

VETIVA GRIFFIN 30 EXCHANGE TRADED FUND
ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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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 2016

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 independent auditor's report for the year ended 31 December 2016.

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 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 2016, with UACN Plc replacing Glaxo Smithkline Consumer (Nig) 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>	31 December 16	31 December 15
Loss before tax	(51,352)	(31,516)
Income tax expense	(5,958)	(8,944)
Loss for the year	(57,310)	(40,460)
Loss per unit (kobo)	(38)	(27)

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 2016. However, the distribution has not been effected as at 31 December 2016. Withholding tax will be deducted at the time of payment. An interim distribution of 15 kobo per unit was paid out for the period ended 30 June 2016.

Fund manager's report (cont'd)

MARKET REVIEW AND OUTLOOK

REVIEW:

The performances of the Equities and Fixed Income Capital Market remained constrained by macroeconomic challenges. Gross Domestic Product (GDP) figures for full year 2016 showed real GDP Growth of -1.5% (2015: 2.8%) with malaise present in both oil (-13.7%) and non-oil (-0.2%) sectors. Already reeling from the oil price slump since mid-2014, the economy was further buffeted by several negative economic factors during the year. These include currency weakness & dollar scarcity (year close, USD305.25/NGN), depressed consumer demand amidst an inflationary environment (2016 Average inflation rate 15.6%, a decade high), and unexpectedly lower oil production.

The Nigerian equity market tanked further in 2016, returning -6.2% for the year. One of the very few positives of the year was perhaps the smaller magnitude of erosion in value compared to the two preceding years (2014: -16.14%, 2015: -17.36%) and the modest recovery recorded towards the end of the year as it somewhat suggests some easing in the bearish momentum. More importantly, the longstanding strong positive correlation between oil prices and the performance of the Nigerian equity market was severely tested as a string of pressing domestic issues - economic contraction, rising inflation, FX liquidity constraints, weak oil volumes, policy uncertainty - proved more critical in investment decisions.

OUTLOOK:

We believe that an improvement in the macroeconomic environment will remain pivotal to financial market performance in 2017. With a few of the challenges possibly at their worst, we expect modest improvement in major economic indicators - consequently improving investor confidence and market sentiment. We also expect this to pave the way for slightly more intense bargain hunting through the year, particularly as the stock market continues to hover around recent lows (NSE ASI down c.35% in the last three years). Overall, we expect the Nigerian bourse to post a modest recovery within the range of 5% and 10% for 2017.

Auditors

The Auditors, KPMG Professional Services, have indicated their willingness to continue in office.

BY ORDER OF THE BOARD OF DIRECTORS OF THE FUND MANAGER



Chuka Eseka
Chairman
(FRC/2013/ICAN/00000003262)
Vetiva Fund Managers Limited
05 May 2017



Damilola Ajayi
MD / CEO
(FRC/2013/ICAN/00000004412)
Vetiva Fund Managers Limited
05 May 2017

Statement of Fund Manager's responsibility in relation to the financial statements for the year ended 31 December 2016

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.

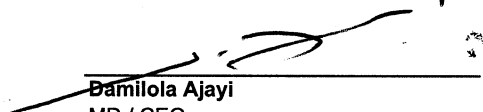
The Fund Manager further accepts responsibility for maintaining adequate accounting records as required by the Financial Reporting Council of Nigeria Act 2011 and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from 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)
Vetiva Fund Managers Limited
05 May 2017

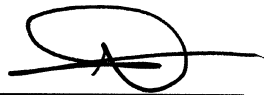


Damilola Ajayi
MD / CEO
(FRC/2013/ICAN/00000004412)
Vetiva Fund Managers Limited
05 May 2017

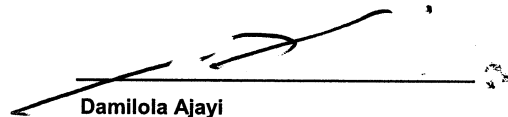
Certification of Accounts by Directors of the Fund Manager

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 Eseka
Chairman
(FRC/2013/ICAN/00000003262)
Vetiva Fund Managers Limited
05 May 2017



Damilola Ajayi
MD / CEO
(FRC/2013/ICAN/00000004412)
Vetiva Fund Managers Limited
05 May 2017

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 2016.

