

VETIVA GRIFFIN 30 EXCHANGE TRADED FUND
ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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Corporate information.

Directors of the Fund Manager

Chuka Eseka (Chairman)
Olaolu Mudasiru (Non-Executive Director)
Damilola Ajayi (Managing Director/CEO)

Fund Manager:

Vetiva Fund Managers Limited
Plot 266b KofoAbayomi Street
Victoria Island
Lagos, Nigeria
Tel: +234 1 461 7251-3, +234 1 270 9657-8
Email: info@vetiva.com
Website: www.vetiva.com

Transfer Agent

Central Securities Clearing Systems Limited
12th Floor NSE Building
2/4 Customs Street
Lagos.

Trustee

Union Trustees Limited
2/4 Davies Street, Lagos Island
Lagos

Custodian

UBA Plc (Global Investor Services)
UBA House (12th Floor)
57 Marina
Lagos

Auditor:

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos

Bankers

UBA Plc
UBA House (12th Floor)
57 Marina
Lagos

FUND MANAGER'S REPORT

For the year ended 31 December 2015

The Fund Manager presents its report on the affairs of Vetiva Griffin 30 ETF ("ETF 30" or "the Fund") together with the financial statements and auditor's report for the year ended 31 December 2015.

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 to obtain market exposure to the constituent companies of the NSE 30 Index in an easily tradable form as listed securities traded on the NSE (or any other licensed exchange on which the Fund may be listed) and to replicate 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 intended to reflect the performance of the Nigerian equity capitalization and liquidity (high frequency of trading of the shares)

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 weighing of less than 2%
- No individual listed equity can have a weighing 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 2015, with Sterling bank replacing Total Nigeria Plc. As such, the Vetiva Griffin 30 Exchange Traded Fund was rebalanced in line with the Index.

OPERATING RESULTS

<i>In thousands of Naira</i>	12 months 31 December 15	10 months 31 December 14
(Loss) / Profit before tax	(31,516)	58,795
Income tax expense	(8,944)	(11,903)
(Loss) / Profit for the year / period	(40,460)	46,892
(Loss) / Earnings per unit (kobo)	(27)	31

Proposed distribution

The Board of Directors of the Fund Manager has recommended a distribution of 15 kobo per unit holding for the year ended 31 December 2015. However, the distribution has not been effected as at 31 December 2015. Withholding tax will be deducted at the time of payment. An interim distribution of 12 kobo per unit was paid out for the period ended 30 June 2015.

Fund manager's report (cont'd)

MARKET REVIEW

Overview

2015 was largely mired in uncertainty on both the global and domestic fronts. China's downturn, the interest rates hike in the United States of America and the lower-for-longer oil price scenario continued to weigh on the global economy. On the domestic front, political uncertainty, the delay in economic direction, insecurity and currency weakness were some of the concerns of markets. These themes kept investors on the sidelines for most of 2015.

On the back of macroeconomic uncertainties that prevailed (FX pressures and Global oil rout), The Nigeria Stock Exchange All Share Index (NSE ASI) and NSE 30 Index fell by 17.36% and 17.63% respectively to close in the negative for the second year in a row. The equity benchmark lost 6,014.90 points, (the equivalent of N1.62 trillion in market capitalization) to end the year at 28,642.25 points.

MARKET OUTLOOK IN 2016

The Fund is a passively managed fund that tracks the NSE 30 Index, which constitutes the 30 most capitalized stocks listed on the Nigerian Stock Exchange. Hence our outlook for the Fund will be hinged on our overall outlook for the Equities Market.

We believe the year 2016 will continue with the major themes that typified the last year. With the high correlation between the NSE ASI and the Oil price Movement (c.70%) and consensus expectation of oil price remaining relatively low, at least for the first half of 2016, we expect the stock market to remain under pressure in the near term. We also expect the current macroeconomic headwinds (FX issues, slower GDP Growth, higher Inflation figures and so on) to significantly hamper top line growth across major sectors. We believe that a sustained rebound in oil prices will be the key to market recovery in 2016.

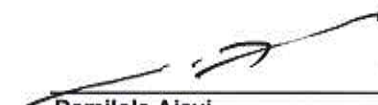
Auditors

The Auditors, KPMG Professional Services have indicated their willingness to continue in office as auditors in accordance with section 357 (2) of the Companies and Allied Matters Act of Nigeria 1990 and shall do so.

BY ORDER OF THE BOARD OF DIRECTORS OF THE FUND MANAGER



Chuka Eseka
Chairman
(FRC/2013/ICAN/00000003262)
26 April 2016



Damilola Ajayi
MD / CEO
(FRC/2013/ICAN/00000004412)
26 April 2016

Statement of Fund Manager's responsibility in relation to the financial statements for the year ended 31 December 2015

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
Chairman
(FRC/2013/ICAN/00000003262)
26 April 2016




Damilola Ajayi
MD / CEO
(FRC/2013/ICAN/00000004412)
26 April 2016


Certification of Accounts by Directors of the Fund Manager

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 Manager nor any other person acting on its behalf has:

- i transferred units to another person for sale, resale or subsequent transfer to the Fund Manager for sale or resale; or
- ii acquired or disposed of investments for account of the Trust otherwise than through a recognized stock exchange except where such investments consist of money market instruments or cash deposits; or
- iii disposed of units to another person for a price lower than the current bid price; or
- iv acquired units for a price higher than the current offer price.



