VETIVA GRIFFIN 30 EXCHANGE TRADED FUND

ANNUAL REPORT

31 DECEMBER 2020

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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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Trustee
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Custodian
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Auditor
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Bankers
UBA Plc
UBA House (12th Floor)
57 Marina
Lagos

FUND MANAGER'S REPORT
For the year ended 31 December 2020

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 2020.

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 30 June 2020. As such, the Vetiva Griffin 30 Exchange Traded Fund was rebalanced in line with the Index.

OPERATING RESULTS"

In thousands of Naira	**31 December 2020**	**31 December 2019**
Profit before tax	117,002	124,564
Income tax expense	(8,927)	(8,509)
Profit for the year	108,075	116,055
Profit per Unit (kobo)	72	77

Proposed Distribution

The Board of directors of the Fund Manager has recommended a distribution of 65.00 kobo per unit holding for the year ended 31 December 2020 (2019: 50.00 kobo per unit holding) . However, the distribution has not been effected as at 31 December 2020. Withholding tax will be deducted at the time of payment.

Fund manager's report (cont'd)

NIGERIAN MACROECONOMIC REVIEW AND OUTLOOK:

Real economy:

2020 will be a year to remember across the world as the coronavirus outbreak shut down most of the world economies between Q1 to Q3. This triggered recessions across economies with the IMF estimating global GDP to contract by -4.4% in 2020. With the advent of a second wave of the virus, most economies had to stop their much-needed reopening plans and reintroduce new lockdown restrictions.

In Nigeria, the imposition of lockdowns led to a downturn in output in the first half of the year as key sectors were dragged into the negative territory. The pandemic-induced shock in Nigeria, was felt on multiple fronts –external, fiscal and real fronts with a contraction 6.1% deep in Q2'20. This put an end to three years of positive low growth and set the economy on its worst downturn in nearly three decades. Sectors such as trade, mining, manufacturing, real estate and construction recorded negative growth outcome. Both oil and non-oil sectors slumped in excess of 6% as economic activity fell sharply.

The gradual easing of the lockdown raised prospects for growth. With the gradual reopening of the economy, we saw the economy deteriorate by a lesser magnitude (-3.6%) in Q3'20, however the economy stepped into a recession nonetheless, as the oil sector clawed deeper into the negative territory while the non-oil sector nurtured bruises from the dual devaluation of the Naira.

In Q4'20, the Nigeria economy officially exited its pandemic-induced recession by a hair's breadth, with the NBS reporting a growth of 0.11% y/y in Q4'20. However, the -1.92% y/y (Vetiva: -2.68% y/y) full year contraction was unavoidable due to the lockdowns in Q2'20 and a sluggish return to normalcy through the rest of the year. The surprising recovery in Q4'20 and subdued output gap for FY'20 is attributed to the telecommunications (ICT) sector, which contributed 12.18% to GDP. The sector now being one of the fastest growing sectors due to increased digital adoption and the shift in business continuity plans. Alongside the ICT sector, gains in the Agricultural sector moderated the contraction in the non-oil sector to -1.25% y/y (FY'19 growth: 2.06% y/y) in 2020. On the other hand, the sustenance of OPEC production quota and production downtime at export terminals limited growth in the oil sector. The oil sector recorded a deeper contraction of -8.89% y/y in FY'20 (FY'19 growth: 4.59% y/y). The real estate sector (FY'20: -9.22% y/y) also remained in the woods, as the pandemic and its butterfly effects further pressured income levels limiting consumers' abilities to spend on big ticket items. Meanwhile, the financial services sector maintained its resilience, growing by 9.37% y/y in FY'20. Notably, the financial services sector - unlike other sectors - has grown at a faster pace every year, since the 2016 recession. However, due to the previous year's high base effect, the sector slipped by -3.63% y/y in Q4'20.

With the approval of vaccines across the world, the globe is set for a gradual recovery in 2021. However, recovery is expected to differ significantly across countries depending on access to medical interventions, exposure to cross-country spillovers and pre-existing economic structures. With improved vaccine rollout, economies could navigate past the COVID crisis. Meanwhile, sustained policy support would be essential to reflate economies, as new variants of the virus pose a downside risk to the anticipated economic recovery.

Following a bumpy 2020, the economy is on course to recover in 2021, riding on the previous year's low base. Barring the return of hard lockdown measures, we expect higher growth outcomes in 2021 especially in the mid-quarters (Q2 & Q3), that were the most hit by the pandemic in the previous year. Consequently, we expect the economy to bounce back by 3.47% y/y in FY'21. However, an unfavorable base from Q1'20 could limit the pace of recovery in the quarter to 0.75% y/y.

Inflation:

Multiple cost-push factors stoked prices all through 2020 including but not limited to border closure, supply chain disruptions, FX and energy reforms. These translated to an average inflation outcome of 13.25% (Vetiva:13.22%) for the year, reflective of the business climate hostilities that characterized the year on account of the pandemic.

In December 2020, inflation soared to a 37-month high of 15.75% (Vetiva:15.91%), driven more by festive demand alongside earlier mentioned factors. Food inflation rose to 19.56% y/y (Nov'20: 18.30% y/y). Despite the harvest season, pressures from end of year festivities as well as incidences of conflict and flooding in food-producing areas aggravated food prices. Both alcoholic (Dec'20: 11.28% y/y) and non-alcoholic packs (Dec'20: 19.45% y/y) rose during the month, indicative of both cost-push and seasonal demand pressures.

