STANBIC IBTC GUARANTEED INVESTMENT 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:	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: mutualfunds@stanbicibtc.com Website: www.stanbicibtcassetmanagement.com
Postal Office:	P.O.Box 71707 Victoria Island Lagos
Auditor:	KPMG Professional Services KPMG Tower Bishop Aboyede Cole Street Victoria Island Lagos
Company Secretary to the Fund Manager:	Olugbenro Aju Email:aju.olugbenro@stanbicibtc.com
Registrar	First Registrars & Investor Services No 2 Abebe Village Road Iganmu 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 Guaranteed Investment Fund, together with the audited financial statements for the year ended 31st December, 2023.

Principal activity: The principal activity of the Stanbic IBTC Guaranteed Investment Fund ("the Fund") is the subscription of funds from members of the public and companies and the investment of such funds in Fixed Income Securities and quoted equity 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 14-17.

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	158.18

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 Guaranteed Investment Fund ("SIGIF") which opened the year at an offer price of N332.52; appreciated by 6.26% to close at an offer price of N353.35.

Economic Review
In the domestic landscape, the first half of the year was dominated by election uncertainties, cash crunch underpinned by currency redesign policy, rising general prices and persistent insecurity.

Major highlights for the year came with the inauguration of the new administration, as we saw a quick implementation of some pro-market reforms than the market had initially anticipated. Post inauguration, we witnessed some major policy pivots in the domestic economy, including partial removal of subsidy which helped to free up resources for the government, unification of the foreign exchange market which resulted in the devaluation of the country's currency and change in composition of the Central Bank of Nigeria's management team.

The policy pivots were regarded as necessary triggers for the nation's growth, as they are expected to have a direct impact on stimulating exports, attracting foreign investors participation in the domestic market, and improving overall fiscal condition. However, the short-term impact on the domestic economy has been to the downside as it has resulted in further surge in inflation, underpinned by rising energy prices and surge in prices of imported items. In a bid to curb inflationary pressures, the Central Bank of Nigerian (CBN) hiked monetary policy rates by 225bps during the year to close the year at 18.75%.

Market Review
The domestic financial market was a tale of two halves, with the first half of the year characterised by election uncertainties and high liquidity, especially as the period received c. N4.30trn in coupon payments, Treasury Bill and Bond maturities. Consequently, average fixed income yields declined to 12.56% at the end of H1 2023, from c.14% at the start of the year. The second half, however, was characterised by improved supply of securities by the Debt Management Office and deployment of unorthodox measures to mop up liquidity in the system by the monetary authority. On the back of this, average yield trended northward, especially in the month of November, closing the month at 15.16%. Yields contracted to 13.87% in December 2023 as 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.6.2%. 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. The policies such as the removal of fuel subsidy and the abolishment of the multiple FX window system were seen as positive and this drove the positive sentiment in the equities market; this was sustained for the rest of the year, with the All-Share Index recording a full year gain of 45.90% compared to 19.98% recorded in 2022.

Historical Performance

	FY 2023	FY 2022	FY 2021	FY 2021	FY 2020	3-Years	5-Years
Return	6.26%	6.17%	6.29%	6.29%	7.57%	28.99%	75.66%
Index	14.20%	10.42%	7.41%	7.41%	9.34%	21.80%	52.44%

The Index is 70% Weighted Average 3 Year Bond; 20% 91 Days Weighted Average Treasury Bill Rate; 10% ASI.

Fund Activity

The Fund took a tactical position in the equity market by investing in select names in order to benefit from the expected capital gains and dividend yield. Albeit our play in equities was minimal to reduce volatility on the Fund. Additionally, the Fund maintained its Bond allocation above the regulatory 70% minimum with its investment activities biased toward money market investments.

