

VALUALLIANCE MONEY MARKET FUND

**ANNUAL REPORT
FOR THE 7 MONTHS ENDED**

31 DECEMBER 2023

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Fund information

Directors of the Fund Manager:

Mrs. Eno Atoyebi	Managing Director
Mr. Samuel Oniovosa	Director
Dr. Okechukwu	Director
Mr. Kofi Kwakwa	Director
Mr. Obinnia Abajue	Independent Director

Custodian:

Stanbic IBTC Bank Plc.
Walter Carrington Crescent
Victoria Island, Lagos

Registrars:

First Registrars Nigeria Limited
Plot 2 Abebe Village Road
Iganmu Complex, Lagos

Banker:

Stanbic IBTC Bank Plc

Fund Manager:

ValuAlliance Asset Management Limited
12th floor, Alliance Place
33A Alfred Rewane (Kingsway) Road
Ikoyi, Lagos
Tel: +234 1 466 2000
[Email:info@valualliance.com](mailto:info@valualliance.com)
www.valualliance.com

Trustee:

STL Trustees Limited
Plot 183 Moshood Olugbani Street
Victoria Island,
Lagos.

Auditor:

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island,
Lagos.
www.kpmg.com/ng

Company Secretary:

Alsec Nominees Limited
St. Nicholas House 10th /13th Floors

Fund Manager's Report

For the period ended 31 December 2023

The Fund Manager presents its report on the affairs of the ValuAlliance Money Market Fund ("the Fund") together with the financial statements and independent auditor's report for the period ended 31 December 2023.

BACKGROUND INFORMATION

The Fund is a SEC registered open-ended collective investment scheme established in June 2020. The Fund's primary objective is to provide investors with a steady return on capital, liquidity and capital preservation by investing in a diversified portfolio of high-quality short-term money market instruments which will include short-term government securities, unsubordinated short-term debt instruments such as commercial papers, bankers' acceptances, and fixed deposits.

This Fund targets individuals looking for a vehicle to conservatively grow and optimize their savings or seeking a flexible option for cashflow and liquidity management. The Fund is constituted and governed by a Trust Deed.

ASSET ALLOCATION

The Fund's asset allocation is detailed below;

Asset Class	7 months ended		12 months ended	
	31-Dec-23		31-May-23	
	Amount	Percent	Amount	Percent
	₦		₦	
Short Term Government Instruments	471,061,559	26%	321,290,578	26%
Placement with Banks	634,721,969	35%	647,441,580	51%
Other Money Markets Instruments	706,076,004	39%	263,487,065	21%
Cash & Cash equivalents	4,305,550	0%	24,963,893	2%
Total	1,816,165,082	100%	1,257,183,116	100%

DISTRIBUTION

The Fund distributes income earned net of expenses to unitholders on a quarterly basis. The Fund distributed a total net income of ₦28,710,980 for the period ended 31 December 2023 (May 2023: ₦98,305,813).

FUND PERFORMANCE REVIEW

ValuAlliance Money Market Fund performance is benchmarked against the 90-day Nigerian Treasury Bill. This performance is tracked using 3 months Nigerian Interbank Treasury Bill True Yield (NITTY). The Fund ended the period ended 31st Decmber 2023 with a net yield of 10.1% performing above its benchmark, the 90-day Nigerian Treasury Bill which stood at 5.81% as at 31 December 2023

GLOBAL ECONOMY

The Fund Manager provides an update of the macroeconomic and financial market events that occurred during the review period (1st June 2023 to 31st December 2023) to provide context to the performance of the Money Market Fund.

In H2-2023, the IMF revised the global growth forecast for FY-2023 slightly higher to 3% y/y, compared to the initial expectation of 2.9% y/y at the start of the year. Relative to the previous year's 3.5% y/y growth, the weaker outlook for 2023 was attributed to tight monetary policy required to combat inflation, withdrawal of fiscal support and high debt, the long term consequences of Covid-19, the ongoing war in Ukraine, and growing geopolitical tensions.

NIGERIAN MACROECONOMIC REVIEW AND OUTLOOK

Real Economy:

Nigeria's Gross Domestic Product (GDP) grew by 3.5% y/y in Q4-2023 (vs. 2.5% y/y in the previous quarter), bringing the FY-2023 average to 2.7% y/y, down from 3.1% in FY-2022. The non-oil sector remained resilient (+3.5% from +2.5% previously) while the oil sector exited its 16-quarter long recession as oil production improved to 1.6mbpd from 1.43mbpd in the preceding quarter. Elevated price levels, sustained Naira weakness, and high energy costs should continue to weight on output growth in FY-2024. According to the NBS real domestic consumption fell by 12.2% in 2023 and lingering inflation should pressure consumption once gain in 2024. We however note that sustained recovery in oil production and a ramp-up in midstream output (through the Dangote refinery) may support output growth. In our base case, GDP growth should print flat between 2.5% - 3% in 2024.

Monetary Policy:

Despite runaway inflation, the monetary policy committee (MPC) left the benchmark rate unchanged at 18.75% over Q4'23. Due to personnel changes at the CBN including the appointment of a new Governor, the MPC held no meeting during the quarter having fulfilled its quota for the year. The focus, according to newly appointed CBN Chief, Olayemi Cardoso, has been to improve the effectiveness of these meetings. Looking ahead, we hold the view that interest rates will remain high in the short term to bring inflation closer to price targets. Looking forward, we envisage fresh rate hikes in 2024 as the new CBN governor may look to send a strong signal of hawkishness to both domestic market participants and foreign investors as it seeks to mitigate record inflationary pressures and restore FX stability. Globally, we think that rate cuts, while a possibility, may not be considered by global monetary authorities till late 2024. The Fed's dot plot for 2024 indicates that benchmark interest rates will

Currency:

Operational FX market reforms momentarily closed the premium between the official and parallel market in H1-2023. The premium however returned and widened, with the Naira testing fresh lows in both official and black market segments over the last quarter of the year as FX supply failed to show any improvement. As a consequence, the Naira lost almost 100% of its value in the official market segment in FY-2023. The country's reserve balance also depleted sharply (by roughly \$300M) over Q4-2023, according to CBN data. In addition to muted accretion from crude sales, the apex bank's commitments to clearing its FX backlog (forwards estimated at \$7bn) and the amount owed to foreign airlines exerted downward pressure on Nigeria's FX reserve balance. In the short term, the FGN's ability to stabilize the currency will depend on its ability to attract foreign investor flows amid weak unencumbered FX reserves, limited fiscal room for foreign borrowing, recovering oil production, and weak foreign flows.

FIXED INCOME MARKET

The fixed income market was marked by volatility in Q4-2023 with yields reaching new highs influenced by demand - supply imbalance and a return to orthodox monetary policy by the new CBN leadership. In addition to a hawkish stance by the monetary policy committee (MPC), a return to OMO auctions, cash reserve ratio (CRR) normalization and standing deposit facility (SDF) cap removal all influenced system liquidity as well as the direction of yields. For FY-2024, like last year, we expect liquidity conditions (and the CBN's willingness and ability to mop up liquidity and manage money supply) and monetary policy direction to influence interest rates.

Going forward, we expect the degree of the CBN's hawkishness to be the primary driver of interest rates. the CBN's willingness to sterilize expected future liquidity, improve monetary transmission, and raise policy rates aggressively would determine the interest rate trajectory in the medium-term.

