STANBIC IBTC ETHICAL FUND

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS

Fund Information
Management and Professional Advisors
* The Fund has no employees of its own

Fund Manager:	Stanbic IBTC Asset Management Limited
Registered Address:	Stanbic IBTC Towers Walter Carrington Crescent Victoria Island Lagos
Principal Place of Business:	Stanbic IBTC Towers Walter Carrington Crescent Victoria Island Lagos, Nigeria. Tel: 234-1-2805595 E-Mail: mutualfunds@stanbicibtc.com Website: www.stanbicibtcassetmanagement.com
Postal Address:	P.O.Box 71707 Victoria Island Lagos
Auditor:	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island Lagos
Company Secetary to the Fund Manager:	Olugbenro Aju Email: Olugbenro.Aju@stanbicibtc.com
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:	UBA Global Investor Services UBA House 57 Marina 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 31st December, 2023

The Trustees present their report on the affairs of the Stanbic IBTC Ethical Fund, together with the audited financial statements for the year ended 31st December, 2023.

Principal activity: The principal activity of the Stanbic IBTC Ethical Fund ("the Fund") is the subscription of funds from members of the public and companies and the investment of such funds in Capital Market Securities as determined by the Fund Manager 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 13- 16.

Directors: The directors of the Fund Manager who served on the board of the Fund Manager during the period under review and up to the date of approving these financial statements were:

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: The Directors of Stanbic IBTC Asset Management Limited who held direct and indirect beneficial interest in the units of the Fund as at 31st December, 2023 are:

	Units held as at 31st December, 2023
Dr. Demola Sogunle	181,824
Mrs. Bridget Oyefeso-Odusami	109,428

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

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;

- 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

Fund Manager's Report
For the year ended 31 December 2023

Fund Manager's Review

The Stanbic IBTC Ethical Fund ("SIEF") which opened the year with an offer price of N1.44 appreciated by 44.44% to close at N2.08. On the other hand, the Nigerian Stock Exchange All-Share Index ("ASI") opened at 51,251.06 and closed the year at 74,773.77 returning 45.90%.

Market Review

The domestic financial market was a tale of two halves, with the first half of the year characterized by election uncertainties and high liquidity in the fixed income market. Consequently, average fixed income yields declined to 12.56% at the end of H1 2023, from c.14% at the start of the year. In the second half, improved supply of debt securities by the Debt Management Office and deployment of unorthodox measures to mop up system liquidity drove average yield northward, especially in the month of November, where yields closed at 15.16%. However, yields contracted to 13.87% in December 2023 as the Federation Account Allocation Committee ("FAAC") disbursements elevated system liquidity.

Risk off sentiment dominated the equities market in the first half of the year, with investors trading cautiously ahead of the 2023 general elections and the uncertainties that would come with the new government. In the first quarter of the year, the market recorded a marginal gain of c.5.8%. 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 and sustained positive sentiments in the equities market for the year, with the All-Share Index recording a full year gain of 45.90% compared to 19.98% recorded in 2022.

Fund Activity

Given the view of a positive market performance for the year, the fund manager increased equity allocation above the 70% limit for the fund to benefit. Sector allocation was skewed to favor the banking which was expected to benefit from higher interest rates. The fund manager also took tactical positions in stocks that were relatively cheap and booked gains when the stocks recorded decent appreciation in market prices.

Please find below the quarterly and full year performance of the Fund compared to its Fund Index:

	Full Year	Q4 2023	Q3 2023	Q2 2023	Q1 2023
SIEF	44.44%	7.77%	6.04%	19.05%	5.56%
FUND INDEX	33.46%	9.33%	6.58%	9.05%	4.21%