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 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 2016 is as follows;

In thousands of Naira	31 December 16	31 December 15
Net Assets Value	1,827,579	1,962,387

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

In thousands of Naira	31 December 16	31 December 15
(Loss) / Profit for the year	(57,310)	(40,460)

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 2016.

Liaison Offices

Abuja: None of the directors of Union Trustees Limited has any direct or indirect beneficial interest in the units of the Fund.
Plot 75, Ralph Shodeinde Street, 4th Floor, Room 4-12
Edo House

Central Business District,
Abuja.
Phone: 08034000512013/NBA/00000003285
08098999999

Port-Harcourt

Union Trustees Limited
26 April 2017
UPDC Office Complex,
26, Aba Road,
Port-Harcourt
Phone: 09063511986,
09077793542
D/L: 08123927001

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.

BY ORDER OF THE TRUSTEES

Union Trustees Limited

26 April 2017


OLUFUNKE AIYEPOLA (Mrs.)

FRC/2013ANBA/00000003285

Union Trustees Limited

26 April 2017

**KPMG Professional Services**

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

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

INDEPENDENT AUDITOR'S REPORT

To the unit holders of **Vetiva Griffin 30 Exchange Traded Fund**

Opinion

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 2016, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 32.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December, 2016, 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Quoted Equity securities at fair value through other comprehensive income

The Fund's portfolio investment in quoted equity securities measured at fair value through other comprehensive income makes up 96% of the total assets of the Fund in current year. Therefore, their significant impact on the Fund's financial position and performance made these quoted equity securities a matter of focus in our audit.

Procedures

- We checked the existence of investments in quoted equity securities at year end by agreeing the portfolio investment holdings to confirmation of the Fund's investment holdings received from the custodian;
- We agreed the prices applied by Management in valuation of the portfolio to externally available quoted prices; and
- We recalculated the fair value of the investments in quoted equity securities and compared our calculation to the amount recorded by the Fund.

The Fund's accounting policy on financial assets at fair value through other comprehensive income and related disclosures and risks are shown in notes 3 (a) and 4 respectively.

Partners:

Abiola F. Bada	Adebisi O. Lamikanra	Adekunle A. Elebute	Adetola P. Adeyemi
Adelewa K. Ajayi	Ajibola O. Olomola	Ayodele A. Soyinka	Ayodele H. Othihiwa
Ayobami L. Salami	Chibuzor N. Anyanechi	Goodluck C. Obi	Ibitomi M. Adepoju
Joseph O. Tegbe	Kabir O. Okunlola	Mohammed M. Adama	Oladapo R. Okubadejo
Oladimeji I. Saladeen	Olanike I. James	Olumide O. Olayinka	Olusegun A. Sowande
Oluwafemi O. Awotoye	Oluwatoyin A. Gbagi	Oguntayo I. Ogungbenro	Victor U. Onyenkpa

Associate Partners:

Nneka C. Eluma Temitope A. Onitiri



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 Trustees' Report, for which the Board of Directors of the Trustees is responsible; and the following for which the Board of Directors of the Fund Manager is responsible - Fund Information, Fund Manager's Report, Statement of Fund Manager's Responsibilities in relation to the financial statements, Certification by the Fund Manager and Other National Disclosures; but does not include the financial statements and our audit report thereon.

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

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

Responsibilities of the Board of Directors of the Fund Manager for the Financial Statements

The Board of directors of the Fund Manager are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the Board of directors of the Fund Manager 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 Board of directors of the Fund Manager 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 Board of directors of the Fund Manager either intend to liquidate the Fund or to cease operations, or has 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 of the Fund Manager's 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.