Looking ahead, the extent of the Central Bank's hawkishness will be pivotal in shaping interest rates, with the degree of liquidity sterilization, efforts to enhance monetary transmission mechanisms, and the pace of policy rate hikes serving as key determinants of the medium-term interest rate trajectory.

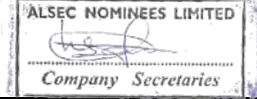
Events after reporting period

There were no events after the reporting period which could have had a material effect on the assets and liabilities of the Fund as at 31 December 2023 and its operating results for the year then ended which have not been adequately provided for or disclosed in these financial statements.

Auditor

Messrs. KPMG Professional Services having satisfied the relevant corporate rules on their tenure in office have indicated their willingness to continue in office as auditors to the Fund. Therefore, the auditor will be re-appointed by the Fund Manager and Trustees of the Fund.

BY ORDER OF THE BOARD OF DIRECTORS OF THE FUND MANAGER



Alsec Nominees Limited

St. Nicholas House 10th /13th Floors
Catholic Mission Street.
P. O. Box 53123, Ikoyi, Lagos, Nigeria
FRC/2013/ICSAN/00000001651
27 March 2024

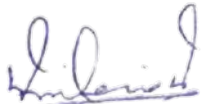
Statement of Fund Manager's Responsibilities in Relation to the Financial Statements for the period ended 31 December 2023

The Fund Manager accepts responsibility for the preparation of the 7-months ended financial statements 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 (FRC) of Nigeria (Amendment) Act, 2023 and the Securities and Exchange Commission.

The Fund Manager further accepts responsibility for maintaining adequate accounting records as required by the Financial Reporting Council of Nigeria Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement 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 have no reason to believe the Fund will not remain a going concern in the year ahead.

BY ORDER OF THE BOARD OF DIRECTORS OF THE FUND MANAGER



Samuel Oniovosa

Director
FRC/2013/ICAN/0000004911
27 March 2024



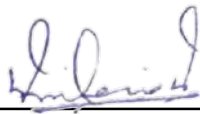
Eno Atoyebi

Managing Director
FRC/2017/ICAN/00000017680
27 March 2024

Certification of Accounts by Directors of the Fund Manager

The Directors of the Fund Manager accept responsibility for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Financial Reporting Council (FRC) of Nigeria (Amendment) Act, 2023 and hereby certify that neither the Fund Manager nor any other person acting on its behalf has:

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



Samuel Oniovosa
Director
FRC/2013/ICAN/00000004911
27 March 2024



Eno Atoyebi
Managing Director
FRC/2017/ICAN/00000017680
27 March 2024

Trustee's Report:

The Trustees present their report on the affairs of the ValuAlliance Money Market Fund ('the Fund'), together with the audited financial statements for the year ended 31st December 2023.

Principal activity:

The principal activity of the ValuAlliance Money Market Fund ('The Fund') is to create an umbrella entity that would allow eligible investors to pool together their assets and resources for the purpose of collectively investing and re-investing in a diversified investment portfolio supervised and managed by a professional Fund Manager. To achieve a balanced mix of income and capital appreciation which will be re-invested in the Fund.

During the year under review, the Fund was administered in accordance with the Trustees Investment Act, CAP T22 LFN, 2004, the Investments and Securities Act, 2007, the provisions of the Trust Deed thereto, together with the rules and regulations set out by the regulatory bodies established pursuant to the legislation referred to within this paragraph ("Applicable Regulations"), taking into cognisance the prevailing market conditions as well as preserving of (and minimising possible losses to) Unitholders' funds.

Results:

The results for the year are extracted from the financial records prepared by the Fund Manager and have been duly audited in accordance with Section 169(1) of the Investments and Securities Act 2007, and the Trust Deed establishing the Fund.

The Net Asset Value of the Fund as at 31 December, 2023 is as follows:

In thousands of Naira	<u>31 December 23</u>	<u>31 December 22</u>
Net Assets Value	<u>1,744,618,728</u>	<u>1,250,440,754</u>

The operating result for the year ended 31 December 2023, is as follows:

In thousands of Naira	<u>31 December 23</u>	<u>31 December 22</u>
Profit for the year/period	74,239,177	102,575,106

Distribution:

The Fund distributes income received net of expenses to unitholders on a quarterly basis. The Fund distributed a total net income of ₦28,710,980 for the year ended 31 December 2023

HEAD OFFICE

183, Moshood Olugbani Street,
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STL Trustees Limited RC No. 162995

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Website: www.stltrustees.com

ABUJA OFFICE

Plot 31 Aguiyi Ironsi Street (2nd floor),
Maitama District,
Abuja, Nigeria.

Tel: +234-805-550-2251

Directors:

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

1. Dr. Okechukwu Enelamah
2. Mr. Samuel Oniovosa
3. Mrs. Eno Atoyebi
4. Mr. Obinnia Abajue
5. Mr. Kofi Kwakwa

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
- prepared the financial statements on a going concern basis; since it was appropriate to assume that the Fund shall continue to exist in the foreseeable future.

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 Trustees Investment Act, CAP T22 LFN, 2004, the Investments and Securities Act, 2007 and the provisions of the Trust Deed thereto, together with the rules and regulations set out by the regulatory bodies established pursuant to the legislation referred to within this paragraph ("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 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 Unitholders';
- 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

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- Agreement;
- Monitoring the register of Unitholders' 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;
 - Taking all steps and executing all documents which are necessary to secure acquisitions or disposals properly made by the Fund Manager in accordance with the Trust Deed and Custodial Agreement;
 - 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 Unitholders' of the scheme.

Administration of the Fund:

During the year under review, the Fund Manager amended the Fund's Trust Deed and same was approved by the Commission, further to which the Fund Manager held the Extraordinary meeting of the unitholders' accordingly. The executed copy of the Supplemental has been filed with the Commission for its final approval.

The Fund was administered in accordance with the Applicable Regulations, taking into cognisance the prevailing market conditions as well as the goal of preserving and minimizing possible losses to Unitholders' funds.

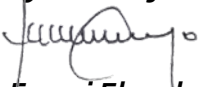
Charitable donations:

The Fund did not make any charitable donations during the year. (2023)

Auditors:

KPMG Professional Services, having indicated their willingness to continue in office, shall do so in accordance with Section 169(1) of the Investments and Securities Act, 2007.

By Order of the Trustees



Funmi Ekundayo
FRC/2014/NBA/00000006946
Managing Director
STL Trustees Limited
Lagos, Nigeria
February 14, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of ValuAlliance Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ValuAlliance Money Market Fund ("the Fund"), which comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in net assets attributable to unitholders;
- the statement of cash flows for the 7-month period 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 7-month period 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 Company 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 be communicated 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 the Fund Information, Fund Manager's Report, Statement of Fund Manager's Responsibilities, Certification of Accounts by the Directors of the Fund Manager, Trustee's Report and other National Disclosures included in the annual report 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 Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Fund Manager.
- Conclude on the appropriateness of Directors of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.

