
Private Funds	757,902,748.01		
Total (GH¢)	55,792,325,540.60	46,535,168,533.61	20%

*Adjusted values from custodians

**Marked to Market Valuation

B OFFERS, APPROVALS & OTHER INFORMATION

List of firms licensed during the fourth quarter, 2023:

TABLE 4: APPROVAL OF NEW LICENSES

	MARKET OPERATOR	APPROVAL TYPE
1	First National Bank Ghana Ltd.	Issuing House
2	First National Bank Ghana Ltd.	Note Trustee
3	Fidelity Bank Ghana Ltd.	Note Trustee
4	GCB Bank PLC	Note Trustee
5	Consolidated Bank Ghana Ltd.	Note Trustee

TABLE 5: OFFERS, APPROVALS, AND LISTINGS (PRIMARY & SECONDARY MARKET)

	APPLICANT	APPROVAL TYPE	APPROVAL DATE	OFFER SIZE (GH¢)
1	Supply Chain Finance PLC	Note Programme	10th Oct. 2023	5 Billion
2	Kasapreko Company PLC	Note Programme	4th Dec. 2023	600 Million
3	Letshego S&L PLC	Note Programme	6th Dec. 2023	500 Million

TABLE 6: LIST OF AUDIT FIRMS REGISTERED WITH THE SEC

REGISTERED AUDIT FIRMS		
1	A.D. & Associates	Alex Kwaku Dey Sandra Dey Cynthia Naadu Boafo-Ansah
2	Aikins-Hawkson & Associates	Julius Aikins-Hawkson
3	AKA & Partners (Chartered Accountants)	Noble Yaotse Adonoo Joseph Zefo Kere Michael Amwenyeku
4	Asafu-Adjaye & Partners	Edmund Asafu-Adjaye Peter Kofi Williams
5	AssuranceHub Consult	Nathaniel Owusu Ansah Dominic Nyamekye Derby
6	Baft Chartered Accountants	Isaac Yaw Ani Victor Kofi Annan Emmanuel Mc-Coffie Ankamah
7	Baker Tilly Andah & Andah	Kweku Brebu Andah Bernard W.Q. Adade Samuel Abiaw Kobena Andah
8	Bentum Bentil Consult	Daniel Kwesi Bentum Bentil
9	BNA Chartered Accountants	Emmanuel K. Batsa-Nakotey Ebenezer Batsa-Nakotey Chrysolite D. Batsa-Nakotey Alfred Batsa Darku
10	Brio Chartered Accountants	Daniel Kofi Quampah
11	BT Associates	Ben Yarnie Tetteh
12	Crystal Assurance Chartered Accountants	Theophilus Appiah Yaw Ofori Owusu-Takyi
13	Deloitte & Touche Ghana	Daniel Kwadwo Owusu Charlotte Forson Abena Kare Biney Emmanuel Martey George Ankomah
14	EA Assurance Associates	Augustine Viduku Emmanuel Lamptey
15	Eureka B. A Consult	Kwaku Baah Ofori Richard Nana Adu
16	FSI Chartered Accountant	Richmond Djanie
17	Gem Partners	Erasmus Akuffo-Badoo
18	John Kay & Co.	Gilbert Adjetey Lomofio Fui Kwame Klinogo
19	John Nipah & Associates	John Oliver Kwame Nipah Victoria Sitsofe Ama Nipah
20	Karts Consult	Thomas Appiah Ata Antwi Jnr
21	KPMG	Anthony Kwasi Sarpong Nana Akua Ayivor Nathaniel D. Harlley Evelyn Oforiwah Addico Frederick Nyan Dennis Labaran Shiraz Amidu
22	Mak Global Partners	Michael Kporla Anani Godwin Azorko Agbavitor
23	Opoku, Andoh & Co	Peter Opoku Stephen Boateng Mensah
24	R-Alliance	Daniel Adjei
25	Space Partners	Peter Emmerson Sampson Stephen Enchill