The Fund Index is 70% ASI; 30% 91 Days Weighted Average Treasury Bill Rate

Figure 1: Asset Allocation

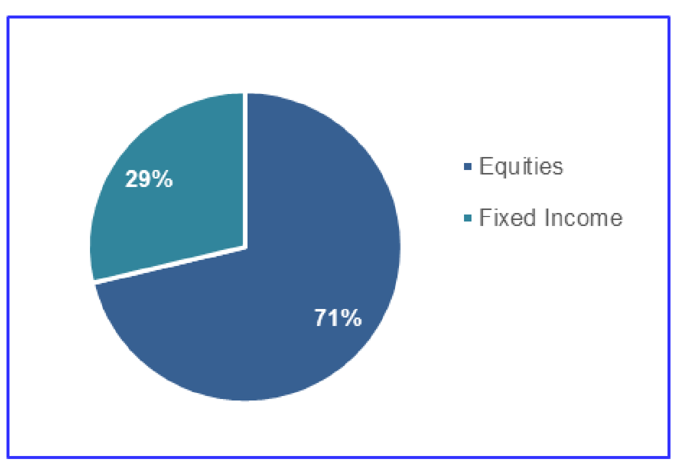


Figure 2: Equity Sectorial Allocation

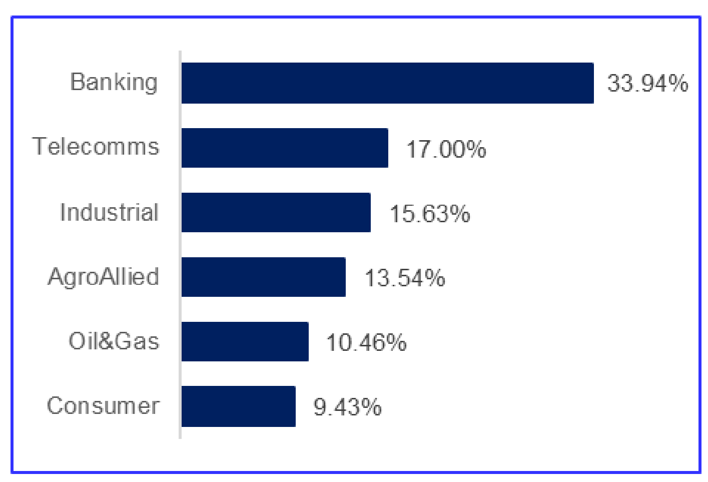
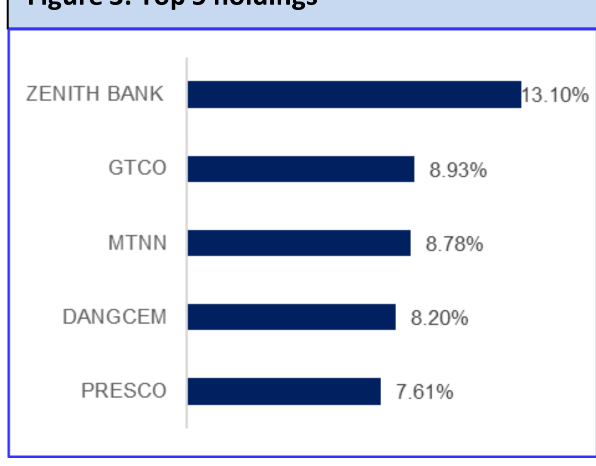


Figure 3: Top 5 holdings



ON BEHALF OF THE FUND MANAGER

Olawunmi 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 (Designate)
Stanbic IBTC Asset Management Limited
28 March 2024

Statement of Fund Manager's responsibilities in relation to the financial statements for the year ended 31 December 2023

The Fund Manager accepts responsibility for the preparation of the annual financial statements 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:

Olawunmi 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 (Designate)
Stanbic IBTC Asset Management Limited
28 March 2024

Certification of accounts by the Fund Manager

We 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 daily offer price; or

iv acquired units for a price higher than the daily bid price.

Olawunmi Ehis-Uzenabor	**Busola Jejelowo**
(FRC/2021/003/00000023363)	(FRC/2023/PRO/DIR/003/022382)
Executive Director	Chief Executive (Designate)
Stanbic IBTC Asset Management Limited	Stanbic IBTC Asset Management Limited
28 March 2024	28 March 2024

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
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 Ethical Fund

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Stanbic IBTC Ethical Fund ("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 Okunlola, *FCA*
FRC/2012/ICAN/00000000428
For: KPMG Professional Services
Chartered Accountants
28 March 2024
Lagos, Nigeria

Statement of financial position
As at 31 December

Assets	Note	2,023 ₦'000	2,022 ₦'000
Cash and cash equivalents	12	788,946	649,531
Investment Securities	13	2,135,470	1,228,660
Accounts receivable	14	-	5,275
Total assets		2,924,416	1,883,466
Liabilities			
Accounts payable	15	35,669	21,787
Unclaimed distribution	18	61,494	61,494
		97,163	83,281
Net assets attributable to unitholders		2,827,253	1,800,185
Represented by:			
Equity attributable to unitholders at par	19	1,362,261	1,237,008
Unit premium and retained earnings	19	1,464,992	563,177
Total		2,827,253	1,800,185

