

**SIAML PENSION ETF 40**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

## CONTENTS

	<b>Page</b>
Fund Information	3
Trustee's Report	4 - 6
Fund Manager's Report	7 - 8
Statement of Fund Manager's responsibilities in relation to the financial statements	9
Certification of Accounts by the Directors of the Fund Manager	10
Report of Independent auditors	11-13
Statement of Financial Position	14
Statement of Comprehensive Income	15
Statement of Changes in Net Assets attributable to Unitholders	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 - 28
Other Disclosures	29
Portfolio Statement	30
Other National Disclosures	
Value Added Statement	31
Financial Summary	32

## Fund information

### Management and Professional Advisors

\* The Fund has no employees of its own.

Fund Manager:	Stanbic IBTC Asset Management Limited
Registered Address:	IBTC Place Walter Carrington Crescent Victoria Island Lagos
Principal Place of Business:	Stanbic IBTC Towers Walter Carrington Crescent Victoria Island Lagos Tel: 234-1-2805595 E-Mail: <a href="mailto:mutualfunds@stanbicibtc.com">mutualfunds@stanbicibtc.com</a> Website: <a href="http://www.stanbicibtcassetmanagement.com">www.stanbicibtcassetmanagement.com</a>
Postal Address:	P.O.Box 71707 Victoria Island Lagos
Auditor:	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island Lagos
Company Secretary to the Fund Manager:	Olugbenro Aju Email: <a href="mailto:olugbenro.aju@stanbicibtc.com">olugbenro.aju@stanbicibtc.com</a>
Registrar:	First Registrars & Investors Services Limited No 2 Abebe Village Road Iganmu Complex Lagos
Trustee:	FBNQuest Trustees Limited 10 Keffi Street Off Awolowo Road Ikoyi Lagos
Custodian:	Standard Chartered Bank 8th Floor, 142 Ahmadu Bello Victoria Island Lagos
Directors of the Fund Manager	Demola Sogunle Busola Jejelowo Efe Omoduemuke Wunmi Ehis-Uzenabor Yinka Johnson Olufunke Amobi Olayinka David-West Ifeoma Esiri Olumide Oyetan Babatunde Majiyagbe Bridget Oyefeso-Odusami

**Report of the Trustee for the financial year ended 31<sup>st</sup> December, 2023**

The Trustees present their report on the affairs of the Stanbic IBTC Pension ETF 40 together with the audited financial statements for the year ended 31<sup>st</sup> December, 2023.

**Principal activity:** The principal activity of the Stanbic IBTC Pension ETF 40 (“the Fund”) is the subscription of funds from members of the public and companies and the investment of such funds in quoted securities to replicate as closely as possible the total returns of the Nigeria Stock Exchange Pension Index (“NSE Pension Index” or “Index”) in terms of price performance as well as income from the underlying securities of the Index in accordance with the Trustee Investments Act, the Investments and Securities Act, and the Securities and Exchange Commission’s Rules and Regulations, The Trust Deed and Supplemental Deeds thereto (“the Applicable Regulations”).

**Results:** The results for the year are set out on Pages 14-17.

<b>Directors:</b>	Dr. Demola Sogunle	Chairman
	Mrs. Busola Jejelowo	Chief Executive (Designate)
	Mr. Efe Omoduemuke	Executive Director
	Mrs. Yinka Johnson	Executive Director
	Mrs. Wunmi Ehis-Uzenabor	Executive Director
	Prof. Olayinka David-West	Independent Non- Executive Director
	Mrs. Ifeoma Esiri	Non- Executive Director
	Mrs. Olufunke Amobi	Non- Executive Director
	Mrs. Bridget Oyefeso-Odusami	Non-Executive Director
	Mr. Babatunde Majiyagbe	Non-Executive Director
	Mr. Olumide Oyetan	Non-Executive Director

**Directors' and related parties interest in the units of the Fund:** None of the Directors of Stanbic IBTC Asset Management Limited has any direct or indirect beneficial interest in the units of the Fund as at 31<sup>st</sup> December, 2023.

None of the directors of FBNQuest Trustees Limited has any direct or indirect beneficial interest in the units of the Fund as at 31<sup>st</sup> December, 2023.

The Fund Manager’s beneficial interest in the units of the Fund as at 31 December 2023 was 1.5million units.

**STANBIC IBTC PENSION ETF 40**  
**MANAGED BY STANBIC IBTC ASSET MANAGEMENT LIMITED**

***Responsibilities of  
the Fund Manager:***

The Investments and Securities Act, 2007 requires the Fund Manager to keep proper books of account and prepare annual financial statements which give a true and fair view of the state of affairs of the unit trust scheme during the period covered by the financial statements.

In our opinion, the Fund Manager has in preparing the financial statements:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that were reasonable and prudent;
- ensured that the applicable accounting standards have been followed, and in the case of any material departure, that it was fully disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis; since it was appropriate to assume that the Fund shall continue to exist.

The Fund Manager was responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any point in time, the financial position of the Fund, and enable the Fund Manager to ensure that the financial statements comply with the Applicable Regulations.

The Fund Manager is also responsible for maintaining adequate financial resources to meet its commitments and to manage the risks to which the Fund is exposed.