Fund manager's report (cont'd)

Core inflation rose by 32bps to a 34-month high of 11.37% y/y (Nov'20: 11.05% y/y) no thanks to pre-existing pressures. Given the 31.5% y/y depreciation in the parallel exchange rate and 10.3% y/y higher fuel prices, all sub-divisions of the core segment experienced inflationary pressures. Reflecting higher energy costs, the Housing, Water, Electricity, Gas and other fuels (HWGS) inflation spiked to a 39-month high of 9.08% (Nov'20: 8.72%). Meanwhile, other segments continued to reel from multiple inflations levers. Health and transport inflation lead other core segments, rising to multi-year highs of 14.06% and 11.76% respectively.

In 2021, we expect reform implementation to continually take a toll on consumer prices. Despite the reopening of the borders and suspension of electricity tariff review inflation is still expected to rise. In 2021, erosion of purchasing power is imminent given implementation of reforms in the energy sector. In addition, continuous divergence of the parallel market rate from the official peg alongside persistent current account deficit raises fears of further FX-related inflationary pressures. Thus, we expect inflation for the year to average 18.91% (2020: 13.25%). As oil prices rise beyond $50, higher fuel prices could incite further pressures on the food basket via transport/distribution costs, overwhelming possible gains from the reopening of the borders. Agriculture output may also be underwhelmed by the volatile security situation in food producing states, further widening the food supply gap. That said, we see food inflation climbing to 20.95% y/y in January, morphing into an average inflation forecast of 23.49% y/y for the year 2021 (FY'20: 16.11% y/y).

Currency:
In response to weaker oil market fundamental and the COVID-19 pandemic, the CBN embraced some measures to drastically converge the gap between the official exchange rate and the other unofficial rates there by discourage rent-seekers or arbitragers in the FX market. The petro-currency status of the Naira made it particularly vulnerable to the slump in oil prices. Compelled by pressure on the gross international reserves (GIR) from fleeing investors, the CBN devalued the Naira on its official window to N380/$. The rates were devalued twice in the year with the first in March to N360/$.

In the parallel market, speculations ran wild as the tight dollar liquidity position forced importers with due obligations to scramble for hard currency in unofficial sources while most of the liquidity providers (foreign investors) have exited in favour of safe investment options. This continued to put upward pressure on the Naira exchange rate in the parallel market, as rates exchanged above N480/$ by the end of the year. Unfortunately, the increase in the naira exchange rate in the parallel market has resulted in the subsequent increase in the gap between the BDC and official exchange Rate.

In 2020, the Naira continued to experience weakness from several fronts given the exit of foreign portfolio investors, reluctance of exporters to repatriate FX proceeds and teeming demand from local FX users. From the Investors & Exporters window to the parallel market, the Naira continued to take a beating. The CBN had taken measures in the past to improve FX supply into both windows by clamping down on defaulting exporters and directing banks to pay remittances in foreign currency. However, the country's official-parallel exchange rate gap remains distant from the permissible 2% gap.

While the overvaluation of the Naira continues to stall foreign currency inflows, we expect further currency adjustments to attract FPIs and narrow the gap between the official and market exchange rates. However, we do not expect to see considerable return of foreign investments to pre-COVID levels unless considerable reforms are carried out in the foreign exchange market

Monetary Policy:
In its first meeting in 2020, the Central Bank's Monetary Policy Committee voted to HOLD the benchmark Monetary Policy Rate (MPR) and the Liquidity Ratio (LR) at 13.5% and 30% respectively, while increasing Cash Reserve Ratio (CRR) by 500bps to 27.5% amid fears of a looming liquidity glut and inflationary pressure. However, in its meeting in September the MPC had reduced MPR to 11.5% while LR and CRR were maintained.

In 2020, the Committee adjusted three of the parameters in a bid to improve lending to the real sector. However, the economy has been on both ends of the recovery process, as oil price recovery raised economic hopes while newer strains of the virus dampened recovery prospects. Specifically, the Committee noted the sluggish recovery in Manufacturing and Non-manufacturing Purchasing Managers' Indices (PMIs) brought about by the resurgence of the pandemic, foreign exchange pressures, increased costs of production, general increase in prices and decline in economic activities.

Fund manager's report (cont'd)

The Committee also articulated worries on the persistent build-up in inflation, which maintained a 16-month run to 15.75% in December 2020. Food inflation was particularly close to 20% levels, as adverse weather conditions and security challenges stifled food supply. Core inflation, on the other hand, remained continually upset by higher fuel prices and adjustment in electricity tariffs. The Committee opined that the combined efforts of the fiscal and monetary authorities would be critical in subduing inflationary pressures in the medium term while kickstarting positive output growth. Despite mounting inflationary pressure, monetary policy stance became largely accommodative with economic recovery rather than price stability. Should the consistent inflationary trend continue, real yields are likely to continue to drown in the negative region amid declining foreign appetite for Naira assets

With the recent recovery in oil prices, elevated energy costs could drive inflation further from the Central Bank's target for the sixth consecutive year. While the reopening of the borders should serve as a disinflationary trigger, the continued bans on rice & poultry imports through the land borders would keep inflationary pressures high. Thus, we expect the CBN to continue its supply-side interventions, accelerate credit access to medium and small-scale enterprises by maintaining MPR and devise targeted funding strategies to propel economic recovery.

EQUITIES MARKET

Review and Outlook

The equity market performance in 2020 was fueled by relatively attractive valuations, sunken yields in the fixed income space, as well as the dividend payout opportunities in the market. In Q1'20 the impact of the coronavirus pandemic set in with the index sinking 14.24% YTD by end of April. However, following the imposition and eventual easing of lockdown, the ASI recorded an impressive rally, posting at 50.03% by end-of-year.