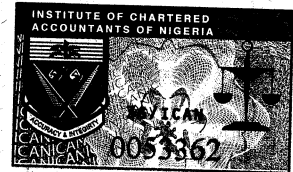
We communicate with Board of Directors of the Trustee and the Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with Board of Directors of the Trustee and 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:

Kabir O. Okunlola, FCA
FRC/ICAN/2012/00000000428
For: KPMG Professional Services
Chartered Accountants
09 May 2017
Lagos, Nigeria



**Statement of financial position
As at 31 December 2016**

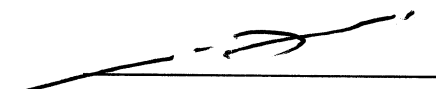
<i>In thousands of Naira</i>		31-Dec-16	31-Dec-15
Assets	Note		
Cash and cash equivalents	14	14,021	50,529
Investment Securities	15	1,837,560	1,927,823
Accounts receivable	17	133	512
Total assets		1,851,714	1,978,864
Liabilities			
Accounts payable	18	(24,135)	(16,477)
		(24,135)	(16,477)
Net assets attributable to unitholders		1,827,579	1,962,387
Represented by:			
Unitholders' equity	19(b)	2,753,147	2,771,575
Retained earnings	19(b)	(139,441)	(42,496)
Fair value deficit	19(b)	(786,127)	(766,692)
Total		1,827,579	1,962,387

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 5 May 2017 and signed on its behalf by:

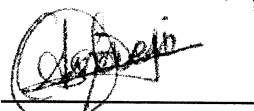


Chuka Eseka
(FRC/2014/ICAN/00000003262)
Chairman
Vetiva Fund Managers Limited



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

Additionally certified by:



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

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2016

<i>In thousands of Naira</i>		31-Dec-16	31-Dec-15
Revenue	Note		
Dividend income	7	82,963	89,438
Interest income	8	6,945	4,225
Net loss from financial assets at fair value through profit or loss	9	(783)	-
Losses on disposal of investment securities	10	(123,841)	(105,001)
Total loss		(34,716)	(11,338)
Expenses			
Other operating expenses	11	(16,636)	(20,178)
Total expenses		(16,636)	(20,178)
Loss before tax		(51,352)	(31,516)
Income tax expense	12	(5,958)	(8,944)
Loss for the year		(57,310)	(40,460)
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	15(c)	(130,937)	(405,999)
- Transfer to profit or loss on disposal	15(c)	111,502	87,898
Total comprehensive loss for the year		(76,745)	(358,561)
Loss per unit (kobo)	13	(38)	(27)

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

**Statements of changes in net assets attributable to Unitholders
As at 31 December 2016**

31 December 2016 <i>In thousands of Naira</i>	Note	Unit holder's equity	Retained earnings	Fair value reserves	Total equity
Balance as at 1 January 2016		2,771,575	(42,496)	(766,692)	1,962,387
Total comprehensive income for the year:					
Loss for the year		-	(57,310)	-	(57,310)
Fair value changes on available for sale financial assets					
- net change in fair value	15(c)	-	-	(130,937)	(130,937)
- transfer to profit or loss on disposal	10	-	-	111,502	111,502
Total comprehensive income for the year		-	(57,310)	(19,435)	(76,745)
Transactions with owners, recorded directly in equity:					
Additions to unitholder's equity	19(b)	-	-	-	-
Redemptions of unitholder's equity	19(b)	(18,428)	5,335	-	(13,093)
Distributions to unitholders	19(c)	-	(44,970)	-	(44,970)
Total contribution and distributions to equity holders		(18,428)	(39,635)	-	(58,063)
Balance at 31 December 2016		2,753,147	(139,441)	(786,127)	1,827,579

		Unit holder's equity	Retained earnings	Fair value reserves	Total equity
<i>In thousands of Naira</i>					
Balance as at 1 January 2015		2,755,952	30,952	(448,591)	2,338,313
Total comprehensive income for the year:					
Loss for the year		-	(40,460)	-	(40,460)
Fair value changes on available for sale financial assets					
- net change in fair value	15(c)	-	-	(405,999)	(405,999)
- transfer to profit or loss on disposal		-	-	87,898	87,898
Total comprehensive income for the year		-	(40,460)	(318,101)	(358,561)
Transactions with owners, recorded directly in equity:					
Additions to unitholder's equity	19(b)	15,623	-	-	15,623
Redemptions of unitholder's equity	19(b)	-	-	-	-
Distributions to unitholders	19(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