Chuka Esoka
Chairman
(FRC/2013/ICAN/00000003262)
26 April 2016



Damilola Ajayi
MD / CEO
(FRC/2013/ICAN/00000004412)
26 April 2016

Trustee's Report

The Trustees present their report on the affairs of the Vetiva Griffin 30 Exchange Traded Fund ("the Fund"), together with the audited financial statements for the year ended 31 December 2015.

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 price and yield performance of the NSE 30 Index as far as is practicable, by holding a portfolio of securities that substantially represents all of the component securities of the NSE 30 Index in the same weighting as the NSE 30 Index as specified in clause 14.1 of the Amended and Restated Trust Deed dated 16 December 2013.

The Fund is listed and quoted 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 Act and Amended and Restated 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 2015 is as follows;

In thousands of Naira	31 December 15	31 December 14
Net Assets Value	1,962,387	2,338,313

The operating result for the year ended 31 December 2015, is as follows;

In thousands of Naira	31 December 15	31 December 14
(Loss) / Profit for the year	(40,460)	46,892

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

None of the Directors of Vetiva Fund Managers Limited held any direct or indirect beneficial interest in the units of the Fund as at 31 December 2015.

Abuja:

UBN Building
2nd Floor,
Area 3,
Garki - Abuja.
Tel.: 09-6230316

None of the directors of Union Trustees Limited has any direct or indirect beneficial interest in the units of the Fund.

Port-Harcourt:

Olufunke Omotoro (Mrs.)
FRC/2013/ICAN/00000001647
Union Trustees Limited
26 April 2016
Plot 468, Trans-Amadi
Industrial Layout
Port-Harcourt.
Tel.: 084-462114
084-360279

Board of Directors:

Dr Shamsudeen Usman (Chairman)
Danladi Verheijen, Ehimare Eric Idiahi, Olawunmi Abiodun
Olufunke Oluwaseyi Aiyepola (Mrs.) (MD/CEO)

Statement of Trustees' responsibilities

The Trustees' responsibilities to the Fund are as follows:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. To ensure that there is legal separation of underlying portfolio and that the Legal entitlement of investors to such underlying portfolio is assured.
10. To ensure that the underlying portfolio are properly safeguarded and administered in accordance with relevant laws of the Commission.
11. 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.
12. To ascertain that the monthly and other periodic returns / reports relating to the Fund are sent by the manager to the commission.
13. To monitor the register of the holders.
14. To generally monitor the activities of the Manager on behalf of and in the interest of the holders.
15. 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.

Liaison Offices

Abuja:
UBN Building
2nd Floor,
Area 3,
Garki - Abuja.
Tel.: 09-6230316

Port-Harcourt:

UBN Area
Office Complex
Plot 468,
Trans-Amadi
Industrial Layout
Port-Harcourt.
Tel.: 084-462114
084-360279

BY ORDER OF THE TRUSTEES

Union Trustees Limited

26 April 2016

Board of Directors:

Dr Shamsudeen Usman (Chairman)
Danladi Verheijen, Ehimare Eric Idiahi, Olawunmi Abiodun
Olufunke Oluwaseyi Aiyepola (Mrs.) (MD/CEO)

**KPMG Professional Services**

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Fax 234 (1) 271 0540
Internet www.kpmg.com/ng

INDEPENDENT AUDITOR'S REPORT**To the unit holders of Vetiva Griffin 30 Exchange Traded Fund**

We have audited the accompanying financial statements of Vetiva Griffin 30 Exchange Traded Fund ("the Fund"), which comprise the statement of financial position as at 31 December, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to Unitholders, and statement of cashflows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 30.

Fund Manager's Responsibility for the Financial Statements

The Fund Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Vetiva Griffin 30 Exchange Traded Fund ("the Fund") as at 31 December, 2015 and of the Fund's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act 2011.

Signed: *Kabir*

Kabir O. Okunlola, FCA
FRC/ICAN/2012/00000000428
For: KPMG Professional Services
Chartered Accountants
28 April 2016
Lagos, Nigeria



**Statement of financial position
As at 31 December 2015**

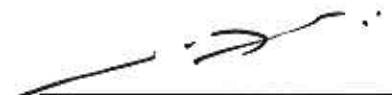
<i>In thousands of Naira</i>		31-Dec-15	31-Dec-14
Assets	Note		
Cash and cash equivalents	15	50,529	1,141
Investment Securities	16	1,927,823	2,357,328
Accounts receivable	18	512	558
Total assets		1,978,864	2,359,027
Liabilities			
Accounts payable	19	(16,477)	(20,714)
		(16,477)	(20,714)
Net assets attributable to unitholders		1,962,387	2,338,313
Represented by:			
Equity attributable to unitholders	20(b)	2,771,575	2,755,952
Retained earnings	20(b)	(42,496)	30,952
Fair value (deficits) / reserves	20(b)	(766,692)	(448,591)
Total		1,962,387	2,338,313