TABLE 7: APPROVAL OF NOTE TRANCHES

	ISSUER	TRANCHE NUMBER	AGGREGATE SIZE	SUBSCRIPTION (%)
1	Bayport S&L Plc	TI-Series 004	10.27M	100%

CHAPTER 07 CAPITAL MARKET STATISTICS & ANALYSIS

TABLE 8: CAPITAL MARKET OPERATORS AS AT THE END OF FOURTH(4th) QUARTER 2023

	CATEGORY OF LICENSED OPERATORS	END DEC. 2023	END SEPT. 2023	CHANGE
1	Broker-Dealers	31	30	1
2	Custodians	18	18	0
3	Exchange Traded Funds	2	2	0
4	Investment Advisers	11	12	-1
5	Fund Managers	82	82	0
6	Mutual Funds	52	49	3
7	Note Trustee	4	0	4
8	Primary Dealers	12	12	0
9	Registrars	4	4	0
10	Securities Depositories	1	1	0
11	Securities Exchange	2	2	0
12	Trustees	8	6	2
13	Issuing House	12	10	2
14	Unit Trusts	30	30	0
15	Private Funds	7	5	2
16	Credit Rating Agency	1	1	0
17	Real Estate Investment Trust	2	1	1
	TOTAL	279	265	14

Source: SEC

TABLE 9: STOCK MARKET STATISTICS AT A GLANCE

INDICATORS	END DEC. 2023	END SEPT. 2023	CHANGE
Number of Listed Companies (Main Market)	29	29	0
Number of Listed Companies (Ghana Alternative Market)	5	6	-1
Volume of Trades: Cumulative (Equities)	579,675,315	412,622,904	167,052,411
Value of Trades (GH¢): Cumulative Equities	818,199,531	560,773,907	257,425,624
Market Capitalization (GH¢ million)	73,893	74,189	-0.40%
GSE- Composite Index (GSE-CI' points)	3,130.23	3,172.35	-42
GSE- CI YTD Returns (%)	28.08	29.81	-173 bps
GSE- Financial Stock Index (GSE-FSI' points)	1,901.57	1,890.13	11

Source: SEC & GSE



TABLE 10: PERFORMANCE OF EQUITIES ON THE GHANA STOCK EXCHANGE AT THE END OF DECEMBER 2023

	NAME OF COMPANY	CODE	CLOSING PRICE (GH¢) END DEC. 2023	CLOSING PRICE (GH¢) END SEPT. 2023	CHANGE (GH¢ GAIN/LOSS) END DEC. 2023
1	Access Bank Ghana PLC	ACCESS	3.40	3.1	0.30
2	Agricultural Development Bank PLC	ADB	5.06	5.06	0.00
3	AngloGold Ashanti Ltd.	AGA	37.00	37	0.00
4	Aluworks Limited	ALW	0.10	0.1	0.00
5	Asante Gold Corporation	ASG	8.89	8.88	0.01
6	Benso Palm Plantation PLC	BOPP	22.00	18.63	3.37
7	Cal Bank PLC	CAL	0.48	0.52	-0.04
8	Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	0.00
9	Camelot Ghana Ltd.	CMLT	0.10	0.1	0.00
10	Cocoa Processing Co. Ltd.	CPC	0.02	0.02	0.00
11	Dannex Ayrton Starwin Plc.	DASPHARMA	0.40	0.4	0.00
12	Ecobank Ghana PLC.	EGH	5.50	4.3	1.20
13	Enterprise Group PLC	EGL	2.39	2.41	-0.02
14	Ecobank Transnational Inc.	ETI	0.15	0.15	0.00
15	Fan Milk PLC.	FML	3.25	3.01	0.00
16	GCB Bank Ltd.	GCB	3.40	3.5	0.24
17	Guinness Ghana Breweries PLC	GGBL	3.40	3.4	0.00
18	Ghana Oil Company Limited	GOIL	1.50	1.52	-0.02
19	Mega African Capital Ltd	MAC	5.38	5.38	0.00
20	Scancom PLC	MTNGH	1.40	1.45	-0.05
21	PBC Ltd.	PBC	0.02	0.02	-0.06
22	Republic Bank (Ghana) PLC	RBGH	0.48	0.54	-1.93
23	Standard Chartered Bank Gh. PLC	SCB	17.55	19.48	0.00
24	SIC Insurance Company Ltd.	SIC	0.24	0.24	-0.01
25	Societe Generale Ghana PLC	SOGEGH	1.57	1.58	0.99
26	Trust Bank Gambia Ltd	TBL	0.82	0.82	0.00
27	Total Petroleum Ghana PLC	TOTAL	9.00	9	0.00
28	Tullow Oil Plc	TLW	11.92	11.92	0.00
29	Unilever Ghana PLC	UNIL	8.11	8.1	0.01
Ghana Alternative Market (GAX)					
31	Samba Foods Limited	SAMBA	0.55	0.55	0
32	Meridian Marshalls Holding Company	MMH	0.11	0.11	0
33	Hords Ltd	HORDS	0.1	0.1	0
34	Intravenous Infusions Limited	IIL	0.05	0.04	0.01
35	Digicut Production & Advertising Ltd	DIGICUT	0.09	0.09	0
Others (Depository and Pref shares, ETFs)					
36	AngloGold Ashanti Depository Shares	AADS	0.41	0.41	0
37	Standard Chartered Bank Pref. Shares	SCB PREF	0.9	0.9	0
38	NewGold Exchange Tradeable Funds (ETFs)	GLD	218.5	223.01	5.49