***Responsibilities of  
the Trustee:***

The responsibilities of the Trustee as provided by the Trust Deed and other Supplemental thereto, the Securities and Exchange Commission's Rules and Regulations made pursuant to the Investments and Securities Act, 2007 are as stated below:

- Monitoring of the activities of the Fund Manager and the custodian on behalf of and in the interest of the Unit Holders;
- Ensuring that the Custodian takes into custody all of the scheme's assets and holds it in trust for the holders in accordance with the Trust Deed and the Custodial Agreement;
- Monitoring the register of unit holders or contributors;
- Ascertaining the Fund Manager's compliance with the Applicable Regulations;
- Ascertaining that the monthly and other periodic returns/reports relating to the Fund are sent by the Fund Manager to the Commission;

**STANBIC IBTC PENSION ETF 40**  
**MANAGED BY STANBIC IBTC ASSET MANAGEMENT LIMITED**


- Exercising any right of voting conferred on it as the registered holder of any investment and/or forward to the fund manager within a reasonable time all notices of meetings, reports, circulars, proxy solicitations and any other document of a like nature for necessary action;
- Ensuring that fees and expenses of the fund is within the prescribed limits; and
- Acting at all times in the interest and for the benefit of unit holders of the scheme.

**Administration of the Fund:** During the year under review, the Fund was administered in accordance with the applicable regulations, taking into cognisance prevailing market conditions as well as preserving and minimising possible losses to unit holders' funds.

**Charitable donations:** The Fund did not make any charitable donations during the year (2022:Nil).

**Auditors:** Messrs KPMG Professional Services, Chartered Accountants, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Fund. In accordance with Section 184(1) of the Investment and Securities Act, 2007 therefore, the auditors will be re-appointed.

**By Order of the Trustee**



**Adekunle Awojobi**  
**FRC/ICAN/2013/00000002442**  
**Managing Director**  
**FBNQuest Trustees Limited**  
**16 Keffi Street, Off Awolowo Road**  
**Ikoyi, Lagos**  
**28 March, 2024**

# Stanbic IBTC Pension ETF 40 FUND

## Annual Report for the year ended 31 December 2023

### Fund Manager's Report

#### Fund Manager's Review

The SIAML Pension ETF 40 is an exchange traded fund registered with the Securities and Exchange Commission ("SEC"). It was listed on the floor of the Nigerian Stock Exchange on 24 January 2017.

#### FUND OBJECTIVE

The investment objective of the Fund is to replicate as closely as possible; before fees and expenses, the total return of The Nigerian Exchange Limited Pension Index ("NGX Pension Index" or "Index") in terms of price performance as well as income from the underlying securities of the Index. The Fund invests 100% of its assets in the same portfolio of securities that comprise the NGX Pension Index in proportion to their weightings in the Underlying Index.

In addition, during the year a total dividend distribution of N4.94 was paid to all unitholders registered in the books of the Fund as at the record date of the distribution.

#### ABOUT THE BENCHMARK

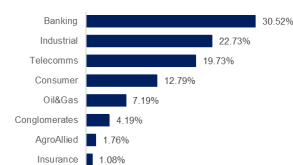
The NGX pension tracks the top 40 companies in terms of market capitalization and liquidity. It is a total return index and is weighted by adjusted market capitalization.

#### Performance (%)

Period	FY	FY	FY	FY	3 Years
	2023	2022	2021	2020	
<b>NAV Return*</b>	71.19%	4.74%	13.52%	30.91%	103.54%
<b>Benchmark Return</b>	80.80%	10.37%	16.96%	31.74%	133.40%

\*The NAV return is based on the return of the underlying securities. The NAV per unit may differ from the market price per unit as displayed on the NGX as the price on NGX website is determined by demand and supply interplay in the market.

#### Sector allocation of the Fund



#### Top Five Holdings

<b>AIRTEL AFRICA</b>	11.84%
<b>STANBIC IBTC HOL</b>	9.23%
<b>DANGOTE CEMENT</b>	8.98%
<b>BUA CEMENT</b>	8.95%
<b>MTN NIGERIA PLC</b>	7.73%

#### Fund Details

<b>Fund Domicile</b>	Nigeria
<b>Fund Manager</b>	Stanbic IBTC Asset Management Limited
<b>Custodian</b>	Standard Chartered Bank Nigeria Limited
<b>Authorised Participant</b>	Stanbic IBTC Stockbrokers Limited
<b>Trustees</b>	FBNQuest Trustees Nigeria Limited
<b>Benchmark</b>	NGX Pension Index
<b>Exchange</b>	Nigerian Exchange Limited ("NGX")
<b>NGX Trading Code</b>	SIAMLET40
<b>Replication Method</b>	Physical – Full replication
<b>Base Currency</b>	Naira
<b>Fund Inception Date</b>	24-Jan-17
<b>Listing Date</b>	24-Jan-17
<b>Fiscal Year End</b>	December
<b>Entry/Exit/Performance Fees</b>	No
<b>(NAV) Per Share</b>	N223.72
<b>Shares Outstanding</b>	4,414,696.15
<b>Assets Under Management</b>	N 982,027,282.06
<b>Rebalancing Frequency</b>	Semi Annually
<b>Dividend Treatment</b>	Distribution
<b>Dividend Frequency</b>	Quarterly (Indicative)
<b>Dividend Currency</b>	Naira

#### Dividend Distribution History

Record Date	Dividend Distribution
Aug-17	N1.43
Sep-18	N2.55
Sep-19	N3.28
Apr-20	N0.43
Jun-20	N2.10
Sep-20	N0.72
Jun-21	N4.20
Aug-21	N0.74
Aug-22	N5.10
Aug-23	N6.49

**Fund Manager's Report (Cont'd)**

***ECONOMIC REVIEW***

In the domestic market, H1 was dominated by election uncertainties, cash crunch underpinned by the naira redesign policy and rising inflation. However, the major highlight of the year came with the inauguration of the new administration because we saw the quick implementation of some pro-market reforms i.e. (partial removal of subsidy, unification of the foreign exchange market and change in composition of the Central Bank of Nigeria's management team).