The 2020 rally was also supported by the dovish stance maintained by the Central Bank of Nigeria (CBN). The CBN cut the base monetary policy rate by 200bps to 11.5%, to boost lending, discourage savings and drive growth to counter the pandemic's economic effects, while simultaneously keeping rates low in the fixed income market. As a result, the low-yield environment in the Fixed Income, coupled with the attractive valuations across the equites space, saw domestic fund managers and the retail investors pile back into the market. The Nigerian market outperformed its peers and markets globally, with the index ranking as the best performer amongst all 93 indices tracked by Bloomberg, thus far in 2020.

Going into 2021, given the significant capital appreciation in the equity space, there may be a possibility of a reversal in the prevailing trend, with investors likely to begin profit-taking. However, with limited high-yielding alternatives, fund managers may continue to peruse equities despite the macroeconomic risks. We also expect to see market participants return, especially if positive interim results and dividend declarations begin to trickle into the market by the middle of the year, which is why we maintain a cautiously optimistic stance to the market

Auditors:
Messrs. KPMG Professional Services have indicated their willingness to continue in office as auditors to the Fund.

Chuka Eseka	**Damilola Ajayi**
Chairman	MD /CEO
FRC/2013/ICAN/00000003262	FRC/2013/ICAN/00000004412
Vetiva Fund Managers Limited	Vetiva Fund Managers Limited
17 March 2021	17 March 2021

Statement of Fund Manager's responsibility in relation to the financial statements for the year ended 31 December 2020

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	Managing Director
FRC/2013/ICAN/00000003262	FRC/2013/ICAN/00000004412
Vetiva Fund Managers Limited	Vetiva Fund Managers Limited
17 March 2021	17 March 2021

Certification of Accounts by Directors of the Fund Managers

The directors of the Fund Managers 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 Managers nor any other person acting on its behalf has:

i transferred units to another person for sale, resale or subsequent transfer to the Fund Managers 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	**Damilola Ajayi**
Chairman	Managing Director
FRC/2013/ICAN/00000003262	FRC/2013/ICAN/00000004412
Vetiva Fund Managers Limited	Vetiva Fund Managers Limited
17 March 2021	17 March 2021

UTL TRUST
MANAGEMENT SERVICES LIMITED
...Since 1966

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TRUSTEE'S REPORT

The Trustee presents 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 2020.

Principal Activity:

The Fund was registered under the collective Investment Scheme by the Securities and Exchange Commission in accordance with the provisions of Section 160 of the Investment and Securities Act (2007). The Fund was designed to replicate 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 14.1 of the Amended and Restated Trust Deed dated 16 December 2013.

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 Fund's Trust Deed.

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 is as follows;

	31 December 2020	31 December 2019
	NGN	**NGN**
Net Assets Value	2,570,621	1,892,657

The operating result for the year ended is as follows;

	31 December 2020	31 December 2019
	NGN	**NGN**
Profit/ (Loss) for the year	108,075	116,055

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

None of the Directors of Vetiva Fund Managers Limited held any direct or in direct beneficial interest in the units of the Fund as at 31 December 2020.

None of the directors of UTL Trust Management Services Limited has any direct or indirect beneficial interest in the units of the Fund as at 31 December 2020.

Olufunke Aiyepola (Mrs.)
FRC/2013/NBA/00000003285
UTL Trust Management Services Limited
17 March 2021

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Central Business District, Abuja
Phone: 08188075476

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UPDC Office Complex,
26, Aba Road, Port-Harcourt
Phone: 09077793542

Statement of Trustees' responsibilities

The Trustees' 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

Olufunke Aiyepola (Mrs.)
FRC/2013/NBA/00000003285
UTL Trust Management Services Limited
17 March 2021

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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, 2020;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in net assets attributable to unit holders;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December, 2020, 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 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 International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (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. The other information 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 Directors 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 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 on the basis of 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 of the Fund Manager.
- 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 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Board of Directors of the Fund Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Signed:

Ashade J.Akinyemi, FCA
FRC/ICAN/2013/00000000786
For: KPMG Professional Services
Chartered Accountants
31 March 2021
Lagos, Nigeria

Statement of financial position
As at 31st December

In thousands of Naira		2020	2019
Assets	**Note**		
Cash and cash equivalents	13	76,626	57,800
Investment Securities	14	2,525,200	1,873,198
Accounts receivable	16	7,696	177
Total assets		2,609,522	1,931,175
Liabilities			
Accounts payable	17	(38,901)	(38,518)
		(38,901)	(38,518)
		-	-
Net assets attributable to unitholders		2,570,621	1,892,657
Represented by:			
Unitholders' equity	18(b)(ii)	2,772,007	2,760,500
Retained earnings	18(b)(ii)	(26,845)	(59,970)
Fair value reserve	18(b)(ii)	(174,541)	(807,873)
Total		2,570,621	1,892,657

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 17 March 2021 and signed on its behalf by:

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

Damilola Ajayi
MD /CEO
FRC/2013/ICAN/00000004412
Vetiva Fund Managers Limited

Additionally certified by:

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

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

In thousands of Naira	Note	2020	2019
Dividend income	7	127,558	124,876
Interest income at effective interest rate	8	9,163	15,726
Net gain from financial assets at fair value through profit or loss	9	(1,224)	1,224
Total revenue		**135,497**	**141,826**
Other operating expenses	10	(18,495)	(17,262)
Total expenses		**(18,495)**	**(17,262)**
Profit before tax		**117,002**	**124,564**
Tax expense	11	(8,927)	(8,509)
Profit for the year		**108,075**	**116,055**
Items that will not be reclassified subsequently to profit or loss			
Fair value changes (Quoted equity investments at FVOCI)			
- Net change in fair value of quoted equities	14(c)	658,179	(371,504)
- (Loss)/gain on quoted equities	14(c)	(24,847)	1,390
		633,332	(370,114)
Other comprehensive income/(loss) for the year		633,332	(370,114)
Total comprehensive income/(loss) for the year		741,407	(254,059)
Basic and diluted earnings per unit (kobo)	12	72	77

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

Statement of changes in net assets attributable to unitholders
For the year ended 31 December 2020

31 December 2020 *In thousand of Naira*	**Note**	**Unit holder's equity**	**Retained earnings**	**Fair value reserves**	**Total equity**
Balance as at 1 January 2020		2,760,500	(59,970)	(807,873)	1,892,657
Total comprehensive income for the year:					
Profit for the year		-	108,075	-	108,075
Fair value changes on FVTOCI financial assets					
- net change in fair value	18(b)(ii)	-	-	658,179	658,179
Gain on Sale - Quoted Equities	18(b)(ii)	-	-	(24,847)	(24,847)
Total comprehensive income for the year		-	108,075	633,332	741,407
Transactions with owners, recorded directly in equity:					
Additions to unitholder's equity	18(b)(ii)	11,507	-	-	11,507
Distributions to unitholders	18(b)(ii)	-	(74,950)	-	(74,950)
Total contribution and distributions to equity holders		11,507	(74,950)	-	(63,443)
Balance at 31 December 2020		**2,772,007**	**(26,845)**	**(174,541)**	**2,570,621**

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	18(b)(ii)	-	-	(371,504)	(371,504)
Gain on sale - Quoted Equities	18(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	18(b)(ii)	2,701	-	-	2,701
Redemptions of unitholder's equity	18(b)(ii)	-	-	-	-
Distributions to unitholders	18(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**

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

Statement of cash flows
For the year ended 31 December

In thousands of Naira		2020	2019
Operating activities:	**Note**		
Profit for the year		108,075	116,055
Income tax expense	11	8,927	8,509
Profit before tax		117,002	124,564
Adjustment for:			
Interest income	14(d)	(8,420)	(14,798)
Dividend income	7	(127,558)	(124,876)
Net changes in financial assets at FVTPL	14(d)	1,224	(1,224)
		(17,752)	(16,334)
Changes in:			
-Accounts payable	17(b)	383	7,534
		(17,369)	**(8,800)**
Dividend received	16(b)	120,039	124,757
Withholding tax paid	11	(8,927)	(8,509)
Net cash generated from operating activities		**93,743**	**107,448**
Cash Flows from investing activities			
Interest received	14(d)	8,005	10,733
Net changes in investment securities	14(d)	(19,479)	(22,974)
Net cash used in from investing activities		**(11,474)**	(12,241)
Cash Flows from financing activities			
Distribution paid to unitholders	18(b)(ii)	(74,950)	(40,474)
Inflows from subscription	18(b)(ii)	11,507	2,701
Net Cash flow used in financing activities		**(63,443)**	**(37,773)**
Net increase in cash and cash equivalents		18,826	57,434
Cash and Cash equivalents as at 1 January		57,800	366
Cash and Cash equivalents as at 31 December	13	**76,626**	**57,800**

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

Notes to the financial statements
For the year ended 31 December 2020

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 investment activities of the Fund are managed by Vetiva Fund Managers Limited (the investment manager).

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 17 March 2021

(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 year ended 31 December 2020.

(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 statement (cont'd)
For the year ended 31 December 2020

3 Statement of significant accounting policies

3.1 Applicable standards and accounting policies

(a) 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 outflows or realising cash flows 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.

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

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.

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 securities, investment in unlisted open-ended investment 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.

Equity investments are included in this category. The Fund has elected to recognise movements in the fair value of equity investments in other comprehensive income, along with the realized gains or losses on disposal of the investments.

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.

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

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 ongoing basis.
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.

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.

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

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.

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.

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

(f) 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.

(g) 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%.

(h) 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 classified as equity

(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.

(i) 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.

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

(j) 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.

(k) 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 Standards issued but not yet effective
A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Fund has not early adopted the new or amended standards in preparing these financial statements.

The following new and amended standards and interpretations are not expected to have a significant impact on the Fund's financial statements:
– Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
– Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
– Reference to the Conceptual Framework (Amendments to IFRS 3).
– IFRS 17 Insurance Contracts.
– Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).

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 risk management strategy has not changed due to the COVID-19 coronavirus pandemic. 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.

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

Exposure to interest rate risk
A summary of the Fund's interest rate gap position, analysed by the earlier of maturity date, is as follows:

In thousands of naira	**Carrying amount**	**Less than 3 months**	**3 to 9 months**	**9 to 12 months**	**Above 1 year**
31 December 2020					
ASSETS:					
Cash and Cash Equivalent	76,626	3,130	73,496	-	-
Financial Assets at FVTPL:					
Promissory Notes	100,007	100,007	-	-	-
Commercial Papers	30,971	-	-	30,971	-
Total Interest Bearing assets	**207,604**	**103,137**	**73,496**	**30,971**	**-**

In thousands of naira	**Carrying amount**	**Less than 3 months**	**3 to 9 months**	**9 to 12 months**	**Above 1 year**
31 December 2019					
ASSETS:					
Cash and Cash Equivalent	57,800	57,800	-	-	-
Financial Assets at FVTPL:					
Treasury bills	112,364	65,154	-	47,210	-
Commercial Papers	4,892	-	-	4,892	-
Total Interest Bearing assets	**175,056**	**122,954**	**-**	**52,102**	**-**

The sensitivity analyses set out below show the impact of a 1%, 2% and 5% increase and decrease in the interesr income based on the exposure to interest rate risk at the reporting date.

