VETIVA GRIFFIN 30 EXCHANGE TRADED FUND

ANNUAL REPORT

31 DECEMBER 2019

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Fund information

Directors of the Fund Manager
Chuka Eseka (Chairman)
Olaolu Mudasiru (Non-Executive Director)
Damilola Ajayi (Managing Director/CEO)

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Auditor:
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Bishop Aboyade Cole Street
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UBA Plc
UBA House (12th Floor)
57 Marina
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FUND MANAGER'S REPORT
For the year ended 31 December 2019

The Fund Manager presents its report on the affairs of Vetiva Griffin 30 Exchange Traded Fund ("the Fund") together with the financial statements and independent auditor's report for the year ended 31 December 2019.

BACKGROUND INFORMATION

The Vetiva Griffin 30 Exchange Traded Fund ("the Fund") is an open-ended exchange traded fund established in March 2014 and registered with the Securities and Exchange Commission (“SEC”). The underlying objective of the Fund is to enable unit holders obtain market exposure to the constituent companies of the NSE 30 Index in an easily tradable form, as listed ETF securities are traded on the floors of the Nigerian Stock Exchange (NSE), or any other licensed exchange on which the Fund may be listed subsequently. The Fund aims to replicate, as practicably as possible, the price and yield performance of the NSE 30 Index.
The Fund invests 100% of its assets in the portfolio of securities that comprise the NSE 30 Index in proportion to their weightings in the underlying Index.
The NSE 30 Index is an equity index intended to reflect the performance of the top 30 stocks listed on the Nigerian Stock Exchange based on market capitalization and liquidity.

The composition of the NSE 30 Index is guided by the following rules;
-The number of stocks is fixed at 30
- The Equity Universe is chosen from the most liquid sectors in terms of volume trades (average Daily volume of two (2) million and above);
-No sector should have a weighing of more than 40%
-No sector can have a weighting of less than 2%
-No individual listed equity can have a weighting of more than 20%

The components are subject to the above rules on a semi-annual basis and rebalanced accordingly.
The Index was rebalanced by the Nigerian Stock Exchange (“NSE”) on 1st July 2019. As such, the Vetiva Griffin 30 Exchange Traded Fund was rebalanced in line with the Index.

OPERATING RESULTS

In thousands of Naira	31 December 19	31 December 18
Profit before tax	124,564	102,998
Income tax expense	(8,509)	(8,664)
Profit for the year	**116,055**	**94,334**
Profit per unit (kobo)	**77**	**63**

Proposed distribution

The Board of directors of the Fund Manager has recommended a distribution of 50.00 kobo per unit holding for the year ended 31 December 2019 (2018: 27.00 kobo per unit holding) . However, the distribution has not been effected as at 31 December 2019. Withholding tax will be deducted at the time of payment.

Fund manager's report (cont'd)
MARKET REVIEW AND OUTLOOK

REVIEW:

Real Economy:
Economic activities were considerably disrupted in the first half of 2019, a resultant effect of the political activities that dominated most of the period due to elections. Capital spending was halted during the period, as political office holders primarily adjusted their focus to strengthen their campaign goodwill ahead of the various elections. In the second half of the year, Capex spend suffered further as a considerable amount of time elapsed before the President assigned portfolios to his nominated ministers. Given the aforementioned, Nigeria's economic growth was subpar in the first three quarters, with GDP growth coming at 2.10% y/y, 1.94% y/y and 2.28% y/y in Q1'19, Q2'19 and Q3'19 respectively— all below consensus expectations.

However, going into 2020, we foresee an improvement in capex spend, as the presidency and the National Assembly continue on their drive to ensure that the 2020 Appropriation Bill gets signed into law by the start of 2020—a move that will revert the budget cycle to the normal cycle of January-December, compared to the existing cycle of May-April.

Inflation:
Nigeria's headline inflation increased to 11.98% y/y in December 2019, driven by both higher food and non-food prices, data from the statistics bureau (NBS) revealed. Food prices were up 14.67% (November: 14.48% y/y) from a year ago while the prices of non-food items were higher by 9.33% y/y in the review month (November: 8.99% y/y).

Food prices have been on a steady rise since August 2019 when the government implemented its anti-smuggling land-border closure to abate the illegal importation of rice and other goods. Although the timing of the border closure seemed reasonable as it was implemented shortly before the commencement of the harvest season, the resulting food demand pressure could not be subdued by the effect of the harvest season.

Post-border closure, food prices went up by 130bps to 14.67% y/y in December from a one-year low of 13.17% y/y in August, as the country's local food production gap persisted. The uptick in December was backed by rises in prices of bread & cereals, meat, fish, oils & fats and tubers. On a monthly basis, pressure on the food index eased by 28bps to 0.97% m/m in December from 1.25% m/m in November. This supported a 17bps easing in monthly headline inflation to 0.89% m/m in December from 1.02% m/m in November.

Over the next 12-months, we anticipate a mark-up on average inflation as inflationary pressures intensify. In addition to the pass-through impact of the continued closure of the border on food prices, we believe the upward review of electricity tariffs will mount upside pressure on the core-index. We also believe the upward review of VAT will reinforce the pressures on consumer prices and feed into inflation. Hence, we expect an increase in inflation in 2020 to 12.54% y/y (average) from 11.41% y/y (average) in 2019.

Currency:
The exchange rate remained relatively stable through 2019 as it only moderated 0.26% in the I&E FX window year-to-date. However, the current yield and policy environment has driven a reversal in net foreign flows, with net outflows for October at $665 million, down from a net outflow of $1.3 billion in September. This increased the pressure on the country's foreign reserves, which have declined 7.39% ytd to $39.9 billion. Whilst the Governor of the CBN has assured international investors that the currency will not be devalued unless reserves fall below $30.00billion, harkening back to 2017 when reserves fell as low as $23.0billion, investors remain cautious. The risk to foreign reserves is offset by our stable oil price outlook, as well as the anticipation of some resolution in trade-war tensions in 2020. Should global economic growth improve, crude demand may also follow suit (but only to a point), which could provide a cushion for reserves. However, this is only the bull scenario. In a bear-case, reserves could come under increased pressure amid worsening trade and economic conditions while further policy controls discourage investors and drive further exits from the capital market.

Monetary Policy:
In 2019, the monetary authority turned dovish with a 50bps cut in the Monetary Policy Rate (MPR) at its committee meeting in March. The apex bank further reduced OMO rates by 100bps on average in May and July, effectively reducing yields by 200bps at the start of Q3'19. The Central Bank in a bid to drive economic growth and reduce borrowing cost and currency pressures issued a new policy directive effectively barring local Non-bank financial institutions from buying Open Market Operations (OMO) Treasury Bills. This drove yields lower significantly in both the T-bills and bonds spaces in Q4'19. Further exacerbating the pressure on Market yields was the net maturities in excess of c.5.4trillion in the same period. Yields on T-Bills available to local investors (NTB) as a result dipped significantly from c.13% in October to c.5.8% at the last NTB Primary Market Auction (PMA) in December.
At its first meeting of the year in 2020, the Central Bank's Monetary Policy Committee voted by 9 to 2 to HOLD the benchmark Monetary Policy Rate (MPR) and the Liquidity Ratio (LR) at 13.5% and 30% respectively. That said, the Committee members voted to raise the Cash Reserve Ratio (CRR) by 500bps to 27.5% amid fears of a looming liquidity glut.
We believe the CBN will keep conventional monetary policy tools at current levels for most of 2020, along with the divide between the OMO and T-bills markets for most of H1'20 in a bid to avoid capital reversals and attract more Foreign Portfolio Investments as Quantitative Easing increases in advanced economies. Maintaining the status quo on the MPR will afford the Central Bank more time to assess the impact of recent directives by the Bank to stimulate growth while also containing the surge in liquidity. Going forward, interest rate movements will be economic data driven, as highlighted in the Bank's five-year policy thrust.