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 26 April 2016 and signed on its behalf by:

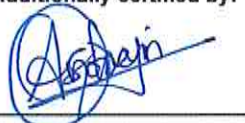


Chuka Esekia
(FRC/2014/ICAN/00000003262)
Chairman



Damilola Ajayi
(FRC/2013/ICAN/00000004412)
Managing Director/CEO

Additionally certified by:



Ayodeji Oshin
(FRC/2013/ICAN/00000003264)
Chief Financial Officer

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2015

<i>In thousands of Naira</i>		31-Dec-15	31-Dec-14
	Note	12 months	10 months
Revenue			
Dividend income	8	89,438	119,593
Interest income	9	4,225	1,965
Net (loss) from financial assets at fair value through profit or loss	10	-	(337)
Other (losses) / gains	11	(105,001)	14,490
Total (loss)/revenue		(11,338)	135,711
Expenses			
Other operating expenses	12	20,178	76,916
Total expenses		20,178	76,916
(Loss)/profit before tax		(31,516)	58,795
Income tax expense	13	(8,944)	(11,903)
(Loss)/profit for the year		(40,460)	46,892
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Fair value reserve (available-for-sale assets)			
Net change in fair value	20(b)(ii)	(766,692)	(448,591)
Total comprehensive loss for the year / period		(807,152)	(401,699)
Earnings per unit (kobo)	14	(27)	31

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

Statements of changes in net assets attributable to Unitholders
As at 31 December 2015

31 December 2015 <i>In thousands of Naira</i>	Note	Unit holder's equity	Retained earnings	Fair value reserves	Total equity
Balance as at 1 January 2015		2,755,952	30,952	(448,591)	2,338,313
Total comprehensive income for the year:					
(Loss) / profit for the year			(40,460)		(40,460)
Fair value changes on available for sale financial assets					
- net change	16(c)			(405,999)	(405,999)
- transfer to profit or loss on disposal	11		-	87,898	87,898
Total comprehensive income for the year		-	(9,508)	(766,692)	1,979,752
Transactions with owners, recorded directly in equity:					
Additions to unitholder's equity	20(b)	15,623	-	-	15,623
Redemptions of unitholder's equity	20(b)	-	-	-	-
Distributions to unitholders	20(c)	-	(32,988)	-	(32,988)
Total contribution and distributions to equity holders		15,623	(32,988)	-	(17,365)
Balance at 31 December 2015		2,771,575	(42,496)	(766,692)	1,962,387

31 December 2014 <i>In thousands of Naira</i>		Unit holder's equity	Retained earnings	Fair value reserves	Total equity
Balance as at 1 March 2014		-	-	-	-
Total comprehensive income for the period:					
Profit for the period		-	46,892	-	46,892
Fair value changes on available for sale financial assets	16(c)	-	-	(448,591)	(448,591)
Total comprehensive loss for the period		-	46,892	(448,591)	(401,699)
Transactions with owners, recorded directly in equity:					
Additions to unitholder's equity	20(b)	2,941,880	-	-	2,941,880
Redemptions of unitholder's equity	20(b)	(185,928)	-	-	(185,928)
Distributions to unitholders	20(c)	-	(15,940)	-	(15,940)
Total contribution and distributions to equity holders		2,755,952	(15,940)	-	2,740,012
Balance at 31 December 2014		2,755,952	30,952	(448,591)	2,338,313

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

Statement of cash flows
For the year ended 31 December 2015

<i>In thousands of Naira</i>		31-Dec-15	31-Dec-14
Cash flow from operating activities:	Note		
(Loss)/profit for the year / period		(40,460)	46,892
Income tax expense	13	8,944	11,903
Profit before tax		(31,516)	58,795
<i>Adjustment for:</i>			
Interest income	9	(4,225)	(1,965)
Dividend income	8	(89,438)	(119,593)
Fair value loss/(gain) on financial assets	11	87,898	(14,490)
		(37,282)	(77,253)
<i>Changes in:</i>			
-Accounts payable	19(b)	(4,237)	20,714
-Accounts receivable	18(b)	46	(558)
-Financial investments	16(d)	23,506	(2,342,838)
Cash used in operations		(17,967)	(2,399,935)
Interest received	9	4,225	1,965
Dividend received	8	89,438	119,593
Withholding tax paid	13	(8,944)	(11,903)
Net cash generated from/ (used in) operating activities		66,753	(2,290,280)
Cash Flows from financing activities			
Distribution paid to unitholders	20(b)(ii)	(32,988)	(15,940)
Inflows from subscription	20(b)(ii)	15,623	2,493,289
Outflows on redemption of units	20(b)(ii)	-	(185,928)
Net Cash flow (used in) / generated from financing activities		(17,365)	2,291,421
Net Increase in cash and cash equivalents		49,388	1,141
Cash and Cash equivalents as at 1 January		1,141	-
Cash and Cash equivalents as at 31 December	15	50,529	1,141

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

Notes to the financial statements
For the year ended 31 December 2015

1 Reporting entity

The Vetiva Griffin 30 Exchange Traded Fund ("the Fund") is an open ended exchange traded Fund that operates in Nigeria. 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 Union Trustees Limited as its Trustees. The address of the Fund's registered office is 266b Kofo Abayomi Street, Victoria Island Lagos. The Fund tracks the NSE 30 index. The NSE 30 index comprises the top 30 Companies listed in the Nigerian Stock Exchange in terms of market capitalization and liquidity (high frequency of trading of the shares).