Nneka

Nneka Eluma, FCA
FRC/2013/ICAN/00000000785
For: KPMG Professional Services
Chartered Accountants
31 March 2024
Lagos, Nigeria



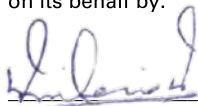
Statement of Financial Position

As at 31 December

	Note	31-Dec-23	31-May-23
		₦	₦
Assets			
Cash and cash equivalents	12	639,027,519	672,405,473
Financial assets at amortised cost	13	849,222,192	426,478,902
Financial assets at fair value through profit or loss	14	327,915,371	158,298,742
Total assets		1,816,165,082	1,257,183,117
Liabilities			
Accounts payable	15	12,844,100	6,742,363
Total liabilities		12,844,100	6,742,363
Net assets attributable to unit holders		1,803,320,982	1,250,440,754
Represented by:			
Net subscriptions by unit holders	16(b)(ii)	1,744,618,728	1,237,266,697
Undistributed profit	16(b)(ii)	58,702,254	13,174,057
Total		1,803,320,982	1,250,440,754
Total liabilities and net assets		1,816,165,082	1,257,183,117

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

These financial statements were approved by the Board of Directors of the Fund Manager on 27 March 2024 and signed on its behalf by:



Samuel Oniovosa
FRC/2013/ICAN/00000004911
Director



Eno Atoyebi
FRC/2017/ICAN/00000017680
Managing Director

Additionally certified by:



Ejakhaluse Omonkhogbe
FRC/2020/001/00000021270
Head of Finance

Statement of Profit or Loss and Other Comprehensive Income

For the period ended 31 December

		7 months ended 31-Dec-23	12 months ended 31-May-23
	Note	₦	₦
Interest income calculated using effective interest rate method	7	77,057,276	112,908,873
Net gain from financial assets at fair value through profit or loss	8	17,887,862	13,852,758
Total revenue		94,945,138	126,761,631
Operating expenses	9	(15,713,886)	(22,844,571)
Impairment loss on financial assets	9.1	(2,948,878)	-
Total expenses		(18,662,764)	(22,844,571)
Profit before tax		76,282,374	103,917,060
Withholding tax expense	10	(2,043,197)	(1,341,954)
Profit for the year		74,239,177	102,575,106
Other comprehensive income		-	-
Increase in net asset attributable to unit holders		74,239,177	102,575,106
Basic and diluted earnings per unit (kobo)	11	4.26	8.29

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

Statement of cash flows
For the period ended 31 December 2023

		7 months ended 31-Dec-23	12 months ended 31-May-23
		₹	₹
Cash flows from operating activities	Note		
Profit after tax		77,188,055	102,575,106
Add: withholding tax expense	10	2,043,197	1,341,954
Profit before tax		79,231,252	103,917,060
<i>Adjustment for:</i>			
- Interest income	7	(77,057,276)	(112,908,873)
- Net gain from financial assets at fair value through profit or loss	8	(17,887,862)	(13,852,758)
- Impairment expense	9.1	2,948,878	-
		(12,765,008)	(22,844,571)
<i>Changes in:</i>			
Accounts payable	21(b)	10,241,447	2,602,653
		(2,523,561)	(20,241,918)
Interest received	21(g)	65,409,274	104,961,304
Withholding tax paid	10	(2,043,197)	(1,341,954)
Net cash generated from operating activities		60,842,516	83,377,432
<i>Cashflows from financing activities:</i>			
Proceeds from subscription	16(b)(ii)	953,870,208	1,658,667,761
Distribution to unit holders	16(b)(ii)	(28,710,980)	(98,305,813)
Redemption by unit holders	16(b)(ii)	(446,518,177)	(1,794,291,001)
Net cash generated from/(used) in financing activities		478,641,051	(233,929,053)
<i>Cashflows from Investing activities:</i>			
Investments in financial assets at FVTPL	21(a)	(151,728,767)	60,030,305
Investments in financial assets at amortised cost	21(c)	(421,132,756)	246,805,093
Net cash (used in)/ generated from investing activities		(572,861,523)	306,835,398
Net increase in cash and cash equivalents		(33,377,955)	156,283,777
Cash and cash equivalents at the beginning of the year		672,781,286	516,497,509
Cash and cash equivalents at the end of the year	21(f)	639,403,331	672,781,286

Notes to the financial statements

1 Reporting entity

The ValuAlliance Money Market Fund ("the Fund") is an open-ended collective investment scheme established in June 2020. The Fund is a SEC registered open-ended Collective Investment Scheme, whose primary objective is to provide investors with a steady return on capital, liquidity and capital preservation by investing in a diversified portfolio of high-quality short-term money market instruments which will include short term government securities, unsubordinated short-term debt instruments such as commercial papers, bankers' acceptances, and fixed deposits. As an open-ended fund, registered units of the Fund will be continuously issued to investors and the units held by investors will be redeemable through the Fund Manager, ValuAlliance Asset Management Limited. The Fund targets individuals looking for a vehicle to conservatively grow and optimize their savings or seeking a flexible option for cashflow and liquidity management. The Fund is constituted and governed by a Trust Deed.

The investment activities of the Fund are managed by ValuAlliance Asset Management Limited ("the Fund Manager").

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Financial Reporting Council of Nigeria Act, 2011.

The financial statements were authorized for issue by the Board of Directors of the Fund Manager on 27 March 2024.

(b) Basis of measurement

The financial statements have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates. The Fund Manager has a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Fund has adequate resources to continue as a going concern for the foreseeable future.

The financial statements have been prepared on a historical cost basis, except financial instruments measured at fair value through profit or loss, other financial instruments are initially measured at fair value and subsequently at amortized cost. The Fund applies the accrual method of accounting where all income is recognized when earned and all expenses recognized once incurred.

Historical cost is generally based on the amount of cash and cash equivalent paid or received or fair value of consideration received or paid in exchange for assets and liabilities.

(c) Functional and presentation currency

The financial statements are presented in Naira which is the functional currency of the Fund.

(d) Reporting period

The financial statements have been prepared for the period ended 31 December 2023.

(e) Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that 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. Revisions to estimates are recognised prospectively.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 5 to the financial statements.

3 Statement of material accounting policies

3.1 Applicable standards and accounting policies

(a) Financial assets and liabilities

(i) Recognition and Initial recognition

All financial assets (except account receivables) and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of the instrument. Account receivable is initially recognised when they are originated.

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

Notes to the financial statements

(ii) Classification and subsequent measurement

Classification of financial assets

On initial recognition, the Fund classifies all its financial assets as measured at amortised cost or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flow; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All other financial assets of the Fund are measured at FVTPL and includes only its investments in money market funds.

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 stated policies and objectives for the portfolio and the operation of those policies in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash inflows 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 financial assets held within that business model) and how those risks are managed;
- How the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; 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.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features)

Reclassification

Financial assets are not reclassified subsequent to their initial recognition unless the fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets - Subsequent measurement and gain and losses

Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses including any investment income are recognised in profit or loss. Only the Fund's investments in money market funds are included in this category.

Financial assets at amortized cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes to the financial statements

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such, on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

All the Fund's financial liabilities are at amortised cost and includes balances due to the fund manager, custodian, trustees, auditors and other counterparties.

(iii) Fair value measurement

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

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

(iv) 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.

(v) Impairment of financial assets

The Fund recognizes loss allowance for ECLs on financial assets measured at amortised cost. The Fund measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date: and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have a low credit risk when the credit rating of the counterparty is equivalent to the globally accepted definition of investment grade. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Notes to the financial statements

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

(vi) Derecognition

Financial assets

The Fund derecognises its financial assets when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the assets (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial liabilities

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(viii) Specific instruments

Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of short-term commitments.