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

Statement of cash flows
For the year ended 31 December 2016

<i>In thousands of Naira</i>		31-Dec-16	31-Dec-15
Cash flow from operating activities:	Note		
Loss for the year		(57,310)	(40,460)
Income tax expense	12	5,958	8,944
Loss before tax		(51,352)	(31,516)
<i>Adjustment for:</i>			
Interest income	8	(6,945)	(4,225)
Dividend income	7	(82,963)	(89,438)
Fair value loss on financial assets		112,285	87,898
		(28,975)	(37,282)
<i>Changes in:</i>			
-Accounts payable	18(b)	7,658	(4,237)
-Accounts receivable	17(b)	379	46
-Financial investments	15(d)	(41,457)	23,506
Cash used in operations		(62,395)	(17,967)
Interest received	8	6,945	4,225
Dividend received	7	82,963	89,438
Withholding tax paid	12	(5,958)	(8,944)
Net cash generated from operating activities		21,555	66,753
Cash Flows from financing activities			
Distribution paid to unitholders	19(b)(ii)	(44,970)	(32,988)
Inflows from subscription	19(b)(ii)	-	15,623
Outflows on redemption of units	19(b)(ii)	(13,093)	-
Net Cash flow used in financing activities		(58,063)	(17,365)
Net decrease/(increase) in cash and cash equivalents		(36,508)	49,388
Cash and Cash equivalents as at 1 January		50,529	1,141
Cash and Cash equivalents as at 31 December	14	14,021	50,529

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

Notes to the financial statements
For the year ended 31 December 2016

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). 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 XX April 2017.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except financial instruments measured at fair value through OCI. 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 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.

3 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.

The Fund recognises loans and receivables on the date when they are originated. All other financial assets and liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

Notes to the financial statements (cont'd)

(ii) Classification, initial and subsequent measurement

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

- Available-for-sale financial assets - Investment securities
- Fair value through profit or loss financial assets - Investment securities
- Loans and receivables - Cash and cash equivalents and accounts receivable
- Other liabilities - Accounts payable

Available-for-sale financial assets

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.

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.

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 in other comprehensive income and accumulated in fair value reserve until the financial asset is derecognised or impaired. When available-for-sale financial assets are derecognised, the fair value adjustments accumulated in fair value reserve are reclassified to profit or loss as realised gain or loss.

Fair value through profit or loss financial assets

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 or 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.

• 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 fair value 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.

Notes to the financial statements (cont'd)

(iii) Amortised cost measurement and effective interest

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 principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised 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.

(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.

Notes to the financial statements (cont'd)

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

(b) Interest income and expense

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) Realised gains/losses on investments

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.

(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.

Notes to the financial statements (cont'd)

(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
- The total expected cash flows attributable to the instruments over its life are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized 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 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.

Notes to the financial statements (cont'd)

(k) Standards and interpretations issued but not yet effective

A number of new standards, amendments to standards, and interpretations are effective for annual periods beginning after 1 January 2017 and early application is permitted; however the Fund managers has not applied the new or amended standards in preparing these financial statements. The one standard potentially relevant to the Fund is IFRS 9 on *Financial Instrument* which is discussed below:

Standard not yet effective		Date issued by IASB	Effective date <i>Periods beginning on or after</i>	Summary of requirements and impact assessment
IFRS 9	Financial Instruments	July 2014	1 January 2018 <i>Early adoption is permitted</i>	<p>On 24 July 2014, the IASB issued the final IFRS 9 <i>Financial Instruments</i> Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.</p> <p>The Fund Manager is yet to carry-out an assessment to determine the impact that the initial application of IFRS 9 could have on the Fund; however, the Fund Manager will adopt the standard for the year beginning 1 January 2018.</p>

Notes to the financial statements (cont'd)

4 Financial risk management and fair value disclosures

Introduction and overview

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

- Market risk
- Credit risk
- Liquidity risk

Risk management framework

The Fund Manager has 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 by changes in actual market prices.

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

The Fund's investment in interest linked financial assets is limited to fixed rate instruments like placements 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 2016 is shown in note 16.