Figure 1: Total Asset Allocation of the Fund as at 31 December 2023

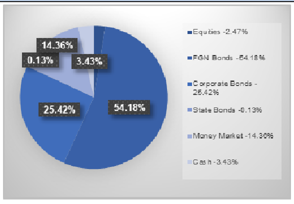
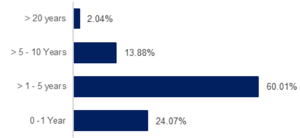


Figure 2: Maturity Profile of the Fund as at 31 December 2023



ON BEHALF OF THE FUND MANAGER:

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 (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 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 Financial Reporting Council of Nigeria (Amendment) Act, 2023 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:

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 (Designate)
Stanbic IBTC Asset Management Limited
28 March 2024

Certification of accounts by the Fund Manager

We hereby certfiy 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 bid price; or

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

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 (Designate)
Stanbic IBTC Asset Management Limited
28 March 2024

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

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Stanbic IBTC Guaranteed Investment Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Stanbic IBTC Guaranteed Investment 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

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***	**2023** **₦'000**	2022 ₦'000
Cash and cash equivalents	13	**2,213,063**	2,055,538
Investment Securities	14	**11,663,450**	13,622,486
Accounts receivable	15	**64,366**	126
Total assets		**13,940,879**	15,678,150
Liabilties			
Accounts payable	16	**(78,059)**	(206,183)
Unclaimed dividend	17	**(14,335)**	(14,335)
		(92,394)	(220,518)
Net assets attributable to unitholders		**13,848,485**	15,457,632
Represented by:			
Equity attributable to unitholders at par	20a(ii)	**3,556,691**	4,268,257
Share premium and retained earnings	20a(ii)	**10,291,794**	11,189,375
Total		**13,848,485**	15,457,632

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:

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 (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 year ended 31 December

Revenue	*Note*	2023 ₦ '000	2022 ₦ '000
Interest income	8a	**1,258,907**	1,768,721
Dividend income	8b	**9,408**	401
Other Income	10	**2,707**	11,694
Net trading loss on financial assets	11	**(112,270)**	(111,760)
Total revenue		**1,158,752**	1,669,056
ECL impairment (charge)/writeback	9	**(10,740)**	1,361
Total revenue after impairment		**1,148,012**	1,670,417
Operating Expenses			
Operating expenses	12	**(294,447)**	**(443,151)**
Total expenses		**(294,447)**	(443,151)
Increase in net assets attributable to unit holders before tax		**853,565**	**1,227,266**
Withholding tax expense	18	**(74,062)**	(40)
Increase in net assets attributable to unit holders after tax		**779,503**	1,227,226

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

Statements of Changes in Net Assets attributable to Unitholders
For the year ended 31 December 2023

	Note	**Unitholders' equity at par ₦ '000**	**Unit premium and retained earnings ₦ '000**	Total ₦ '000
Balance at 1 January 2023		4,268,257	11,189,375	15,457,632
Increase in net assets attributable to unit holders after tax				
Profit for the year		-	779,503	779,503
Increase in net assets attributable to unit holders after tax		4,268,257	11,968,878	16,237,135
Transactions with unitholders, recorded directly in equity:				
Subscriptions during the year	20a(i)	1,599,375	3,867,604	5,466,979
Redemptions during the year	20a(i)	(2,310,941)	(5,544,688)	(7,855,629)
Total Contributions and distributions to unitholders		(711,566)	(1,677,084)	(2,388,650)
Balance at 31 December 2023		**3,556,691**	**10,291,794**	**13,848,485**

	Note	**Unitholders' equity at par ₦ '000**	**Unit premium and retained earnings ₦ '000**	Total ₦ '000
Balance at 1 January 2022		7,543,147	17,188,450	24,731,597
Increase in net assets attributable to unit holders after tax				
Profit for the year		-	1,227,226	1,227,226
Increase in net assets attributable to unit holders after tax		7,543,147	1,227,226	25,958,823
Transactions with owners, recorded directly in equity:				
Subscriptions during the year	20a(i)	2,852,260	6,109,388	8,961,648
Redemptions during the year	20a(i)	(6,127,150)	(13,335,689)	(19,462,839)
Total Contributions and distributions to unitholders		(3,274,890)	(7,226,301)	(10,501,191)
Balance at 31 December 2022		4,268,257	11,189,375	15,457,632