Whilst these policy pivots were regarded as necessary triggers for the nation's growth, in the short-term impact on the domestic economy has been to the downside as it resulted in a further surge in inflation, underpinned by rising energy prices and rise in prices of imported items.

***MARKET REVIEW***

In the domestic fixed income market, average fixed income yields declined to 12.56% at the end of H1 2023, from c.14% at the start of the year due to high system liquidity. However, in H2 improved supply of debt securities by the Debt Management Office and deployment of unorthodox measures to mop up system liquidity drove average yield northward, where yields closed at 13.87% in December 2023.

Risk off sentiment dominated the equities market in H1. However, by the last month in the second quarter of the year, market sentiment turned largely bullish, spurred by pro-market policy implementations by the new administration. These policies (removal of fuel subsidy and the abolishment of the multiple FX window system) were seen as positive and this drove positive sentiments in the market for the year, with the All-Share Index recording a return of 45.90% (2022: 19.98%).

ON BEHALF OF THE FUND MANAGER



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**Wunmi Ehis-Uzenabor**  
(FRC/2021/003/00000023362)  
Executive Director  
Stanbic IBTC Asset Management Limited  
28 March 2024



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**Busola Jejelowo**  
(FRC/2023/PRO/DIR/003/022382)  
Chief Executive (Designate)  
Stanbic IBTC Asset Management Limited  
28 March 2024



**Statement of Fund Manager's responsibilities in relation to the financial statements**

The Fund Manager accepts responsibility for the preparation of the annual financial statement that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

The Fund Manager further accepts responsibility for maintaining adequate accounting records as required by the Trust Deed 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.

ON BEHALF OF THE FUND MANAGER:



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**Wunmi Ehis-Uzenabor**  
(FRC/2021/003/00000023362)  
Executive Director  
Stanbic IBTC Asset Management Limited  
28 March 2024



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**Busola Jejelowo**  
(FRC/2023/PRO/DIR/003/022382)  
Chief Executive (Designate)  
Stanbic IBTC Asset Management Limited  
28 March 2024

**Certification of Account by the Directors of the Fund Manager**

We hereby certify that neither the Fund Manager nor any other person acting on its behalf has:

- i transferred value of investments 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 or over-the-counter (OTC) market 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 daily offer prices; or
- iv acquired units for a price higher than the daily bid prices.



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**Wunmi Ehis-Uzenabor**  
(FRC/2021/003/00000023362)  
Executive Director  
Stanbic IBTC Asset Management Limited  
28 March 2024



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**Busola Jejelowo**  
(FRC/2023/PRO/DIR/003/022382)  
Chief Executive (Designate)  
Stanbic IBTC Asset Management Limited  
28 March 2024



**KPMG Professional Services**  
KPMG Tower  
Bishop Aboyade Cole Street  
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PMG 40014, Falomo  
Lagos

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

## INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Stanbic IBTC ETF 40

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of Stanbic IBTC ETF 40 ("the Fund"), which comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income;
- the statement of changes in net assets attributable to unitholders;
- the statement of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

#### **Other Information**

The Directors of the Fund Manager and the Directors of the Trustee are responsible for the other information. The other information comprises Fund Information, Trustee's Report, Fund Manager's Report, Statement of Fund Manager's Responsibilities in relation to the financial statements, Certification by the Fund Manager, Other Disclosures and Other National Disclosures, but does not include the financial statements and our auditor's report thereon.



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

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

#### ***Responsibilities of the Directors for the Financial Statements***

The Directors of the Fund Manager are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the 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 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 Directors of the Fund Manager either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Fund Manager.
- Conclude on the appropriateness of the 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 the Audit Committee of the Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Kabir

Kabir Okunlola, FCA  
FRC/2012/ICAN/0000000428  
For: KPMG Professional Services  
Chartered Accountants  
28 March 2024  
Lagos, Nigeria



Stanbic IBTC Pension ETF 40 FUND  
Annual Report for the year ended 31 December 2023

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

<b>Assets</b>	<b>Note</b>	<b>2023</b> <b>₦'000</b>	<b>2022</b> <b>₦'000</b>
Cash and cash equivalents	11	24,216	2,703
Investment Securities	12	972,241	618,405
<b>Total assets</b>		<b>996,457</b>	<b>621,108</b>
Accounts payable	14	17,604	10,118
<b>Net assets attributable to unitholders</b>		<b>978,853</b>	<b>610,990</b>
Represented by:			
Equity attributable to unitholders	16a(ii)	441,341	460,407
Unit premium and retained earnings	16a(ii)	537,512	150,583
<b>Total</b>		<b>978,853</b>	<b>610,990</b>

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

These financial statements were prepared by the Fund Manager and approved by the Trustees of the Fund on 28 March 2024 and signed on behalf of the Fund Manager by the directors listed below:



**Wunmi Ehis-Uzenabor**  
(FRC/2021/003/00000023362)  
Executive Director  
Stanbic IBTC Asset Management Limited  
28 March 2024



**Busola Jejelowo**  
(FRC/2023/PRO/DIR/003/022382)  
Chief Executive  
Stanbic IBTC Asset Management Limited  
28 March 2024

**Additionally certified by:**



**Kolawole Olaleye**  
FRC/2023/PRO/ICAN/001/598708  
Chief Financial Officer  
Stanbic IBTC Asset Management Limited  
28 March 2024

Stanbic IBTC Pension ETF 40 FUND  
Annual Report for the year ended 31 December 2023