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

2 Basis of preparation

(a) Statement of compliance with IFRS

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) prevailing as at 31 December 2015. Additional information required by local regulations is included where appropriate. The financial statements comply with 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 26 April 2016.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except financial instruments measured at fair value. 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. All financial information presented in Naira have been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that can 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 significant areas of estimation, uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 6 to the financial statements.

3 Changes in accounting policies

There were no changes in the accounting policies. The new standards and amendments to standards that became effective in the financial year had no impact on the Fund

Notes to the financial statements (cont'd)

4 Statement of significant accounting policies

(a) Financial assets and liabilities

(i) Introduction

Financial instruments include all financial assets and liabilities. These instruments are typically held for liquidity, investment, or trading purposes. All financial instruments are initially recognized at fair value plus directly attributable transaction costs, except those carried at fair value through profit or loss where transaction costs are recognized immediately in profit or loss. Financial instruments are recognized (derecognized) on the date the Fund commits to purchase (sell) the instruments (trade date accounting).

(ii) Classification, initial and subsequent measurement

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

The Fund classifies its financial assets and liabilities into the following categories:

- Financial assets at available-for-sale - Investment securities
- Financial assets at fair value through profit or loss - Investment securities
- Loans and receivables - Cash and cash equivalents and receivables
- Financial liabilities - Account payables

Financial assets at available-for-sale

Financial assets classified by the Fund as available-for-sale financial assets are generally those that are not designated as another category of financial assets, or strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are subsequently measured at fair value with the exception of unquoted equity investments whose fair value cannot be reliably measured which are carried at cost. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in fair value reserve in other comprehensive income until the financial asset is derecognised or impaired. When available-for-sale financial assets are disposed off, the fair value adjustments accumulated in other comprehensive income are recognized in profit or loss.

Financial assets at fair value through profit or loss

Financial assets designated at fair value through profit or loss at inception are financial assets that are not classified as held for trading but are managed, and their performance is evaluated, on a fair value basis in accordance with the Fund's documented investment strategy. These assets are managed, evaluated and reported internally on a fair value basis.

The Fund's policy requires the Investment Manager and the Board of Directors to regularly evaluate information about these financial assets measured at fair value together with other related financial information. These financial assets are expected to be realised within 12 months of the statement of financial position date.

Financial assets at fair value through profit and loss are subsequently measured at fair value with changes in fair value recorded in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the Fund intends to sell immediately or in the short term, which are classified as held for trading and those that the Fund upon initial recognition, designates as fair value through profit or loss;
- those that the Fund upon initial recognition designates as available for sale; or those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

The Fund has the following instruments classified as loans and receivables:

- Cash and cash equivalents
- Accounts receivable

Notes to the financial statements (cont'd)

• **Cash and cash equivalents**

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of less than ninety days from the acquisition date. These financial instruments can be converted to a known amount of cash, 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.

• **Accounts receivable**

Accounts receivable comprises dividend income earned but not yet received by the Fund.

Subsequent measurement

Loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Other liabilities

Other liabilities are financial liabilities that are not classified as held-for-trading or designated at fair value through profit or loss. These financial liabilities are measured initially and subsequently at other amortised cost. Other liabilities comprise balances due to the Fund Manager, Trustees, Registrars, Custodians, Auditors to the Fund, and other creditors.

(iii) **Amortised cost measurement and effective interest**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at subsequent measurement plus or minus the cumulative amortisations using the effective interest rate methods of any difference between the initial amount recognized and the maturity amount minus any reduction for impairment.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable, and interest paid or payable, are recognized in profit or loss as interest income and interest expense, respectively.

Origination transaction costs and origination fees received that are integral to the effective rate are capitalized to the value of the loan and amortized through interest income as part of the effective interest rate.

(iv) **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 best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Fund determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis during the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Notes to the financial statements (cont'd)

(v) Impairment of financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date, to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is impaired and impairment losses are recognized if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the amount due on terms that the Fund would not otherwise consider, indications that a borrower or issuer will enter bankruptcy or adverse changes in the payment status of the borrower.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flow discounted at the assets original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on impaired assets continue to be recognized. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In addition, an available-for-sale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred. The Fund considers a decline of 20% to be significant, and a period of nine months to be prolonged. Where an available-for-sale asset, which has been remeasured to fair value directly through equity, is impaired, the impairment loss is recognized in profit or loss. If any loss on the financial asset was previously recognized directly in equity as a reduction in fair value, the cumulative net loss that had been recognized in equity is transferred to profit or loss and is recognized as part of the impairment loss. The amount of the loss recognized in profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognized impairment loss.

