



VETIVA GRIFFIN 30 EXCHANGE TRADED FUND FACTS BEHIND THE LISTING

14/03/2014



VETIVA
FUND MANAGERS LIMITED
RC 981804



EXCHANGE TRADED FUNDS



EXCHANGE TRADED FUNDS – THE CONCEPT



The Investor



- Exchange Traded Funds (“ETFs”) are passively managed and replicate the performance of an underlying index or basket of securities;
- ETFs combine the characteristics of Mutual Funds and Stocks;
- ETFs trade on a Stock Exchange like any other listed security;
- The Performance of an ETF tracks the performance of the underlying basket of Securities or Index;
- ETFs are commonly used to track indices, commodities or a basket of securities.



GLOBAL ETF TRENDS



- ETFs were introduced in the 1980's;
- Quickly gained popularity as investors looked for alternatives to Mutual Funds;
- **Current ETF Industry:**
 - 5,042 ETFs;
 - 10,053 listings;
 - Assets of US\$2.3Trillion;
 - 215 providers;
 - 58 exchanges.
- Annual Growth of 15% – 30% is predicted around the globe in the coming 5 years.



The Vetiva Griffin 30 ETF

The Vetiva Griffin 30 ETF tracks the performance of the NSE 30 Index





THE NSE-30 INDEX



THE NSE-30 INDEX

**90% Market
Exposure**

**Top 30
Stocks**

**Liquid
Underlying
Assets**

The NSE 30 Index tracks the performance of the top 30 most capitalised and liquid stocks on the Nigerian Stock Exchange



THE Nigerian STOCK EXCHANGE



THE NSE-30 INDEX

*The NSE-30
Index
effectively
gives total
Market
Exposure*





NSE 30 INDEX - Methodology

- The NSE 30 Index is a Modified Capitalization Index;
- The relevant number of stocks is fixed at 30.



**No of
Stocks**

- The equity universe is chosen from the most liquid sectors in terms of volume i.e. AVG daily volume of 2million and above.



Liquidity

- No Sector can have a weighting of more than 20%;
- No Sector can have a weighting of less than 2%;
- No individual listed equity can have a weighting of more than 20%.



**Weighting
Restrictions**



THE NSE-30 INDEX - CONSTITUENTS

	NSE 30 Index Constituents - 2 nd January 2014	Weighting*
1	DANGCEM	19.06%
2	NB	12.14%
3	NESTLE	9.11%
4	GUARANTY	8.04%
5	ZENITHBANK	7.72%
6	FBNH	5.23%
7	GUINNESS	3.44%
8	WAPCO	3.15%
9	UBA	2.97%
10	ETI	2.57%
11	ACCESS	2.15%
12	STANBIC	2.10%
13	JBERGER	2.03%
14	FLOURMILL	2.02%
15	UNILEVER	1.98%
16	GLAXOSMITH	1.92%
17	CADBURY	1.78%
18	UBN	1.63%
19	PZ	1.45%
20	DANGSUGAR	1.32%
21	OANDO	1.17%
22	TRANSCORP	1.08%
23	DIAMONDBNK	1.07%
24	INTBREW	0.91%
25	UACN	0.83%
26	FIDELITYBK	0.77%
27	FCMB	0.75%
28	FO	0.64%
29	SKYEBANK	0.59%
30	TOTAL	0.38%

*The Index is rebalanced semi-annually, therefore, the above constituents are subject to change. Also note that the weightings change on a daily basis.