In thousands of Naira	**Notes**	**31 December 2020**	**31 December 2019**
Total interest rate gap		207,604	175,056
Interest income		9,163	15,726
Applicable interest rate (%)		0.04	0.09
+ 1%		1,217	1,780
+ 2%		3,293	3,530
+ 5%		9,521	8,782
- 1%		(1,217)	(1,780)
- 2%		(3,293)	(3,530)
- 5%		(9,521)	(8,782)

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 2020 is shown in note 15.

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

Sensitivity Analysis
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.

	2020	2019
Carrying Value (In thousands of Naira)	2,394,222	1,755,942
Impact of price movement on profit and net assets of unitholders:		
+ 1%	23,942	17,559
+ 2%	47,884	35,119
+ 5%	119,711	87,797
- 1%	(23,942)	(17,559)
- 2%	(47,884)	(35,119)
- 5%	(119,711)	(87,797)

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 2020, the Fund had treasury bills of N100million (2019: N111.1million) and placements with banks of N73.5million (2019: N53.4million).

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-’ (2019: ‘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 2020, 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.

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

31 December 2020 **Contractual cash flows**

In thousands of Naira	Note	Carrying Amount	Gross nominal inflow/ (outflow)	Less than 3 Months	4-12 Months	Above 1 Year
Cash and cash equivalents		76,626	76,627	3,130	73,497	-
Account receivables		7,696	7,696	7,696	-	-
Investment Securities		2,525,200	2,525,567	2,516,567	9,000	-
Total financial assets		**2,609,522**	**2,609,890**	**2,527,393**	**82,497**	**-**
Account payable		(38,901)	(38,901)	(38,901)	-	-
Total financial liabilities		**(38,901)**	(38,901)	(38,901)	-	-
Gap (assets-liabilities)		**2,570,621**	**2,570,989**	**2,488,492**	**82,497**	**-**

31 December 2019

In thousands of Naira	Note	Carrying Amount	Gross nominal inflow/ (outflow)	Less than 3 Months	4-12 Months	Above 1 Year
Cash and cash equivalents		57,800	57,800	57,800	-	-
Account receivables		177	177	177	-	-
Investment Securities		1,873,198	1,874,660	1,864,223	10,436	-
Total financial assets		**1,931,175**	**1,932,637**	**1,922,200**	**10,436**	**-**
Account payable		38,518	38,518	38,518	-	-
Total financial liabilities		38,518	38,518	38,518	-	-
Gap (assets-liabilities)		**1,892,657**	**1,894,119**	**1,883,682**	**10,436**	**-**

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 2020 is shown in note 15

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

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 3.1(b)(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 3.1(b)(v).

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.

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.

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

31 December 2020 *In thousands of Naira*	*Note*	**Level 1**	**Level 2**	**Level 3**	**Total**
Quoted investments	14(a)	2,394,222	-	-	2,394,222
Promissory Notes	14(a)	-	100,007	-	100,007
Commercial Papers	14(a)	30,971	-	-	30,971.00
		2,425,193	100,007	-	2,525,200

31 December 2019 *In thousands of Naira*	*Note*	**Level 1**	**Level 2**	**Level 3**	**Total**
Quoted investments	14(a)	1,755,942	-	-	1,755,942
Treasury bills	14(a)	112,364	-	-	112,364
Commercial Papers	14(a)	4,892	-	-	4,892.00
		1,873,198	-	-	1,873,198

(c) 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 2020

In thousands of Naira	*Note*	**FVTPL**	**FVOCI**	**Amortised cost**	**Financial liabilities**	**Total carrying amount**
Cash and cash equivalents	13	-	-	76,626	-	76,626
Quoted investments	14(a)	-	2,394,222	-	-	2,394,222
Treasury bills	14(a)	100,007	-	-	-	100,007
Commercial papers	14(a)	30,971	-	-	-	30,971
Accounts receivable	16	-	-	7,696	-	7,696
		130,978	**2,394,222**	**84,322**	**-**	**2,609,522**
Accounts payable	17	-	-	-	38,901	38,901
		-	**-**	**84,322**	**38,901**	**2,570,621**

31 December 2019

In thousands of Naira	*Note*	**FVTPL**	**FVOCI**	**Amortised cost**	**Financial liabilities**	**Total carrying amount**
Cash and cash equivalents	13	-	-	57,800	-	57,800
Quoted investments	14(a)	-	1,755,942	-	-	1,755,942
Treasury bills	14(a)	112,364	-	-	-	112,364
Commercial papers	14(a)	4,892	-	-	-	4,892
Accounts receivable	16	-	-	177	-	177
		117,256	**1,755,942**	**57,977**	**-**	**1,931,175**
Accounts payable	17	-	-	-	38,518	38,518
		-	**-**	**57,977**	**38,518**	**1,892,657**

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

7 Dividend Income

In thousands of Naira	31-Dec-20	31-Dec-19
Dividend income from equity investments	127,558	124,876
	127,558	**124,876**

8 Interest Income

In thousands of Naira	31-Dec-20	31-Dec-19
Treasury bills	4,689	12,230
Commercial papers	3,731	2,568
Cash and Cash equivalent	743	928
	9,163	**15,726**

a) The amounts reported above were calculated using the effective interest method.