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 flows from operating activities			
Increase in net assets attributable to unit holders after tax		**779,503**	1,227,226
Add: Withholding tax expense	18	**74,062**	40
Increase in net assets attributable to unit holders before tax		**853,565**	1,227,266
Adjustment for:			
- Interest income	8a	**(1,258,907)**	(1,768,721)
- Other income	10	**(2,707)**	(11,694)
- Dividend income	8b	**(9,408)**	(401)
- Net trading loss on financial assets	11	**112,270**	111,760
		(305,187)	(441,790)
Changes in:			
- Accounts payable	19a	**(128,124)**	51,339
- Accounts receivable	19a	**(64,240)**	739
- Investment Securities	19a	**1,846,766**	9,114,324
		1,349,215	8,724,612
- Interest income	8a	**1,258,907**	1,768,721
- Other Income received	10	**2,707**	11,694
- Dividend received	8b	**9,408**	401
- Withholding tax paid	18	**(74,062)**	(40)
Net cash generated from operating activities		**2,546,175**	10,505,388
Cash flows from financing activities:			
Cash received from subscriptions	20a(i)	**5,466,979**	8,961,648
Cash paid on redemption of units	20a(i)	**(7,855,629)**	(19,462,839)
Net cash from financing activities		**(2,388,650)**	(10,501,191)
Net increase in cash and cash equivalents		**157,525**	4,197
Cash and cash equivalents at 1 January		**2,055,538**	2,051,341
Cash and cash equivalents at 31 December	13	**2,213,063**	2,055,538

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 Guaranteed Investment Fund ("the Fund") is a unit trust scheme that operates in Nigeria. The primary objective of the Stanbic IBTC Guaranteed Fund is to achieve long–term capital appreciation of its assets, through investing in a portfolio of fixed income securities including Federal Government Bonds, State Government Bonds, money market securities and other securities approved by the Securities & Exchange Commission ("the Exchange").
The objective of the Fund is long-term capital appreciation, which is achieved by investing at least 75% of the fund's assets in selected fixed income securities while retaining a maximum of 25% of its total assets in high quality securities quoted on The Nigerian Stock Exchange. The Fund Manager guarantees the principal of the unitholder provided that the investments are left in the Fund for over three months. When you subscribe to the Fund, you are issued the applicable number of units at the prevailing offer price, equivalent to the monetary amount of your subscription. The Fund is revalued at the end of each business day. This means that the value of subcribers units will change from day to day.

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) and in the manner required by the Financial Reporting Council of Nigeria (Amendment) Act, 2023. 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.

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.

Notes to the financial statements (cont'd)

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

Financial assets at fair value through Other Comprehensive Income includes:
• 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 in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; 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 basis lending arrangement, the financial asset is classified as fair value through profit or loss .

• Equity financial assets which are not held for trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.

(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 basis 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 entity has not elected to classify as at FVOCI.

The Fund has classified equities 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.

Notes to the financial statements (cont'd)

(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.

(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.

Notes to the financial statements (cont'd)

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.

(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 company.
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 company.

(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 • 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.	1/1/2023
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	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.	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 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 bonds and a maximum of 30% in money market instruments; the fund could also have a maximum of 10% in equities quoted on the Nigerian Exchange Group. As at 31 December 2023 the Fund's investment portfolio comprised of money market instruments, debt securities, cash, receivables and payables. 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, liquidity risk and credit 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 with a guarantee against dimunition in value of the principal amount, provided the investment is maintained in the Fund for more than three months.

a *Market 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.

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.

P Using the equity portfolio weighted beta of 1.41 (2022: 0.59), 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)	13,877	15,377
Effect in %		
Change in Net Asset Value	0.35%	0.004%

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 instrument. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Sensitivity analysis conducted reveals that a 1% rise in interest rate would, all other variables remaining constant, lead to a drop in the fund's net asset value by about N615 million. In practice, actual changes in interest rate may differ from 1% and the impact on the Fund's net asset value could be material.

As at 31 December 2023, the Fund's exposure to interest rate risk was in relation to money market instruments such as Bonds. The bonds 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.

The table below summarizes the Fund's direct exposure to interest rate risk based on its financial asset holdings.

	Carrying value	**Exposed to Interest Rate**
	₦'Millions	₦'Millions
Less than 1 year	**2,213,063**	-
More than 1 year	**11,663,450**	11,663,450
	13,876,513	**11,663,450**

Irrespective of the market risk inherent in the investments held by the Fund, the Fund Manager is responsible for any diminution in value of the assets for any subscriber who has been in the Fund for at least 3 months. The Fund manager did not record a liability or contingent liability as at 31 December 2023 (2022: Nil) given that all unitholders holding their investments more than 3 months had positive returns on their invested principal.