THE VG 30 ETF



FUND FACTS

VETIVA GRIFFIN 30 ETF – FUND INFORMATION

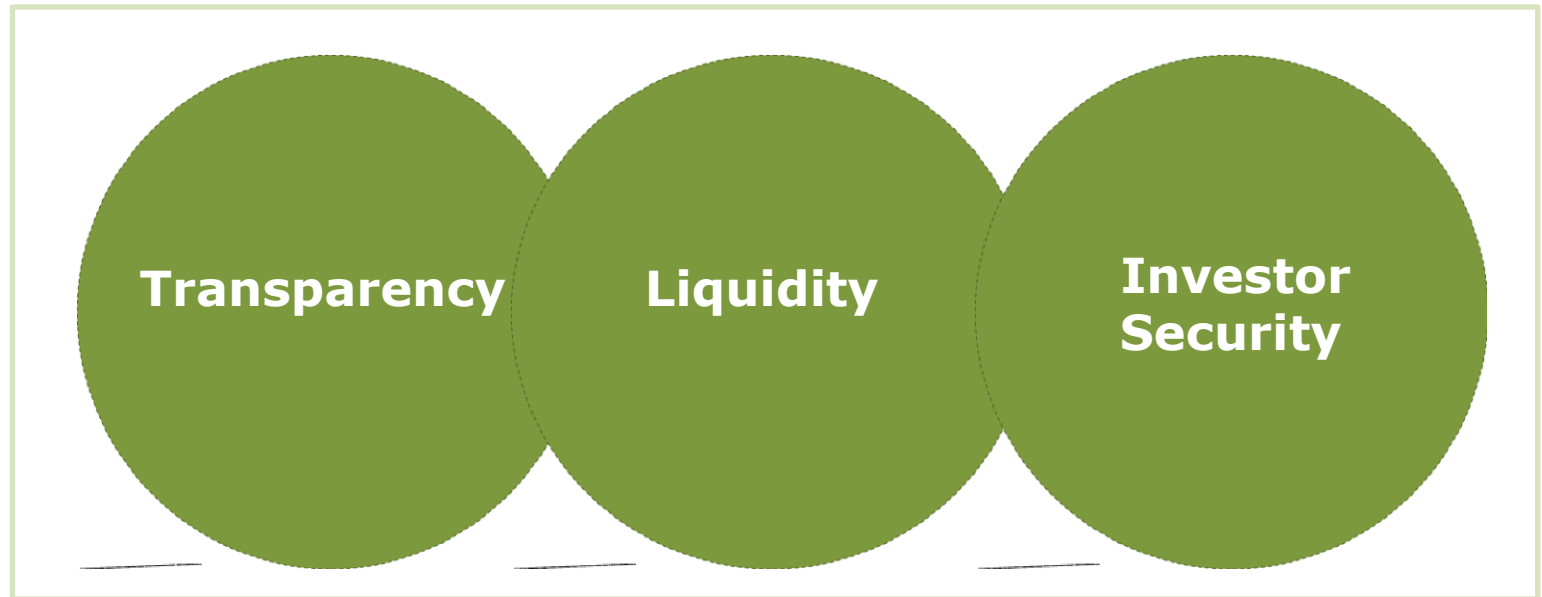
- **Fund Name:** Vetiva Griffin 30 Exchange Traded Fund (“VG 30 ETF”)
- **Fund Type:** Open-ended
- **Issuer:** Vetiva Fund Managers Limited
- **Liquidity Provider:** Vetiva Securities Limited
- **Listed Volume:** 159,400,000 units
- **Benchmark:** NSE 30 Index

TRADING DYNAMICS

- **Minimum Lot:** One Unit
- **Unit Price:** 1/100th of the Value of the NSE 30 Index (approx)
- **Symbol:** VETGRIF30



SUMMARY: KEY FUND FEATURES



- The components of the NSE-30 Index are already listed on the Nigerian Stock Exchange and this facilitates Pricing Transparency. The NAV or Value of the VG 30 ETF Securities is 1/100 of the NSE 30 Index (Adjusted for fund expenses);
- Vetiva Securities has been appointed as the Authorised Dealer to the ETF;
- There are independent parties (Trustees and Custodian) who hold the Securities on behalf of the Investors and ensure that underlying assets are in place for each issued security.



VG 30 ETF TRADING DYNAMICS

1

VG 30 Value Per Unit



The value of each VG 30 ETF will approximately equal $1/100^{\text{th}}$ of the value of the NSE 30 Index.