**Statement of comprehensive income**  
**For the year ended 31 December**

		2023	2022
	<b>Note</b>	<b>₦'000</b>	<b>₦'000</b>
<b>Revenue</b>			
Other income	8a	2,805	737
Dividend income	8b	55,394	49,840
Trading gain on financial assets at fair value through profit or loss	9	402,297	16,797
		<hr/>	<hr/>
<b>Total revenue</b>		<b>460,496</b>	<b>67,374</b>
<b>Operating Expenses</b>			
Operating expenses	10	(21,772)	(15,431)
		<hr/>	<hr/>
<b>Total expenses</b>		<b>(21,772)</b>	<b>(15,431)</b>
<b>Increase in net distributable assets before tax</b>		<b>438,724</b>	<b>51,943</b>
Withholding tax expense	15	(5,535)	(4,984)
		<hr/>	<hr/>
<b>Increase in net distributable assets after tax</b>		<b>433,189</b>	<b>46,959</b>
<b>Earnings per Unit</b>			
Basic and Diluted Earning per Unit (N)	16d	98.18	10.20
		<hr/>	<hr/>

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

Stanbic IBTC Pension ETF 40 FUND  
Annual Report for the year ended 31 December 2023

**Statements of changes in net assets attributable to Unitholders  
As at 31 December 2023**

	Unit holder's equity	Unit premium and retained earnings	Unit premium and retained earnings
	N'000	N'000	N'000
Balance as at 1 January 2023	460,407	150,583	610,990
Increase in net distributable assets after tax			
Profit for the year	-	433,189	433,189
	460,407	583,772	1,044,179
Transactions with unitholders, recorded directly in equity:			
Redemptions during the year	(19,066)	(16,400)	(35,466)
Distributions to unitholders	-	(29,860)	(29,860)
<b>Total contribution and distributions to equity holders</b>	<b>(19,066)</b>	<b>(46,260)</b>	<b>(65,326)</b>
<b>Balance at 31 December 2023</b>	<b>441,341</b>	<b>537,512</b>	<b>978,853</b>

**As at 31 December 2022**

	Unit holder's equity	Unit premium and retained earnings	Unit premium and retained earnings
	N'000	N'000	N'000
Balance as at 1 January 2022	555,277	171,214	726,491
Increase in net distributable assets after tax			
Loss for the year	-	46,959	46,959
	555,277	218,173	773,450
Transactions with unitholders, recorded directly in equity:			
Redemptions during the year	(94,870)	(44,121)	(138,991)
Distributions to unitholders	-	(23,469)	(23,469)
<b>Total contribution and distributions to equity holders</b>	<b>(94,870)</b>	<b>(67,590)</b>	<b>(162,460)</b>
<b>Balance at 31 December 2022</b>	<b>460,407</b>	<b>150,583</b>	<b>610,990</b>

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



Stanbic IBTC Pension ETF 40 FUND  
Annual Report for the year ended 31 December 2023

**Statement of cash flows**  
**For the year ended 31 December**

	Note	2023 ₦'000	2022 ₦'000
<b>Cash flow from operating activities:</b>			
Increase in net distributable assets after tax		433,189	46,959
Withholding tax expense	15	5,535	4,984
Increase in net distributable assets before tax		438,724	51,943
<i>Adjustment for:</i>			
Investment income	8	(2,805)	(737)
Fair value gain on quoted equities-unrealised	9	(293,319)	(13,244)
Dividend income	8b	(55,394)	(49,840)
		<u>87,206</u>	<u>(11,878)</u>
<i>Changes in:</i>			
-Accounts payable	18b	7,486	(5,722)
-Investment Securities	18a	(60,517)	119,021
<b>Cash generated from/(used in) operations</b>		<u>34,175</u>	<u>101,421</u>
Investment income received	8a	2,805	737
Dividend received	8b	55,394	49,840
Withholding tax paid	15	(5,535)	(4,984)
<b>Net cash generated from operating activities</b>		<u>86,839</u>	<u>147,014</u>
<b>Cash Flows from financing activities</b>			
Distribution paid to unitholders	16a(ii)	(29,860)	(23,469)
Outflows from redemptions	16a(ii)	(35,466)	(138,991)
<b>Net Cash flow generated from financing activities</b>		<u>(65,326)</u>	<u>(162,460)</u>
<b>Net Increase in cash and cash equivalents</b>		21,513	(15,446)
<b>Cash and Cash equivalents as at 1 January</b>		2,703	18,149
<b>Cash and Cash equivalents as at 31 December</b>	11	<u>24,216</u>	<u>2,703</u>

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

## Notes to the financial statements

### 1 Reporting entity

The SIAML Pension ETF 40 is an open ended exchange traded Fund registered with the Securities and Exchange Commission ("SEC"). The Fund is governed by a Trust Deed with FBNQuest Trustees Limited as Trustees. The Fund has an authorised unit capital of 10,000,000 units at ₦100 each.

The objective of the Fund is to replicate as closely as possible, before fees and expenses, the return of The Nigerian Stock Exchange Pension Index ("NSE Pension Index" or "Index") in terms of price performance and income from the underlying securities of the index. The Fund invests 100% of its assets in the same portfolio of securities that comprise the NSE 40 Index in proportion to their weightings in the Underlying Index.

### 2 Basis of preparation

#### (a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). Additional information required by local regulations is included where appropriate. The financial statements comply with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

These financial statements were prepared by the Fund Manager and approved by the Trustee of the Fund on 28 March 2024.

#### (b) Basis of measurement

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

The Fund applies the accrual method of accounting where all income is recognised when earned and all expenses recognised once incurred.