Fund manager's report (cont'd)
EQUITIES MARKET
REVIEW AND OUTLOOK:

Coming off a sustained downtrend (the market has lost more than 14% since December 2018), expectations of a post-election rally proved unfounded, as the ASI floundered for most of 2019. Pre-election activity was tepid, with average daily turnover of ₦3.6 billion and periods of investor apathy. The postponement of the presidential polls further provoked doubt among investors, leading to a delayed reaction following the conclusion of voting and the announcement of results. Despite the straightforward process, investors failed to return to the equities market with any enthusiasm. Other drivers (the merger between ACCESS and Diamond Bank, the listing of MTNN and AIRTELAFRI) did provide investors with some reason to return to the equities market, but these were opportunistic forays rather than a concerted change in sentiment. The ASI also gained slightly in November largely due to CBN directive which limited the flow of liquidity from non-banking domestic institutions and individuals into OMO securities leading to investors taking positions in the market.

Taking into consideration the fact that the Nigerian equity market has been beaten down over the past two years, driving stock prices to highly oversold levels, and our expectation for slightly stronger economic growth, a relatively stable political backdrop, increased capital expenditure and currency stability, we foresee a fairly positive year for the Index and expect 2020 to provide a more attractive market for investors. Furthermore, with lower yields in the Treasury Bills and Bonds spaces driving investors to seek bargains in the equities market, we expect to see improved performance in the equities space, with the ASI likely to give positive y/y returns for the

Auditors

Messrs KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 357 (2) of the Companies and Allied Matters Act of Nigeria therefore, the auditors will be re-appointed at the next Annual General Meeting of the Company without any resolution being passed.

Chuka Eseka
Chairman
(FRC/2013/ICAN/00000003262)
Vetiva Fund Managers Limited
20 March 2020

Damilola Ajayi
MD / CEO
(FRC/2013/ICAN/00000004412)
Vetiva Fund Managers Limited
20 March 2020

Statement of Fund Manager's responsibility in relation to the financial statements for the year ended 31 December 2019

The Fund Manager accepts responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Financial Reporting Council of Nigeria Act, 2011.

The Fund Manager further accepts responsibility for maintaining adequate accounting records as required by the Financial Reporting Council of Nigeria Act 2011 and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

The Fund Manager has made an assessment of the Fund's ability to continue as a going concern and has no reason to believe the Fund will not remain a going concern in the year ahead.

BY ORDER OF THE BOARD OF DIRECTORS OF THE FUND MANAGER:

Chuka Eseka	**Damilola Ajayi**
Chairman	MD / CEO
(FRC/2013/ICAN/00000003262)	(FRC/2013/ICAN/00000004412)
Vetiva Fund Managers Limited	Vetiva Fund Managers Limited
20 March 2020	20 March 2020

Certification of Accounts by Directors of the Fund Manager

The directors of the Fund Manager accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Financial Reporting Council Act of Nigeria (FRC) Act, 2011 and hereby certify that neither the Fund Manager nor any other person acting on its behalf has:

i transferred units to another person for sale, resale or subsequent transfer to the Fund Manager for sale or resale; or

ii acquired or disposed of investments for account of the Trust otherwise than through a recognized stock exchange except where such investments consist of money market instruments or cash deposits; or

iii disposed of units to another person for a price lower than the current bid price; or

iv acquired units for a price higher than the current offer price.

Chuka Eseka
Chairman
(FRC/2013/ICAN/00000003262)
Vetiva Fund Managers Limited
20 March 2020

Damilola Ajayi
MD / CEO
(FRC/2013/ICAN/00000004412)
Vetiva Fund Managers Limited
20 March 2020

UTL TRUST
MANAGEMENT SERVICES LIMITED

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TRUSTEE'S REPORT

The Trustees present their report on the affairs of the Vetiva Griffin 30 Exchange Traded Fund ("the Fund"), together with the audited financial statements for the year ended 31 December 2019.

Principal Activity:

The Fund was registered under the collective Investment Scheme by the Securities and Exchange Commission in accordance with the provisions of Section160 of the Investment and Securities Act (2007). The Fund was designed to replicate the price and yield performance of the NSE 30 Index as far as is practicable, by holding a portfolio of securities that substantially represents all of the component securities of the NSE 30 Index in the same weighting as the NSE 30 Index as specified in Clause 14.1of the Amended and Restated Trust Deed dated 03 September 2014.

The Fund is listed on the floor of the Nigerian Stock Exchange and maintains its assets separate from the assets of the manager. The Scheme has been administered in accordance with provisions of the Investment and Securities Act (2007) and the Amended and Restated Trust Deed for the Fund.

Results:

The results for the year are extracted from the financial records prepared by the Fund Manager and duly audited in accordance with the provision of Section 169(2) of the Investment and Securities Act of 2007.

The Net Asset Value of the Fund as at 31 December 2019 is as follows;

In thousands of Naira	31 December 19	31 December 18
Net Assets Value	1,892,657	2,184,489

The operating result for the year ended 31 December 2019, is as follows;

In thousands of Naira	31 December 19	31 December 18
Profit/ (Loss) for the year	116,055	94,334

Directors' and related parties' interest in the units of the Fund:

None of the Directors of Vetiva Fund Managers Limited held any direct or indirect beneficial interest in the units of the Fund as at 31 December 2019.

None of the directors of UTL Trust Management Services Limited has any direct or indirect beneficial interest in the units of the Fund.

Aiyepola

Olufunke Aiyepola (Mrs.)
FRC/2013/NBA/00000003285
UTL Trust Management Services Limited
04 May 2020

Abuja
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UPDC Office Complex,
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Statement of Trustee's responsibilities

The Trustee's responsibilities to the Fund are as follows:

- To ensure that the basis on which the sale, issue repurchase or cancellation, as case may be, of participatory interests effected by or on behalf of the Fund is carried out in accordance with the Investment and Securities Act, SEC Rules and Regulations and the Trust Deed.
- To ensure that the selling or repurchase price or participatory interest is calculated in accordance with the Investment and Securities Act, SEC Rules and Regulations and the Trust Deed.
- To carry out the instructions of the Manager unless they are inconsistent with the Investment and Securities Act, any applicable law or the Trust Deed.
- To verify that the income accruals of the Fund are applied in accordance with the Investments and Securities Act, SEC Rules and Regulations and the Trust Deed.
- To verify that in transactions involving the underlying portfolio any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction.
- To enquire into and prepare a report on the administration of the Fund by the Manager during each annual accounting period in which it shall be stated whether the Fund has been administered in accordance with the provisions of the Investment and Securities Act, Custody Agreement and Trust Deed.
- To state the reason for non-compliance and outline the steps taken by the Manager to rectify the situation where the Manager does not comply with the limitations and provisions referred to in the Trust Deed.
- To send report on the administration of the Fund to the Commission and to the Manager in good time to enable the Manager include a copy of the report in its annual report of the Fund.
- To ensure that there is legal separation of underlying portfolio and that the legal entitlement of investors to such underlying portfolio is assured.
- To ensure that the underlying portfolio are properly safeguarded and administered in accordance with relevant laws of the Commission
- Whenever it becomes necessary for the Trustee to enforce the terms and condition of the Trust Deed, the Trustee shall do so, within ten (10) working days and shall inform the Commission not later than ten (10) working days after the breach.
- To ascertain that the monthly and other periodic returns/reports relating to the Fund are sent by the Manager to the Commission.
- To monitor the register of the holders.
- To generally monitor the activities of the Manager on behalf of and in the interest of the holders.
- To take all steps and execute all documents which are necessary to secure acquisition or disposal properly made by the Manager in accordance with the Trust Deed and the Custody Agreement.

BY ORDER OF THE TRUSTEES

UTL Trust Management Services Limited

Aiyepola

Olufunke Aiyepola (Mrs.)
FRC/2013/NBA/00000003285
UTL Trust Management Services Limited
04 May 2020

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INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Vetiva Griffin 30 Exchange Traded Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Vetiva Griffin 30 Exchange Traded Fund (the Fund), which comprise the statement of financial position as at 31 December, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 13 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for *Accountants' Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors of the Trustee and the Board of Directors of the Fund Manager are responsible for the other information which comprises the corporate information, Fund Manager's report, Statement of Fund Manager's responsibilities in relation to the financial statements, Certification of Accounts by the Directors of the Fund Manager, Trustee's Report, Statement of Trustee's responsibilities and other National Disclosures included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund Manager for the Financial Statements
The Board of Directors of the Fund Manager are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Board of Directors of the Fund Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004.