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

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

Olawunmi Ehis-Uzenabor
(FRC/2021/003/00000023363)
Executive Director
Stanbic IBTC Asset Management Limited
28 March 2024

Busola Jejelowo
(FRC/2023/PRO/DIR/003/022382)
Chief Executive (Designate)
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

Statement of comprehensive income for the end year
As at 31 December

		2,023	2022
		₦'000	₦'000
Revenue	**Note**		
Interest income	8a	**82,883**	51,347
Other Income	8b	**381**	1,934
Dividend income	8c	**105,843**	100,456
Net trading profit on financial assets at fair value through profit or loss	10	**695,191**	90,192
Total Revenue		**884,298**	243,929
ECL impairment (charge)/writeback	9	**(5,283)**	2
Total revenue after impairment		**879,015**	**243,931**
Expenses			
Operating expenses	11	**(91,869)**	(59,828)
Total expenses		**(91,869)**	(59,828)
Increase in net assets attributable to unit holders before tax		**787,146**	184,103
Withholding tax expense	16	**(11,673)**	(10,046)
Increase in nets assets attributable to unitholders after tax		**775,473**	174,057

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

Statement of changes in net assets attributable to unitholders
For the year ended 31 December 2023

	Note	Unitholders' equity	Share premium and retained earnings	Total
		₦'000	₦'000	₦'000
Balance at 1 January 2023	19(a)(ii)	1,237,008	563,177	1,800,185
Total comprehensive income for the year:				
Profit for the year		-	775,473	775,473
Total comprehensive income for the year		1,237,008	1,338,650	2,575,658
Transactions with unitholders, recorded directly in equity:				
Subscriptions during the year	19(a)(ii)	875,216	548,881	1,424,097
Redemptions during the year	19(a)(ii)	(749,963)	(422,539)	(1,172,502)
Total Contributions and distributions to unitholders		125,253	126,342	251,595
Balance as at 31 December 2023		1,362,261	1,464,992	2,827,253

For the year ended 31 December 2022

		Unitholders' equity	Share premium and retained earnings	Total
		₦'000	₦'000	₦'000
Balance at 1 January 2022	19(a)(ii)	1,200,687	372,243	1,572,930
Total comprehensive income for the year:				
Profit for the year		-	174,057	174,057
Total comprehensive income for the year		1,200,687	546,300	1,746,987
Transactions with owners, recorded directly in equity:				
Subscriptions during the year	19(a)(ii)	107,015	46,549	153,564
Redemptions during the year	19(a)(ii)	(70,694)	(29,672)	(100,366)
Total Contributions and distributions to unitholders		36,321	16,877	53,198
Balance as at 31 December 2022		1,237,008	563,177	1,800,185

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

Statement of cash flows
For the year ended 31 December

	Note	2023 ₦'000	2022 ₦'000
Cash flow from operating activities:			
Increase in net assets attributable to unit holders after tax		**775,473**	174,057
Add: Withholding tax expense	**16**	**11,673**	10,046
Increase in net assets attributable to unit holders before tax		**787,146**	184,103
Adjustment for:			
Interest income	**8a**	**(82,883)**	(51,347)
Dividend income	**8c**	**(105,843)**	(100,456)
Net gain on financial assets at fair value through profit or loss:	**20(i)**	**(639,495)**	(49,135)
		(41,075)	(16,835)
Changes in:	**20(ii)**		
- Investment Securities		**(267,315)**	5,724
- Accounts payable	**17**	**13,882**	(5,441)
		(289,233)	(16,552)
Interest received	**8a**	**82,883**	51,347
Dividend received	**8c**	**105,843**	100,456
Withholding tax paid	**16**	**(11,673)**	(10,046)
Net cash (used in)/generated from operating activities		**(112,180)**	125,205
Cash flows from financing activities:			
Cash received from subscription	**19**	**1,424,097**	153,564
Cash paid on redemption of units	**19**	**(1,172,502)**	(100,366)
Net cash generated from financing activities		**251,595**	53,198
Net (decrease)/increase in cash and cash equivalents		**139,415**	178,402
Cash and cash equivalents at 1 January		**649,531**	471,129
Cash and cash equivalents at 31 December	**12**	**788,946**	649,531