#### (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 except otherwise stated.

#### (d) Use of estimates and judgements

The preparation of financial statements in conforming with IFRS requires management to make judgements, 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 recognised in the period which the estimates are revised and in any future periods affected. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation, uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 6 to the financial statements.

#### (e) Current/ non-current analysis for assets and liabilities

All assets and liabilities are deemed to be current as they are available for disposal or realization in the next 12 months.

### 3 Change in accounting policies

The accounting policies are consistent with those reported in the previous year as there is no change in standards that impact the fund.

### 4 Statement of material 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).

##### Classification and initial measurement

The Fund classifies its financial assets and liabilities into Fair Value through Profit or Loss (FVPL). Management determines the classification of its financial instruments at initial recognition.

##### Fair Value through profit or loss (FVTPL)

A financial asset is classified and measured at FVTPL if the financial asset is:

- A held-for-trading financial asset;
- A debt instrument that does not qualify to be measured at amortised cost or FVOCI;
- An equity investment which the entity has not elected to classify as at FVOCI.

The Fund has classified Equities as FVTPL.

**Notes to the financial statements (cont'd)**

**Business model assessment**

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

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile or realising cashflows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model and the assets held within the business model and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The Fund has determined that it has two business models.

- *Held-to-collect business model*: this includes cash and cash equivalents and receivables. These financial assets are held to collect contractual cash flow.
- *Other business model*: this includes debt securities and equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

**Subsequent measurement**

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

**(i) Fair value through OCI**

*Debt instrument*: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue. Interest income on debt financial asset is recognised in interest income in terms of the effective interest rate method. Dividends received are recognised in interest income within profit or loss.

*Equity instrument*: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income. Dividends received on equity instruments are recognised in other revenue within non-interest income.

**(ii) Fair Value through profit or loss**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and expense and foreign exchange gains and losses, are recognised in profit or loss in 'net income from financial instruments at FVTPL' in the statement of comprehensive income.

**(v) Fair value measurement**

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

**(viii) Financial liabilities**

**Nature**

<b>Held for trading</b>	Those financial liabilities incurred principally for the purpose of re-purchasing in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
<b>Designated at fair value through profit or loss</b>	Financial liabilities are designated to be measured at fair value in the following instances: - to eliminate or significantly reduce an accounting mismatch that would otherwise arise - where the financial liabilities are managed and their performance evaluated and reported on a fair value basis - where the financial liability contains one or more embedded derivatives that significantly modify the financial asset's cash flows.
<b>At amortised cost</b>	All other financial liabilities not included the above categories.

**Notes to the financial statements (cont'd)**

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

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

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

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**(b) Interest income**

Interest income, including interest income from non-derivative financial assets at fair value through profit or loss, are recognised in profit or loss, using the effective interest method. Together with dividend income and net gain/loss on investments, interest income make the revenue for the Fund.

**(c) Dividend income and expense**

Dividend income is recognised in profit or loss on the date in which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the unitholders approve the payment of a dividend.

The Fund incurs expenses on short positions in equity securities equal to the dividends due on these securities. Such dividend expense is recognised in profit or loss as operating expense when the unitholders' right to receive payment is established.

**(d) Net gain/(loss) 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 cost of sales used in computing the net realised gain from financial instruments at fair value through profit or loss is calculated using the weighted average cost method.

**(e) Operating Expenses**

Fee expense comprising management fees, custodian fees, registrar fees, trustee's fees, incentive fees, auditor's fees, and other expenses are recognised over the period in which the services are rendered, and are computed as a percentage of the daily Net Asset Value. Other expenses are recognized as incurred in accordance with the substance of the Trust Deed and other 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, financial 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 and income from financing and investing activities are therefore recorded gross of such taxes and the corresponding withholding tax is recognised 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. 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 daily redemption date and also in the event of the Fund's liquidation.

**Notes to the financial statements (cont'd)**

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

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

The Fund's units meet these conditions and are classified as equity. 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 (EPU) for its outstanding units. Basic EPU is calculated by dividing the profit for the year by the units outstanding as at the year end. Where there are units that could potentially affects the numbers of units issued, those units are considered in calculating the diluted earnings per unit. There are currently no unit that could potentially dilute the total units issued.

**(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.

**(k) Statement of cash flows**

The statement of cash flow is prepared using the indirect method in accordance with IAS 7.

**(l) Standards, amendments and interpretations issued but not yet effective**

The following new or revised standards, amendments and interpretations are effective for the period beginning after 01 January 2023.

Title	Key requirements	Effective Date
IFRS 17 Insurance Contracts	<p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting year. Contracts are measured using the building blocks of:</p> <ul style="list-style-type: none"> <li>• Discounted probability-weighted cash flows</li> <li>• An explicit risk adjustment, and</li> <li>• A contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage year.</li> </ul> <p>The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.</p> <p>There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.</p> <p>The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. However, this standard is not applicable to the fund.</p>	1 January 2023 (deferred from 1 January 2021)
Classification of Liabilities as Current or Noncurrent - Amendments to IAS 1	<p>The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that existed at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.</p> <p>The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.</p> <p>They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.</p> <p>In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.</p>	1 January 2023 (possibly deferred from 1 January 2022)
Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statement 2	<p>The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is material accounting policy information and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.</p> <p>To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p>	1/1/2023

Stanbic IBTC Pension ETF 40 FUND  
Annual Report for the year ended 31 December 2023

Definition of Accounting Estimates - Amendments to IAS 8	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1/1/2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	<p>The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.</p> <p>The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:</p> <ul style="list-style-type: none"> <li>• Right-of-use assets and lease liabilities, and</li> <li>• Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.</li> </ul> <p>The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments. However, this standard is not applicable to the fund.</p>	1/1/2023

**New standards and interpretations not yet effective**

A number of new standards are effective for the year beginning after 1 January 2023 and earlier application is permitted; however, the Fund has not early adopted the new or amended standards in preparing the financial statements.