9 Net (loss)/gain on financial assets at fair value through profit or loss

In thousands of Naira	31-Dec-20	31-Dec-19
Fair value (loss)/gain on Treasury bills	(1,224)	1,224
	(1,224)	**1,224**

10 Other operating expenses

In thousands of Naira	31-Dec-20	31-Dec-19
Other sundry expenses	771	495
Auditor's remuneration	1,980	1,980
Custodian fees	2,074	2,076
Trustee's fees	1,993	2,043
Management fees	3,986	4,085
Registrars/Transfer Agent Fees	742	517
NSE licensing fees	5,933	5,074
NSE listing fees	1,016	992
	18,495	**17,262**

11 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% (2019: 10%).

	31-Dec-20	31-Dec-19
Withholding tax on dividend and interest income	8,927	8,509
Total tax expense	**8,927**	**8,509**

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

12 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-20	31-Dec-19
Profit for the year	**108,075**	**116,055**
Number of units as at year end ('000) (see note 18(b))	**150,900**	**149,900**
Profit per unit (kobo)	72	77

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.

13 Cash and cash equivalents

Cash and cash equivalents comprise:

In thousands of Naira	31-Dec-20	31-Dec-19
Cash balances with banks	3,130	4,397
Placements with banks	73,496	53,403
	76,626	**57,800**

In thousands of Naira	31-Dec-20	31-Dec-19
Current	76,626	57,800
Non-current	-	-
Balance, end of year	**76,626**	**57,800**

14 Investment securities

	In thousands of Naira	31-Dec-20	31-Dec-19
(a)	*Analysis of Investment securities:*		
	At fair value through other comprehensive income:		
	Quoted equity investments (see note (b) below and note	2,394,222	1,755,942
	At fair value through profit or loss:		
	Treasury bills	-	112,364
	Promissory Notes	100,007	-
	Commercial papers	30,971	4,892
		2,525,200	**1,873,198**

In thousands of Naira	31-Dec-20	31-Dec-19
Current	2,525,200	1,873,198
Non-current	-	-
Balance, end of year	2,525,200	1,873,198

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

	In thousands of Naira	31-Dec-20	31-Dec-19
(b)	Equity investments comprise:		
	Quoted equity securities at cost	2,568,763	2,563,815
	Fair value changes (see note (c) below)	(174,541)	(807,873)
	Net carrying amount	**2,394,222**	**1,755,942**

(c)	The movement in fair value changes was as follows;		
	Balance, beginning of the year	(807,873)	(437,759)
	Change in the year:		
	- net change	658,179	(371,504)
	- (Loss)/gain on sale - Quoted Equities	(24,847)	1,390
	Balance, end of year	**(174,541)**	**(807,873)**

(d) Cashflow movement
At fair value through other comprehensive income:

In thousands of Naira	31-Dec-20	31-Dec-19
Opening balance	1,755,942	2,117,022
(Loss)/gain on sale - Quoted Equities	(24,847)	1,390
Net fair value changes in other comprehensive income (see note 15(c)	658,179	(371,504)
Changes in financial assets	4,948	9,034
Closing	**2,394,222**	**1,755,942**

At fair value through profit or loss:

In thousands of Naira	31-Dec-20	31-Dec-19
Opening balance	117,256	98,027
Net fair value changes in profit or Loss	(1,224)	1,224
Interest income	8,420	14,798
Interest received	(8,005)	(10,733)
Changes in financial assets	14,531	13,940
Closing	**130,978**	**117,256**

Total changes in investment securities

In thousands of Naira	31-Dec-20	31-Dec-19
- through other comprehensive income	4,948	9,034
- through profit or loss	14,531	13,940
	19,479	**22,974**