Notes to the financial statements (cont'd)

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 into with the Fund resulting in a financial loss to the Fund. The Fund is subject to credit risk from its holdings in money market instruments. The Fund limits this exposure to credit loss by placing funds with banks with minimum BBB rating and investing in securities with high credit quality and by diversifying among a number of issuers. The fund is also exposed to credit risk from its receivables on its money market placements.

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

	2023	**2022**
Debt Securities by rating	**Exposure as a % of securites**	**Exposure as a % of securites**
AAA	56.28%	80.60%
AA	4.56%	6.21%
A	21.52%	10.52%
BBB	17.63%	2.67%
Total	**100.00%**	**100.00%**

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

The Fund’s cash is held with the custodian, Standard Chartered Bank, which is rated ‘BBB’ by S & P. The Securities and Exchange Commission (SEC) rule 454 (2e) also requires the custodian to take up insurance cover for all assets under custody.

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 off. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

As at 31 December 2023, the Fund’s investments are considered readily realizable and highly liquid; therefore, the Fund’s exposure to liquidity risk is considered minimal. The following were contractual maturities of financial liabilities at 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	16	78,059	78,059	78,059			
Unclaimed dividend	17	14,335	14,335	14,335			
Total liabilities		**92,394**	**92,394**	**92,394**	**-**	**-**	**-**

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	₦ '000	₦ '000
Accounts payable	16	205,723	205,723	205,723			
Unclaimed dividend	17	14,335	14,335	14,335			
Total liabilities		**220,058**	**220,058**	**220,058**	**-**	**-**	**-**

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

Notes to the financial statements (cont'd)

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 for 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 conditons 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

	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		₦ '000	₦ '000	₦ '000	₦ '000
Financial assets at fair value through profit or loss	14(a)	343,151	-	-	343,151
		343,151	**-**	**-**	**343,151**

31 December 2022

	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		₦ '000	₦ '000	₦ '000	₦ '000
Financial assets at fair value through profit or loss	14(a)	10,751	-	-	10,751
		10,751	**-**	**-**	**10,751**

For financial assets and liabilities not measured at fair value, the fair value approximates the carrying value, therefore no further disclosure is provided.

7 Classification and fair value of financial assets and liabilities

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

31 December 2023

	Note	**Total**	**Fair value through profit or loss**	**Fair value through OCI**	**Amortized cost (Assets)**	**Amortized cost (Liabilities)**	**Fair Value**
		₦ '000	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000
Cash and cash equivalents	13	2,213,063	-	-	2,213,063	-	2,213,063
Financial assets	14	11,663,450	343,151	-	11,320,299	-	11,663,450
Accounts receivable	15	64,366	-	-	64,366	-	64,366
Total assets		**13,940,879**	**343,151**	**-**	**13,597,728**	**-**	**13,940,879**
Accounts payable	16	78,059	-	-	-	78,059	78,059
Unclaimed dividend	17	14,335	-	-	-	14,335	14,335
Total liabilities		**92,394**	**-**	**-**	**-**	**92,394**	**92,394**
31 December 2022							
Cash and cash equivalents	13	2,055,538	-	-	2,055,538	-	2,055,538
Financial assets	14	13,622,486	10,751	-	13,611,735	-	20,112,579
Accounts receivable	15	126	-	-	126	-	126
Total assets		**15,678,150**	**10,751**	**-**	**15,667,399**	**-**	**22,168,243**
Accounts payable	16	206,183	-	-	-	206,183	206,183
Unclaimed dividend	17	14,335	-	-	-	14,335	14,335
Total liabilities		**220,518**	**-**	**-**	**-**	**220,518**	**220,518**

Notes to the financial statements (cont'd)

		2023	2022
8	**Investment income**	**₦'000**	₦'000
8a	Investment income on financial assets		
	Interest income from local banks	**-**	877
	Interest income on money market investments	**-**	19,989
	Interest from bank placements	**275,269**	314,239
	Income from bond investments	**958,553**	1,409,070
	Income from Promissory Notes Above 12 Months	**25,085**	24,546
		1,258,907	**1,768,721**