If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized, where the instrument is a debt instrument, the impairment loss is reversed through profit or loss. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through profit or loss but accounted for directly in equity.

(vi) Derecognition

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it 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 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 recognized in profit or loss.

The Fund enters into transactions whereby it transfers assets recognized 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 derecognized. 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, cancelled or expire.

(vii) 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.

Incomes and expenses are presented on a net basis only when permitted under International Financial Reporting Standards (IFRS), e.g. for gains and losses from financial instruments at available for sale.

Notes to the financial statements (cont'd)

(b) Interest income

Interest income and expense, including interest income from non-derivative financial assets at fair value through profit or loss, are recognized in profit or loss, using the effective interest method.

(c) Dividend income and expense

Dividend income is recognized 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 recognized in profit or loss as a separate line item.

(d) Net gains/losses on investments

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, and dividend expense.

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 recognized over the period in which the services are rendered, in accordance with the substance of the Trust Deed and relevant agreements.

(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 recorded at amortised cost are part of the amortised cost value and amortised over the life of the financial instrument.

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

(g) Taxation

Dividend income received by the Fund is subject to withholding tax. Dividend income are therefore recorded gross of such taxes and the corresponding withholding tax is recognized as tax expense. The withholding tax borne on dividend is treated as final tax.

(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
- 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

Notes to the financial statements (cont'd)

- 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. Incremental costs directly attributable to the issue or redemption of units are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

(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 as an adjustment to 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 unit holders and the total number of units outstanding for the effects of all dilutive potential units.

(j) 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 or the Fund has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or the amount cannot be reliably estimated. Contingent liabilities are disclosed in the financial statements.

(k) Standards and interpretations issued but not yet effective

A number of new standards, amendments and interpretations are effective for annual periods beginning after 1 January 2016 and have not been applied in preparing these financial statements. None of these standards is expected to have a significant effect on the financial statements of the Fund, except for the following:

(i) IFRS 9 - Financial Instruments

(effective: Annual periods beginning on or after 1 January 2018)

IFRS 9 addresses the recognition, derecognition, classification and measurement of financial assets and financial liabilities. In respect of financial assets, IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The classification and measurement of financial liabilities have remained as per IAS 39 with the exception of financial liabilities designated at fair value through profit or loss where the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income.

Early adoption of standards

The Fund did not early adopt new or amended standards in 2015.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Fund.

Notes to the financial statements (cont'd)

5 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 a discretionary 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 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 changes in actual market prices.

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

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

(i) Market price risk

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 2015 is shown in note 17

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

	31-Dec-15	31-Dec-14
Carrying value (in thousands of Naira)	1,927,823	2,357,328
Impact of price movement on net assets:		
+ 1%	19,278.23	23,573.28
+ 2%	38,556.46	47,146.56
+ 5%	96,391.15	117,866.40
- 1%	(19,278.23)	(23,573.28)
- 2%	(38,556.46)	(47,146.56)
- 5%	(96,391.15)	(117,866.40)

b Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has to the Fund resulting in a financial loss.

The Fund is subject to credit risk from its holdings in money market placements. 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 2015, the Fund had placements totaling N50 million with banks.

Notes to the financial statements (cont'd)

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 'A' (2014: 'A') based on Agosto & 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 2015, 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 liabilities at the reporting date. The amounts are gross and undiscounted.

31 December 2015		Contractual cash flows				
<i>In thousands of Naira</i>	Note	Carrying amount	Total	Less than 3 months	3 - 6 months	6 months - 1 year
Cash and cash equivalents	15	50,529	50,529	50,529	-	-
Account receivables	18	512	512	512	-	-
Total financial assets		51,041	51,041	51,041	-	-
Account payable	19	16,477	16,477	16,477	-	-
Total financial liabilities		16,477	16,477	16,477	-	-
Gap (assets-liabilities)		34,564	34,564	34,564	-	-
Cumulative liquidity gap				34,564	34,564	34,564

31 December 2014		Carrying amount	Total	Less than 3 months	3 - 6 months	6 months - 1 year
<i>In thousands of Naira</i>	Note					
Cash and cash equivalents	15	1,141	1,141	1,141	-	-
Account receivables	18	558	558	558	-	-
Total financial assets		1,699	1,699	1,699	-	-
Account payable	19	20,714	20,714	20,714	-	-
Total financial liabilities		20,714	20,714	20,714	-	-
Gap (assets-liabilities)		(19,015)	(19,015)	(19,015)	-	-
Cumulative liquidity gap				(19,015)	(19,015)	(19,015)

Notes to the financial statements (cont'd)

6 Uses of estimates and judgments

(a) Key sources of estimation uncertainty

(i) *Determining fair value*

The determination of fair value for financial assets and liabilities for which there is no observable market prices requires the use of valuation techniques as described in note 4(a)(iv). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(b) 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 4(a)(ii).
- The unit holders interest is classified as equity, as the Fund has determined that it has met the criteria for this designation set out in note 4(h)(i).

