

# SSNIT INVESTMENTS SERIES

SECOND EDITION

## INTRODUCTION

This edition of the SSNIT Investments Series focuses on the Listed Equities Portfolio, one of the three sub-asset classes of the Equities Portfolio. Listed equity refers to ownership interests in companies whose shares are traded publicly on a Stock Market.

The Trust currently has share interests in 23 out of the 37 companies listed on the Ghana Stock Exchange (GSE), with a total value of **GH¢1.8 billion** as at June 2017. A portion of the Trust's shares in Tullow Oil Plc is also listed on the London Stock Exchange (LSE). The composition of the Trust's Listed Equities Portfolio, also referred to as the SSNIT Stock Market Portfolio (SSMP), is shown in **Table 1**.

**Table 1: SSNIT Listed Equity Holdings**

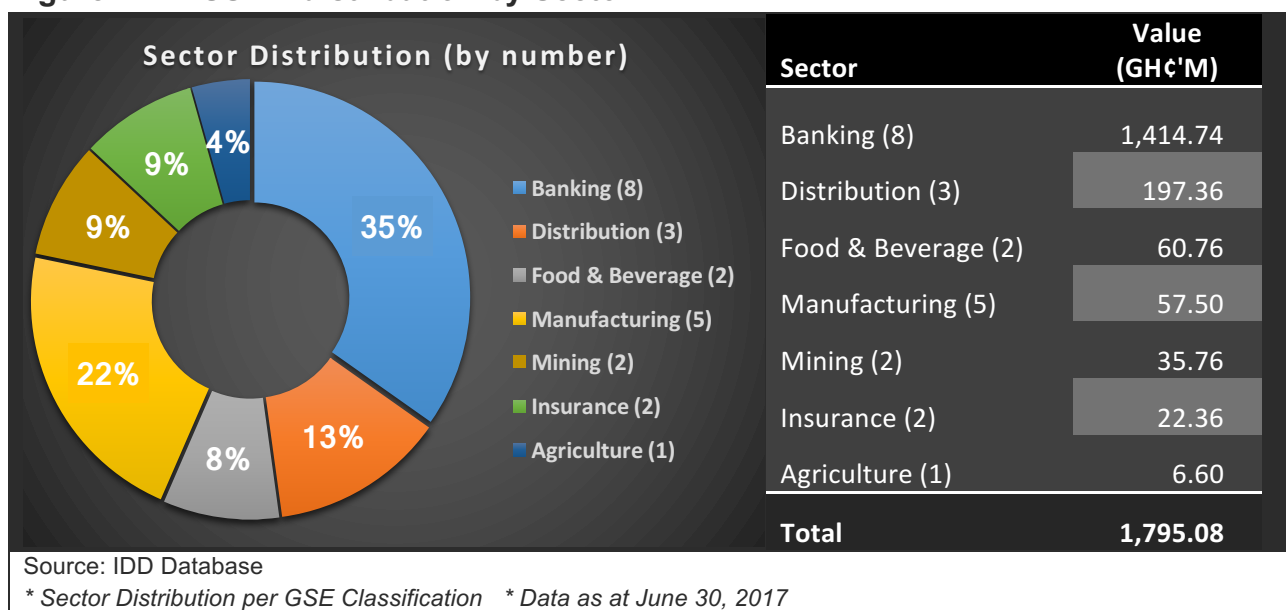
#	Company	Ticker	Shareholding (%)
1	Anglogold Ashanti Ltd.	AGA	0.02%
2	Aluworks Limited	ALW	62.62%
3	Ayrton Drug Man. Ltd.	AYRTN	18.00%
4	Benso Oil Palm Plantation	BOPP	4.31%
5	CAL Bank Limited	CAL	33.18%
6	Cocoa Processing Co. Ltd.	CPC	10.14%
7	Ecobank Ghana Ltd.	EGH	16.21%
8	Enterprise Group Ltd	EGL	6.22%
9	Ecobank Transnational Inc.	ETI	3.86%
10	Fan Milk Limited	FML	1.59%
11	GCB Bank	GCB	29.89%
12	Guinness Gh. Breweries Ltd.	GGBL	7.57%
13	Ghana Oil Co. Ltd.	GOIL	25.00%
14	Golden Web Ltd.	GWEB	20.78%
15	HFC Bank Ltd.	HFC	26.09%
16	Produce Buying Co. Ltd.	PBC	38.10%
17	Standard Chartered Bank	SCB	14.55%
18	SIC Insurance Ltd.	SIC	11.82%
19	Societe Generale Gh. Ltd.	SOEGH	19.36%
20	Tullow Oil Plc.	TLW (GSE)	0.15%
	Tullow Oil Plc.	TLW (LSE)	0.07%
21	Total Ghana Ltd.	TOTAL	2.76%
22	Unilever Ghana Ltd.	UNIL	5.31%
23	UT Bank	UT	0.002%