2

VG 30 Trading Price per Unit



The VG 30 ETF trades like any other Stock. The price will therefore be determined by forces of demand and supply.

3

Trading cycle



- Trades in VG 30 ETF will settle on a T + 3 basis;
- Securities will reside in CSCS accounts (just like any other security).

4

Liquidity



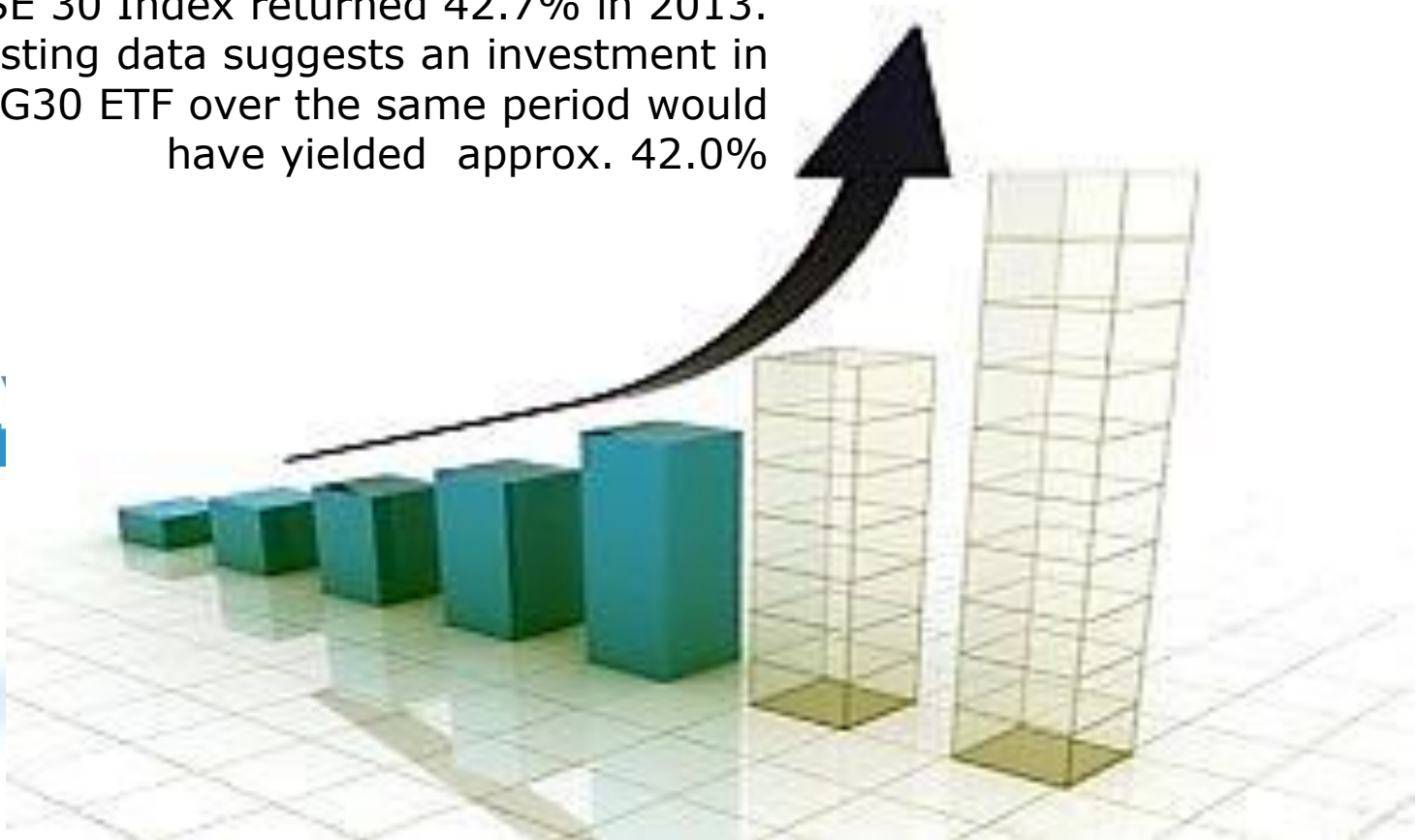
- Secondary Market trading in VG 30 ETF will be enhanced by Vetiva Securities Limited as Authorised Dealer to the Fund