(ii) *Valuation of financial instruments*

The Fund's accounting policy on fair value measurement is discussed in note 4(a)(iv).

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

- (i) Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.
- (ii) Level 2 : Valuation techniques based on observable inputs, either directly; (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using : quoted market prices in active markets for similar instruments ; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- (iii) Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments the Fund determines fair values using valuation techniques. Valuation techniques include net present value and discounted cashflow 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 produce 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 statements (cont'd)

31 December 2015

In thousands of Naira

	Note	Level 1	Level 2	Level 3	Total
Equity investment	16	1,927,823	-	-	1,927,823
		1,927,823	-	-	1,927,823

31 December 2014

In thousands of Naira

	Note	Level 1	Level 2	Level 3	Total
Equity Investment	16	2,326,990	-	-	2,326,990
Treasury bills		30,338	-	-	30,338
		2,357,328	-	-	2,326,990

Financial assets and liabilities not measured at fair value, the fair value approximates the carrying value at yearend.

7 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 2015

In thousands of Naira	Note	At fair value			Financial liabilities	Total carrying
		At available for sale	through profit or loss	Loans and receivables		
Cash and cash equivalents	15	-	-	50,529	-	50,529
Investment securities	16	1,927,823	-	-	-	1,927,823
Accounts receivable	18	-	-	512	-	512
		1,927,823	-	51,041	-	1,978,864
Accounts payables	19	-	-	-	16,477	16,477
		-	-	-	16,477	1,962,387

31 December 2014

In thousands of Naira	Note	At fair value			Financial liabilities	Total carrying
		At available for sale	through profit or loss	Loans and receivables		
Cash and cash equivalents	15	-	-	1,141	-	1,141
Investment securities	16	2,326,990	30,338	-	-	2,357,328
Accounts receivable	18	-	-	558	-	558
		2,326,990	30,338	1,699	-	2,359,027
Accounts payables	19	-	-	-	20,714	20,714
		-	-	-	20,714	2,338,313

Notes to the financial statements (cont'd)

8 Dividend Income	31-Dec-15	31-Dec-14
<i>In thousands of Naira</i>	<i>(12 months)</i>	<i>(10 months)</i>
Income from equity investments	89,438	119,593
Total	89,438	119,593
9 Interest Income	31-Dec-15	31-Dec-14
<i>In thousands of Naira</i>	<i>(12 months)</i>	<i>(10 months)</i>
<i>Income on financial instruments designated at fair value through profit or loss:</i>		
Treasury bills	3,946	1,596
<i>Interest income on financial instruments carried at amortised cost:</i>		
Cash and Cash equivalent	279	369
Total	4,225	1,965
10 Net (loss)/gain on financial assets at fair value through profit or loss	31-Dec-15	31-Dec-14
<i>In thousands of Naira</i>	<i>(12 months)</i>	<i>(10 months)</i>
Treasury bills	-	(337)
Total	-	(337)
11 Other (losses) / gains	31-Dec-15	31-Dec-14
<i>In thousands of Naira</i>	<i>(12 months)</i>	<i>(10 months)</i>
<i>Net (loss)/gain from financial assets designated as at fair value through OCI:</i>		
<i>Equity investments:</i>		
Loss from sale	(17,103)	14,490
Reclassified from OCI	(87,898)	-
Total	(105,001)	14,490
12 Other operating expenses	31-Dec-15	31-Dec-14
<i>In thousands of Naira</i>	<i>(12 months)</i>	<i>(10 months)</i>
IPO expenses	-	58,956
Other sundry expenses	(1,948)	849
CSCS fees	531	621
Auditor's remuneration	1,575	2,357
Custodian fees	2,078	2,562
Trustee's fees	2,078	1,994
Management fees	4,193	4,620
Trading expenses	5,743	-
NSE licensing fees	5,928	4,957
Total	20,178	76,916

13 Income tax expense

The Fund is exempt from paying income taxes under the current system of taxation in Nigeria. However, dividend income received by the Fund are subject to withholding tax in Nigeria. During the year, the withholding tax rate was 10% (2014: 10%). The total withholding tax paid during the year was N8.94 million (2014: N11.9million).

14 Earnings per unit

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

Notes to the financial statements (cont'd)

<i>In thousands of Naira</i>	31-Dec-15 (12 months)	31-Dec-14 (10 months)
(Loss) / Profit for the year	(40,460)	46,892
Number of units as at year end ('000) (see note 20(b))	150,400	149,400
Earnings per unit (kobo)	(27)	31

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.