Notes to the financial statements

(b) Interest income and interest expense

Interest income and expense, 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 excluding transactions cost which are expensed when incurred.

(c) Operating expenses

Expenses comprising management fees, custodian fees, registrar fees, trustee's fees, auditor's fees, and other expenses are recognised over the period in which the services are rendered, in accordance with the substance of the Trust Deed and relevant agreements.

(d) Taxation

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

(e) Capital

(i) Subscriptions

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund's units in issue are financial instruments issued by the Fund and on liquidation of the Fund, the Unitholders are entitled to the residual net assets. They rank *pari passu* in all material respects and have identical terms and conditions. The units provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each redemption date and also in the event of the Fund's liquidation.

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

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

(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 in retained earnings.

(f) Earnings per unit

The Fund presents basic and diluted earnings per unit data for its units. Basic earning per unit is calculated by dividing the profit or loss attributable to unit holders of the Fund by the total number of units outstanding during the period. Diluted earnings per unit is determined by adjusting the profit or loss attributable to unitholders and the weighted number of units outstanding at the end of the period for the effects of all dilutive potential ordinary units.

Notes to the financial statements

(g) Net asset per unit

The Fund also presents the net asset per unit for its unitholders. Net asset per unit is calculated by dividing the total value of the fund by the number of outstanding units during the period.

(h) Distribution of profit

Income earned by the Fund are distributed to all unitholders in proportion to their investment at the end of every calendar quarter. However, a unitholder may elect to re-invest their dividend/income by indicating so in the account opening form.

(i) Undistributed profit

Undistributed profit is the result generated from the investing activities of the Fund inclusive of other income, net of all expenses which have not been distributed to the unit holders.

(j) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund. Contingent liabilities are disclosed in the financial statements.

3.2 Changes in accounting policies

Except as noted below, the Fund has consistently applied the accounting policies as set out below to all periods presented in its separate financial statements.

The following new and amended standards and interpretations are effective during the year but not expected to have a significant impact on the Fund's financial statements:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3).

3.3 New standards and interpretations not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Fund has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Fund's financial statements:

Notes to the financial statements

Standard/Interpretation		Date Issued by ISAB	Effective date Periods beginning on or after	Summary of the requirements and impact assessment
Amendments to IAS 1	Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current Liabilities	October 2022	1 January 2024	<p>Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. In addition a company will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. Such right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation.</p> <p>The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted.</p> <p>This standard will be applicable once it becomes effective.</p>
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	September 2022	1 January 2024	<p>Amendments to IFRS 16 Leases requires a seller-lessee impacts how a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment also requires the seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.</p> <p>The amendments confirm the following.</p> <ul style="list-style-type: none"> • On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. • After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. <p>A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.</p> <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2024.</p> <p>Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a sellerlessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.</p> <p>This standard is not expected to have any impact on the Fund.</p>

Notes to the financial statements

Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	May 2023	1 January 2024	<p>The amendments apply to supplier finance arrangements that have all the following characteristics.</p> <ul style="list-style-type: none"> • A finance provider pays amounts a company (the buyer) owes its suppliers. • A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid. • The company is provided with extended payment terms or supplier benefit from early payment terms, compared with the related invoice payment due date. <p>The amendments do not apply to arrangements for financing receivables or inventory.</p> <p>The amendments introduce two new disclosure objectives- one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users to assess the effects of these arrangements on the company’s liabilities and cash flows, and the company’s exposure to liquidity risk.</p> <p>Under the amendments, companies also need to disclose the type and effect if non-cash changes in the carrying amount of its financial liabilities that are part of supplier finance arrangement.</p> <p>The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.</p> <p>Companies need to start collating additional information to meet the new disclosure requirements because some information may not always be readily available such as the carrying amount of financial liabilities for which suppliers have already received payments from finance providers. Companies may need to obtain this information from their finance providers directly.</p> <p>The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial.</p> <p><i>The standard has no impact on the Fund.</i></p>
Amendments to IAS 21	Lack of Exchangeability	August 2023	1 January 2025	<p>The amendments clarify:</p> <ul style="list-style-type: none"> • when a currency is exchangeable into another currency; and • how a company estimates a spot rate when a currency lacks exchangeability. <p>Assessing exchangeability: When to estimate a spot rate A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.</p> <p>Estimating a spot rate: Meeting the estimation objective A company’s objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements on how to estimate a spot rate. Therefore, when estimating a spot rate a company can use:</p> <ul style="list-style-type: none"> • an observable exchange rate without adjustment; or • another estimation technique.

Notes to the financial statements

				<p>Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. This may include:</p> <ul style="list-style-type: none"> • the nature and financial impacts of the currency not being exchangeable • the spot exchange rate used; • the estimation process; and • risks to the company because the currency is not exchangeable <p>The amendments apply for annual reporting periods beginning on or after 1 January 2025, with early application permitted.</p> <p>This standard is not expected to have any impact on the Fund.</p>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	September 2014	The effective date of this amendment has been deferred indefinitely by the IASB.	<p>The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.</p> <p>When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting.</p> <p>Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV.</p> <p>In either case, the loss is recognised in full if the underlying assets are impaired.</p> <p>The IASB has decided to defer the effective date for these amendments indefinitely.</p> <p>This standard is not expected to have any impact on the Fund, But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV.</p> <p>In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely.</p> <p>This standard is not expected to have any impact on the Fund.</p>

Notes to the financial statements

4 Financial risk management and fair value disclosures

Introduction and overview

The Fund is exposed to the following risks from financial instrument:

- Market risk
- Credit risk
- Liquidity risk
- Concentration risk

Risk management framework

The Fund Manager has a discretionary authority to manage the asset in line with the Fund's investment objectives in compliance with the target asset allocation as described in the trust deed. Composition of the portfolio is monitored by the investment committee on a regular basis.

In instances where the portfolio has deviated from the target asset composition, the Fund Manager is obliged to take actions to rebalance the portfolio in line with established targets within the prescribed time limits.

The Fund uses different methods to measure the various types of risks and the means of managing them are documented below.

a Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuers credit standing) will affect the Fund's income or the fair value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Fund's market risk is affected by changes in actual market prices.

(i) Foreign exchange risk

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

(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 tradeable interest-bearing financial instruments. The Fund's interest rate risk is concentrated in its cash and cash equivalents, investment in commercial papers and treasury bills. The table below summarizes the Fund's interest rate exposure at the end of the period and the impact of fluctuation in interest rates on the Fund's profit and net asset value.