		2023	2022
8b	**Dividend Income**	**₦'000**	₦'000
		9,408	**401**

		2023	2022
9	**ECL impairment (charge)/writeback (see note 14c)**	**₦'000**	₦'000
		(10,740)	1,361

		2023	2022
10	**Other income**	**₦'000**	₦'000
	Other Income	**2,707**	11,694
		2,707	**11,694**

		2023	2022
11	**Net trading (loss)/ gain on financial assets**	**₦'000**	₦'000
(a)	**Net gain/(loss) on financial assets at fair value through profit or loss:**		
	Realised gain on equities	**327**	3,507
	Realised gain on equities	**327**	3,507
	Realised (loss) on bond	**(167,764)**	(115,463)
		-	-
	Realised (loss) on bond	**(167,764)**	(115,463)
	Unrealised Gain on bond investments	**55,167**	196
		55,167	196
(b)	**Net (loss) on financial assets at amortised cost:**	**(112,270)**	**(111,760)**

		2023	2022
12	**Operating expenses**	**₦'000**	₦'000
	Management Fees	**232,594**	332,046
	Registrars fees	**2,986**	2,682
	Custodian fees	**12,405**	17,709
	Trustee fees	**5,829**	8,327
	SEC fees	**28,849**	43,279
	Auditor's remuneration	**4,215**	3,512
	Advertising expenses	**1,075**	1,075
	Transaction cost	**2,140**	348
	Sundry expenses	**4,354**	34,173
	Total	**294,447**	443,151

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

13 Cash and cash equivalents
Cash and cash equivalents comprise:

	2023	2022
	₦'000	₦'000
Balances with banks	**443,880**	134,467
Placement with banks	**1,769,183**	1,921,071
	2,213,063	2,055,538

		2023	2022
14	**Investment Securities**	**₦'000**	₦'000
(a)	**Financial assets at fair value through profit or loss:**		
	Quoted equity investments	**343,151**	10,751
(b)	**Financial assets at amortised cost:**		
	Bond investments	**11,101,211**	13,268,766
	Placement with banks - Above 3 months	**233,294**	-
	Promissory Notes Above 12 Months	**-**	346,435
		11,677,656	13,625,952
(c)	ECL impairment allowance	**(14,206)**	(3,466)
		11,663,450	13,622,486

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

	2023	2022
	₦'000	₦'000
At 1 January	**(3,466)**	(4,827)
(Allowance)/writeback made during the year (see note 9)	**(10,740)**	1,361
At 31 December	**(14,206)**	(3,466)

15 Accounts receivable

	2023	2022
	₦'000	₦'000
Dividend receivable	**3,109**	126.21
Receivables from other Funds	**61,257**	-
	64,366	126

16 Accounts payable

	2023	2022
	₦'000	₦'000
Accrued expenses	**75,287**	169,663
Redemption payable	**2,772**	36,520
	78,059	206,183

	2,023	2,022
17 Unclaimed dividend	**₦'000**	₦'000
	14,335	14,335

The unclaimed dividend amount is invested in short-term money market instruments.

	2023	2022
18 Tax expense	**₦'000**	₦'000
Withholding Tax	**74,062**	**40**

Notes to the financial statements (cont'd)

19 Statement of cash flow notes

a Changes in	2023	2022	Movement
	₦'000	₦'000	₦'000
Accounts payable	**78,059**	206,183	(128,124)
Accounts receivable	**64,366**	126	(64,240)
Investment Securities	**11,663,450**	13,622,486	1,846,766

20 Unitholders' interest

The Fund's authorised unit capital has a par value of ₦100.00 per unit. These units carry equal voting rights, are entitled to distributions and are entitled to a proportionate part of the Fund's net assets attributable to the unitholders. 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 Assets Value of the Fund. In this case, the Fund Manager may require longer period depending on the market conditions. Under extraordinary circumstances, the Fund 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 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 were as follows:

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

In thousands of units	2023	2022
Balance at 1 January	**4,268,257**	7,543,147
Subscriptions during the year	**1,599,375**	2,852,260
Redemptions during the year	**(2,310,941)**	(6,127,150)
Balance at 31 December	**3,556,691**	4,268,257