*Delisted on 29th September 2023

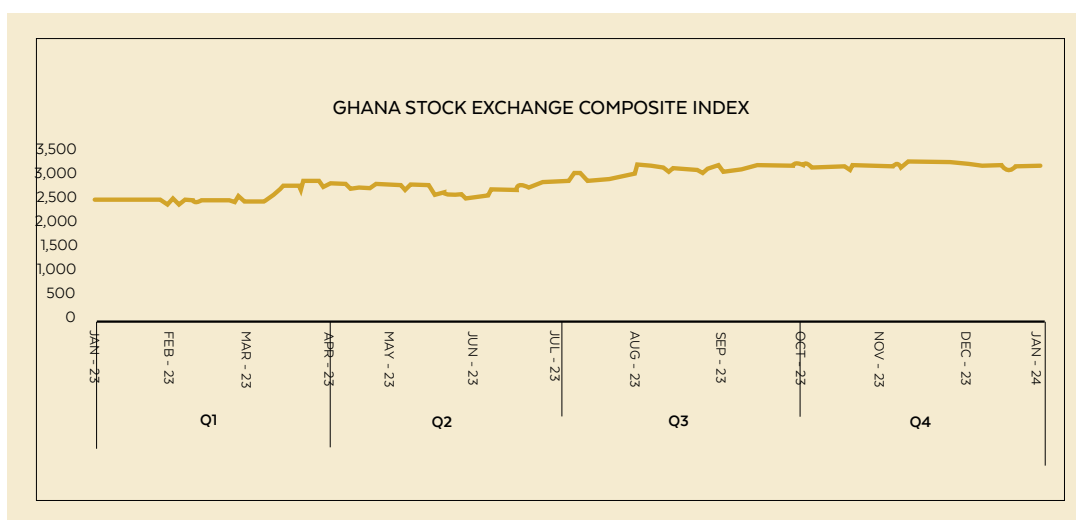
Source: SEC and GSE



CHAPTER
08
4TH QUARTER '23
MARKET SUMMARY

A EQUITIES MARKET

FIGURE 2: PERFORMANCE OF GHANA STOCK EXCHANGE COMPOSITE INDEX



Source: GSE

T

The Ghana Stock Exchange composite index clawed back 42 points in Q4 2023, to end the year with 3,130 points and an annual return of 28.08% (2022 GSE CI return: -12.38%). Despite

an equal number of gainers and decliners in the quarter, the capitalisation-weighted index declined as Q4 declines in the heavily weighted MTN GH, SCB and GCB countered the impact of the gainers. The Financial Stocks Index (GSE FSI) also continued on the path of recovery, recording positive gains for two consecutive quarters. Thus, the GSE FSI gained 11 points in Q4 2023 to end

the year with 1,901 points and a return of -7.36% (2022 FSI return: -4.61%).