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

Notes to the financial statements

For the year ended 31 December 2023

1 Reporting entity

Stanbic IBTC Ethical Fund ("the Fund") is a unit trust scheme that operates in Nigeria. Units of the Fund were first allotted to subscribers on 13 January 2005 at the par value of ₦1.00 each and subsequently quoted on the Memorandum List of the Nigerian Stock Exchange ("the Exchange"). The Fund is governed by a Trust Deed with FBN Trustees Limited as Trustees. A first tranche of 1,000,000 units was offered for subscription at the launch of the Fund. The Fund further issued 8,000,000 units as a second tranche. The primary objective of the Fund is to achieve long-term capital appreciation of its assets, through investment in a portfolio of high quality equity securities quoted on the Exchange and in other investments approved by the Securities and Exchange Commission ("the Commission") while considering the ethic of its investors. The pooling of a variety of securities and investments should minimise fluctuations in earnings.

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 three categories - financial assets or liabilities at Amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL). Management determines the classification of its financial instruments at initial recognition.

(ii) Fair Value through Other Comprehensive Income (FVOCI)

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.

(iii) Amortised cost

Amortised cost comprises a debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):
• held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss.

The Fund has classified Receivables, Treasury Bills and other money market instruments and payables at amortised costs.

(iv) 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 fund has not elected to classify as at FVOCI.

Notes to the financial statements (cont'd)

The Fund has classified Equity securities and Bond investments as FVTPL.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed, including:
— the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile 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, receivables, Treasury bills and other money market investments. 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) Amortised cost

These assets are subsequently measured at amortised cost using effective interest method. Interest income is recognised in 'interest income calculated using the effective interest method', foreign exchange gains and losses are recognised in 'net foreign exchange loss' and impairment is recognised in 'impairment losses on financial instruments' in the statement of comprehensive income. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) 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.

(vi) Amortised cost measurement
The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

(vii) Impairment of financial assets

Expected credit losses (ECL) are recognised on debt financial assets classified as either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss.

The measurement basis of the ECL of a financial asset includes assessing whether there has been a significant increase in credit risk (SICR) at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL, which is set out in the table that follows, is measured as the unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward looking information.

Stage 1	A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR.
Stage 2	A lifetime ECL allowance is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.
Stage 3	A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired: • default • significant financial difficulty of borrower and/or modification • probability of bankruptcy or financial reorganisation • disappearance of an active market due to financial difficulties.

(VIII) Financial liabilities
Nature

Held for trading	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.
Designated at fair value through profit or loss	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.
At amortised cost	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 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.

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.

Notes to the financial statements (cont'd)

(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) 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.

(j) Statement of cash flows

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

(k) Unclaimed distribution

The Unclaimed distributions relate to outstanding dividends yet to be claimed by unitholders. At least 90% of all unclaimed dividends in the custody of the Registrars shall be returned to the paying company not later than fifteen (15) months after the date of approval of dividends at a board meeting and evidence of remittance forwarded to the Commission (SEC) by the close of the next business day.The Registrars shall hold the balance of 10% as an agent of the fund.
The unclaimed dividends are invested in short term investments.Where unclaimed dividends are returned to the fund, the fund manager may invest the unclaimed dividend for its own benefit in an income investment outside the fund and no interest shall accrue on the dividends against the fund.

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

The following new or revised standards, amendments and interpretations are not yet effective for the period beginning 01 January 2023.

Title	Key requirements	Effective Date
IFRS 17 Insurance Contracts	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: • Discounted probability-weighted cash flows • An explicit risk adjustment, and • A contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage year. 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. 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. 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 fromunderlying 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. 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.	1 January 2023 (deferred from 1 January 2021)
Classification of Liabilities as Current or Noncurrent - Amendments to IAS 1	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 exist 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. 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. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.	1 January 2023 (possibly deferred from 1 January 2022)
Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statement 2	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. 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.	01/01/2023
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.	01/01/2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	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. 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: • Right-of-use assets and lease liabilities, and • Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. 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.	01/01/2023

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 this 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 convenants.	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 arrangemens 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 Exchanageability)	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

Risk management framework

The Fund maintains positions in a variety of financial instruments in line with its investment management strategy which is to have a minimum of 70% of the Fund's assets in equity of socially responsible companies and 30% in high quality fixed income investments. The Fund's investment portfolio comprises listed equities, money market instruments and, debt securities. As a result, the Fund has exposure to various types of risk that are associated with its investment strategies, financial instruments and markets in which it invests. These risks include market risk, credit risk, and liquidity risk. This note presents information about the Fund's exposure to each of these risks and risk management practices employed by the Fund.