In our opinion, proper books of account have been kept by the Fund, so far as appears from our examination of those books and the Fund's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:

Kabir O. Okunlola, FCA
FRC/ICAN/2012/00000000428
For: KPMG Professional Services
Chartered Accountants
18 May 2020
Lagos, Nigeria

Statement of financial position
As at 31 December 2019

In thousands of Naira	Note	31-Dec-19	31-Dec-18
Assets			
Cash and cash equivalents	14	57,800	366
Investment Securities	15	1,873,198	2,215,050
Accounts receivable	17	177	58
Total assets		**1,931,175**	**2,215,474**
Liabilities			
Accounts payable	18	(38,518)	(30,985)
		(38,518)	(30,985)
Net assets attributable to unitholders		**1,892,657**	**2,184,489**
Represented by:			
Unitholders' equity	19(b)(ii)	2,760,500	2,757,799
Retained earnings	19(b)(ii)	(59,970)	(135,551)
Fair value reserve	19(b)(ii)	(807,873)	(437,759)
Total		**1,892,657**	**2,184,489**

The accompanying notes are an integral part of these financial statements.

These financial statements were approved by the Board of Directors of the Fund Manager on 20 March 2020 and signed on its behalf by:

Chuka Eseka
(FRC/2013/ICAN/00000003262)
Chairman
Vetiva Fund Managers Limited

Damilola Ajayi
(FRC/2013/ICAN/00000004412)
Managing Director/CEO
Vetiva Fund Managers Limited

Additionally certified by:

Ayodeji Oshin
(FRC/2013/ICAN/00000003264)
Chief Financial Officer
Vetiva Fund Managers Limited

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

In thousands of Naira	Note	31-Dec-19	31-Dec-18
Dividend income	7	124,876	112,935
Interest income	8	15,726	11,628
Net gain from financial assets at fair value through profit or loss	9	1,224	-
Losses on disposal of investment securities	10	-	(276)
Total revenue		**141,826**	**124,287**
Other operating expenses	11	(17,262)	(21,289)
Total expenses		**(17,262)**	**(21,289)**
Profit before tax		**124,564**	**102,998**
Tax expense	12	(8,509)	(8,664)
Profit for the year		**116,055**	**94,334**
Items that will not be reclassified subsequently to profit or loss			
Fair value reserve (FVOCI assets)			
- Net change in fair value	15(c)	(371,504)	(516,619)
- Gain or loss on quoted equities	15(c)	1,390	(7,798)
		(370,114)	(524,417)
Other comprehensive (loss)/income for the year		(370,114)	(524,417)
Total comprehensive (loss)/income for the year		(254,059)	(430,083)
Basic and diluted earnings per unit (kobo)	13	77	63

The accompanying notes are an integral part of these financial statements.

Statements of changes in net assets attributable to Unitholders
As at 31 December 2019

31 December 2019 ***In thousands of Naira***	**Note**	**Unit holder's equity**	**Retained earnings**	**Fair value reserves**	**Total equity**
Balance as at 1 January 2019		2,757,799	(135,551)	(437,759)	2,184,489
Total comprehensive income for the year:					
Profit for the year		-	116,055	-	116,055
Fair value changes on FVTOCI financial assets					
- net change in fair value	19(b)(ii)	-	-	(371,504)	(371,504)
Gain on Sale - Quoted Equities	19(b)(ii)	-	-	1,390	1,390
Total comprehensive income for the year			116,055	(370,114)	(254,059)
Transactions with owners, recorded directly in equity:					
Additions to unitholder's equity	19(b)(ii)	2,701	-	-	2,701
Redemptions of unitholder's equity	19(b)(ii)	-	-	-	-
Distributions to unitholders	19(b)(ii)	-	(40,474)	-	(40,474)
Total contribution and distributions to equity holders		2,701	(40,474)	-	(37,773)
Balance at 31 December 2019		2,760,500	(59,970)	(807,873)	1,892,657

In thousands of Naira	**Note**	**Unit holder's equity**	**Retained earnings**	**Fair value reserves**	**Total equity**
Balance as at 1 January 2018		2,753,148	(162,595)	86,658	2,677,211
Total comprehensive income for the year:					
Profit for the year		-	94,334	-	94,334
Fair value changes on FVTOCI financial assets					
- net change in fair value	19(b)(ii)	-	-	(516,619)	(516,619)
- transfer to profit or loss on disposal	19(b)(ii)		-	(7,798)	(7,798)
Total comprehensive income for the year		-	94,334	(524,417)	(430,083)
Transactions with owners, recorded directly in equity:					
Additions to unitholder's equity	19(b)(ii)	4,651	-	-	4,651
Redemptions of unitholder's equity	19(b)(ii)	-	-	-	-
Distributions to unitholders	19(b)(ii)	-	(67,290)	-	(67,290)
Total contribution and distributions to equity holders		4,651	(67,290)	-	(62,639)
Balance at 31 December 2018		2,757,799	(135,551)	(437,759)	2,184,489

The accompanying notes are an integral part of these financial statements.

Statement of cash flows
For the year ended 31 December 2019

In thousands of Naira		2019	2018
Cash flows from operating activities:	**Note**		
Profit for the year		116,055	94,334
Income tax expense	**12**	8,509	8,664
Profit before tax		124,564	102,998
Adjustment for:			
Interest income	**8**	(15,726)	(11,628)
Dividend income	**7**	(124,876)	(112,935)
		(16,038)	(21,565)
Changes in:			
-Accounts payable	**18(b)**	7,533	(3,202)
-Accounts receivable	**17(b)**	(119)	-
-Investment securities	**15(d)**	(29,653)	(52,857)
		(38,277)	**(77,624)**
Interest received	**8**	15,726	11,628
Dividend received	**7**	124,876	112,935
Withholding tax paid	**12**	(8,509)	(8,664)
Net cash (used in)/ generated from operating activities		**93,816**	**38,275**
Cash Flows from financing activities			
Distribution paid to unitholders	**19(b)(ii)**	(40,474)	(67,290)
Inflows from subscription	**19(b)(ii)**	2,701	4,651
Gain or Loss on Sale - Quoted Equities	**19(b)(ii)**	1,390	-
Net Cash flow used in financing activities		**(36,383)**	**(62,639)**
Net (decrease)/increase in cash and cash equivalents		57,434	(24,364)
Cash and Cash equivalents as at 1 January		366	24,730
Cash and Cash equivalents as at 31 December	**14**	**57,800**	**366**

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2019

1 Reporting entity

The Vetiva Griffin 30 Exchange Traded Fund ("the Fund") is a Fund domiciled in Nigeria. The address of the Fund's registered office is 266b Kofo Abayomi Street, Victoria Island Lagos.
The Fund is an open ended investment fund. It was approved by the Securities and Exchange Commission ("SEC") in January 2014. The Fund commenced operations and units of the Fund were first traded on the Nigerian Stock Exchange in March 2014. The Fund is not a legal entity but is constituted and exists under the Trust Deed with UTL Trust Management Services Limited as its Trustees. The Fund tracks the NSE 30 index. The NSE 30 index comprises the top 30 Companies listed in the Nigerian Stock Exchange in terms of market capitalization and liquidity (high frequency of trading of the shares).

The underlying objective of the Fund is to enable unit holders obtain market exposure to the securities of the constituent Companies of the NSE 30 Index and to replicate the price and yield performance of the NSE 30 Index.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Financial Reporting Council of Nigeria Act, 2011.

The financial statements were authorized for issue by the Board of Directors of the Fund Manager on 20 March 2020 .

(b) Basis of measurement

The financial statements have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates. The Fund Managers have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Fund has adequate resources to continue as going concern for the foreseeable future.
The financial statements have been prepared on a historical cost basis, except financial instruments measured at fair value through profit or loss, other financial instruments that are initially measured at fair value and subsequently at amortised cost. The Fund applies the accrual method of accounting where all income is recognized when earned and all expenses recognized once incurred.

Historical cost is generally based on the amount of cash and cash equivalent paid or received or fair value of consideration received or paid in exchange for assets and liabilities.

(c) Functional and presentation currency

The financial statements are presented in Naira which is the functional currency of the Fund.