31 Dec 2023	Notes	Non-Interest ₦	Fixed Interest ₦	Carrying Amount ₦
Assets				
Cash and cash equivalents	12	-	639,027,519	639,027,519
Financial assets at amortised cost	13(a)	-	849,222,192	849,222,192
Financial assets at fair value through profit or loss	14(a)	327,915,371	-	327,915,371
		327,915,371	1,488,249,711	1,816,165,082
Liabilities				
Account Payable	15	12,844,100	-	12,844,100
		12,844,100	-	12,844,100
Income for the year	7,8	17,887,862	77,057,276	94,945,138
Average percentage of interest income to total exposure		5.5%	5.2%	5.2%
31 May 2023				
	Notes	Non-Interest ₦	Fixed Interest ₦	Carrying Amount ₦
Assets				
Cash and cash equivalents	12	-	672,405,473	672,405,473
Financial assets at amortised cost	13(a)	-	426,478,902	426,478,902
Financial assets at fair value through profit or loss	14(a)	158,298,742	-	158,298,742
Account Receivables	15	-	-	-
		158,298,742	1,098,884,375	1,257,183,117
Liabilities				
Account Payable	15	6,742,363	-	6,742,363
		6,742,363	-	6,742,363
Interest income for the year	7,8	13,852,758	112,908,873	126,761,631
Average percentage of interest income to total exposure		8.8%	10.3%	10.1%

Notes to the financial statements

Sensitivity Analysis

Sensitivity analysis is usually used to measure interest rate risk by estimating what the effect of changes in interest rates will have on net interest income positions. The management of interest rate risk against interest rate gaps limits is supplemented by monitoring the sensitivity of the Fund's financial assets and liabilities to various standard and non-standards interest rate scenarios. Sensitivity analysis has been used to measure the effect of a rise/drop in interest rate on the interest bearing financial assets position. This analysis assumes that all other variables remain constant. See summarised analysis below:

	Gross Amount	Weighted average interest rate	Interest due at current weighted average rate	100 bps	(100 bps)
31 Dec 2023					
Financial Assets subject to rate sensitivity	1,488,249,711	5%	77,057,276	91,939,773	62,174,779
31 May 2023					
Financial Assets subject to rate sensitivity	1,098,884,375	10%	112,908,873	123,897,717	101,920,029

(iii) Market price risk

The Fund's strategy for the management of market risk is driven by the Fund's investment objectives. The Fund's investment objectives, policies and processes are aimed at instituting a model that objectively identifies, measures and manages market risks in the Fund. The Fund's market position are monitored on a periodic basis by the investment committee. The investments of the Fund are subject to normal market fluctuations and the risk inherent in investment in financial instruments. The market risk is managed and reduced through a careful selection of securities within the limits of the investment objectives and strategy. In addition, the risk is managed through diversification of assets held while the rebalancing policy in place allows for bringing within limit any security which may have exceeded its limit as a result of market established limits.

A breakdown of the Fund's investment portfolio as at 31 December 2023 is shown in notes 13(b) and 14(b).

b Credit risk

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

The Fund is subject to credit risk from the following:

- its holdings in money market placements
- current account balances with local banks
- investments in commercial papers and treasury bills
- account receivables

The Fund limits this exposure to credit loss by placing funds with banks and investing in securities issued by entities with high credit quality.

The Fund's cash is held with the custodian, the Stanbic IBTC Bank. The credit risk is considered minimal as the counterparty has always maintained high credit ratings as assigned by international credit rating agencies. Similarly, the fund has investments with issuers (financial institutions and the government) as listed in note 13(b). These issuers are considered to have low credit risk as they have always maintained quality credit ratings.

In line with the Trust Deed, the Fund is not authorized to engage in securities lending.

Analysis of credit risk:

As at the reporting date, the Fund's credit risk exposures is analysed as shown below:

	Notes	31 Dec 2023	31 May 2023
Cash and cash equivalents	12	₦ 639,027,519	₦ 672,405,473
Treasury bills	13(a)	471,061,559	321,290,578
Commercial papers	13(a)	381,109,511	105,188,324
Money market fund investments	14(a)	327,915,371	158,298,742
Total credit risk exposure		1,819,113,960	1,257,183,117

Notes to the financial statements

c Concentration risk

Concentration risk refers to the risk that common factors within a risk type or across risk types cause credit losses or an event occurs within a risk type which results to credit losses.

Concentration of credit risk

As at the reporting date, the Fund's debt securities exposures were concentrated as follows:

	% of concentration	31 Dec 2023	% of concentration	31 May 2023
		₦		₦
Government	26%	471,061,559	26%	321,290,578
Manufacturing	21%	381,109,511	8%	105,188,324
Financial services	53%	966,942,890	66%	830,704,214
Total exposure	100%	1,819,113,960	100%	1,257,183,116

The investments in government debt securities are in Naira-denominated treasury bills which are deemed to have low credit risk.

The Fund's investment in financial services represents:

- short term placements with Access bank, Sterling bank, FCMB, Fidelity bank, Wema bank, Coronation Merchant Bank, Union Bank and Rand Merchant bank
- commercial papers issued by Dangote Cement and Nigerian Breweries (2022: FCMB, Rand Merchant Bank, FSDH, Dangote Cement and Nigerian Breweries)
- investments (units subscription) to the ARM, AXA Mansard, FBNQuest and Stanbic IBTC money market fund

Geographical sectors

All credit risk exposures are maintained within Nigeria.

Expected Credit Loss assessment

The loss rates on bank balances and short term placements held during the year have been assessed as zero. As a result, no expected credit losses have been recognised on the balances as the majority of the balances are held by banks in Nigeria who meet the cash and liquidity thresholds set by the Central Bank of Nigeria and, at least, have an Investment Grade rating by one of the recognised rating agencies in Nigeria or abroad. Other Financial assets measured at amortised cost have been assessed for impairment as detailed in note 13

d Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's Trust Deed provides for daily creation and cancellation of units and it is therefore exposed to liquidity risk of meeting unit holders' redemptions. Liquidity risk is managed by investing the Fund's assets in investments that are traded in an active market and can be easily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

The Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's exposure to liquidity risk is considered minimal. The following were the contractual maturities of financial assets and liabilities at the reporting date. The amounts disclosed below are gross and undiscounted.

31 Dec 2023	Note	Carrying amount	Contractual cash flows			
			Gross nominal value	Less than 3 months	3 - 12 months	Above 1 year
		₦	₦	₦	₦	₦
Cash and cash equivalents	12	639,027,519	645,845,783	645,845,783	-	-
Treasury bills	13(a)	471,061,559	486,002,000	250,001,000	236,001,000	-
Commercial papers	13(a)	381,109,511	396,183,000	204,303,000	191,880,000	-
Money market fund investments	14(a)	327,915,371	327,915,371	327,915,371	-	-
Total financial assets		1,819,113,960	1,855,946,154	1,428,065,154	427,881,000	-
Accounts payable	15	12,844,100	12,844,100	12,844,100	-	-
Total financial liabilities		12,844,100	12,844,100	12,844,100	-	-
Gap (assets-liabilities)		1,806,269,860	1,843,102,054	1,415,221,054	427,881,000	-
Cumulative liquidity gap				1,415,221,054	1,843,102,054	1,843,102,054

Notes to the financial statements

31 May 2023	Note	Carrying amount	Contractual cash flows			3 - 12 months	Above 1 year
			Gross nominal value	Less than 3 months			
		₹	₹	₹	₹	₹	₹
Cash and cash equivalents	12	672,405,473	717,306,049	717,306,049	-	-	-
Treasury bills	13(a)	321,290,578	327,002,000	227,000,000	100,002,000	-	-
Commercial papers	13(a)	105,188,324	106,816,000	106,816,000	-	-	-
Money market fund investments	14(a)	158,298,742	158,298,741	158,298,741	-	-	-
Accounts receivable	15	-	-	-	-	-	-
Total financial assets		1,257,183,117	1,309,422,790	1,209,420,790	100,002,000		
Accounts payable	15	6,742,363	6,742,363	6,742,363	-	-	-
Total financial liabilities		6,742,363	6,742,363	6,742,363			
Gap (assets-liabilities)		1,250,440,754	1,302,680,427	1,202,678,427	100,002,000		
Cumulative liquidity gap				1,202,678,427	1,302,680,427	1,302,680,427	

5 Uses of estimates and judgments

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

(i) Financial asset and liability classification

The Fund's accounting policies provide a guide for assets and liabilities to be classified at inception into different accounting categories in certain circumstances.