The fundamental investment objective of the Fund is to achieve a high level of total returns on the assets of the Fund with an emphasis on long-term capital appreciation.

a Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Fund's income or the fair value of its holding of financial instruments. The Fund's market risk is affected by two main components: changes in actual market prices, and interest rates.

i. 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 (other than those arising from interest rate risk). The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets.

Using the equity portfolio weighted beta of 1.05 (2022: 0.71), the impact on NAV if the All Share Index (ASI) drops by 10% at December 2023, with all other variables held constant, is shown below. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Sensitivity Analysis	**2023**	**2022**
	₦'millions	₦'millions
Net Asset Value (NAV)	2,833	1,800
Effect in %		
Change in Net Asset Value	7.47%	7.11%

ii. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instrument.

As at 31 December 2023, the Fund's exposure to interest rate risk was in relation to debt instruments such as bonds and treasury bills. The bonds and treasury bills are part of the investments held at fair value through profit or loss. This means that a change in relevant interest rates will also yield a change in the fair value of the investments, which translates in either a profit or loss recognised in the financial statements.

Sensitivity analysis conducted on debt instruments reveals that a 1% parallel rise in interest rate, with all other variables remaining constant, would lead to a drop in net asset value by about N0.80m In practice, actual changes in interest rate may differ from 1% and the impact on the Fund's net asset value could be material.
The table below summarizes the Fund's direct exposure to interest rate risk based on its financial asset holdings.

	2023	**2022**
	₦'000	₦'000
Less than 1 year	788,946	649,531
More than 1 years	2,135,470	1,228,660
	2,924,416	1,878,191

b *Credit risk*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Fund resulting in a financial loss to the Fund. The Fund is subject to credit risk from its holdings in money market investments, bonds, and treasury bills. The Fund limits its exposure to credit loss by investing in securities with high credit quality and by diversifying among a number of issuers.

The Fund invests in financial assets with investment grade rating from credit rating agencies approved by the Securities and Exchange Commission ('SEC'). The exposures per rating category as at 31 December 2023 are shown below:

	2023	**2022**
Rating	Exposure as a % of Total Fixed Income Securities	Exposure as a % of Total Fixed Income Securities
AAA	10%	2%
AA	0%	0%
A	10%	40%
BBB	80%	58%
Total	**100%**	**100%**

Notes to the financial statements (cont'd)

All transactions in securities conducted on the Nigerian Exchange Group 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. For over-the-counter trades, transactions are consummated on recorded lines and where there is a dispute or default, it is referred to the Financial Market Dealers Association for resolution.

The Fund's cash is held with the custodian, UBA Global Investor Services, a subsidiary of United Bank for Africa Plc which is rated 'A+' by Fitch Ratings. The Securities and Exchange Commission (SEC) rule 454 (2e) also requires the custodian to take up insurance cover for all assets under custody.

Outstanding dividends are due from highly rated companies whose stocks are presently trading on the floor of the Nigerian Exchange Limited ('NGX').

The Fund does not have exposure to any corporate entity that exceeds internal risk management limit as at 31 December 2023 (2022: Nil)

All financial assets of the Fund are neither past due nor impaired.

c *Liquidity risk*

Liquidity risk is the risk that the Fund will encounter difficulty 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 of. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

For net assets attributable to the unitholders, the Fund has a contractual obligation to redeem within five days of the redemption requests. However, where a significant proportion (25%) of the Fund is being redeemed, the redemption process could exceed five days. Historical experience indicates that these units are held by unitholders on a medium- or long-term basis, that is, greater than one year.

The Fund manages its liquidity risk by investing 100% of its net assets in securities with an expected liquidation period within five days.

As at 31 December 2023, the Fund's investments were considered readily realizable and highly liquid, therefore, the Fund's exposure to liquidity risk was considered minimal. The following were the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

31 December 2023			Contractual cash flows				
	Note	**Carrying amount**	**Total**	**< 3 months**	**3 - 6 months**	**6 months - 1 year**	**> 1 year**
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Accounts payable	15	35,669	35,669	35,669	-	-	-
Unclaimed distribution	18	61,494	61,494	61,494	-	-	-
		97,163	97,163	97,163	-	-	-

31 December 2022			Contractual cash flows				
	Note	**Carrying amount**	**Total**	**< 3 months**	**3 - 6 months**	**6 months - 1 year**	**> 1 year**
		₦'000	₦'000	₦'000	₦'000	61490000	₦'000
Accounts payable	15	21,787	21,787	21,787	-	-	-
Unclaimed distribution	18	61,494	61,494	61,494	-	-	-
		83,281	83,281	83,281	-	-	-

The table above shows the undiscounted cash flows of the Fund's financial liabilities on the basis of their earliest possible contractual maturity.