15 Cash and cash equivalents

Cash and cash equivalents comprise:

<i>In thousands of Naira</i>	31-Dec-15 (12 months)	31-Dec-14 (10 months)
Cash balances with banks	893	1,141
Placements with banks	49,636	-
Total	50,529	1,141

16 Investment securities

<i>In thousands of Naira</i>	31-Dec-15 (12 months)	31-Dec-14 (10 months)
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(a) Analysis of investment securities:

At fair value through other comprehensive income:

Quoted investments (see note (b) and note 17 below)

1,927,823 2,326,990

At fair value through profit or loss:

Treasury bills

- 30,338

Total

1,927,823 2,357,328

In thousands of Naira

	31-Dec-15 (12 months)	31-Dec-14 (10 months)
Current	1,927,823	2,357,328
Non Current	-	-
Balance, end of year / period	1,927,823	2,357,328

In thousands of Naira

	31-Dec-15 (12 months)	31-Dec-14 (10 months)
(b) Equity investments comprise:		
Quoted equity securities at cost	2,694,515	2,805,919
Fair value changes (see note (c) below)	(766,692)	(448,591)
Net carrying amount	1,927,823	2,357,328

(c) The movement in fair value changes was as follows:

Balance, beginning of the year / period

(448,591) -

Change in the year / period:

- net change

(405,999) (448,591)

- transfer to profit or loss on disposal

87,898 -

Balance, end of year / period

(766,692) (448,591)

(d) Cashflow movement

<i>In thousands of Naira</i>	31-Dec-15 (12 months)	31-Dec-14 (10 months)
Opening balance	2,357,328	-
Fair value changes reclassified to profit or loss	(87,898)	14,490
Net fair value changes in OCI	(318,101)	-
Changes in financial assets	(23,506)	2,342,838
Closing	1,927,823	2,357,328

Notes to the financial statements (cont'd)

17 Investment portfolio

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

<i>In thousands of Naira</i>		31 December 2015		
	Sector	Market value	% of total quoted securities	% of total investments
Transnational Corporation Of Nig Plc	Conglomerates	14,653	0.76%	0.74%
U A C Nigeria Plc	Conglomerates	9,923	0.51%	0.50%
Julius Berger Plc	Construction/Real Estate	38,225	1.98%	1.93%
7Up	Consumer Goods	29,026	1.51%	1.47%
Cadbury Plc	Consumer Goods	8,019	0.42%	0.41%
Dangote Sugar Refinery Plc	Consumer Goods	18,015	0.93%	0.91%
Flour Mills Plc	Consumer Goods	13,589	0.70%	0.69%
Guinness Nigeria Plc	Consumer Goods	45,139	2.34%	2.28%
International Breweries Plc	Consumer Goods	13,114	0.68%	0.66%
Nigerian Breweries Plc	Consumer Goods	268,473	13.93%	13.58%
Nestle Foods Plc	Consumer Goods	169,715	8.80%	8.58%
P.Z. Industries Plc	Consumer Goods	25,405	1.32%	1.28%
Unilever Nigeria Plc	Consumer Goods	40,737	2.11%	2.06%
Access Bank Of Nigeria Plc	Financial Services	27,631	1.43%	1.40%
Diamond Bank Plc	Financial Services	13,262	0.69%	0.67%
Ecobank Transnational Incorporated	Financial Services	71,172	3.69%	3.60%
FBN Holdings Plc	Financial Services	45,845	2.38%	2.32%
FCMB Group Plc	Financial Services	8,332	0.43%	0.42%
Guaranty Trust Bank	Financial Services	133,211	6.91%	6.74%
Stanbic IBTC Holdings Plc	Financial Services	41,154	2.13%	2.08%
Sterling Bank	Financial Services	13,117	0.68%	0.66%
United Bank For Africa	Financial Services	27,754	1.44%	1.40%
Union Bank Of Nigeria	Financial Services	29,093	1.51%	1.47%
Zenith International Bank Plc	Financial Services	109,823	5.70%	5.55%
Dangote Cement Plc	Industrial Goods	436,608	22.65%	22.08%
West African Portland Cement	Industrial Goods	109,772	5.69%	5.55%
Forte Oil Plc	Oil And Gas	107,009	5.55%	5.41%
Mobil	Oil And Gas	14,364	0.75%	0.73%
Oando Plc	Oil And Gas	17,678	0.92%	0.89%
Seplat	Oil And Gas	27,964	1.45%	1.41%
Total quoted securities		1,927,823	100.00%	97.49%
Placement		49,636		2.51%
Total investments		1,977,459		100.00%

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

<i>In thousands of Naira</i>		31 December 2015	
Sector	Market value	% of total quoted securities	
Conglomerates	24,576	1.27%	
Construction/Real Estate	38,225	1.98%	
Consumer Goods	631,233	32.74%	
Financial Services	520,393	26.99%	
Industrial Goods	546,380	28.34%	
Oil And Gas	167,015	8.66%	
Total	1,927,823	100.00%	

Notes to the financial statements (cont'd)

18 Accounts receivable

<i>In thousands of Naira</i>	31-Dec-15 (12 months)	31-Dec-14 (10 months)
Dividend receivable	512	558
Total	512	558

(b) Cashflow movement:

<i>In thousands of Naira</i>	31-Dec-15 (12 months)	31-Dec-14 (10 months)	Changes
Dividend receivable	512	558	46
Net cash movement	512	558	46