Source: Equities Database

## SSMP DISTRIBUTION BY SECTOR

The SSNIT Stock Market Portfolio is distributed across varied industries for diversification purposes and to reduce risk. The bulk of stocks (by number and value) are held in the Financial sector as a result of the good performance history of Banks and Insurance companies in improving shareholders' wealth through regular and improved dividend payments and strong price performance. The SSMP distribution by sector is illustrated in Figure 1.

**Figure 1: SSMP distribution by Sector**



## SSNIT STOCK MARKET PORTFOLIO PERFORMANCE

### Return Performance

Return on the SSNIT Listed Equities Portfolio is a function of dividends received from investee companies and capital gain (realized and unrealized) resulting from price differentials between the current market price (or value at disposal) and the initial purchase price of the shares.

Despite the challenging macroeconomic environment, dividends received by the Trust have seen significant improvements over the years. This is due to factors such as growth in profit margin of some investee companies (especially the Banks), as well as improved cashflow and stability of company operations. The trend over the past five years, as depicted in **Table 2**, indicates on average, 83.77% of total dividends were received from listed companies.

Year-end portfolio balances are revalued taking into consideration the returns on the portfolio and adjusting for additions and/or sales, if any. The SSMP appreciated in value by 14.87%, from GH¢1,562.67 million in January 2017 to GH¢1,795.07 million in June 2017.

**Table 2: Dividends Received – Listed Equities Portfolio**

Values in GH¢'M	2016*	2015	2014	2013	2012
Listed Dividends Received	107.68	96.52	77.42	58.2	47.47
Total Dividends Received	115.07	109.35	95.64	84.95	54.21
% of Listed Dividends to Total Dividends	93.58%	88.27%	80.95%	68.51%	87.56%

\* 2016 figures are based on unaudited Accounts of the Trust.

### Price Performance

One key task in managing the Listed Equities Portfolio is to monitor and report on the performance of the stocks to inform Management decisions, such as to acquire new/additional shares or exit non-performing companies. Such timely information are necessary to maximize shareholder wealth or minimize losses.

For the period January to June 2017, twelve stocks in the SSMP appreciated in value, while the prices of seven others plunged. Four stocks however did not experience any price change. UTB led the SSMP gainers with a GH¢0.04 (or 133.33%) price appreciation whereas PBC lost the most, declining by GH¢0.02 (or 33.33%) in value. **Tables 3a and 3b** give a detailed presentation of the Trust's Listed Equities Portfolio performance on the GSE for the half of year 2017.

**Table 3a: Top 5 SSMP Gainers**

#	Company	Ticker	Opening Price (Jan 2017)	Closing Price (Jun 2017)	Price Change	% Price Change
			GH¢	GH¢	GH¢	(%)
1	UT Bank	UT	0.03	0.07	0.04	133.33%
2	Benso Oil Palm Plantation	BOPP	2.11	4.4	2.29	108.53%
3	Ghana Oil Co. Ltd.	GOIL	1.11	1.87	0.76	68.47%
4	GCB Bank	GCB	3.98	5.2	1.22	30.65%
5	Standard Chartered Bank	SCB	13.11	17.04	3.93	29.98%

**Table 3b: Top 5 SSMP Losers**

#	Company	Ticker	Opening Price (Jan 2017)	Closing Price (Jun 2017)	Price Change	% Price Change
			GH¢	GH¢	GH¢	(%)
1	Tullow Oil Plc.	TLW (GSE)	26.88	20.94	-5.94	-22.10%
2	HFC Bank Ltd.	HFC	0.72	0.55	-0.17	-23.61%
3	SIC Insurance Ltd.	SIC	0.15	0.11	-0.04	-26.67%
4	Tullow Oil Plc.	TLW (LSE)	12.86	8.62	-4.24	-32.97%
5	Produce Buying Co. Ltd.	PBC	0.06	0.04	-0.02	-33.33%