PERFORMANCE CONSIDERATIONS

The ETF will materially replicate Index Performance;

The NSE 30 Index returned 42.7% in 2013. Back-testing data suggests an investment in the VG30 ETF over the same period would have yielded approx. 42.0%





BENEFITS TO THE INVESTOR – VG 30 ETF

Diversification

Transparency

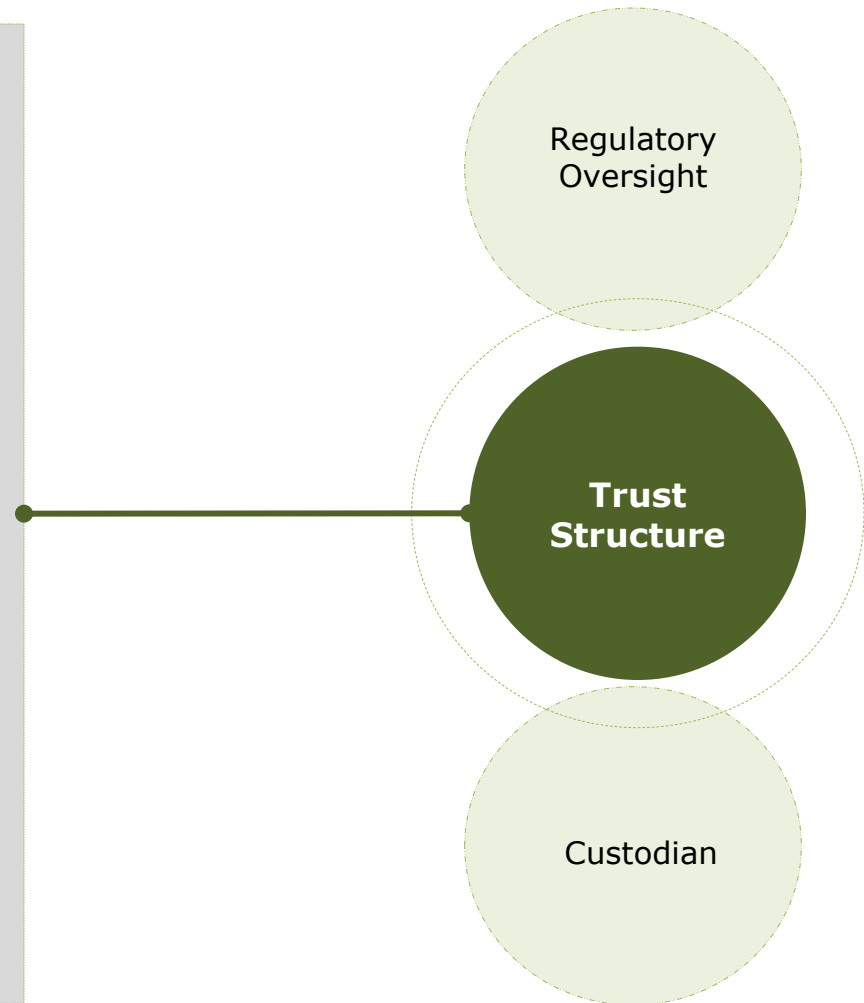
**Lower
Fees**

Low Volatility



INVESTOR PROTECTION

- **Regulatory Oversight:** The Fund will be regulated by the Securities & Exchange Commission and the Nigerian Stock Exchange.
- **Trust Structure:** A Trustee has been appointed to ensure adherence to the Trust Deed and the underlying assets will be held in a Trust Account.
- **Custodianship:** The underlying assets of the VG 30 ETF would be held by a custodian on behalf of the ETF Trust. The Register of unit holders will be independently kept by the Transfer Agent (CSCS).





THANK YOU