(d) Reporting period

The financial statements have been prepared for the 12 months period ended 31 December 2019

(e) Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 5 to the financial statements.

Notes to the financial statements (cont'd)
For the year ended 31 December 2019

3 Statement of significant accounting policies

3.1 Applicable standards and accounting policies

(a) IFRS 15 - Revenue from contracts with customers

IFRS 15 defines principles for recognising revenue with customers and will be applicable to all contracts with customers. Interest and fee income clearly defined by other standards will continue to fall outside the scope of IFRS 15 and will be regulated by the other applicable standard (e.g IFRS 9). Under IFRS 15, revenue is recognised when customer obtains control of the goods or services. The transfer of services are established when contractual milestones have been met. The standard also specifies a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and the corresponding cash flows with customers.

The fund earns revenue in form of dividends on its quoted equity investments, and also from gains on sale of investment securities.

(b) Financial assets and liabilities

(i) Recognition and Initial recognition

The fund initially recognises regular-way transactions in financial assets and financial liabilities at fair value through profit or loss (FVTPL) on the trade date, which is the date on which the Fund beoomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Classification of financial assets

On initial recognition, the Fund classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

-it is held within a business model whose objective is to hold assets to collect contractual cash flow; and

-its contractual terms give rise on specified dates to cash flows that are SPPI

All other financial assets of the Fund are measured at FVTPL.

Business Model Assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed, including:

-the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outfuws or realising cash tlows through the sale of the assets;

-how the performance of the portfolio is evaluated and reported to the Fund's Management;

-the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

-how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

-the frequency, volume and timing of sates of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

The Fund has determined that it has two business models.

-Held-to-collect business model: this includes cash and cash equivalents. These financial assets are held to collect contractual cash flow.

-Other business model: this includes the fund's investments in quoted equity investments.

Assessment whether contractual cash flows are SPPI (Solely payments of principal and interest)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. ln making this assessment. the Fund considers:

-contingent events that would change the amount or timing of cash flows;

-leverage features;

-prepayment and extension features;

-terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features); and

-features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassification

Financial assets are not reclassified subsequent to their initial recognition unless the fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Notes to the financial statements
For the year ended 31 December 2019

Subsequent measurement of financial asset

Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses including any interest on dividend income and expense and foreign exchange gains and losses are recognised in profit or loss in net income from financial instruments at FVTPL in the statement of comprehensive income. Debt secuities, equity investments, investment in unlisted open-ended invesment funds, unlisted private equities and derivative financial instruments are included in this category.

Financial assets at fair value through Other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
On initial recognition, the fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at ammortised cost

These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in profit or loss and calculated using the effective interest method. Foreign exchange gains and losses are recognised in net foreign exchange loss and impairment is recognised in impairment losses on financial instruments in the statement of comprehensive income. Any gain or loss on derecognition is also recognised in profit or loss. Cash and cash equivalents balances due from brokers and receivables from reverse sale and repurchase agreements are included in this category.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL
A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such, on initial recognition. Financial liabilities at FVTPL are measured at fair value and not gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in proftt or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Financial liabilities at FVTPL:

- Held for trading: securities sold short and derivative financial instruments.

(iv) Financial liabilities at amortised cost:

This includes balances due to fund manager, custodian, trustees, auditors and other counterparties.

(v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of an asset or liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective inteirest method of any difference between that initial amount and the maturity amount and for financial assets, adjusted for any loss allowance.

(vi) Impairment of financial assets

The Fund recognises loss allowance for ECLs on finandal assets measured at amortised cost. The Fund measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- financial assets that are determined to have low credit risk at the reporting date: and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

Notes to the financial statements
For the year ended 31 December 2019

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed a edit assessment and including forward looking information. The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Fund in full without recourse by the Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have a low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of investment grade.
Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.
12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
The maximum period considered when estimating ECLs is the maximum contractual period over which the fund is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive).
ECLs are discounted at the effective interest rate of the financial asset.

Notes to the financial statements
For the year ended 31 December 2019

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer:
- a bread, of contract such as a default or before more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECls in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For financial assets measured at OCI, loss allowance is presented in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(vii) Derecognition

Financial assets

The Fund derecognises regular-way sales of financial asset using trade date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Fund transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Fund neither transfers nor retains substantially all of the risk and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the assets (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest or in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfer of assets with retention of all or substantially all risks and rewards include securities lending and repurchase transactions.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

(viii) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses

(ix) Specific instruments

cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets wnh maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of short-term commitments. other than cash collateral provided in respect of derivatives and securities borrowing transactions.

(c) Interest income and interest expense

Interest income and expense, including interest income from non-derivative financial assets at fair value through profit or loss, are recognised in profit or loss, using the effective interest method exluding transactions cost since they are expenses when incurred.

Notes to the financial statements

For the year ended 31 December 2019

(d) Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. Dividend income from equity securities are recognised in profit or loss as a separate line item.

(e) Fair value gains/losses on financial instruments

Net gain from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income.
The realised gain from financial instruments at fair value through profit or loss is computed as the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its sale or settlement price while the unrealised gain is calculated as the difference between the carrying amount of a financial instrument at the beginning period, or the transaction price if it was purchased in the current reporting period, and its fair value at the end of the period.

(f) Expenses

Expenses comprising management fees, custodian fees, registrar fees, trustee's fees, auditor's fees, and other expenses are recognised over the period in which the services are rendered, in accordance with the substance of the Trust Deed and relevant agreements.

(g) Transaction costs

Transaction costs are costs incurred to acquire financial assets or; liabilities. They include the bid-ask spread, fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges.

Transaction costs incurred on financial assets or liabilities other than those designated at fair value through profit or loss are capitalised as part of the carrying amount of the financial asset or financial liability on initial recognition, and amortised over the life of the financial instrument.

Transaction costs incurred for financial assets and liabilities classified as fair value through profit or loss are expensed when incurred.

(h) Taxation

The Fund is exempt from paying income taxes under the current system of taxation in Nigeria. However, dividend income and interest income on fixed interest and dividend income received by the Fund are subject to withholding tax in Nigeria and represent final income tax on the profit for the period. During the period, the withholding tax rate was 10%.

(i) Capital

(i) Equity attributable to unitholders

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.
The Fund's units in issue are financial instruments issued by the Fund and on liquidation of the Fund, the Unitholders are entitled to the residual net assets. They rank pari passu in all material respects and have identical terms and conditions. The units provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all the of the following conditions:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- It is in the class of instruments that is subordinate to all other classes of assets of instruments;
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- Apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial assets, the instruments does not include any other features that would require classification as a liability; and
- The total expected cash flows attributable to the instruments over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's units meet these conditions and are

(ii) Repurchase of units

When units recognised as equity are redeemed, the par value of the units is presented as a deduction from capital. Any premium or discount to par value is recognised in retained earnings.

(j) Earnings per unit

The Fund presents basic and diluted earnings per unit data for its units. Basic earning per unit is calculated by dividing the profit or loss attributable to unit holders of the Fund by the total number of units outstanding during the period. Diluted earnings per unit is determined by adjusting the profit or loss attributable to unitholders and the weighted number of units outstanding at the end of the period for the effects of all dilutive potential ordinary units.

(k) Net asset per unit

The Fund also presents the net asset per units for its unitholders. Net asset per unit is calculated by dividing the total value of the fund by the number of outstanding units during the period.

Notes to the financial statements
For the year ended 31 December 2019

(l) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund. Contingent liabilities are disclosed in the financial statements.

3.2 New standards and interpretations not applicable to Funds

The following new or amended standards are not expected to have a significant impact of the Fund's financial statements.

(i) IFRS 16 - Leases

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 includes a single model for lessees which will result in almost all leases being included in the Statement of Financial Position. No significant changes have been included for lessors. IFRS 16 also includes extensive new disclosure requirements for both lessees and lessors.

(ii) IFRIC 23 - Uncertainty over income tax

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

• judgments made;

• assumptions and other estimates used; and

• the potential impact of uncertainties that are not reflected.

IFRIC 23 applies for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted.

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2019and earlier application is permitted; however, the fund has not early adopted the new or amended standards in preparing these financial statements.