The Q4 market breadth was neutral with the number of gainers (8 stocks) matching the number of laggards. Performance trends cut across the various sectors with the top three performers of the quarter from the financial, manufacturing and agricultural sectors. Ecobank Ghana posted the firmest rebound for the quarter gaining 27.91% to GH¢ 5.50 (9M 23: GH¢4.30). Republic Bank Ghana was at the head of the decliners with the steepest decline of the quarter (-11.11%) to GH¢0.48 (9M 23: GH¢0.54).



TABLE 11: Q4 2023 GAINERS AND LAGGARDS

GAINERS	% GAIN (Q/Q)	GH¢ GAIN (Q/Q)	PRICE GH¢	LAGGARDS	% DECLINE (Q/Q)	GH¢ DE-CLINE (Q/Q)	PRICE GH¢
EGH	27.91	1.20	5.50	RBGH	-11.11%	-0.06	0.48
IIL	25.00	0.01	0.05	SCB	-9.91%	-1.93	17.55
BOPP	18.09	3.37	22.00	CAL	-7.69%	-0.04	0.48
ACCESS	9.68	0.30	3.40	MTNGH	-3.45%	-0.05	1.40
FML	7.97	0.24	3.25	GCB	-2.86%	-0.1	3.40
GLD	3.00	5.49	218.5	GOIL	-1.32%	-0.02	1.50
UNIL	0.12	0.01	8.11	EGL	-0.83%	-0.02	2.39
ASG	0.11	0.01	8.89	SOGEGH	-0.63%	-0.01	1.57

Source: SEC & GSE

A spike in November 2023 trade volumes (132 million shares) boosted activity for the quarter to 167 million shares valued at GH¢274 million. Lacklustre activity was recorded in October and December with 11.9 million shares and 23.5 million shares trading respectively. In all, 579.7 million shares valued at GH¢818.2 million traded in the year, a marked decline from the 1.3 billion shares valued at GH¢1.6 billion that traded in 2022. Activity for the quarter was spearheaded by the ICT sector. Scancom Ghana Limited accounted for ~86% of trading activity in the quarter and ~85% of trade volumes for FY 2023.

The bourse ended the year with a market capitalisation of GH¢ 73.89 billion, an increase over the 2022 capitalisation of GH¢ 64.5 billion. At the close of the year, there were 32 counters on the main list of the Exchange and 5 counters on the GAX.

B FIXED INCOME / DEBT MARKET

The treasury market continued to record a high demand in the quarter under review. Investors placed total bids of GH¢47.28 billion with the government accepting 98% of all bids to raise GH¢46.46 billion. The bids for the quarter were almost two-fold the GH¢25.47 million bids placed in Q4 2022. Yields on treasury securities continued on the upward trajectory. The 91-day and 182-day yields gained 44bps and 96bps q/q to end the quarter at yields of 29.24% and 31.88% respectively. The 364-day yield however declined by 33bps q/q to 32.49%.

TABLE 12: SELECTED TREASURY MARKET INDICATORS

INDICATOR	END DEC 2023	END SEP 2023	CHANGE
91- day T-Bill Rate	29.24%	28.80%	44 bps
182- day T-Bill Rate	31.88%	30.92%	96 bps
364- day T-Bill Rate	32.49%	32.82%	-33 bps
Interbank Interest Rate	30.11%	27.60%	250bps
CPI Inflation	23.20%	38.10%	-1,490bps'
Monetary Policy Rate	30.00%	30.00%	0bps

Source: BoG



Trading activity on the GIFM remained listless albeit showing signs of improvement. A trade volume of GHS 39.3 billion cedis traded on the Ghana Fixed Income Market (GIFM) within the quarter. The Q4 trades picked up month-on-month throughout the quarter from GH¢7.46 billion in September 2023 to GH¢16.77 billion in December 2023. Total trade volumes on the GIFM were reported at GH¢98 billion (-63.76% y/y) for the year, down from GH¢320 billion in 2022. Trades in short term securities with maturities of up to one year accounted for 67% of trade volumes in the year. Trades in government securities continued to drive activity accounting

for 91% of 2023 trades. Foreign investor interest remained muted with non-resident investor holding of outstanding debt securities consistently declining from June 2023 to the lowest point of the year of 5.57% in December 2023 (2022 average: 14.38%).