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-16	31-Dec-15
Carrying value (in thousands of Naira)	1,779,102	1,927,823
Impact of price movement on net assets:		
+ 1%	17,791	19,278
+ 2%	35,582	38,556
+ 5%	88,955	96,391
- 1%	(17,791)	(19,278)
- 2%	(35,582)	(38,556)
- 5%	(88,955)	(96,391)

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 2016, the Fund had placements totaling N4 million (2015: 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 'Aa-' (2015: 'A') based on Augusto & 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 2016, 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 2016

In thousands of Naira	Note	Carrying amount	Contractual cash flows			
			Total	Less than 3 months	3 - 6 months	6 months - 1 year
Cash and cash equivalents	14	14,021	14,021	14,021	-	-
Account receivables	17	133	133	133	-	-
Investment Securities	15	1,837,560	1,837,560	1,837,560	-	-
Total financial assets		1,851,714	1,851,714	1,851,714	-	-
Account payable	18	24,135	24,135	24,135	-	-
Net assets attributable to unitholders	19(b)(ii)	1,827,579	1,827,579	1,827,579	-	-
Total financial liabilities		1,851,714	1,851,714	1,851,714	-	-
Gap (assets-liabilities)		-	-	-	-	-
Cumulative liquidity gap		-	-	-	-	-

31 December 2015

In thousands of Naira	Note	Carrying amount	Contractual cash flows			
			Total	Less than 3 months	3 - 6 months	6 months - 1 year
Cash and cash equivalents	14	50,529	50,529	50,529	-	-
Account receivables	17	512	512	512	-	-
Investment Securities	15	1,927,823	1,927,823	1,927,823	-	-
Total financial assets		1,978,864	1,978,864	1,978,864	-	-
Account payable	18	16,477	16,477	16,477	-	-
Net assets attributable to unitholders		1,962,387	1,962,387	1,962,387	-	-
Total financial liabilities		1,978,864	1,978,864	1,978,864	-	-
Gap (assets-liabilities)		-	-	-	-	-
Cumulative liquidity gap		-	-	-	-	-

Notes to the financial statements (cont'd)

5 Uses of estimates and judgments

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

(i) Financial asset and liability classification

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

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

(ii) Valuation of financial instruments

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

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

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

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments the Fund determines fair values using valuation techniques. Valuation techniques include net present value and discounted 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 product and market and is prone to changes based on specific events and general conditions in the financial markets.

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

31 December 2016					
In thousands of Naira					
	Note	Level 1	Level 2	Level 3	Total
Quoted investments	15	1,779,102	-	-	1,779,102
Treasury bills	15	58,458	-	-	58,458
		1,837,560	-	-	1,837,560
31 December 2015					
In thousands of Naira					
	Note	Level 1	Level 2	Level 3	Total
Quoted investments	15	1,987,823	-	-	1,987,823
Treasury bills	15	-	-	-	-
		1,987,823	-	-	1,987,823

No fair value disclosures are provided for cash and cash equivalents and accounts payable that are measured at amortised cost as their carrying amounts approximate fair value.

Notes to the financial statements (cont'd)

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 2016

<i>In thousands of Naira</i>	Note	At fair value			Financial liabilities	Total carrying
		At available for sale	through profit or loss	Loans and receivables		
Cash and cash equivalents	14	-	-	14,021	-	14,021
Quoted investments	15	1,779,102	-	-	-	1,779,102
Treasury bills	15	-	58,458	-	-	58,458
Accounts receivable	17	-	-	133	-	133
		1,779,102	58,458	14,154	-	1,851,714
Accounts payable	18	-	-	-	24,135	24,135
		-	-	-	24,135	1,827,579

31 December 2015

<i>In thousands of Naira</i>	Note	At fair value			Financial liabilities	Total carrying
		At available for sale	through profit or loss	Loans and receivables		
Cash and cash equivalents	14	-	-	50,529	-	50,529
Investment securities	15	1,927,823	-	-	-	1,927,823
Accounts receivable	17	-	-	512	-	512
		1,927,823	-	51,041	-	1,978,864
Accounts payables	18	-	-	-	16,477	16,477
		-	-	-	16,477	1,962,387