Amendments to References to Conceptual Framework in IFRS Standards:

This standard was issued on March 2018 and is effective for periods begining on or after 1 January 2020. It contains revised guidelines on:

• A new chapter on measurement;

• Guidance on reporting financial performance;

• Improved definitions of an asset and a liability, and guidance supporting these definitions; and

• Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

This standard is not expected to have any impact on the fund's financial statements.

Amendments to IFRS 3- Definition of a business:

This standard was issued on October 2018 and is effective for periods begining on or after 1 January 2020 with the option of early adoption. In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

• Confirm that a business must include inputs and a process, and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.

• Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and

• Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.

This amendment is not expected to have any impact on the fund's financial statements.

Notes to the financial statements
For the year ended 31 December 2019

Amendments to IAS 1 and 8- Definition of material:

This standard was issued on October 2018 and is effective for periods begining on or after 1 January 2020 with the option of early adoption. The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not

expect significant change – the refinements are not intended to alter the concept of materiality.

Amendments to IFRS 9, IAS 39 and IFRS 7- Interest rate benchmark reform

This standard was issued on August 2019 and is effective for periods begining on or after 1 January 2020 with the option of early adoption. Amendments to IFRS 9, IAS 39 and IFRS 7 have now been issued to address uncertainties related to the ongoing reform of interbank offere rates (IBOR). The amendments provide targeted relief for financial instruments qualifying for hedge accounting in the lead up to IBOR reform. The amendments address issues affecting financial reporting in the period leading up to IBOR reform, are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform. The amendments are effective from 1 January 2020. Early application is permitted

This change in standard is not expected to have any impact on the Fund.

IFRS 17- Insurance contracts

This standard was issued on may 2017.

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held;
- Direct participating contracts; and
- Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements. The entity is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in future financial statements.

The standard is effective for annual periods beginning on or after 1 January 2021. Early adoption is permitted.

Amendments to IFRS 10 and IAS 28- Sale or contribution of assets between an investor and its associate or joint venture.

This standard was issued on September 2014 and its effective date has been deferred indefinitely with the option of early adoption. The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised. The IASB has decided to defer the effective date for these amendments indefinitely. Adoption is still permitted. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired.

This standard does not have any impact on the fund.

Notes to the financial statements (cont'd)

4 Financial risk management and fair value disclosures

Introduction and overview

The Fund has exposure to the following risks from financial instrument:

- Market risk
- Credit risk
- Liquidity risk

Risk management framework

The Fund Manager has discretional authority to manage the asset in line with the Fund's investment objectives in compliance with target asset allocation and composition of the portfolio is monitored by the investment committee on a regular basis.

In instances where the portfolio has diverged from the target asset composition the Fund Manager is obliged to take actions to rebalance the portfolio in line with established targets within the prescribed time limits.

The Fund uses different methods to measure the various types of risks and the means of managing them are documented below:

a Market risk

Market risk is the risk that changes in market prices - such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuers credit standing) - will affect the Fund's income or the fair value of its holding of financial instruments. The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Fund's market risk is affected by changes in actual market prices.

The Fund does not have transactions in any other currency except the Fund's functional currency in Naira. Hence, it is not exposed to foreign exchange risk.

The Fund's investment in interest linked financial assets is limited to fixed rate instruments like placements, treasury bills and bank balances; hence it is not exposed to fluctuations in market interest rate.

Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

The Fund's strategy for the management of market risk is driven by the Fund's investment objectives. The Fund's investment objectives, policies and processes are aimed at instituting a model that objectively identifies, measures and manages market risks in the Fund. The Fund's market position are monitored on a periodic basis by the investment committee. The investments of the Fund are subject to normal market fluctuations and the risk inherent in investment in financial instruments. The market risk is managed and reduced through a careful selection of securities within the limits of investment objectives and strategy. In addition, the risk is managed through diversification of assets held while the rebalancing policy in place allows for bringing within limit any security which may have exceeded its limit as a result of market established limits.

An overview of the Fund's investment portfolio as at 31 December 2019 is shown in note 15.

The sensitivity analysis set out below show the impact of a 1%, 2% and 5% increase and decrease in the value of equities carrying value based on the exposure to equity price risk at the reporting date.

	31-Dec-19	31-Dec-18
Carrying value (in thousands of Naira)	1,755,942	2,117,022
Impact of price movement on profit and net assets of unitholders:		
+ 1%	17,559	21,170
+ 2%	35,119	42,340
+ 5%	87,797	105,851
- 1%	(17,559)	(21,170)
- 2%	(35,119)	(42,340)
- 5%	(87,797)	(105,851)

Notes to the financial statements (cont'd)

b Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, balances due from brokers and receivables from reverse sale and repurchase agreements. For risk management reporting purposes, the Fund considers and aggregates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

The Fund is subject to credit risk from its holdings in money market placements. The Fund's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards set out in the Fund's prospectus and by taking collateral. The Fund limits this exposure to credit loss by placing funds with banks and investing in securities issued by entities with high credit quality and by diversifying among a number of issuers. As at 31 December 2019, the Fund had treasury bills of N111.1million (2018: N98million) and placements with banks of N53.4million (2018: Nil).

All transactions in securities conducted on the Exchange are settled within T+2 days, and settlements are made through regulated brokers. The risk of default is considered minimal given that the transactions are executed on an exchange.

The Fund’s cash is held with the custodian, UBA Global Investor Services, a subsidiary of United Bank for Africa PLC which is rated ‘Aa-’ (2018: ‘Aa-’) based on Agusto & Co ratings.
Outstanding dividends are due from highly rated companies whose stocks are presently trading on the floor of the Nigerian Stock Exchange (‘NSE’). The Exchange ensures that all declared dividends declared are paid.

In line with the Trust Deed, the Fund is not authorized to engage in securities lending.

c Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund’s Trust Deed provides for daily creation and cancellation of units and it is therefore exposed to liquidity risk of meeting unit holders’ redemptions. Liquidity risk is managed by investing the Fund’s assets in investments that are traded in an active market and can be easily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

As at 31 December 2019, the Fund’s investments are considered readily realizable and highly liquid; therefore, the Fund’s exposure to liquidity risk is considered minimal. The following were the contractual maturities of financial asset and liabilities at the reporting date. The amounts are gross and undiscounted.

31 December 2019		**Contractual cash flows**				
In thousands of Naira	**Note**	**Carrying amount**	**Total**	**Less than 3 months**	**3 - 6 months**	**6 months - 1 year**
Cash and cash equivalents	14	57,800	4,397	4,397	-	-
Account receivables	17	177	177	177	-	-
Investment Securities	15	1,873,198	1,874,660	56,121	10,436	1,808,102
Total financial assets		**1,931,175**	**1,879,234**	**60,695**	**10,436**	**1,808,102**
Account payable	18	38,518	38,518	38,518	-	-
Total financial liabilities		**38,518**	**38,518**	**38,518**	**-**	**-**
Gap (assets-liabilities)		**1,892,657**	**1,840,715**	**22,177**	**10,436**	**1,808,102**

Notes to the financial statements (cont'd)

31 December 2018

In thousands of Naira	Note	Carrying amount	Total	Less than 3 months	3 - 6 months	6 months - 1 year
Cash and cash equivalents	14	366	366	366	-	-
Account receivables	17	58	58	58	-	-
Investment Securities	15	2,215,050	2,215,902	45,550	53,330	2,117,022
Total financial assets		**2,215,474**	**2,216,326**	**45,974**	**53,330**	**2,117,022**
Account payable	18	30,985	30,985	30,985	-	-
Total financial liabilities		**2,215,474**	**2,215,474**	**2,215,474**	**-**	**-**
Gap (assets-liabilities)		**-**	**852**	**(2,169,500)**	**53,330**	**2,117,022**

d Concentration risk

Concentration risk refers to any single exposure or group of exposures large enough to cause credit losses which threaten the Fund's capital adequacy or ability to maintain its core operations. It is the risk that common factors within a risk type or across risk types cause credit losses or an event occurs within a risk type which results to credit losses.

A breakdown of the Fund's investment portfolio as at 31 December 2019 is shown in note 15.