At the end of the quarter, the Ghana Fixed Income Market (GFIM) had 229 listed debt securities (September 2023: 208 securities) comprised of 34 corporate bonds, 103 Ghana Government (GOG) bills and notes, 77 Ghana Government (GOG) bonds and 15 Eurobonds.

TABLE 13: TOTAL OUTSTANDING CORPORATE SECURITIES ON THE GFIM

ISSUER	AS AT DEC. 2023 (GH¢)	AS AT SEP. 2023 (GH¢)
Izwe Loans Ltd.	75,000,000	93,000,000
Letshego Ghana	185,655,517	223,127,469
Ghana Cocoa Board	7,931,007,973	7,931,007,973
Bayport Financial Services	224,904,000	214,633,000
ESLA Ltd.	1,090,128,988	-
Bond Savings & Loans Ltd.	-	-
Quantum Terminal Ltd.	25,000,000	25,000,000
Dalex Finance Company		
Daakye Trust P.l.c.	135,372,224	-
TOTAL	9,667,068,702	8,468,768,442

Source: GFIM

C FUNDS MANAGEMENT INDUSTRY

Total Funds Under Management (FUM), on a Marked-to-Market basis, increased 20% q/q to close 2023 at GH¢ 55.8 billion. Growth was led by the Pension funds, which accounted for 70% of FUM (+19% q/q to GH¢ 39.3 billion), Discretionary funds which accounted for 19% of FUM (+32% q/q to GH¢10.5 billion and Private funds which reported funds under management of GH¢ 757 million. On the other hand, the marked-to-market values of Collective Investment Schemes (CIS) declined by 4 % over the quarter to GH¢ 5.2 billion (10% of Industry FUM).

On a Held-to-Maturity basis, Industry FUM expanded 9% q/q to GH¢68.2 billion comprised of Pension FUM of GH¢ 49 billion (+5% q/q), Discretionary Funds FUM of GH¢11.5 billion (+23% q/q). CIS FUM of GH¢6.9 billion (+9% q/q) and Private Funds of GH¢ 757 million.

MARKET ANALYSIS BY: Afua Mensa-Bonsu, Assistant-Manager, Policy and Research, SEC

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

TABLE 14: DEBT MARKET (MONTHLY AVERAGE RATES)