Notes to the financial statements (cont'd)

7 Dividend Income

<i>In thousands of Naira</i>	31-Dec-16	31-Dec-15
Income from equity investments	82,963	89,438
Total	82,963	89,438

8 Interest Income

<i>In thousands of Naira</i>	31-Dec-16	31-Dec-15
<i>Income on financial instruments designated at fair value through profit or loss:</i>		
Treasury bills	4,780	3,946
<i>Interest income on financial instruments carried at amortised cost:</i>		
Cash and Cash equivalent	2,165	279
Total	6,945	4,225

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

<i>In thousands of Naira</i>	31-Dec-16	31-Dec-15
Fair value Loss on Treasury bills	(783)	-
Total	(783)	-

10 Losses on disposal of investment securities

<i>In thousands of Naira</i>	31-Dec-16	31-Dec-15
<i>Net loss from financial assets designated as at fair value through other comprehensive income:</i>		
Equity investments:		
Loss from sale	(12,084)	(17,103)
Transfer from other comprehensive income to profit or loss on disposal	(111,502)	(87,898)
	(123,586)	(105,001)
Loss on disposal of treasury bills	(255)	-
Total	(123,841)	(105,001)

11 Other operating expenses

<i>In thousands of Naira</i>	31-Dec-16	31-Dec-15
Other sundry expenses	890	(1,948)
CSCS fees	-	531
Auditor's remuneration	1,575	1,575
Custodian fees	2,311	2,078
Trustee's fees	1,872	2,078
Management fees	3,784	4,193
Registrars/Transfer Agent Fees	487	-
Trading expenses	-	5,743
NSE licensing fees	4,764	5,928
NSE listing fees	953	-
Total	16,636	20,178

12 Income tax expense

The Fund is exempt from paying income taxes under the current system of taxation in Nigeria. However, dividend income and interest income on fixed deposits received by the Fund are subject to withholding tax in Nigeria and represent final income tax on the profit for the year. During the year, the withholding tax rate was 10% (2015: 10%).

	31-Dec-16	31-Dec-15
Withholding tax on dividend and interest income	5,958	8,940
Total tax expense	5,958	8,940

Notes to the financial statements (cont'd)

13 Earnings per unit

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

<i>In thousands of Naira</i>	31-Dec-16	31-Dec-15
Loss for the year	(57,310)	(40,460)
Number of units as at year end ('000) (see note 19(b))	149,400	150,400
Loss per unit (kobo)	(38)	(27)

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

14 Cash and cash equivalents

Cash and cash equivalents comprise:

<i>In thousands of Naira</i>	31-Dec-16	31-Dec-15
Cash balances with banks	5,079	893
Placements with banks	8,942	49,636
Total	14,021	50,529

15 Investment securities

<i>In thousands of Naira</i>	31-Dec-16	31-Dec-15
(a) Analysis of investment securities:		
At fair value through other comprehensive income:		
Quoted investments (see note (b) below and note 17)	1,779,102	1,927,823
At fair value through profit or loss:		
Treasury bills	58,458	-
Total	1,837,560	1,927,823
<i>In thousands of Naira</i>		
Current	1,837,560	1,927,823
Non Current	-	-
Balance, end of year	1,837,560	1,927,823
<i>In thousands of Naira</i>		
(b) Equity investments comprise:		
Quoted equity securities at cost	2,565,229	2,694,515
Fair value changes (see note (c) below)	(786,127)	(766,692)
Net carrying amount	1,779,102	1,927,823
(c) The movement in fair value changes was as follows:		
Balance, beginning of the year	(766,692)	(448,591)
Change in the year:		
- net change	(130,937)	(405,999)
- transfer to profit or loss on disposal	111,502	87,898
Balance, end of year	(786,127)	(766,692)
(d) Cashflow movement		
At fair value through other comprehensive income:		
<i>In thousands of Naira</i>		
Opening balance	1,927,823	2,357,328
Fair value changes reclassified to profit or loss	(111,502)	(87,898)
Net fair value changes in other comprehensive income	(19,435)	(318,101)
Changes in financial assets	(17,784)	(23,506)
Closing	1,779,102	1,927,823