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

31 December 2023	**Unitholders' equity at par**	**Share premium and retained earnings**	**Total**
	₦'000	**₦'000**	**₦'000**
Balance at 1 January 2023	4,268,257	11,189,375	15,457,632
Profit for the year	-	779,503	779,503
	4,268,257	11,968,878	16,237,135
Subscriptions during the year	1,599,375	3,867,604	5,466,979
Redemption of units by unitholders	(2,310,941)	(5,544,688)	(7,855,629)
Reclassification			34,812
Balance at 31 December 2023	3,556,691	10,291,794	13,883,297
Net assets value per unit			**4**

31 December 2022	**Unitholders' equity at par**	**Share premium and retained earnings**	**Total**
	₦'000	**₦'000**	**₦'000**
Balance at 1 January 2022	7,543,147	17,188,450	24,731,597
Profit for the year	-	1,227,226	1,227,226
	7,543,147	18,415,676	25,958,823
Subscriptions during the year	2,852,260	6,109,388	8,961,648
Redemption of units by unitholders	(6,127,150)	(13,335,689)	(19,462,839)
Balance at 31 December 2022	4,268,257	11,189,375	15,457,632
Net assets value per unit			4

b) Distribution to unitholders

Any distribution for the Fund is made in accordance with the Trust Deed of the Fund. There was no distribution during the year (2022: Nil)

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 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.

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

a) *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 an investment manager to provide fund management services to the Fund. Stanbic IBTC Asset Management Limited receives a fee based on an annual rate of 1.5% of the net assets value of the Fund accrued daily, payable quarterly. Total management fees for the year amounted to ₦232.59 million (2022: ₦332.05 million).

ii. Incentive fee

The Fund Manager is entitled to an annual incentive fee of 10% of the total returns on the investments of the Fund that are in excess of 10% of the net assets value of the Fund in the relevant year. There was no incentive fee in the current year (2022: Nil).

iii) 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 0.30% of the value of the transaction

b) *Key management personnel*

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

	Units as at 31 December 2023	Units as at 31 December 2022
Olayinka David-West	**-**	61,502

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 Events after the reporting period

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 have not been adequately recognised and/or 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 ₦13.7 billion (2022: ₦15.2 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	10,751,281	0.49	-	0%
Total equity securities	10,751,281	49%	-	0%
Debt securities	11,320,299	51%	22,848,570	100%
Total investments	**22,071,580**	**100%**	22,848,570	100%

Other national disclosures:
Value added statement

	31 December 2023		31 December 2022	
	₦'000	%	₦'000	%
Total revenue	**1,148,012**		2,129,013	
Bought-in-materials and services - Local	**(11,784)**		(15,340)	
Value added	**1,136,228**	**100**	2,113,673	100
Applied to pay:				
To the Government				
- As taxes	**74,062**	**7%**	243	0%
To the Fund Manager and other parties to the Fund				
- As fees	**282,663**	**24%**	585,429	28%
Retained in the Fund				
- As augmentation of reserves	**779,503**	**69%**	1,528,001	72%
Value added	**1,136,228**	**100%**	2,113,673	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 equivalent	**2,213,063**	2,055,538	2,051,341	12,351,261	1,137,837
Financial assets	**11,663,450**	13,622,486	22,848,570	24,228,149	9,471,853
Accounts receivable	**64,366**	126	866	866	400,000
Total assets	**13,940,879**	15,678,150	24,900,777	36,580,276	11,009,690
Total liabilities	**(92,394)**	(220,518)	(169,180)	(291,459)	(195,890)
Net assets atributable to unitholders	**13,848,485**	15,457,632	24,731,597	36,288,817	10,813,800
Unitholders' funds	**13,848,485**	15,457,632	24,731,597	36,288,817	10,813,800
Statement of comprehensive income					
Profit/(loss) before tax	**853,565**	1,227,266	1,528,244	1,274,232	965,849
Profit/(loss) for the year	**779,503**	1,227,226	1,528,001	1,273,163	964,864
Distribution to unitholders	**-**	-	-	191,804	202,526