5 Uses of estimates and judgments

(a) Critical accounting judgment in applying the Fund's accounting policies

(i) Financial asset and liability classification

The Fund's accounting policies guide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances.

- In designating financial assets at fair value through profit or loss, the Fund has determined that it has met one of the criteria for this designation set out in note 3(a)(ii).
- The unit holders interest is classified as equity, as the Fund has determined that it has met the criteria for this designation set out in note 3(i)(i).

Key accounting estimates

(b) *Valuation of financial instruments*

The Fund's accounting policy on fair value measurement is discussed in note 3(a)(iv).

The Fund measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

(i) Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.

(ii) Level 2 : Valuation techniques based on observable inputs, either directly; (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments ; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

(iii) Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments the Fund determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices volatilities and correlations. The objective of valuation technique is to arrive at a fair value determination that reflects the price of the financial instruments at reporting date that would have been determined by market participants acting at arm's length.

Notes to the financial statements (cont'd)

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with determination of fair value. Availability of observable market prices and inputs varies depending on the product and market and is prone to changes based on specific events and general conditions in the financial markets.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

31 December 2019

In thousands of Naira	*Note*	Level 1	Level 2	Level 3	Total
Quoted investments	15	1,755,942	-	-	1,755,942
Treasury bills	15	112,364	-	-	112,364
		1,868,306	-	-	1,868,306

31 December 2018

In thousands of Naira	*Note*	Level 1	Level 2	Level 3	Total
Quoted investments	15	2,117,022	-	-	2,117,022
Treasury bills	15	98,028	-	-	98,028
		2,215,050	-	-	2,215,050

(b) Financial instruments not measured at fair value

The financial assets not measured at fair value include cash and cash equivalent, receivables and payables. These are short-term financial assets and financial liabilities whose carrying amounts approximate fair value, because of their short-term nature and the high credit quality of counterparties.

6 Classification of financial assets and liabilities

The table below shows the categories into which the line items of financial instruments have been classified:

31 December 2019

In thousands of Naira	Note	FVTPL	FVOCI	Amortised cost	Financial liabilities	Total carrying amount
Cash and cash equivalents	14	-		57,800	-	57,800
Quoted investments	15	-	1,755,942	-	-	1,755,942
Treasury bills	15	112,364	-	-	-	112,364
Commercial papers	15	4,892	-	-	-	4,892
Accounts receivable	17	-	-	177	-	177
		117,256	**1,755,942**	**57,977**	**-**	**1,931,175**
Accounts payable	18	-	-		38,518	38,518
		-	**-**	**57,977**	**38,518**	**1,892,657**

31 December 2018

In thousands of Naira	Note	FVTPL	FVOCI	Amortised cost	Financial liabilities	Total carrying amount
Cash and cash equivalents	14	-		366	-	366
Quoted investments	15	-	2,117,022	-	-	2,117,022
Treasury bills	15	98,028	-	-	-	98,028
Accounts receivable	17	-	-	58	-	58
		98,028	2,117,022	424	-	2,215,474
Accounts payable	18	-	-	-	30,985	30,985
				424	**(30,985)**	**2,184,489**

Notes to the financial statements (cont'd)

7 Dividend Income

In thousands of Naira	31-Dec-19	31-Dec-18
Dividend income from equity investments	124,876	112,935
Total	**124,876**	**112,935**

8 Interest Income

In thousands of Naira	31-Dec-19	31-Dec-18
Income on financial instruments designated at fair value through profit or loss:		
Treasury bills	12,230	10,978
Commercial papers	2,568	-
Interest income on financial instruments carried at amortised cost:		
Cash and Cash equivalent	928	650
Total	**15,726**	**11,628**

9 Net loss on financial assets at fair value through profit or loss

In thousands of Naira	31-Dec-19	31-Dec-18
Fair value Gain/ (Loss) on Treasury bills	1,224	-
Total	**1,224**	**-**

10 Losses on disposal of investment securities

In thousands of Naira	31-Dec-19	31-Dec-18
Net loss from financial assets designated as at fair value through other comprehensive income:		
Gain/ (Loss) on disposal of treasury bills	-	(276)
Total	**-**	**(276)**

11 Other operating expenses

In thousands of Naira	31-Dec-19	31-Dec-18
Other sundry expenses	495	1,768
Auditor's remuneration	1,980	1,980
Custodian fees	2,076	2,752
Trustee's fees	2,043	2,731
Management fees	4,085	5,462
Registrars/Transfer Agent Fees	517	639
NSE licensing fees	5,074	4,965
NSE listing fees	992	992
Total	**17,262**	**21,289**

12 Income tax expense

The Fund is exempt from paying income taxes under the current system of taxation in Nigeria. However, dividend income and interest income on fixed deposits received by the Fund are subject to withholding tax in Nigeria and represent final income tax on the profit for the year. During the year, the withholding tax rate was 10% (2018: 10%).

	31-Dec-19	31-Dec-18
Withholding tax on dividend and interest income	8,509	8,664
Total tax expense	**8,509**	**8,664**

13 Earnings per unit (Basic and diluted)

Earnings per unit is calculated by dividing the profit for the year by the number of units as at year end.

In thousands of Naira	31-Dec-19	31-Dec-18
Profit for the year	116,055	94,334
Number of units as at year end ('000) (see note 19(b))	149,900	149,700
Profit per unit (kobo)	**77**	**63**

Notes to the financial statements (cont'd)

The Fund does not have any dilutive potential units. Therefore, basic earnings per unit and diluted earnings per unit are the same for the Fund.

14 Cash and cash equivalents

Cash and cash equivalents comprise:

In thousands of Naira	31-Dec-19	31-Dec-18
Cash balances with banks	4,397	366
Placements with banks	53,403	-
Total	**57,800**	**366**

In thousands of Naira	31-Dec-19	31-Dec-19
Current	57,800	366
Non Current	-	-
Balance, end of year	**57,800**	**366**

15 Investment securities

In thousands of Naira	31-Dec-19	31-Dec-18
(a) Analysis of investment securities:		
At fair value through other comprehensive income:		
Quoted investments (see note (b) below and note 15)	1,755,942	2,117,022
At fair value through profit or loss:		
Treasury bills	112,364	98,028
Commercial papers	4,892	-
Total	**1,873,198**	**2,215,050**

In thousands of Naira	31-Dec-19	31-Dec-19
Current	1,873,198	2,215,050
Non Current	-	-
Balance, end of year	**1,873,198**	**2,215,050**

In thousands of Naira	31-Dec-19	31-Dec-18
(b) Equity investments comprise:		
Quoted equity securities at cost	2,127,446	2,633,641
Fair value changes (see note (c) below)	(371,504)	(516,619)
Net carrying amount	**1,755,942**	**2,117,022**
(c) The movement in fair value changes was as follows;		
Balance, beginning of the year	(437,759)	86,658
Change in the year:		
- net change	(371,504)	(516,619)
- transfer to profit or loss on disposal	1,390	(7,798)
Balance, end of year	**(807,873)**	**(437,759)**

(d) Cashflow movement

At fair value through other comprehensive income:

In thousands of Naira	31-Dec-19	31-Dec-18
Opening balance	2,117,022	2,599,021
Fair value changes reclassified to profit or loss	-	-
Net fair value changes in other comprehensive income (see note 15(c))	(371,504)	(516,619)
Changes in financial assets	10,424	42,417
Closing	**1,755,942**	**2,117,022**

At fair value through profit or loss:

In thousands of Naira	31-Dec-19	31-Dec-18
Opening balance	98,027	87,587
Net fair value changes in profit or Loss	-	-
Changes in financial assets	19,229	10,440
Closing	**117,256**	**98,027**

Interest receivable on money market investments

Total changes in investment securities

In thousands of Naira	31-Dec-19	31-Dec-18
- through other comprehensive income	10,424	42,417
- through profit or loss	19,229	10,440
	29,653	**52,857**

Notes to the financial statements (cont'd)

16 Investment portfolio

The concentration of the investment portfolio of the Fund was as follows:

In thousands of Naira		31 December 2019			31 December 2018		
	Sector	Market value	% of total quoted securities	% of total investments	Market value	% of total quoted securities	% of total investments
7-UP BOTTLING PLC	Consumer Goods	-	0.00%	0.00%	-	0.00%	0.00%
ACCESS BANK OF NIGERIA PLC	Financial Services	80,835	4.60%	4.32%	42,600	2.01%	1.92%
BETAGLASS	Industrial Goods	-	0.00%	0.00%	7,916	0.37%	0.36%
CUSTODIAN INVESTMENT PLC	Financial Services	7,976	0.45%	0.43%	-	0.00%	0.00%
DANGOTE CEMENT PLC	Industrial Goods	288,833	16.45%	15.42%	427,549	20.20%	19.30%
DANGOTE SUGAR REFINERY PLC	Consumer Goods	37,166	2.12%	1.98%	42,742	2.02%	1.93%
DANGOTE FLOUR	Consumer Goods	-	0.00%	0.00%	8,001	0.38%	0.36%
ECOBANK TRANSNATIONAL INCORPORATED	Financial Services	27,162	1.55%	1.45%	55,671	2.63%	2.51%
FBN HOLDING PLC	Financial Services	50,274	2.86%	2.68%	61,811	2.92%	2.79%
FIDELITY BANK PLC	Financial Services	13,527	0.77%	0.72%	12,733	0.60%	0.57%
FLOUR MILLS PLC	Consumer Goods	18,396	1.05%	0.98%	22,074	1.04%	1.00%
FORTE OIL PLC	Oil and Gas	5,369	0.31%	0.29%	8,730	0.41%	0.39%
GUARANTY TRUST BANK	Financial Services	199,066	11.34%	10.63%	219,624	10.37%	9.92%
GUINNESS NIGERIA PLC	Consumer Goods	14,990	0.85%	0.80%	36,840	1.74%	1.66%
INTERNATIONAL BREWERIES PLC	Consumer Goods	18,597	1.06%	0.99%	61,240	2.89%	2.76%
MOBIL OIL NIG. PLC	Oil and Gas	12,146	0.69%	0.65%	15,625	0.74%	0.71%
NASCON	Consumer Goods	7,814	0.45%	0.42%	11,136	0.53%	0.50%
NIGERIAN BREWERIES PLC	Consumer Goods	107,449	6.12%	5.74%	159,707	7.54%	7.21%
NESTLE FOODS PLC	Consumer Goods	265,340	15.11%	14.17%	274,964	12.99%	12.41%
OANDO PLC	Oil and Gas	11,296	0.64%	0.60%	14,408	0.68%	0.65%
THE OKOMU OIL PALM	Agriculture	17,556	1.00%	0.94%	22,865	1.08%	1.03%
PRESCO PLC	Agriculture	15,723	0.90%	0.84%	20,132	0.95%	0.91%
P.Z. INDUSTRIES PLC	Consumer Goods	5,109	0.29%	0.27%	11,220	0.53%	0.51%
SEPLAT PETROLEUM DEVELOPMENT COMPANY LTD	Oil and Gas	88,151	5.02%	4.71%	87,944	4.15%	3.97%
STANBIC IBTC HOLDINGS PLC	Financial Services	95,617	5.45%	5.10%	104,391	4.93%	4.71%
TOTALFINAELF NIGERIA PLC	Oil and Gas	8,575	0.49%	0.46%	16,100	0.76%	0.73%
STERLING BANK PLC	Financial Services	13,047	0.74%	0.70%	-	0.00%	0.00%
TRANSNATIONAL CORPORATION OF NIG PLC	Conglomerates	32,744	1.86%	1.75%	47,195	2.23%	2.13%
UNITED BANK FOR AFRICA	Financial Services	55,687	3.17%	2.97%	57,031	2.69%	2.57%
UNION BANK OF NIGERIA	Financial Services	39,792	2.27%	2.12%	35,241	1.66%	1.59%
UNILEVER NIGERIA PLC	Consumer Goods	28,783	1.64%	1.54%	49,647	2.35%	2.24%
LAFARGE AFRICA PLC	Industrial Goods	55,930	3.19%	2.99%	25,156	1.19%	1.14%
ZENITH INTERNATIONAL BANK PLC	Financial Services	132,992	7.57%	7.10%	156,730	7.40%	7.08%
Total quoted securities		**1,755,942**	**100%**	**93.74%**	**2,117,022**	**100%**	**95.57%**

Notes to the financial statements (cont'd)

In thousands of Naira		31 December 2019		31 December 2018	
		Market value	**% of total investments**	**Market value**	**% of total investments**
PUR TBILLS 55.5M 244DTM 10.90% 09MAR2020		55,260	2.95%	8,392	0.38%
PUR TBILLS 10.2M 175DTM 11.55% 09APR2020		10,228	0.55%	15,765	0.71%
PUR TBILLS 9.9M 154DTM 13.10% 30JAN2020		9,896	0.53%	20,833	0.94%
PUR TBILLS 2.7M 261DTM 10.75% 30JUL2020		2,830	0.15%	13,898	0.63%
PUR TBILLS 32.8M 261DTM 10.75% 30JUL2020		34,153	1.82%	25,395	1.15%
VG 30 13.8M 27DTM 14.7% 10JAN2019		-	0.00%	13,744	0.62%
Total treasury bills		**112,367**	**6.00%**	**98,028**	**4.43%**
CP 4.8M 270DTM 8.88% 08SEPT2020		4,892	0.26%		0.00%
Total commercial papers	**-**	**4,892**	**0.26%**		**-**
Total investments		**1,873,201**	**100%**	**2,215,050**	**100%**

The distribution of the Fund's investment in quoted equities by sector was as follows:

In thousands of Naira	31-Dec-19		31-Dec-18	
Sector	**Market value**	**% of total quoted securities**	**Market value**	**% of total quoted securities**
Consumer Goods	503,644	28.68%	461,196	21.79%
Oil and Gas	125,537	7.15%	471,743	22.28%
Financial Services	715,975	40.77%	354,581	16.75%
Industrial Goods	344,763	19.63%	462,790	21.86%
Infrastructure/Heavy Construction	-	0.00%	61,240	2.89%
Agriculture	33,279	1.90%	289,373	13.67%
Conglomerates	32,744	1.86%	16,100	0.76%
Total	**1,755,942**	**100.00%**	**2,117,022**	**100.00%**

Notes to the financial statements (cont'd)

17 Accounts receivable

In thousands of Naira	31-Dec-19	31-Dec-18
Dividend receivable	177	58
Total	**177**	**58**

In thousands of Naira	31-Dec-19	31-Dec-18
Current	177	58
Non Current	-	-
Balance, end of year	**177**	**58**

(b) Cashflow movement:

In thousands of Naira	31-Dec-19	31-Dec-18	Changes
Dividend receivable	177	58	(119)
Net cash movement	**177**	**58**	**(119)**

18 Accounts payable

In thousands of Naira	31-Dec-19	31-Dec-18
Management fees payable	5,059	974
Transfer/agent fees payable	961	457
Audit fees payable	1,980	1,980
Custodian fees payable	3,571	4,319
Trustee fees payable	7,964	5,921
Other account payable	9,597	9,423
NSE licensing fee	7,574	-
NSE listing fee	-	6,451
Unclaimed Distribution	1,812	1,460
	38,518	**30,985**

In thousands of Naira	31-Dec-19	31-Dec-18
Current	38,518	30,985
Non Current	-	-
Balance, end of year	**38,518**	**30,985**

(b) Cashflow movement:

In thousands of Naira	31-Dec-19	31-Dec-18	Changes
Management fees payable	5,059	974	4,085
Transfer/agent fees payable	961	457	504
Audit fees payable	1,980	1,980	-
Custodian fees payable	3,571	4,319	(748)
Trustee fees payable	7,964	5,921	2,043
Other account payable	9,597	9,423	174
NSE listing fee	7,574	-	7,574
NSE licensing fee	-	6,451	(6,451)
Unclaimed Distribution	1,812	1,460	352
Net cash movement	**38,518**	**30,985**	**7,533**

Notes to the financial statements (cont'd)

19 Unitholders' interest

(a) The Vetiva Griffin 30 ETF is authorised and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act (ISA). The Fund is governed by a Trust Deed with UTL Trust Management Services Limited as Trustees. The Fund's total unit capital as at year ended 31 December 2019 is 149,900,000 units (2018: 149,700,000 units).