Title	Key requirements	Effective Date
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be applied prospectively and are not expected to have a material impact on the Group's financial statements.	Effective date of this standard deferred indefinitely
Non-current Liabilities with Covenants (Amendments to IAS 1) and Classification of Liabilities as Current or Non - Current (Amendments to IAS 1)	This standard seek to clarify the conditions on determining whether a liability is current or non-current, and requires new disclosures for the non-current liabilities that are subject to future covenants.	1 January 2024.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendment will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.	1 January 2024.
Amendment to IAS 7 and IFRS 17 (Supplier Finance Agreements)	The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.	1 January 2024.
Amendment to IAS 21 (Lack of Exchangeability)	The amendments require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.	1 January 2025.

**Early adoption of standards**

The Fund did not early adopt any standards.

Notes to the financial statements (cont'd)

5 Financial risk management and fair value disclosures

**Risk management framework**

The Stanbic IBTC Asset Management Limited Pension ETF 40 is an open ended exchange traded Fund registered with the Securities and Exchange Commission ("SEC"). The Fund is governed by a Trust Deed with FBN Trustees Limited as Trustees.

The objective of the Fund is to replicate as closely as possible, before fees and expenses, the return of the Nigerian Exchange Limited Pension Index ("NGX Pension Index" or "Index") in terms of price performance and income from the underlying securities of the index. The Fund invests 100% of its assets in the same portfolio of securities that comprise the NGX Pension Index in proportion to their weightings in the Underlying Index.

**a Market risk**

Market risk is the risk that changes in market prices will affect the Fund's income or the fair value of its holding of financial instruments. The Fund's market risk is affected by changes in actual market prices.

**Market price risk**

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments.

Using the equity portfolio weighted beta of 1.05 (2022: 0.69), the impact on the NAV of a 10% drop in 'All Share Index' (ASI) as at 31 December 2023, with all other variables held constant, is shown below in millions of Naira. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

<b>Sensitivity Analysis</b>	<b>2023</b>	<b>2022</b>
	₦ millions	₦ millions
Net Asset Value (NAV)	982	621
Effect in % Change in Net Asset Value	10.40%	5.84%

**b 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 the redemption of Units in exchange for the securities of the underlying index, cash or a combination of both. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

The following were the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

**31 December 2023**

Note	Carrying amount ₦'000	<u>Contractual cash flows</u>				
		Total ₦'000	Less than 3 months ₦'000	3 - 6 months ₦'000	6 months - 1 year ₦'000	> 1 year ₦'000
			Total ₦'000	Less than 3 months ₦'000	3 - 6 months ₦'000	6 months - 1 year ₦'000
Accounts payable	17,604	17,604	17,604	-	-	-

**31 December 2022**

Note	Carrying amount ₦'000	<u>Contractual cash flows</u>				
		Total ₦'000	Less than 3 months ₦'000	3 - 6 months ₦'000	6 months - 1 year ₦'000	> 1 year ₦'000
			Total ₦'000	Less than 3 months ₦'000	3 - 6 months ₦'000	6 months - 1 year ₦'000
Accounts payable	10,118	10,118	10,118	-	-	-

**Notes to the financial statements (cont'd)**

**6 Uses of estimates and judgements**

**(i) Determining fair value**

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.

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): (financial assets and liabilities). 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. Availability of observable market prices and model inputs reduces the need for management judgement 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 2023**

	<i>Note</i>	<b>Level 1</b> N'000	<b>Level 2</b> N'000	<b>Level 3</b> N'000	<b>Total</b> N'000
Financial assets at fair value through profit or loss	12	972,241	-	-	972,241
		972,241	-	-	972,241

**31 December 2022**

	<i>Note</i>	<b>Level 1</b> N'000	<b>Level 2</b> N'000	<b>Level 3</b> N'000	<b>Total</b> N'000
Financial assets at fair value through profit or loss	12	618,405	-	-	618,405
		618,405	-	-	618,405



Stanbic IBTC Pension ETF 40 FUND  
Annual Report for the year ended 31 December 2023

Notes to the financial statements (cont'd)

**7 Classification and fair value of financial assets and liabilities**

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

**31 December 2023**

	Note	Total	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Amortized cost (assets)	Amortized cost (liabilities)	Fair value
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	11	24,216	-	-	24,216	-	24,216
Investment in Securities	12	972,241	972,241	-	-	-	972,241
		<b>996,457</b>	<b>972,241</b>	-	<b>24,216</b>	-	<b>996,457</b>
Accounts payable	14	17,604	-	-	-	17,604	17,604
		<b>17,604</b>	-	-	-	<b>17,604</b>	<b>17,604</b>

**31 December 2022**

	Note	Total	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Amortized cost (assets)	Amortized cost (liabilities)	Fair value
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	11	2,703	-	-	2,703	-	2,703
Investment in securities	12	618,405	618,405	-	-	-	618,405
		<b>621,108</b>	<b>618,405</b>	-	<b>2,703</b>	-	<b>621,108</b>
Accounts payable	14	10,118	-	-	-	10,118	10,118
		<b>10,118</b>	-	-	-	<b>10,118</b>	<b>10,118</b>

The fair values of financial instruments such as cash and cash equivalents, trade and other receivables and trade and other payables are not materially sensitive to shifts in market return rate because of the short term to maturity of these instruments. As such, the carrying values of these financial assets and liabilities at financial position date approximate their fair values.