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

(b) Critical accounting estimates

(i) Valuation of financial instruments

The Fund's accounting policy on fair value measurement is disclosed in *note 3(a)(iii)*.

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

- Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.
- 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.
- Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments, the Fund determines fair values using valuation techniques. Valuation techniques include net present value and discounted cashflow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices volatilities and correlations. The objective of valuation technique is to arrive at a fair value determination that reflects the price of the financial instruments at reporting date that would have been determined by market participants acting at arm's length.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with determination of fair value. Availability of observable market prices and inputs varies depending on the product and market, and is prone to changes based on specific events and general conditions in the financial markets.

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

Notes to the financial statements

31 Dec 2023

	Note	Level 1 ₦	Level 2 ₦	Level 3 ₦	Total ₦
Investment securities:					
Money market fund investments (see note (a) below)	14(a)	-	327,915,371	-	327,915,371
		-	327,915,371	-	327,915,371

31 May 2023

	Note	Level 1 ₦	Level 2 ₦	Level 3 ₦	Total ₦
Investment securities:					
Money market fund investments (see note (a) below)	14(a)	-	158,298,742	-	158,298,742
		-	158,298,742	-	158,298,742

(a) The fair value of the money market fund investments has been measured using the net assets value per unit as reported by the investee Fund. This is then applied on the number of units held by the Fund with the respective money market funds.

(b) Financial instruments not measured at fair value

The financial assets not measured at fair value include cash and cash equivalent, treasury bills, commercial papers, account receivables and payables. The fair values of these instruments are presented in the table below. For cash and cash equivalents, account receivables and payables, their carrying amounts approximate fair value, because of their short-term nature and the high credit quality of counterparties.

31 Dec 2023	Note	Fair Value		Fair value ₦
		Hierarchy	Carrying amount ₦	
Cash and cash equivalents	12 Level 2		639,027,519	639,027,519
Treasury bills	13(a) Level 1		471,061,559	406,156,921
Commercial papers	13(a) Level 2		381,109,511	260,543,836
			1,491,198,589	1,305,728,276

Accounts payable	15		12,844,100	12,844,100
			1,504,042,689	1,318,572,376

31 May 2023	Note	Fair Value		Fair value ₦
		Hierarchy	Carrying amount ₦	
Cash and cash equivalents	12 Level 2		672,405,473	672,405,473
Treasury bills	13(a) Level 1		321,290,578	406,156,921
Commercial papers	13(a) Level 2		105,188,324	260,543,836
			1,098,884,375	1,339,106,230

Accounts payable	15		6,742,363	6,742,363
			1,105,626,738	1,345,848,593

6 Classification of financial assets and liabilities

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

31 Dec 2023	Note	At fair value		Total carrying amount ₦
		through profit or loss	Amortized cost	
Cash and cash equivalents	12	-	639,027,519	639,027,519
Financial assets at amortised cost	13	-	849,222,192	849,222,192
Financial assets at fair value through	14	327,915,371	-	327,915,371
		327,915,371	1,488,249,711	1,816,165,082
Accounts payable	15	-	12,844,100	12,844,100
		-	12,844,100	12,844,100

31 May 2023	Note	At fair value		Total carrying amount ₦
		through profit or loss	Amortized cost	
Cash and cash equivalents	12	-	672,405,473	672,405,473
Financial assets at amortised cost	13	-	426,478,902	426,478,902
Financial assets at fair value through	14	158,298,742	-	158,298,742
		158,298,742	1,098,884,375	1,257,183,117
Accounts payable	15	-	6,742,363	6,742,363
		-	6,742,363	6,742,363

Notes to the financial statements

	7 months ended	12 months ended
	31-Dec-23	31-May-23
7 Interest income calculated using effective interest rate method	₦	₦
<i>Interest income on financial instruments at amortised cost:</i>		
Treasury bills	18,608,666	35,916,077
Commercial papers	14,538,834	15,916,309
	33,147,500	51,832,386
<i>Interest income on cash and cash equivalents:</i>		
Short term placements	43,909,776	61,076,487
	77,057,276	112,908,873

	7 months ended	12 months ended
	31-Dec-23	31-May-23
8 Net gain on financial assets at fair value through profit or loss	₦	₦
Income from money market fund investments	17,887,862	13,852,758
	17,887,862	13,852,758

		7 months ended	12 months ended
	Note	31-Dec-23	31-May-23
9 Operating expenses		₦	₦
Registrar's fees		491,404	806,249
Auditor's remuneration**		1,714,263	2,938,737
Custodian's fees	17(b)(i)	746,426	991,379
Trustee's fees	17(b)(i)	606,519	752,572
Management fees	17(b)(i)	5,327,257	5,744,388
Bank charges		132,287	1,461,311
SEC Fees		2,191,802	2,800,269
Rating Fees		1,920,070	3,418,113
Issue Costs	17(b)(i)	1,684,820	2,873,640
Sitting Allowance		232,968	400,366
VAT expenses		128,570	220,406
Other Operating Expenses		537,500	437,141
		15,713,886	22,844,571

** During the period, the Fund's Auditor, KPMG Professional services did not render any non-audit services to the Fund. (31 May 2023:Nil).

** In the 2020/2021 financial year, the Fund manager sought and obtained the approval of the trustee to defer a portion of its own fees (Fund manager's management fees) due from the Fund. In light of the low interest rate environment which has been in existence since the inception of the Fund, the Fund manager thought it appropriate to make a downward adjustment to the management fees due from the Fund(1%). Fees charged was 0.4% (gross of VAT). The portion of fees not charged (0.6%) to the Fund but deferred would not be accrued but tracked and recouped at a later time (when yields improve). The deferred fees as at 31 Dec 2023 is N30.5million (May 2023: N23.8million). The objective of the proposal is to make the Fund profitable and achieve a net return for unitholders which would be above the current market yields and benchmark set by the regulator (SEC) at any point in time. Since the inception of the fund in June 2020, the net returns made by the fund have been above the benchmark set by the regulator. For the 2021/2022 financial year, the above stance was still maintained.