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

15 Investment portfolio

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

In thousands of Naira		31 December 2020			31 December 2019		
	Sector	Market value	% of total quoted securities	% of total investments	Market value	% of total quoted securities	% of total investments
Access Bank of Nigeria Plc	Financial Services	42,397	1.77%	1.68%	80,835	4.60%	4.32%
Bua cement company Plc	Industrial Goods	369,771	15.44%	14.64%	-	0.00%	0.00%
Custodian investment Plc	Financial Services	4,857	0.20%	0.19%	7,976	0.45%	0.43%
Dangote cement Plc	Industrial Goods	591,983	24.73%	23.44%	288,833	16.45%	15.42%
Dangote sugar refinery Plc	Consumer Goods	29,812	1.25%	1.18%	37,166	2.12%	1.98%
Ecobank transnational incorporated	Financial Services	15,541	0.65%	0.62%	27,162	1.55%	1.45%
FBN holding Plc	Financial Services	36,228	1.51%	1.43%	50,274	2.86%	2.68%
FCMB group Plc	Financial Services	9,308	0.39%	0.37%	-	0.00%	0.00%
Fidelity Bank Plc	Financial Services	10,307	0.43%	0.41%	13,527	0.77%	0.72%
Flour mills Plc	Consumer Goods	15,049	0.63%	0.60%	18,396	1.05%	0.98%
Forte Oil plc	Oil and Gas	-	0.00%	0.00%	5,369	0.31%	0.29%
Guaranty trust Bank	Financial Services	134,394	5.61%	5.32%	199,066	11.34%	10.63%
Guiness Nigeria Plc	Consumer Goods	5,875	0.25%	0.23%	14,990	0.85%	0.80%
International breweries Plc	Consumer Goods	22,446	0.94%	0.89%	18,597	1.06%	0.99%
Julius berger Plc	Construction/Real Estate	27,334	1.14%	1.08%	-	0.00%	0.00%
Mobil oil Nigeria Plc	Oil and Gas	11,606	0.48%	0.46%	12,146	0.69%	0.65%
MTN Nigeria communications Plc	Telecommunications	443,639	18.53%	17.57%	-	0.00%	0.00%
NASCON allied industries Plc	Consumer Goods	5,423	0.23%	0.21%	7,814	0.45%	0.42%
Nigerian breweries Plc	Consumer Goods	63,213	2.64%	2.50%	107,449	6.12%	5.74%
Nestle foods Plc	Consumer Goods	168,399	7.03%	6.68%	265,340	15.11%	14.17%
OANDO Plc	Oil and Gas	-	0.00%	0.00%	11,296	0.64%	0.60%
The Okomu oil palm	Agriculture	22,337	0.93%	0.88%	17,556	1.00%	0.94%
PRESCO Plc	Agriculture	18,257	0.76%	0.72%	15,723	0.90%	0.84%
P.Z. industries Plc	Consumer Goods	-	0.00%	0.00%	5,109	0.29%	0.27%
Seplat petroleum development company Ltd	Oil and Gas	33,416	1.40%	1.32%	88,151	5.02%	4.71%
Stanbic IBTC holdings Plc	Financial Services	65,319	2.73%	2.59%	95,617	5.45%	5.10%
Totalfinaelf Nigeria Plc	Oil and Gas	6,230	0.26%	0.25%	8,575	0.49%	0.46%
Sterling Bank Plc	Financial Services	8,290	0.35%	0.33%	13,047	0.74%	0.70%
Transnational corporation of Nigeria Plc	Conglomerates	-	0.00%	0.00%	32,744	1.86%	1.75%
United Bank for Africa	Financial Services	41,757	1.74%	1.65%	55,687	3.17%	2.97%
Union Bank of Nigeria	Financial Services	21,992	0.92%	0.87%	39,792	2.27%	2.12%
Unilever Nigeria Plc	Consumer Goods	11,273	0.47%	0.45%	28,783	1.64%	1.54%
Lafarge Africa Plc	Industrial Goods	47,861	2.00%	1.90%	55,930	3.19%	2.99%
Zenith international Bank Plc	Financial Services	109,908	4.59%	4.35%	132,992	7.57%	7.10%
Total quoted securities		**2,394,222**	**100%**	**94.81%**	**1,755,942**	**100%**	**93.74%**

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

In thousands of Naira	31 December 2020		31 December 2019	
	Market value	% of total investments	Market value	% of total investments
Treasury bills 10.90% 09MAR2020	-	-	55,260	2.95%
Treasury bills 11.55% 09APR2020	-	-	10,228	0.55%
Treasury bills 13.10% 30JAN2020	-	-	9,896	0.53%
Treasury bills 10.75% 30JUL2020	-	-	2,830	0.15%
Treasury bills 10.75% 30JUL2020	-	-	34,153	1.82%
Total treasury bills	-	-	**112,367**	**6%**
1st of March 2021 Promissory Note	100,007	3.96%		
Total promissory Note	**100,007**	**3.96%**		
CP 4.8M 270DTM 8.88% 08SEPT2020			4,892	0.26%
Dangcem CP VG30 22.305M 177DTM 3.9240% 3Mar2021	22,154	0.88%		
Dangcem CP VG30 9M 268DTM 4.8231% 3Jun2021	8,817	0.35%		
Total commercial papers	**30,971**	**1.23%**	**4,892**	**0.26%**
Total investments	**2,525,200**	**100%**	**1,873,198**	**100%**

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

In thousands of Naira	31 December 2020		31 December 2019	
Sector	Market value	% of total quoted securities	Market value	% of total quoted securities
Construction/Real Estate	27,334	1.14%		
Consumer Goods	291,677	12.18%	503,644	28.68%
Oil and Gas	51,252	2.14%	125,537	7.15%
Financial Services	500,299	20.90%	715,975	40.77%
Industrial Goods	1,039,427	43.41%	344,763	19.63%
Agriculture	40,594	1.70%	33,279	1.90%
Conglomerates	-	0.00%	32,744	1.86%
Telecommunications	443,639	18.53%		0.00%
Total	**2,394,222**	**100%**	**1,755,942**	**100%**

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

16 Accounts receivable

(a)

In thousands of Naira	31-Dec-20	31-Dec-19
Dividend receivable	7,696	177
Total	**7,696**	**177**

In thousands of Naira	31-Dec-20	31-Dec-19
Current	7,696	177
Non-current	-	-
Balance, end of year	**7,696**	**177**

(b) **Dividend received**

In thousands of Naira	31-Dec-20	31-Dec-19
Opening balance	177	58
Dividend income for the year	127,558	124,876
Closing balance	(7,696)	(177)
Dividend received	**120,039**	**124,757**

17 Accounts payable

(a)

In thousands of Naira	31-Dec-20	31-Dec-19
Management fees payable	3,032	5,059
Transfer/agent fees payable	611	961
Audit fees payable	1,980	1,980
Custodian fees payable	2,389	3,571
Trustee fees payable	7,914	7,964
Other account payable	9,684	9,597
NSE licensing fee	10,972	7,574
Unclaimed Distribution	2,319	1,812
	38,901	**38,518**