Stanbic IBTC Pension ETF 40 FUND  
Annual Report for the year ended 31 December 2023

Notes to the financial statements (cont'd)

<b>8a Other Income</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>
Other income	2,805	737
<b>Total</b>	<b>2,805</b>	<b>737</b>
<b>8b Dividend Income</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>
Dividend Income	55,394	49,840
	<b>55,394</b>	<b>49,840</b>
<b>9 Trading profit on financial assets at fair value through profit or loss</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>Net profit on financial assets at fair value through profit or loss:</b>		
Realised gain on sale of equity investments	113,298	8,174
Realised gain on sale of equity investments	113,298	8,174
Unrealised gain on equity investments	293,319	13,244
	<b>406,617</b>	<b>21,418</b>
Transaction costs on equities traded during the year	(4,320)	(4,621)
<b>Trading gain on financial assets at fair value through profit or loss</b>	<b>402,297</b>	<b>16,797</b>
<b>10 Other operating expenses</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>
Auditor's remuneration	1,781	1,484
Management fees	4,172	3,611
Registrar fees	2,003	672
Custodian fees	417	362
SEC fees	1,552	1,393
Trustee's fees	627	542
Licensing and listing fees	9,141	6,286
Sundry expenses*	2,079	1,082
<b>Total</b>	<b>21,772</b>	<b>15,432</b>
<i>* Sundry expenses include advertisement expenses, stamp duty and other expenses</i>		
<i>* No non audit fees were paid to KPMG Professional services in 2023 and 2022</i>		
<b>11 Cash and cash equivalents</b>		
Cash and cash equivalents comprise:		
	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>
Cash balances with banks	24,216	2,703
	<b>24,216</b>	<b>2,703</b>
<b>12 Investment Securities</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>
Quoted equities	972,241	618,405
<b>Total</b>	<b>972,241</b>	<b>618,405</b>
<b>14 Accounts payable</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>
Accrued expenses	14,973	6,505
Management fees payable	-	3,613
Other Sundry creditors	2,631	-
	<b>17,604</b>	<b>10,118</b>
<b>15 Withholding tax</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>
Withholding tax expense	5,535	4,984
	<b>5,535</b>	<b>4,984</b>

Stanbic IBTC Pension ETF 40 FUND  
Annual Report for the year ended 31 December 2023

Notes to the financial statements (cont'd)

16 Unitholders' interest

The SIAML Pension ETF 40 is authorised and registered in Nigeria as a Unit Trust Scheme with the Securities and Exchange Commission ("SEC"). The Fund is governed by a Trust Deed with FBN Trustees Limited as Trustees. The Fund's authorised unit capital is 10,000,000 ordinary units with par value of ₦100.00 per unit.

The objective of the Fund is to replicate as closely as possible, before fees and expenses, the net return of the NSE Pension Index. The Fund seeks to achieve this by investing primarily in securities issued by companies that comprise the underlying index. Thus the Fund invests 100% of its total assets in securities that comprise the underlying index except where the total value of the Fund includes cash items such as dividend distribution from the securities in the underlying index.

The Fund aims to achieve its objective by using a passive or index strategy approach to replicate the investment performance of the NSE Pension Index. This involves investing in nearly all the securities of the Underlying Index in the same proportions as the Underlying Index. The Fund manager will not try to beat the Underlying Index or out-perform the market. The use of an indexing investment approach may eliminate some of the risks of active management such as poor stock selection, but may be subject to other risks such as the Fund Manager being unable to take defensive positions in declining markets.

(a) 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	31 Dec 2023 '000	31 Dec 2022 '000
Balance as at 1 January	4,603	5,552
Redemption of units during the year	(191)	(949)
Balance as at 31 December	<u>4,412</u>	<u>4,603</u>

(ii) Net assets attributable to unitholders

	Unitholders' equity at par ₦'000	Unit premium and retained earnings ₦'000	Total ₦'000
Balance as at 1 January 2023	460,407	150,583	610,990
Profit for the year	-	433,189	433,189
	<u>460,407</u>	<u>583,772</u>	<u>1,044,179</u>
Redemptions during the year	(19,066)	(16,400)	(35,466)
Distributions to unitholders (see note (c) below)		(29,860)	(29,860)
As at 31 December 2023	<u>441,341</u>	<u>537,512</u>	<u>978,853</u>
<b>Net assets value per unit (Naira)</b>			<b>222</b>

Net assets attributable to unitholders

	Unitholders' equity at par ₦'000	Unit premium and retained earnings ₦'000	Total ₦'000
Balance as at 1 January 2022	555,277	171,214	726,491
Profit for the year	-	46,959	46,959
	<u>555,277</u>	<u>218,173</u>	<u>773,450</u>
Redemptions during the year	(94,870)	(44,121)	(138,991)
Distributions to unitholders (see note (c) below)		(23,469)	(23,469)
As at 31 December 2022	<u>460,407</u>	<u>150,583</u>	<u>610,990</u>
<b>Net assets value per unit (Naira)</b>			<b>133</b>

Stanbic IBTC Pension ETF 40 FUND  
Annual Report for the year ended 31 December 2023

**Notes to the Financial Statements (cont'd)**

**(b) Distribution paid to unitholders**

Any distribution for the Fund is made in accordance with the Trust Deed of the Fund. The distribution paid in 2023 was ₦29.8 million (2022: ₦23.47 million).

**(c) Net assets value per unit**

The calculated net assets value (NAV) per unit as disclosed above is based on the final assets and liabilities as presented in these financial statements. This NAV differs from the offer/bid price as at 31 December 2023 enumerated in the Fund Manager's report and made available to the public as at that date.