TREASURY INSTRUMENTS (INTEREST EQUIVALENT)	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
91-Day Bill	% p.a	35.62	20.38	19.67	20.4	21.77	24.64	26.35	28.8	29.4	29.72	29.39
182-Day Bill	% p.a	35.84	23.01	22.29	23.1	24.58	26.44	27.84	30.92	31.37	31.88	31.7
364-Day Bill	% p.a	35.76	34.92	26.67	27.04	28.66	30	30.88	32.82	33.16	33.45	32.97
SECONDARY MARKET												
2-Year Note	% p.a	17.25	19.75									
3-Year Bond	% p.a	18.63	16.32									
5-Year Bond	% p.a	15.96	16.68									
6-Year Bond	% p.a	21.75	19.35									
7-Year Bond	% p.a	17.41	19.13									
10-Year Bond	% p.a	21.55	20.21									
15-Year Bond	% p.a	22.3	20.03									
20-Year Bond	% p.a	18.99	20.74									
New Bonds (Post DDEP)												
4-Year Bond	% p.a		8.87	9.27	15.49	11.98	12.32	19.32	16.13	25.14	14.75	17.14
5-Year Bond	% p.a		9.01	9.34	15.37	12.18	14.48	18.29	26.52	16.98	21.08	21.36
6-Year Bond	% p.a		8.82	9.41	14.29	15.40	12.50	18.27	25.03	18.95	14.74	14.73
7-Year Bond	% p.a		9.39	9.49	15.13	15.29	12.58	18.34	23.94	27.85	20.3	14.97
8-Year Bond	% p.a		9.14	9.57	14.52	10.84	12.68	18.35	23.32	19.45	14.63	16.2
9-Year Bond	% p.a		9.34	9.65	13.92	14.90	12.72	18.34	22.94	13.69	14.36	29.11
10-Year Bond	% p.a		9.6	9.65	14.85	15.14	12.84	18.33	22.70	26.33	14.49	14.89
11-Year Bond	% p.a		9.77	9.79	14.08	14.84	12.84	19.90	22.53	13.8	14.48	16
12-Year Bond	% p.a		9.97	9.87	14.13	11.21	13.72	20.82	22.43	15.1	14.55	15.95
13-Year Bond	% p.a		10.35	9.96	13.78	14.67	13	19.89	22.42	13.88	14.53	14.8
14-Year Bond	% p.a		10.57	10.02	15.01	14.95	13.05	19.86	22.39	13.91	14.55	14.96
15-Year Bond	% p.a		10.24	9.46	14.16	14.89	13.18	15.10	22.44	13.98	14.61	15.29
Volumes Traded	billion GHC	10.01	9.17	5.57	5	5.4	5.5	5.3	7.5	9.7	12.8	16.8
Non-Resident Holding of outstanding Debt	%	9.49	10.10	9%	10.44%	10.10%	9.72%	9.19%	6.97%	6.78%	6.06%	5.57%

Source: BOG, GSE, GFIM, CSD

* Marked to Market Valuations from Dec 2022



TABLE 15: STOCK MARKET INDICATORS

INDICATOR	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
GSE COMPOSITE INDEX (GSE-CI)	2,354.00	2,408.00	2,745.33	2741.5	2511.3	2808	2,976.77	3,084.79	3,172.35	3,125.62	3,169.9	3,130.23
GSE Financial Stock Index (GSE-FSI)	2,036.00	1,946.60	1,806.67	1,758.30	1677.3	1691.9	1,715.17	1,756.12	1,890.13	1,979.43	1,996.95	1,901.57
GSE Capitalization	63.71	64.23	67.85	68.3	65.8	70.2	72.07	73.25	74.189	73.74	74.23	73.89
Volume traded	1.55	6.14	173.66	5.54	35.42	4.58	35.25	92.82	57.66	11.87	131.71	23.47
value traded	6.67	24.41	167.97	7.31	109.88	14.78	18.36	125.15	86.23	18.99	172.37	66.06
CISAUM			5.96			5.74			5.48			5.24
Others AUM			8.69			8.62			7.92			10.47
Pensions AUM			29.59			34.08			33.14			39.33
Private Funds												0.76
Total AUM			44.24			48.45			46.54			55.79