19 Accounts payable

<i>In thousands of Naira</i>	31-Dec-15 (12 months)	31-Dec-14 (10 months)
Management fees payable	345	1,439
Professional fee payable	6,866	10,531
Other account payable	9,266	8,744
	16,477	20,714
<i>In thousands of Naira</i>	31-Dec-15 (12 months)	31-Dec-14 (10 months)
Current	16,477	20,714
Non Current	-	-
Balance, end of year / period	16,477	20,714

(b) Cashflow movement:

<i>In thousands of Naira</i>	31-Dec-15 (12 months)	31-Dec-14 (10 months)	Changes
Management fees payable	345	1,439	(1,094)
Professional fee payable	6,866	10,531	(3,665)
Other account payable	9,266	8,744	522
Net cash movement	16,477	20,714	(4,237)

20 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 Union Trustees Nigeria Limited as Trustees. The Fund's total unit capital is 150,400,000 ordinary 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 period were as follows:

(i) Number of units

<i>In thousands of Units</i>	31-Dec-15 (12 months)	31-Dec-14 (10 months)
Balance at 1 January	149,400	-
Subscription of units during the year / period	1,000	159,400
Redemption of units during the year / period	-	(10,000)
Balance at 31 December	150,400	149,400

Notes to the financial statements (cont'd)

(ii) Net assets attributable to unitholders
2015

<i>in thousands of naira</i>	Unitholders' equity at par	Retained earnings	Fair value reserves	Total
Balance as at 1 January 2015	2,755,952	30,952	(448,591)	2,338,313
Subscription during the year	15,623	-	-	15,623
Redemption of units by unit holders	-	-	-	-
Fair value	-	-	(318,101)	(318,101)
Distributions to unit-holders	-	(32,988)	-	(32,988)
Loss for the year	-	(40,460)	-	(40,460)
As 31 December 2015	2,771,575	(42,496)	(766,692)	1,962,387
Net asset value per unit (Naira)				13.05

2014

<i>in thousands of naira</i>	Unitholders' equity	Retained earnings	Fair value reserves	Total
Opening balance	-	-	-	-
Subscription during the year	2,941,880	-	-	2,941,880
Redemption of units by unit holders	(185,928)	-	-	(185,928)
Fair value	-	-	(448,591)	(448,591)
Distributions to unit-holders	-	(15,940)	-	(15,940)
Profit for the period	-	46,892	-	46,892
As 31 December 2014	2,755,952	30,952	(448,591)	2,338,313
Net asset value per unit (Naira)				15.65

(c) Distribution paid to unitholders

The distribution paid in 2015 was N32.99 million comprising N14.94 million for 2014 final dividend and N18.05 million for 2015 interim dividend (2014 interim: N15.94 million). The distribution for the fund is payable semi-annually in accordance with the Trust Deed of the Fund.

21 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 summarize the total unit holding of related parties:

Name	Units held as at	
	31-Dec-15	31-Dec-14
Vetiva Capital Management Limited	2,069,200	5,000,000
Vetiva Securities Limited	85	1,304,908
Vetiva Fund Managers Limited	5,000,000	5,000,000

No units were held by Key management personnel as at 31 December 2015.

Notes to the financial statements (cont'd)

a) Transactions with related parties

i. Management fees

The Fund is managed by Vetiva Fund Managers Limited ("the Fund Manager"), an investment management company incorporated in Nigeria and domiciled in Lagos. Under the terms of the management agreement, the Fund appointed Vetiva Fund Managers Limited as an Investment Manager to provide Fund management services to the Fund. Vetiva Fund Managers Limited receives a fee based on an annual rate of 0.2% of the net asset value of the Fund accrued daily and payable quarterly. Total management fees for the year amounted to N4.19 million (2014: N4.62 million) of which N0.34 million (2014: N1.4 million) has not been paid as at year end.

ii. Other transactions

The Fund's broker is Vetiva Securities Limited and during the year the amount paid to Vetiva Securities Limited as brokerage fees and commission amounted to N2.4 million.

iii. UBA Plc (Global Investors Services)

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 period was N2.08 million (2014: N2.56 million)

iv. Union Trustees Limited

Union Trustees 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 period was N2.08 million (2014: N1.99 million)

22 Contingencies

There were no contingent assets and liabilities as at 31 December 2015 (2014: Nil).

23 Claims and litigations

There were no claims and litigations as at 31 December 2015 (2014: Nil).

24 Events after the reporting period

There are no events after the reporting that require recognition and/or disclosure in the financial statements.

25 Capital commitments after reporting date

The Fund had no capital commitments as at 31 December 2015 (2014: Nil).

OTHER NATIONAL DISCLOSURES

Other National information

Value added statement

<i>In thousands of Naira</i>	31-Dec-15	%	31-Dec-14	%
Total revenue	(11,338)		135,711	
Bought in goods and services- Local	(6,086)		(8,784)	
	(17,424)		126,927	
Applied to pay:				
Government as taxes	8,944	(51)	11,903	(51)
Fund Manager and other parties to the Fund	14,092	(81)	68,132	(81)
(Depletion)/Retained in the Fund to (deplete)/augment reserves	(40,460)	232	46,892	232
Value (eroded)/added	(17,424)	100	126,927	100