**(d) Earnings Per Share**

Basic earnings per unit (EPU) is calculated by dividing the profit after tax by the number of outstanding units in issue at the end of the year.

	Dec. 2023	Dec. 2022
Profit for the year (₦'000)	433,189	46,959
Number of units in issue at end of the year ('000)	4,412	4,603
Basic and diluted earnings per unit (Naira)	98.18	10.20

Basic and diluted earnings per unit are the same, as the fund has no potentially dilutive units.

**18a Notes to the statement of cashflow**

**Financial assets at fair value through profit or loss:**

	Dec. 2023 ₦'000	Dec. 2022 ₦'000
Investment Securities at the beginning of the year	618,405	724,182
Investment Securities at the end of the year	(972,241)	(618,405)
Unrealised loss on equity investments	293,319	13,244
	(60,517)	119,021

**18b Changes in**

	Dec. 2023 ₦'000	Dec. 2022 ₦'000	Movement ₦'000
Accounts payable	10,118	17,604	(7,486)

**19 Related party transactions**

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

**a) Fees**

**i) Management fees**

The Fund is managed by Stanbic IBTC Asset Management 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 Stanbic IBTC Asset Management Limited as an Investment Manager to provide fund management services to the Fund. Stanbic IBTC Asset Management Limited receives a fee based on annual rate of 0.5% of the net asset value of the Fund accrued daily, payable quarterly. Total management fees for the year amounted to ₦4.1 million (2022: ₦3.6 million)

**ii) Stockbroker's fee**

The investment transactions are carried out by Stanbic IBTC Stockbrokers Limited. The fee per transaction is in the range of 0% to 0.60% of the value of the transaction.

**b) Key management personnel**

None of the directors of Stanbic IBTC Asset Management Limited has any direct or indirect beneficial interest in the units of the Fund as at 31 December 2023.

The Fund Manager's beneficial interest in the units of the fund as at 31 December 2023 was 1.5 million units.

**20 Contingencies**

There were no contingent assets and liabilities as at 31 December 2023 (2022: Nil).

**21 Litigations and claims**

There were no claims and litigations as at 31 December 2023 (2022: Nil).

**22 Events after the reporting period**

There was no event which could have a material effect on the financial statements of the Fund for the year ended 31 December 2023 that has not been adequately recognised and/ or disclosed in the financial statements.

**23 Capital commitments**

The Fund had no capital commitments as at 31 December 2023 (2022: Nil).

**24 Assets Under Management**

The total assets under management in 2023 amounted to ₦995 million (2022: ₦625 million).

**OTHER DISCLOSURES**

Stanbic IBTC Pension ETF 40 FUND  
Annual Report for the year ended 31 December 2023

**Other disclosures**  
**Portfolio statement**

	31 December 2023		31 December 2022	
	Market Value	Percentage of total	Market Value	Percentage of total investment
	₦'000	%	₦'000	%
<b>Equity securities</b>				
Banking	297,263	31%	326,125	53%
Breweries	58,242	6%	32,476	5%
Building materials	221,411	23%	83,605	13%
Food and Beverages	66,335	7%	48,006	8%
Petroleum marketing	70,006	7%	37,925	6%
Conglomerates	40,766	4%	17,034	3%
Insurance	10,535	1%	3,288	1%
Agro Allied	17,157	2%	12,275	2%
Telecommunication	192,175	31%	60,437	8%
<b>Total equity securities</b>	<b>973,890</b>	<b>100%</b>	<b>621,171</b>	<b>100%</b>
Debt securities	-	0%	-	0%
<b>Total investments</b>	<b>973,890</b>	<b>100%</b>	<b>621,171</b>	<b>100%</b>

**Other national disclosures**  
**Value added statement**

**For the year ended 31 December**

	<b>2023</b>		<b>2022</b>	
	<b>₦'000</b>	%	<b>₦'000</b>	%
Total revenue	<b>460,496</b>		67,374	
Bought in goods and services - Local	<b>(3,860)</b>		(2,566)	
<b>Value added</b>	<b>456,636</b>	100	64,808	100
<b>Applied to pay:</b>				
Government as taxes	<b>5,535</b>	1	4,984	1
Fund Manager and other parties to the Fund	<b>17,912</b>	4	12,865	3
Retained in the Fund to augment reserves	<b>433,189</b>	95	46,959	96
<b>Value added</b>	<b>456,636</b>	100	64,808	100

**Five Year Financial Summary**

<b>Year ended 31 December</b>	<b>2023</b>	2022	2021	2020	2019
	<b>₦'000</b>	₦'000	₦'000	₦'000	₦'000
Statement of Financial Position					
Cash and cash equivalent	<b>24,216</b>	2,703	18,149	16,675	16,115
Financial assets at fair value through P & L	<b>972,241</b>	618,405	724,182	766,391	675,885
Receivables				167	834
<b>Total assets</b>	<b>996,457</b>	621,108	742,331	783,233	692,834
<b>Liabilities</b>	<b>17,604</b>	10,118	15,840	11,179	8,013
<b>Net assets</b>	<b>978,853</b>	610,990	726,491	772,054	684,821
<b>Unitholders' funds</b>	<b>978,853</b>	610,990	680,928	772,054	684,821
Statement of Comprehensive Income					
Revenue	<b>460,496</b>	67,374	122,501	222,993	(140,505)
<b>Net income/ (loss) after tax</b>	<b>433,189</b>	46,959	101,566	203,302	(156,625)
Distribution	<b>(29,860)</b>	(23,469)	(31,471)	(23,570)	(32,052)