Data Sources: BOG, GSE, GFIM

* Marked to Market Valuations from Dec 2022



GLOSSARY OF TERMS

Security	The term "security" refers to a fungible, negotiable financial instrument that holds some type of monetary value. It represents an ownership position in a publicly-traded corporation via stock; a creditor relationship with a governmental body or a corporation represented by owning that entity's bond; or rights to ownership as represented by an option. Also, a security is a financial instrument, typically any financial asset that can be traded (Securities are tradeable financial assets).
Capital Market	The capital market is the long-term segment of the financial market. It is the mechanism through which institutions and governments raise long-term funds through the issue of shares and bonds.
Equities Market	The equities market is a market in which shares of companies are issued and traded, either through exchanges or over-the-counter markets.
Ghana Fixed Income Market (GFIM)	The GFIM facilitates the secondary trading of all fixed income securities and other securities to be determined from time to time. The market has been established by key stakeholders in the financial market led by the Bank of Ghana (BoG), Ghana Stock Exchange, (GSE), Central Securities Depository Ghana Ltd (CSD), Ghana Association of Bankers, the Ministry of Finance, Financial Market Association (ACI Ghana) and Licensed Dealing Members (LDMs) of the Ghana Stock Exchange. The GFIM is based on the existing license that the Ghana Stock Exchange (GSE) has to operate a market for securities. The main regulator for the market is the Securities and Exchange Commission.
Commodities Market	The Commodities Market is the marketplace for buying, selling, and trading raw materials or primary products.
Fund Management Industry	The Fund Management Industry comprises of Fund Managers managing retail and institutional portfolios, Pension Funds and Collective Investment Schemes (consisting of Mutual Funds and Unit Trusts), and Custodians.
Money Market	The component of the economy which provides short-term funds. The money market deals in short-term loans, generally for a period of a year or less.
Broker Dealer	A broker Dealer carries on the business of dealing in securities such as equities/shares, bonds, short-term debt instruments, etc. as principal or as an agent.
Custodian	A person who takes responsibility for safeguarding a firm's or individual's financial assets and holds the assets in safekeeping on behalf of the firm or individual.
Securities Depository	A Securities depository is an institution that holds securities. A depository facilitates trading of securities by transferring ownership of a security after trade execution.
Fund Manager	Manages funds on behalf of a client pursuant to a contract or arrangement with the client.
Investment Advisor	An investment advisor is any person or group that makes investment recommendations or conducts securities analysis in return for a fee, whether through direct management of clients' assets or by way of written publications.
Issuing House	A merchant bank or firm of stockbrokers which buys shares issued by a company and coordinates their sale to the public.
Mutual Fund	A public company incorporated to operate by pooling money from investors and investing in securities on their behalf.
Unit Trust	A unit trust is an arrangement where investors' funds are pooled together and invested in a portfolio of securities and other financial assets, with the beneficial interest in the assets of the trust divided into units.
Primary Dealer	A body corporate which buys government securities directly from the government with the intention of reselling to any other person.
Registrar	A registrar is an institution responsible for keeping records (ie. registers) of bondholders and shareholders of issuers of securities.
Trustee	A body corporate in which the property subject to a trust created may be vested in accordance with the terms of the trust deed for the beneficiaries named.



Securities Exchange	A securities exchange is an organized market on which securities such as shares, and bonds can be bought and sold.
Private Equity Fund	A private equity fund is a pooled investment vehicle where the adviser pools together the money invested in the fund by all the investors and uses that money to make investments on behalf of the fund.
Primary Market	The primary market is the market where companies, governments and other entities obtain financing through selling of equity-based or debt-based securities. It is where new shares and bonds are sold to the public for the first time [e.g., IPO, for new shares]. Securities are purchased from the issuer who receives proceeds of sale to finance its business operations.
Secondary Market	The secondary market is the market where investors buy and sell securities that have already been issued on the primary market. The purchase and sale take place on a securities exchange. The proceeds of the sale go to the selling investor and not the issuer.
Money Market	The Money Market is the segment of the market where short-term debt investments of up to one year maturity are bought and sold. It involves the purchase and sale of overnight swaps of large amounts between banks and also between banks and Central banks. Companies play in the money market by selling CPs to Funds. They can also purchase bank CDs as safe place to park money in the short-term. An individual may invest in the money market by purchasing a money market mutual fund, treasury bill or open a fixed deposit account with a bank. Money market instruments are characterized by safety, liquidity, low risk and low return. Ordinarily not regulated by the SEC. However, Fund managers and CIS' invest in money market instruments as part of their portfolios.
Exchange Traded Fund	An exchange-traded fund (ETF) is a type of pooled investment security that operates much like a mutual fund. Typically, ETFs will track a particular index, sector, commodity, or other assets, but unlike mutual funds, ETFs can be purchased or sold on a stock exchange the same way that a regular stock can. An ETF can be structured to track anything from the price of an individual commodity to a large and diverse collection of securities. ETFs can even be structured to track specific investment strategies.
Equities (shares)	Indicate part ownership of investors in a firm and also enable investors to participate in the firm's profit in the form of dividends.
Ordinary Share	Also called common shares are stocks sold on a public exchange. Each share of stock generally gives its owner the right to one vote at a company shareholders' meeting. Unlike in the case of preferred shares, the owner of ordinary shares is not guaranteed a dividend.
Preference Shares/ Preference Stock	Preference shares, more commonly referred to as preferred stock, are shares of a company's stock with dividends that are paid out to shareholders before common stock dividends are issued. If the company enters bankruptcy, preferred stockholders are entitled to be paid from company assets before common stockholders. Most preference shares have a fixed dividend, while common stocks generally do not. Preferred stock shareholders also typically do not hold any voting rights, but common shareholders usually do.
Debt Securities	A debt security is a debt instrument that can be bought or sold between two parties and has basic terms defined, such as the notional amount (the amount borrowed), interest rate, and maturity and renewal date.
Government Bond	A government bond is a debt security issued by a government to support government spending and obligations. Government bonds can pay periodic interest payments called coupon payments. Government bonds issued by national governments are often considered low-risk investments since the issuing government backs them.
Corporate Bond	A corporate bond is a type of debt security that is issued by a firm and sold to investors. The company gets the capital it needs and in return the investor is paid a pre-established number of interest payments at either a fixed or variable interest rate. When the bond expires, or "reaches maturity," the payments cease and the original investment is returned.
Bond	A bond is a debt security. Borrowers issue bonds to raise money from investors willing to lend them money for a certain amount of time.
Commodities	A commodity is a basic good used in commerce that is interchangeable with other goods of the same type. Commodities are most often used as inputs in the production of other goods or services. A commodity thus usually refers to a raw material used to manufacture finished goods.