Notes to the financial statements (cont'd)

At fair value through profit or loss:

In thousands of Naira

	31-Dec-16	31-Dec-15
Opening balance	-	-
Fair value changes reclassified to profit or loss	-	-
Net fair value changes in Profit or Loss	(783)	-
Changes in financial assets	59,241	-
Closing	58,458	-

16 Investment portfolio

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

In thousands of Naira

		31 December 2016	
		% of total quoted securities	% of total investments
Sector	Market value		
Transnational Corporation Of Nig Plc	Conglomerates	13,132	0.74%
U A C Nigeria Plc	Conglomerates	10,996	0.62%
Dangote Sugar Refinery Plc	Consumer Goods	18,842	1.06%
Flour Mills Plc	Consumer Goods	12,470	0.70%
Guinness Nigeria Plc	Consumer Goods	32,140	1.81%
International Breweries Plc	Consumer Goods	15,662	0.88%
Nigerian Breweries Plc	Consumer Goods	301,554	16.95%
Nestle Foods Plc	Consumer Goods	164,999	9.27%
P.Z. Industries Plc	Consumer Goods	14,795	0.83%
Unilever Nigeria Plc	Consumer Goods	34,029	1.91%
7up	Consumer Goods	21,236	1.19%
Access Bank Of Nigeria Plc	Financial Services	43,638	2.45%
Diamond Bank Plc	Financial Services	5,238	0.29%
Ecobank Transnational Incorporated	Financial Services	48,476	2.72%
FBN Holdings Plc	Financial Services	30,902	1.74%
Fidelity Bank Plc	Financial Services	6,255	0.35%
Guaranty Trust Bank	Financial Services	186,816	10.50%
Stanbic IBTC Holdings Plc	Financial Services	38,548	2.17%
United Bank For Africa	Financial Services	41,959	2.36%
Union Bank Of Nigeria	Financial Services	23,937	1.35%
Zenith International Bank Plc	Financial Services	119,010	6.69%
Sterling Bank	Financial Services	5,623	0.32%
Dangote Cement Plc	Industrial Goods	346,228	19.46%
West African Portland Cement	Industrial Goods	57,303	3.22%
Julius Berger Plc	Infrastructure/Heavy Construction	35,555	2.00%
Forte Oil Plc	Oil and Gas	28,260	1.59%
Oando Plc	Oil and Gas	14,536	0.82%
Total	Oil and Gas	26,088	1.47%
Mobil	Oil and Gas	25,854	1.45%
Seplat	Oil and Gas	55,021	3.09%
Total quoted securities		1,779,102	100.00%
Treasury bills - 13.5% 22nd June 2017		34,231	1.85%
Treasury bills - 18.5% 16th Nov 2017		5,865	0.32%
Treasury bills - 18.1% 15th Jun 2017		18,362	0.99%
Treasury bills - 17% 2nd Feb 2017		4,926	0.27%
Total treasury bills		63,384	3.42%
Cash and cash equivalents - Placement		8,942	0.48%
Total investments		1,851,428	100.00%

Notes to the financial statements (cont'd)

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

<i>In thousands of Naira</i>		31-Dec-16
Sector	Market value	% of total quoted securities
Conglomerates	24,128	1.36%
Consumer Goods	615,727	34.61%
Financial Services	550,402	30.94%
Industrial Goods	403,531	22.68%
Infrastructure/Heavy Construction	35,555	2.00%
Oil and Gas	149,759	8.42%
Total	1,779,102	100.00%

17 Accounts receivable

<i>In thousands of Naira</i>		31-Dec-16	31-Dec-15
Dividend receivable		133	512
Total		133	512

(b) Cashflow movement:

<i>In thousands of Naira</i>	31-Dec-16	31-Dec-15	Changes
Dividend receivable	133	512	379
Net cash movement	133	512	379

18 Accounts payable

<i>In thousands of Naira</i>		31-Dec-16	31-Dec-15
Management fees payable		3,217	345
Professional fee payable		6,028	6,866
Other account payable		9,345	9,266
NSE licensing fee		3,940	-
NSE listing fee		953	-
Unclaimed Distribution		652	-
		24,135	16,477