The rights accruing to unitholders of the Fund are as follows:

- The units may be redeemed at any time by the unitholders at the net asset value per unit less expenses directly attributable to redemption of units.
- Redeemable units carry a right to receive notice of, attend and vote at meetings of unitholders.
- All units rank pari-passu with the same rights and benefits at meetings of the Fund.

(b) The analysis of movements in the number of units and net assets attributable to unitholders during the year were as follows:

(i) Number of units

In thousands of Units	**31-Dec-19**	**31-Dec-18**
Balance at 1 January	149,700	149,400
Subscription of units during the year	200	300
Balance at 31 December	**149,900**	**149,700**

(ii) Net assets attributable to unitholders

2019

in thousands of naira

	Unitholders' equity	**Retained earnings**	**Fair value reserve**	**Total**
Balance as at 1 January 2019	2,757,799	(135,551)	(437,759)	2,184,489
Subscription during the year	2,701	-	-	2,701
Fair value changes due to investment securities	-	-	(371,504)	(371,504)
Gain or Loss on Sale - Quoted Equities	-	-	1,390	1,390
Distributions to unit-holders	-	(40,474)	-	(40,474)
Profit for the year	-	116,055	-	116,055
As 31 December 2019	**2,760,500**	**(59,970)**	**(807,873)**	**1,892,657**
Net asset value per unit (Naira)				**12.63**

2018

in thousands of naira

	Unitholders' equity	**Retained earnings**	**Fair value reserve**	**Total**
Balance as at 1 January 2018	2,753,148	(162,595)	86,658	2,677,211
Subscription during the year	4,651	-	-	4,651
Fair value changes due to investment securities	-	-	(524,417)	(524,417)
Distributions to unit-holders	-	(67,290)	-	(67,290)
Profit for the year	-	94,334	-	94,334
As 31 December 2018	**2,757,799**	**(135,551)**	**(437,759)**	**2,184,489**
Net asset value per unit (Naira)				**14.59**

Notes to the financial statements (cont'd)

(c) Distribution paid to unitholders

The amount paid to unitholders of the fund is payable semi-annually in accordance with the Trust Deed of the Fund. The amount paid in 2018 was N40.47 million (2018 interim: N67.29 million).

20 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both. The Fund's key related party is its Fund Manager; Vetiva Fund Managers Limited. Others are entities in the Vetiva Group and the key management personnel of the Fund Manager.

The following summarizes the total unit holding of related parties:

	Units held as at	
Name	**31-Dec-19**	**31-Dec-18**
Vetiva Capital Management Limited	145	115
Vetiva Exxon Mobil - ESP	7,413,033	6,953,984
Vetiva Nominees	217,000	238,400
Vetiva Securities Limited	90,183	71,444
Vetiva Trustees Limited	183,000	183,000
Vetiva Fund Managers Limited	5,000,000	5,000,000

No units were held by Key management personnel of the Fund Manager as at 31 December 2019.

a) *Transactions with related parties*

i. Management fees

The Fund is managed by Vetiva Fund Managers Limited ("the Fund Manager"), an investment management company incorporated in Nigeria and domiciled in Lagos. Under the terms of the management agreement, the Fund appointed Vetiva Fund Managers Limited as an Investment Manager to provide Fund management services to the Fund. Vetiva Fund Managers Limited receives a fee based on an annual rate of 0.2% of the net asset value of the Fund accrued daily and payable quarterly. Total management fees for the year amounted to N4.08 million (2018: N5.46 million). As at 31 December 2019, N5.06 million (2018: N974,345) is still outstanding.

ii. Custodian fees

UBA plc (Global Investors Services) remains the Funds' custodian. Under the custodial service agreement, the custodian fees shall be 10 basis points of the value of the assets under custody. These fees shall be paid out of the Fund. Fees due to the custodian during the year was N2.08 million (2018: N2.75 million). As at 31 December 2019, N3.57 million (2018: N4.32 million) is still outstanding.

iii. Trustee fees

UTL Trust Management Services Limited Limited remains the Funds' trustees. Under the Trust deed, The Trustee shall be paid an annual fee of 0.1% of the Net Asset Value of the ETF, but subject to a minimum of N900,000, payable semi-annually in arrears. The annual fees shall accrue on a daily basis. Fees due to the Trustees during the year was N2.02 million (2018: N2.73 million). As at 31 December 2019, N7.96 million (2018: N5.92 million) is still outstanding.

21 Contingencies

There were no contingent assets and liabilities as at 31 December 2019 (2018: Nil).

22 Claims and litigations

There were no claims and litigations as at 31 December 2019 (2018: Nil).

23 Events after the reporting period

Subsequent to year end, on 11 March 2020, The World Health Organization (WHO) declared the coronavirus (COVID-19) outbreak as a pandemic. The COVID-19 pandemic is having significant adverse consequences for both the global and the Nigerian economies. It has already led to unprecedented disruptions in global supply chains, sharp reduction in crude oil prices, turmoil in global stock and financial markets, massive cancellations in sporting, entertainment and business events, lockdown of large swaths of movements of persons in many countries, and intercontinental travel restrictions across critical air routes in the world. These outcomes have had serious adverse implications for key sectors including but not limited to oil and gas, airlines, manufacturing, trade and consumer markets. The management of the company is aware of existence of the significant risks posed by the consequences mentioned above to the profitability of the company and is continuously adjusting business processes to mitigate these risks. However, the company, at the date of issuing these financial statements, cannot yet make an accurate qualitative and quantitative assessment of the impact.

24 Capital commitments after reporting date

The Fund had no capital commitments as at 31 December 2019 (2018: Nil).

OTHER NATIONAL DISCLOSURES

Other National Disclosures

Value added statement

In thousands of Naira	31-Dec-19	%	31-Dec-18	%
Total revenue	140,602		124,563	
Net trading loss on financial assets at fair value through profit or loss	1,224		(276)	
Bought in goods and services- Local	(5,677)		(9,705)	
	136,149		**114,582**	
Applied to pay:				
Government as taxes	8,509	6	8,664	8
Fund Manager and other parties to the Fund	11,584	9	11,584	11
(Depletion)/Retained in the Fund to (deplete)/augment reserves	116,055	85	94,335	81
Value (eroded)/added	**136,148**	**100**	**114,583**	**100**

FIVE-YEAR FINANCIAL SUMMARY
YEAR ENDED 31 DECEMBER

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Cash and cash equivalents	57,800	366	24,730	14,021	50,529
Investment securities	1,873,198	2,215,050	2,686,610	1,837,560	1,927,823
Accounts receivable	177	58	58	133	512
Total assets	**1,931,175**	**2,215,474**	**2,711,399**	**1,851,714**	**1,978,864**
Accounts payable	(38,518)	(30,985)	(34,187)	(24,134)	(16,477)
Net assets	**1,892,657**	**2,184,489**	**2,677,212**	**1,827,580**	**1,962,387**
Unitholders' funds	**1,892,657**	**2,184,489**	**2,677,212**	**1,827,580**	**1,962,387**

Statement of profit or loss and other comprehensive income

	2018 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Interest income	15,726	11,628	15,187	6,945	4,225
Dividend income	124,876	112,935	84,369	82,963	89,438
Other income	-	-	5,074	-	-
Net gain/(loss) from financial assets at fair value through profit or loss	1,224	-	526	(783)	-
Losses on disposal of investment securities	-	(276)	(53,735)	(123,841)	(105,001)
Total revenue	**141,826**	**124,287**	**51,421**	**(34,716)**	**(11,338)**
Other operating expenses	(17,262)	(21,289)	(19,662)	(16,636)	(20,178)
Total expenses	**(17,262)**	**(21,289)**	**(19,662)**	**(16,636)**	**(20,178)**
Profit before tax	**124,564**	**102,998**	**31,759**	**(51,352)**	**(31,516)**
Income tax expense	(8,509)	(8,664)	(6,358)	(5,958)	(8,944)
Profit for the year	**116,055**	**94,334**	**25,401**	**(57,310)**	**(40,460)**

The financial information provided above reflects historical summary based on International Financial Reporting Standards.