Market Capitalization	Market capitalization refers to the total dollar market value of a company's outstanding shares of stock. The investment community uses this figure to determine a company's size instead of sales or total asset figures. In an acquisition, the market cap is used to determine whether a takeover candidate represents a good value or not to the acquirer.
Traded Value	Trade value is total amount of buy and sell trades taken place at a time. It can be majored at any time but mostly it is taken into account on a day-to-day basis to track the overall stock market trend or a particular stock trend.
Volume of Trade	Volume of trade is the total quantity of shares or contracts traded for a specified security. It can be measured on any type of security traded during a trading day. Volume of trade or trade volume is measured on stocks, bonds, options contracts, futures contracts, and all types of commodities.
Listed Company	A listed company is a public company. It has issued shares of its stock through an exchange, with each share representing a sliver of ownership of the company. Those shares can then be bought and sold by investors, rising or falling in value according to demand.
Collective Investment Scheme (CIS)	A pool of funds for investment that are managed by a professional fund manager on behalf of the investors of the fund.
Real Estate Investment Trust (REIT)	REIT, or real estate investment trust, is a company that owns or finances income-producing real estate across a range of property sectors. Real estate companies have to meet a number of requirements to qualify as a REIT. Most REITs trade on major stock exchanges, and offer a number of benefits to investors.
Mutual Fund	A mutual fund is a public or external company incorporated solely to hold and manage securities or other financial assets. The company accepts funds from investors and uses those funds to buy a portfolio of securities and other financial assets and employs professional fund managers to manage the investment. The company issues shares which represent pro-rata share of the pool of fund assets to investors.
Market liquidity	Market liquidity is a market's feature whereby an individual or firm can quickly purchase or sell an asset without causing a drastic change in the asset's price. Liquidity involves the trade-off between the price at which an asset can be sold, and how quickly it can be sold.
Savings	Savings is the portion of an individual's income that is not spent on current expenditure but rather set aside for future use.
Investment	Investment is the current commitment of money for a period to derive future payments that will compensate the investor for the time the investment is held and the associated risk.
Budgeting	A process for tracking, planning and controlling the inflow and outflow of your income. It entails identifying all the sources of income and taking into account all current and future expenses, with an aim to meet your financial goals.
Inflation	Inflation is a rise in prices, which can be translated as the decline of purchasing power over time. The rate at which purchasing power drops can be reflected in the average price increase of a basket of selected goods and services over some period of time.
Investment Risk	Investment risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