	7 months ended	12 months ended
	31-Dec-23	31-May-23
9.1 Impairment charge on financial assets	2,948,878	-

10 Withholding tax expense

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

	7 months ended	12 months ended
	31-Dec-23	31-May-23
	₦	₦
Withholding tax on interest income	2,043,197	1,341,954
Total tax expense	2,043,197	1,341,954

Notes to the financial statements

11 Earnings per unit (basic and diluted)

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

	7 months ended 31-Dec-23 ₦	12 months ended 31-May-23 ₦
Increase in net assets attributable to unitholders (see note 17(b)(ii))	74,239,177	102,575,106
Number of units as at year end (see note 17(b)(i))	1,744,618,728	1,237,266,697
Earnings per unit (kobo) (basic and diluted)	4.26	8.29

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

12 Cash and cash equivalents

Cash and cash equivalents comprise:	31-Dec-23 ₦	31-May-23 ₦
Bank balances	4,305,550	24,963,893
Short term placements	634,721,969	647,441,580
	639,027,519	672,405,473

13 Financial assets at amortised cost

	31-Dec-23 ₦	31-May-23 ₦
(a) Financial assets at amortised cost comprise:		
Treasury bills	471,061,559	321,290,578
Commercial papers	381,109,511	105,188,324
	852,171,070	426,478,902
ECL Allowance	(2,948,878)	-
	849,222,192	426,478,902
Current	849,222,192	426,478,902
Non Current	-	-
Balance, end of year	849,222,192	426,478,902

(b) Analysis of Financial assets at amortised cost

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

	31 December 2023		31 May 2023	
	Carrying amount ₦	% of Financial assets	Carrying amount ₦	% of Financial assets
Commercial Papers:				
FSDH Merchant Bank	73,629,022	9%	-	0%
Dangote Cement	87,274,396	10%	52,378,997	12%
Capital Sage Technology	93,096,300	11%	-	0%
Flour Mill	29,216,611	3%	-	0%
MTNN	97,893,183	11%	-	0%
Nigerian Bottling Company	-	0%	52,809,327	12%
	381,109,511	43%	105,188,324	24%
Treasury bills				
364 days Tbill (28 Sept 2023)	-	0%	48,289,322	11%
364 days Tbill (26 Oct 2023)	-	0%	47,282,454	11%
103 days Tbill (7 Aug 2023)	-	0%	29,581,479	7%
101 days Tbill (21 Aug 2023)	-	0%	989,349	0%
101 days Tbill (21 Aug 2023)	-	0%	54,414,136	13%
54 days Tbill (24 July 2023)	-	0%	140,733,838	34%
345 days Tbill (06 June 2024)	83,786,557	10%	-	0%
363 days Tbill (8 Aug 2024)	94,500,000	11%	-	0%
364 days Tbill (22 Aug 2024)	45,845,179	5%	-	0%
91 days Tbill (25 Jan 2024)	49,853,456	6%	-	0%
100 days Tbill (7 March 2024)	98,322,951	12%	-	0%
91 days Tbill (14 March 2024)	98,753,415	13%	-	0%
	471,061,559	56%	321,290,578	76%
Total Financial assets at amortised cost	852,171,070	100%	426,478,902	100%

Notes to the financial statements

14 Financial assets at fair value through profit or loss	31-Dec-23	31-May-23
	₦	₦
(a) Financial assets at fair value through profit or loss comprise:		
Money market fund investments	327,915,371	158,298,742
	327,915,371	158,298,742
<i>In thousands of Naira</i>	31-Dec-23	31-May-23
	₦	₦
Current	327,915,371	158,298,742
Non Current	-	-
Balance, end of year	327,915,371	158,298,742

	31-Dec-23		31-May-23	
	Market value	% Total Money	Market value	% Total Money
(b) Money market fund investments	₦	Market Fund	₦	Market Fund
Stanbic IBTC Money Market Fund	90,249,665	28%	35,268,058	22%
AXA Mansard Money Market Fund	72,095,381	22%	31,048,417	20%
FBN Money Market Fund	90,072,386	27%	44,877,432	28%
ARM Money Market Fund	75,497,939	23%	47,104,835	30%
Total money market fund investments	327,915,371	100%	158,298,742	100%

15 Accounts payable	Note	31-Dec-23	31-May-23
<i>In thousands of Naira</i>		₦	₦
Management fees payable	17(b)(ii)	2,049,265	914,280
Audit fee payable		5,001,200	3,159,142
Trustee fee payable	17(b)(ii)	256,158	114,285
Payables to registrar		203,219	134,743
Custodian fee payable	17(b)(ii)	321,797	147,473
SEC supervisory fee payable		953,147	425,248
Issue costs payable to fund manager	17(b)(ii)	724,315	480,253
Other payables*		3,334,999	1,366,939
		12,844,100	6,742,363
<i>In thousands of Naira</i>		31-Dec-23	31-May-23
		₦	₦
Current		12,844,100	6,742,363
Non Current		-	-
		12,844,100	6,742,363

* Other payables include;

- sitting allowance of ₦78,241.58 (payable to the Fund's IC member) for the last quarter of the Fund's financial year
- rating fees OF ₦3,256,757.42 (payable to the rating firm) for the 2022/2023 financial year.

16 Unitholders' Equity

(a) The ValuAlliance Money Market Fund is authorised and registered in Nigeria as a Collective Unit Trust Scheme under Section 160 of the Investment and Securities Act (ISA). The Fund is governed by a Trust Deed dated 05 May 2020 with STL Trustees Limited as Trustees to the Fund.

The rights accruing to unitholders of the Fund are as follows:

- Rights of participation in returns of the Fund's assets.
- Rights to receive notices to attend and vote at any general meeting of the Fund.

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

(i) Movement in units	31-Dec-23	31-May-23
<i>In thousands of Units</i>		
Balance at 1 June	1,237,266,697	1,372,889,937
Subscription to unit holders' equity	953,870,208	1,658,667,761
Redemption of unit holders' equity	(446,518,177)	(1,794,291,001)
Balance (units)	1,744,618,728	1,237,266,697

Notes to the financial statements

(ii) Net assets value attributable to unitholders

31-Dec-23	Unitholders' equity at par	Undistributed Profit	Total
	₦	₦	₦
Balance at 1 June 2023	1,237,266,697	13,174,059	1,250,440,756
Subscription to unit holder's equity	953,870,208	-	953,870,208
Redemption of unit holder's equity	(446,518,177)	-	(446,518,177)
Profit for the year	-	74,239,177	74,239,177
Distribution paid to unit holders	-	(28,710,980)	(28,710,980)
Balance at 31 December 2023	1,744,618,728	58,702,255	1,803,320,983

31-May-23	Unitholders' equity at par	Undistributed Profit	Total
	₦	₦	₦
Balance at 1 June 2022	1,372,889,937	8,904,766	1,381,794,703
Subscription to unit holder's equity	1,658,667,761	-	1,658,667,761
Redemption of unit holder's equity	(1,794,291,001)	-	(1,794,291,001)
Profit for the year	-	102,575,106	102,575,106
Distribution paid to unit holders	-	(98,305,813)	(98,305,813)
Balance at 31 May 2023	1,237,266,697	13,174,059	1,250,440,756

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

Net assets value per unit is calculated by dividing the total net assets by the number of units as at year end.

	31-Dec-23	31-May-23
	₦	₦
Net assets at end of the year (see note 17(b)(ii))	<u>1,803,320,983</u>	<u>1,250,440,756</u>
Number of units as at year end (see note 17(b)(i))	<u>1,744,618,728</u>	<u>1,237,266,697</u>
Net assets per unit	<u>1.03</u>	<u>1.01</u>

(e) **Distribution paid to unitholders**

The distribution paid for the financial year ended 31 Dec 2023 was N28,710,980 (31 May 2023: N98,305,813)

17 Related parties

(a) Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes associates, joint ventures, as well as key management personnel.

The following summarize the total unit holding of related parties:

Name	Nature of relationship	Units held as at 31-Dec-23	Units held as at 31-May-23
		₦	₦
ValuAlliance Asset Management Limited	Fund manager	174,000,000	229,038,724
STL Trustees Limited	Trustee	50,000,000	50,009,048
Mrs. Eno Atoyebi	Managing director of the Fund manager	36,325,985	22,406,140

Key management personnel

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of a business - directly or indirectly.