6 Use 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 the fair value of financial assets and liabilities for which there is no observable market prices requires the use of valuation techniques. 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.

Notes to the financial statements (cont'd)

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

	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		₦'000	₦'000	₦'000	₦'000
Financial assets at fair value through profit or loss:	13a	2,044,088	-	-	2,044,088
		2,044,088	-	-	2,044,088

31 December 2022

	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		₦'000	₦'000	₦'000	₦'000
Financial assets at fair value through profit or loss:-	13a	1,228,660	-	-	1,228,660
		1,228,660	-	-	1,228,660

7 Classification and fair value of financial assets and liabilities

The table below shows the categories into which the line items of financial assets 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
Cash and cash equivalents	12	788,946	-	-	788,946	-	788,946
Investment securities	13	2,135,470	2,044,088	-	91,382	-	2,044,088
Accounts receivable	14	-	-	-	-	-	-
		2,924,416	**2,044,088**	**-**	**880,328**	**-**	**2,833,034**
Accounts payable	15	35,669	-	-	-	35,669	35,669
Unclaimed distribution	18	61,494	-	-	-	61,494	61,494
		97,163	-	-	-	97,163	97,163
31 December 2022							
Cash and cash equivalents	12	649,531	-	-	649,531	-	649,531
Investment securities	13	1,228,660	1,228,660	-	-	-	1,228,660
Accounts receivable	14	5,275	-	-	5,275	-	5,275
		1,883,466	**1,228,660**	**-**	**654,806**	**-**	**1,883,466**
Accounts payable	15	21,787	-	-		21,787	21,787
Unclaimed distribution	18	61,494	-	-	-	61,494	61,494
		83,281	**-**	**-**		**83,281**	**83,281**

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.

Notes to the financial statements

8 Income

		2023	2022
		₦'000	₦'000
(a)	**Interest income**		
	Interest on Sukuk Bond	1,502	1,502
	Interest income from local banks	1,336	413
	Interest income on money market investments	15,318	690
	Income from placements with banks	64,727	48,742
		82,883	51,347
(b)	**Other income**	₦'000	₦'000
	Other income	381	1,934
		381	1,934
(c)	**Dividend Income**	₦'000	₦'000
	Dividend Income	105,843	100,456
		105,843	100,456

9 Impairments on Financial Assets

ECL impairment (charge) / writeback (see note 13)	(8)	2
Impairment of receivable (see note 14)	(5,275)	-
	(5,283)	2

10 Net trading gain/ (loss) on financial assets

	2023	2022
	₦'000	₦'000
Net gain/ (loss) on financial assets at fair value through profit or loss:		
Realised gain on equities	62,975	46,034
Realised gain on equities	62,975	46,034
Unrealised gain on equities	639,817	49,554
Unrealised (loss) on bonds	(322)	(419)
	639,495	49,135
Transaction costs on financial assets	(7,279)	(4,977)
	695,191	90,192

11 Operating expenses

	2023	2022
	₦'000	₦'000
Auditor's remuneration	2,688	2,226
Advertisement expenses	1,075	1,075
Other sundry expenses	13,020	1,220
Registrars fees	2,597	2,139
Custodian fees	1,506	1,181
Trustee fees	707	554
SEC Fees	4,379	3,443
Management fees	65,897	47,990
	91,869	59,828

No no audit fees were paid to KPMG Professional Services in 2023 and 2022

12 Cash and cash equivalents

	2023	2022
	₦'000	₦'000
Balances with banks	44,709	6,195
Placement with banks	744,237	643,336
Cash and cash equivalents	788,946	649,531

13 Investment Securities:

		2023	2022
		₦'000	₦'000
a	**Financial assets at fair value through profit or loss**		
	FGN Sukuk Bond	10,706	11,029
	Quoted equities	2,033,382	1,217,631
	Total for assets at fair value through profit or loss before bringing in amortised cost	2,044,088	1,228,660
b	**Financial assets at amortised cost**		
	Treasury bills	91,397	-
		2,135,485	1,228,660
c	ECL impairment allowance	(15)	-
		2,135,470	1,228,660