In thousands of Naira	31-Dec-20	31-Dec-19
Current	38,901	38,518
Non-current	-	-
Balance, end of year	**38,901**	**38,518**

(b) Cashflow movement:

In thousands of Naira	2020	2019	Changes
Management fees payable	3,032	5,059	(2,027)
Transfer/agent fees payable	611	961	(350)
Audit fees payable	1,980	1,980	-
Custodian fees payable	2,389	3,571	(1,182)
Trustee fees payable	7,914	7,964	(50)
Other account payable	9,684	9,597	87
NSE licensing fee	10,972	7,574	3,398
Unclaimed Distribution	2,319	1,812	507
Net cash movement	**38,901**	**38,518**	**383**

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

18 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 2020 is 150,900,000 units (2019: 149,900,000 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-20**	**31-Dec-19**
Balance at 1 January	149,900	149,700
Subscription of units during the year	1,000	200
Balance at 31 December	150,900	149,900

(ii) Net assets attributable to unitholders

2020 **In thousands of naira**	**Unitholders' equity**	**Retained earnings**	**Fair value reserve**	**Total**
Balance as at 1 January 2020	2,760,500	(59,970)	(807,873)	1,892,657
Subscription during the year	11,507	-	-	11,507
Fair value changes due to investment securities	-	-	658,179	658,179
Gain or Loss on Sale - Quoted Equities	-	-	(24,847)	(24,847)
Distributions to unit-holders	-	(74,950)	-	(74,950)
Profit for the year	-	108,075	-	108,075
As 31 December 2020	**2,772,007**	**(26,845)**	**(174,541)**	**2,570,621**
Net asset value per unit (Naira)				**17.04**

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**

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

(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 2020 was N74.95 million (2019 : N40.47 million).

19 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-20**	**31-Dec-19**
Vetiva Capital Management Limited	219	145
Vetiva Exxon Mobil - ESP	65,696,920	7,413,033
Vetiva Nominees	59,050	217,000
Vetiva Securities Limited	903,551	90,183
Vetiva Trustees Limited	-	183,000
Vetiva Fund Managers Limited	5,169,230	5,000,000

No units were held by Key management personnel of the Fund Manager as at 31 December 2020.

(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 N3.98 million (2019: N4.08 million). As at 31 December 2020, N3.03 million (2019: N5.06 million) 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 N2.07 million (2019: N2.08 million). As at 31 December 2020, N2.39 million (2019: N3.57 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 N1.99 million (2019: N2.02 million). As at 31 December 2020, N7.91 million (2019: N7.96 million) is still outstanding.

20 Contingencies

There were no contingent assets and liabilities as at 31 December 2020 (2019: Nil).

21 Claims and litigations

There were no claims and litigations as at 31 December 2020 (2019: Nil).

Notes to the financial statement (cont'd)
For the year ended 31 December 2020

22 Events after the reporting period

There were no events after the end of the reporting period which could have a material effect on the assets and liabilities of the Fund as at 31 December 2020.

23 Capital commitments after reporting date

The Fund had no capital commitments as at 31 December 2020 (2019: Nil).

OTHER NATIONAL DISCLOSURES

Other National Disclosures

Value added statement

In thousands of Naira	31-Dec-20	%	31-Dec-19	%
Total revenue	135,497		141,826	
Bought in goods and services- Local	(18,495)		(17,262)	
	117,002	100	124,564	100
Applied to pay:				
Government as taxes	8,927	8	8,509	7
Retained in the Fund to augment reserves	108,075	92	116,055	93
Value added	117,002	100	124,564	100

FIVE-YEAR FINANCIAL SUMMARY
YEAR ENDED 31 DECEMBER

	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Cash and cash equivalents	76,626	57,800	366	24,730	14,021
Investment securities	2,525,200	1,873,198	2,215,050	2,686,610	1,837,560
Accounts receivable	7,696	177	58	58	133
Total assets	**2,609,522**	**1,931,175**	**2,215,474**	**2,711,399**	**1,851,714**
Accounts payable	(38,901)	(38,518)	(30,985)	(34,187)	(24,134)
Net assets	**2,570,621**	**1,892,657**	**2,184,489**	**2,677,212**	**1,827,580**
Unitholders' funds	**2,570,621**	**1,892,657**	**2,184,489**	**2,677,212**	**1,827,580**

Statement of profit or loss and other comprehensive income

	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Interest income at effective interest rate	9,163	15,726	11,628	15,187	6,945
Dividend income	127,558	124,876	112,935	84,369	82,963
Other income	-	-	-	5,074	-
Net (loss)/gain from financial assets at fair value through profit or loss	(1,224)	1,224	-	526	(783)
Losses on disposal of investment securities	-	-	(276)	(53,735)	(123,841)
Total revenue	**135,497**	**141,826**	**124,287**	**51,421**	**(34,716)**
Other operating expenses	(18,495)	(17,262)	(21,289)	(19,662)	(16,636)
Total expenses	**(18,495)**	**(17,262)**	**(21,289)**	**(19,662)**	**(16,636)**
Profit before tax	**117,002**	**124,564**	**102,998**	**31,759**	**(51,352)**
Income tax expense	(8,927)	(8,509)	(8,664)	(6,358)	(5,958)
Profit for the year	**108,075**	**116,055**	**94,334**	**25,401**	**(57,310)**

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