The Fund Manager, Fund Custodian and the Trustee to the Fund meet the definition of key management personnel as they have the authority and responsibility for planning, directing and controlling the activities of the Fund - directly or indirectly.

(i) **Fund manager**

The Fund appointed ValuAlliance Asset Management Limited, an investment management company incorporated in Nigeria, to implement the investment strategy as specified in the prospectus. The Fund Manager was appointed by way of the Fund's trust deed dated 5 May 2020. Under the terms of the Trust Deed, the Fund manager receives a management fee at an annual rate of 1% of the net assets value attributable to the unitholders of the Fund, accrued daily and payable quarterly.

Notes to the financial statements

(ii) Trustees

The Fund appointed STL Trustees Limited, a trust services company incorporated in Nigeria, to provide trust services to the fund on behalf of its subscribers. Under the terms of the Trust Deed, the trustee is entitled to an annual fee of 0.05% of the net asset value of the fund, accrued on a daily basis, and payable quarterly in arrears.

(iii) Custodians

The Fund appointed Stanbic IBTC to provide custodial services to the fund. Under the terms of the Trust Deed, the custodian is entitled to an annual fee as set out below, which shall be accrued daily and be payable quarterly in arrears:

Value of Net Assets (₦)	Fees
Nil to ₦5 billion	0.125%
Above ₦5 billion- ₦10 billion	0.10%
Above ₦10 billion	0.075%

(b) Transactions with related parties

A number of transactions were entered into with related parties in the normal course of business. The related-party transactions and outstanding balances as at year end are as follows:

(i) Fees to related parties

In thousands of Naira

	Note	31-Dec-23	31-May-23
		₦	₦
ValuAlliance Asset Management Limited - Management fee	9	5,327,257	5,744,388
ValuAlliance Asset Management Limited - Issue Costs	9	1,684,820	2,873,640
STL Trustees Limited- Trustee fee	9	606,519	752,572
Stanbic IBTC Bank- Custodian fee	9	746,426	991,379
		8,365,022	10,361,979

(ii) Payables to related parties

	Note	31-Dec-23	31-May-23
		₦	₦
ValuAlliance Asset Management Limited - Management fee	15	2,049,265	914,280
ValuAlliance Asset Management Limited - Issue Costs	15	724,315	480,253
STL Trustees Limited- Trustee fee	15	256,158	114,285
Stanbic IBTC Bank- Custodian fee	15	321,797	147,473
		3,351,535	1,656,291

All related party transactions were carried out at arm's length.

18 Contingencies

There were no contingent liabilities as at 31 December 2023 (31 May 2023: Nil).

19 Events after the reporting period

There were no events after the reporting period which could have had a material effect on the assets and liabilities of the Fund as at 31 December 2023 and its operating results for the period then ended which have not been adequately provided for or disclosed in

20 Capital commitments after reporting date

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

21 Reconciliation notes to the statement of cash flows

(a) Financial assets at fair value through profit or loss	Notes	31-Dec-23	31-May-23
		₦	₦
Balance at the start of the year		158,298,742	204,476,289
Earned income from money market fund investment	8	17,887,862	13,852,758
Balance at the end of the year	14	(327,915,371)	(158,298,742)
Cash outflow		(151,728,767)	60,030,305

Notes to the financial statements

(b) Accounts payable		31-Dec-23	31-May-23
		₹	₹
	Balance at the start of the year	2,602,653	4,139,710
15	Balance at the end of the year	12,844,100	6,742,363
Net increase in accounts payable		10,241,447	2,602,653

(c) Financial assets at amortised cost		31-Dec-23	31-May-23
		₹	₹
	Balance at the start of the year	426,478,902	666,767,215
7	Interest income earned	33,147,500	51,832,386
	Interest income received	(25,639,210)	(45,315,606)
9.1	Impairment expense	(2,948,878)	-
13(a)	Balance at the end of the year	(852,171,070)	(426,478,902)
Cash outflow		(421,132,756)	246,805,093

(d) Redemption of unit holders' equity		31-Dec-23	31-May-23
		₹	₹
16(b)(ii)	Redemption at par value	(446,518,177)	(1,794,291,001)
16(b)(ii)	Distribution paid to unitholders	(28,710,980)	(98,305,813)
Cash outflow on redemption		(475,229,157)	(1,892,596,814)

(f) Reconciliation of cash and cash equivalent to statement of cash flows

	Notes	31-Dec-23	31-May-23
		₹	₹
	Balance at the start of the year	672,405,473	519,116,458
7	Interest income earned for the year	43,909,776	61,076,487
	Interest income received	(44,097,682)	(61,264,393)
12	Balance at the end of the year	(639,027,519)	(672,405,473)
Net (decrease)/Increase in cash and cash equivalent		(33,190,048)	153,476,921
12	Cash and cash equivalents*	639,027,519	672,405,473
	Opening interest receivable on short term placements	187,906	187,906
21(f)	Interest income earned for the year	(43,909,776)	(61,076,487)
21(f)	Interest income received	44,097,682	61,264,393
For cashflow purpose		639,403,331	672,781,286

* Cash and cash equivalents includes interest receivable on short term placements as at year end.

(g) Total interest income received		31-Dec-23	31-May-23
		₹	₹
21(c)	Interest income received on assets at amortised cost	25,639,210	45,315,606
21(c)	Interest income received on cash and cash equivalents	39,770,064	59,645,698
Interest income received		65,409,274	104,961,304

OTHER NATIONAL DISCLOSURES

Value Added Statement

For the year ended

	7 months ended 31-Dec-23		12 months ended 31-May-23	
	₪	%	₪	%
Total revenue	94,945,138	124%	126,761,631	122%
Bought in goods and services- Local	(18,662,764)	-24%	(22,844,571)	-22%
Value added	76,282,374	100%	103,917,060	100%
Applied to pay:				
Government as taxes (Withholding taxes)	2,043,197	2%	1,341,954	1%
Distributed to Unitholders	28,710,980	38%	98,305,813	95%
Retained in the Fund	45,528,197	60%	4,269,293	4%
Value added	76,282,374	100%	103,917,060	100%

Financial Summary

	31-Dec-23	31-May-23	31-May-22	31-May-21
	₤	₤	₤	₤
Assets				
Cash and cash equivalents	639,027,519	672,405,473	519,116,458	727,915,495
Financial assets at amortised cost	849,222,192	426,478,902	666,767,215	897,575,452
Financial assets at fair value through profit or loss	327,915,371	158,298,742	204,476,289	320,710,842
Accounts receivable	-	-	-	50,393,884
Total assets	1,816,165,082	1,257,183,117	1,390,359,962	1,996,595,673
Liabilities				
Accounts payable	12,844,100	6,742,363	8,565,261	4,425,550
Total liabilities	12,844,100	6,742,363	8,565,261	4,425,550
Net Assets	1,803,320,982	1,250,440,754	1,381,794,701	1,992,170,123
Unitholders' funds	1,803,320,982	1,250,440,754	1,381,794,701	1,992,170,123

Statement of Comprehensive Income

Revenue	94,945,138	126,761,631	103,868,335	31,321,080
Net income after tax	74,239,177	102,575,106	78,666,160	19,224,553
Distribution	28,710,980	98,305,813	78,779,363	10,206,585

The Fund has not presented a five year financial summary as it is was launched in June 2020.