The movement in impairment allowance on financial asset is analysed below:

	2023	2022
	₦'000	₦'000
At 1 January	(7)	(9)
(Charge) / writeback made during the year (see note 9)	(8)	2
At 31 December	(15)	(7)

14 Accounts receivable

	2023	2022
	₦'000	₦'000
Other receivable	5,275	5,275
Impairment of receivable (see note 9)	(5,275)	-
	-	5,275

Notes to the financial statements (cont'd)

15 Accounts payable

	2023	2022
	₦'000	₦'000
Management fees payable	-	11,877
Accrued expenses	31,669	9,910
Other payables	4,000	-
	35,669	21,787

16 Withholding tax

	2023	2022
	₦'000	₦'000
Withholding tax expense	(11,673)	(10,046)
	(11,673)	(10,046)

17 Statement of cash flow notes

a Changes in	2023	2022	Movement
	₦'000	₦'000	₦'000
Accounts payable	35,669	21,787	13,882
Accounts receivable	-	5,275	5,275
Investment securities	1,495,975	1,179,525	(316,450)

18 Unclaimed dividend

Unclaimed dividend summed up to ₦61.49 million as at 31 December 2023 (2022: ₦61.49 million). This amount is invested in short-term money market instruments.

	2023	2022
Unclaimed Dividend	₦'000	₦'000
	61,494	61,494

19 Unitholders' interest

The Fund's authorised unit capital has a par value of ₦1.00 per unit. These units carry equal voting rights, are entitled to distributions and are entitled to a proportionate unit of the Fund's net assets attributable to unit holders. All issued units are fully paid. The Fund's units are subject to a minimum holding and subscription amount. The Fund has no limit on cash redemptions except where the cash redemption request is up to 25% of the Net Asset Value of the Fund. In this case, the Fund Manager may require a longer period depending on the market conditions. Under extraordinary circumstances, the Fund Manager also has the ability to suspend redemptions if this is deemed to be in the best interest of all unitholders.

The relevant movements are shown on the statement of changes in net assets attributable to holders of authorised units. In accordance with the objectives outlined in note 1 and the risk management policies in note 5, the Fund Manager endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of listed securities where necessary.

(a) The analysis of movements in the number of units and net assets attributable to unitholders during the year was as follows:

(i) ***Number of units***

	31- Dec - 2023	31- Dec - 2022
	₦'000	₦'000
Balance as at 1 January	1,237,008	1,200,687
Subscriptions during the year	875,216	107,015
Redemptions during the year	(749,963)	(70,694)
Balance as at 31 December	1,362,261	1,237,008

(ii) ***Net assets attributable to unitholders***

31 December 2023	Unitholders' equity	Share premium and retained earnings	Total
	₦'000	₦'000	₦'000
Balance at 1 January 2023	1,237,008	563,177	1,800,185
Profit for the year	-	775,473	775,473
	1,237,008	1,338,650	2,575,658
Subscriptions during the year	875,216	548,881	1,424,097
Redemptions during the year	(749,963)	(422,539)	(1,172,502)
Balance at 31 December 2023	1,362,261	1,464,992	2,827,253
Net assets value per unit (Naira)			2.08

Notes to the financial statements (cont'd)

31 December 2022	Unitholders' equity	Share premium and retained earnings	Total
	₦'000	₦'000	₦'000
Balance at 1 January 2022	1,200,687	372,243	1,572,930
Profit for the year	-	174,057	174,057
	1,200,687	546,300	1,746,987
Subscriptions during the year	107,015	46,549	153,564
Redemptions during the year	(70,694)	(29,672)	(100,366)
Balance at 31 December 2022	1,237,008	563,177	1,800,185
Net assets value per unit (Naira)			1.46

The net assets value per unit is determined in accordance with the accounting principles as disclosed in this report.

(b) Distribution paid to unitholders

Any distribution for the Fund is made in accordance with the Trust Deed of the Fund. No distribution was made in 2023 (2022: Nil).

20 Notes to the statement of cashflows

	2023	2022
(i) **Net gain/ (loss) on financial assets:**	**₦'000**	₦'000
Unrealised loss on equities	**(639,817)**	(49,554)
Unrealised gain on bonds	**322**	419
	(639,495)	(49,135)
(ii) **Financial assets at fair value through profit or loss and amortised cost:**		
Investment securities at the beginning of the year	**1,228,660**	1,185,249
Investment securities at the end of the year	**(2,135,470)**	(1,228,660)
Net gain/ (loss) on Investment securities (see note 20(i)	**639,495**	49,135
	(267,315)	5,724

21 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both. The definition includes key management personnel. 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.