<i>In thousands of Naira</i>		31-Dec-16	31-Dec-15
Current		24,135	16,477
Non Current		-	-
Balance, end of year		24,135	16,477

(b) Cashflow movement:

<i>In thousands of Naira</i>	31-Dec-16	31-Dec-15	Changes
Management fees payable	3,217	345	2,872
Professional fee payable	6,028	6,866	(838)
Other account payable	9,345	9,266	79
NSE listing fee	3,940	-	3,940
NSE licensing fee	953	-	953
Unclaimed Distribution	652	-	652
Net cash movement	24,135	16,477	7,658

19 Unitholders' interest

(a) The Vetiva Griffin 30 ETF is authorised and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act (ISA). The Fund is governed by a Trust Deed with Union Trustees Nigeria Limited as Trustees. The Fund's total unit capital as at year ended 31 December 2016 is 150,400,000 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.

Notes to the financial statements (cont'd)

(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

<i>In thousands of Units</i>	31-Dec-16	31-Dec-15
Balance at 1 January	150,400	149,400
Subscription of units during the year	-	1,000
Redemption of units during the year	1,000	-
Balance at 31 December	149,400	150,400

(ii) Net assets attributable to unitholders
2016

<i>in thousands of naira</i>	Unitholders' equity	Retained	Fair value deficit	Total
Balance as at 1 January 2016	2,771,575	(42,496)	(766,692)	1,962,387
Subscription during the year	-	-	-	-
Redemption of units by unit holders	(18,428)	5,335	-	(13,093)
Fair value changes due to investment securities	-	-	(19,435)	(19,435)
Distributions to unit-holders	-	(44,970)	-	(44,970)
Loss for the year	-	(57,310)	-	(57,310)
As 31 December 2016	2,753,147	(139,441)	(786,127)	1,827,579

Net asset value per unit (Naira) **12.23**

2015

<i>in thousands of naira</i>	Unitholders' equity	Retained earnings	Fair value deficit	Total
Opening balance	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 changes due to investment securities	-	-	-	-
Distributions to unit-holders	-	(32,988)	(318,101)	(351,089)
Profit 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**

(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 2016 was N44.97 million comprising N22.56 million for 2015 final dividend and N22.41 million for 2016 interim dividend (2015 interim: N18.05 million).

Notes to the financial statements (cont'd)

20 Related party transactions

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

The following summarizes the total unit holding of related parties:

Name	Units held as at	
	31-Dec-16	31-Dec-15
Vetiva Capital Management Limited	-	2,069,200
Vetiva Securities Limited	55,101	85
Vetiva Fund Managers Limited	5,000,000	5,000,000

No units were held by Key management personnel of the Fund Manager as at 31 December 2016.

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 N4.32 million (2015: N4.19 million) of which N3.22 million (2015: N0.34 million) has not been paid as at year end.

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 N2.31 million (2015: N2.08 million)

iii. Trustee fees

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 (2015: 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 N1.87 million (2015: N2.08million).

21 Contingencies

There were no contingent assets and liabilities as at 31 December 2016 (2015: Nil).

22 Claims and litigations

There were no claims and litigations as at 31 December 2016 (2015: Nil).

23 Events after the reporting period

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

24 Capital commitments after reporting date

The Fund had no capital commitments as at 31 December 2016 (2015: Nil).

OTHER NATIONAL DISCLOSURES

Other National Disclosures

Value added statement

<i>In thousands of Naira</i>	31-Dec-16	%	31-Dec-15	%
Total revenue	89,908		93,663	
Net trading loss on financial assets at fair value through profit or loss	(124,624)		(105,001)	
Bought in goods and services- Local	(8,182)		(6,086)	
	(42,898)		(17,424)	
Applied to pay:				
Government as taxes	5,958	(14)	8,944	(51)
Fund Manager and other parties to the Fund	8,454	(20)	14,092	(81)
(Depletion)/Retained in the Fund to (deplete)/augment reserves	(57,310)	134	(40,460)	232
Value (eroded)/added	(42,898)	100	(17,424)	100