The following summarize the Fund's transactions with its related parties:

a) *Fund Manager's fees*

i. Management fee

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 a Fund Manager to provide fund management services to the Fund. Stanbic IBTC Asset Management Limited receives a fee based on annual rate of 4.5% on the weighted average net asset value of the Fund accrued daily and payable quarterly. Total management fee for the year amounted to ₦65.8 million (2022: ₦48 million).

ii. Incentive fee

The Fund Manager is entitled to an annual incentive fee of 10% of the amount by which the total returns on the investments of the Fund for year in question exceeds the prescribed minimum return on the net assets value of the Fund (currently 10% of such net assets value). The incentive fee for the year was Nil (2022: Nil).

iii. Stockbrokers fee

The investment transactions are carried out by Stanbic IBTC Stockbrokers. The fee per transaction is in the range of 0% to 0.30% of the value of the transaction

Notes to the financial statements (cont'd)

b) *Key management personnel*

Some key management personnel of the Fund Manager held units of the Fund as at 31 December 2023; the details are provided beneath:

	31-Dec-23	**31-Dec-22**
	Units	**Units**
Dr. Demola Sogunle	181,824	181,824
Bridget Oyefeso-Odusami	109,428	101,328

22 Contingencies

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

23 Litigations and claims

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

24 Subsequent events after the reporting date

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

25 Capital commitments

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

26 Assets Under Management

The total assets under management in 2023 amounted to ₦2.85 billion (2022: ₦1.82 billion)

OTHER DISCLOSURES

Other disclosures:
Portfolio statement

	31 December 2023		31 December 2022	
	Market Value	**Percentage of total investment**	Market Value	Percentage of total investment
	₦'000	**%**	₦'000	%
Equity securities				
Banking	**690,225**	**34%**	372,436	28%
Building	**317,736**	**16%**	195,383	14%
Food and Beverages	**191,647**	**9%**	143,399	11%
Agro Allied	**275,391**	**13%**	218,478	17%
Petroleum Marketing	**212,668**	**10%**	115,577	9%
Telecomms	**345,715**	**17%**	174,928	13%
Total equity securities	**2,033,382**	**99%**	**1,220,201**	**92%**
Debt securities	**10,706**	**1%**	110,583	8%
Total investments	**2,044,088**	**100%**	**1,330,784**	**100%**

Other national disclosures:

Value added statement

	31 December 2023		31 December 2022	
	₦'000	**%**	₦'000	%
Total revenue/(loss)	**884,298**		243,929	
Bought-in-goods and services - Local	**(31,255)**		(11,838)	
Value (eroded)	**853,043**	**100**	**232,091**	100
Applied to pay:				
To the Government				
- As taxes	**11,673**	**1%**	10,045	**4%**
To the Fund Manager and other parties to the Fund				
- As fees	**65,897**	**8%**	47,990	**21%**
Retained in the Fund				
- As augmentation of reserves	**775,473**	**91%**	174,056	**75%**
Value (eroded)	**853,043**	**100%**	**232,091**	100%

This statement represents the distribution of the wealth created through the use of the Fund's assets by the Fund Manager.

Other national disclosures:
Financial summary
For the year ended 31 December

	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
Statement of financial position					
Cash and cash equivalents	**788,946**	649,531	471,129	191,633	91,967
Financial assets at fair value through profit or loss	**2,135,470**	1,228,660	1,185,249	1,456,431	1,226,059
Accounts receivable	**-**	5,275	5,275	5,275	10,732
Total assets	**2,924,416**	1,883,466	1,661,653	1,653,339	1,328,758
Total liabilities	**(97,163)**	(83,281)	(88,723)	(75,252)	(76,343)
Net assets	**2,827,253**	1,800,185	1,572,930	1,578,087	1,252,415
Unitholders' funds	**2,827,253**	1,800,185	1,572,930	1,578,087	1,252,415
Statement of comprehensive income					
Total Revenue	**884,298**	243,929	205,413	427,305	(23,386)
Profit/(Loss) before tax	**787,146**	184,103	149,429	383,856	(91,472)
Profit/(Loss) for the year	**775,473**	174,057	140,766	376,971	(98,504)