

**Norrenberger Money Market Fund**

**Managed by**

**Norrenberger Investment and Capital Management Limited**

**Financial Statements for The Year Ended  
31 December 2022**

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**Corporate Information for the Year Ended 31 December 2022**

**Fund Manager** Norrenberger Investment Capital Management Limited

<b>Directors of the Fund Manager</b>	<b>Names</b>	<b>Designation</b>
	Anthony Edeh	Managing Director
	Andrew Nweke	Non-Executive Director
	Eniola Adedayo	Non-Executive Director
	Nduka Ikeyi	Non-Executive Director
	Ifeoma Malo	Non-Executive Director

**Registered office  
(Fund Manager)** 11, Volta Street  
Off Thames Street  
Maitama,  
Abuja, Nigeria

**Company Secretary and Legal Advisor** Samson Omoti  
11, Volta Street  
Off Thames Street  
Maitama,  
Abuja, Nigeria

**Trustee to the Fund** UTL Trust Management Services Limited  
ED Building Lagos Island  
No. 47, Marina  
Lagos.

**Auditors to the Fund** PML Professional Services  
(Chartered Accountants)  
2, Montgomery Road  
Yaba, Lagos

**Custodian to the Fund** United Bank for Africa Plc  
UBA House  
57, Marina Lagos Island  
Lagos.



**UTL TRUST**  
MANAGEMENT SERVICES LIMITED  
**REPORT OF THE TRUSTEES**

UTL Trust Management Services Limited  
RC4834  
ED Building  
47, Marina, (2nd floor) Lagos  
P.O. Box 5543, Marina, Lagos  
Telephone: 01-2778251, 2705306.  
mails@utltrustees.com  
www.utltrustees.com

The Trustees are pleased in presenting their annual report together with the audited financial statements on the affairs of Norrenberger Investment and Capital Management Limited's Money Market Fund ("The Fund") for the period ended 31<sup>st</sup> December, 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the Norrenberger Money Market Fund ("The Fund") as authorized by the Securities and Exchange Commission is to provide investors with stable and competitive returns through investments in high-quality securities, unsubordinated short term debt securities and other money market securities.

During the period under review, the Fund was managed in accordance with the Investment and Securities Act 2007, the provisions of the Trust Deed, together with the rules and regulations set out by the Securities and Exchange Commission, taking into cognizance the prevailing market conditions for the purpose of preserving and minimizing possible losses of Unit holders funds.

**Results:**

The results for the period are extracted from the financial records prepared by the Fund Manager and duly audited in accordance with the provision of Section 169(2) of the Investment and Securities Act of 2007.

The Net Asset Value of the Fund as of 31 December 2022 is as follows;

In Naira	31 December 2022
Net Assets attributable to Unit Holders	2,645,208,205

The operating result for the year ended is as follows;

In Naira	31 December 2022
Profit for the year	143,567,688

**DIRECTORS**

The Directors of the Fund Manager who served on the board of the Fund during the period under review were:

Mr. Ibrahim Aliyu	Chairman
Mr. Anthony Edeh	Managing Director
Mr. Andrew Nweke	Non-Executive Director
Mrs. Eniola Adedayo	Non-Executive Director
Mr. Nduka Ikeyi	Non-Executive Director
Mrs. Ifeoma Malo	Non-Executive Director

**DIRECTORS AND RELATED PARTIES' INTEREST IN THE UNITS OF THE FUND:**

As of 31 December 2022, Mr. Anthony Edeh (Managing Director) of the Norrenberger Investment and Capital Limited holds 100,000 units of the Fund.

None of the directors of UTL Trust Management Services Limited has any direct or indirect beneficial interest in the units of the Fund as of 31 December 2022.



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## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee's responsibilities to the Fund are as follows:

- To ensure that the basis on which the sale, issue repurchase or cancellation, as case may be, of participatory interests effected by or on behalf of the Fund is carried out in accordance with the Investment and Securities Act, SEC Rules and Regulations and the Trust Deed.
- To ensure that the selling or repurchase price or participatory interests is calculated in accordance with the Investment and Securities Act, SEC Rules and the Trust Deed.
- To carry out the instructions of the Manager unless they are inconsistent with the Investment and Securities Act, any applicable law or the Trust Deed.
- To ensure appropriate internal control systems are maintained and that records clearly identify and value of the Held Assets in trust, the ownership of each investment and the place where documents of title pertaining to each Investment are kept.
- To verify that the income accruals of the Fund are applied in accordance with the Investments and Securities Act, SEC Rules and Regulations and the Trust Deed.
- To enquire into and prepare a report on the administration of the Fund by the Manager during each annual accounting period, in which it shall be stated whether the Fund has been administered in accordance with the provisions of the Investment and Securities Act, the SEC Rules and Trust Deed.
- To enquire into and send report on the administration of the Fund to the Commission and to the Manager in good time to enable the Manager include a copy of the report in its annual report of the Fund.
- To ensure there is a legal separation of the Held assets in trust and that the legal entitlement of the Fund/Unitholders to such Held assets are assured.
- Monitoring of the activities of the Fund Manager on behalf of and in the interest of the Unitholders.
- To ensure that the management of the Fund is carried out in accordance with the Trust Deed and the Investment and Securities Act.
- To satisfy that every income statement, balance sheet or other return prepared by the Manager in terms of section 169 of the Investment and Securities Act, SEC Rules and the Trust Deed.
- To monitor entries made by the Registrar in the register.
- To ascertain that monthly and other periodic returns/reports relating to the Fund are sent by the Fund Manager to the Commission.
- To exercise any voting right conferred on it as the registered holder of any investment.
- To act at all times in the interest of and for the benefit of the Unitholders.

## BY ORDER OF THE TRUSTEE

UTL Trust Management Services Limited

**Olufunke Aiyepola (Mrs.)**

FRC/2013/NBA/00000003285

UTL Trust Management Services Limited

**REPORT OF FUND MANAGER  
2022 MARKET OVERVIEW**

**Nigeria Economy**

**A brief highlight of some Macro-economic activities that were predominant in year 2022:**

1. Nigeria's annual crude oil production dropped from an average of 1.62mb/d in 2021 to 1.38mb/d in 2022, culpable to the significant dip in Q3 2022, reflecting the slog in implementing the Petroleum Industry Act, oil theft, pipeline vandalism, and other industry challenges. This developed a gap between the country's actual production and the 2022 budget assumption of 1.88mb/d. In the third quarter of 2022, the country recorded a daily average of 1.20mb/d, lower than the daily average of 1.57mb/d in Q3 2021 and lower than the Q2 2022 production volume of 1.43mb/d. Production dropped to 972,394b/d in August and further to 937,766b/d in September, a record low for the nation. Due to this, the country could not benefit from the oil price rally in 2022 in addition to the limiting factors of the subsidy regime. Major oil price benchmarks hovered between US\$70 and US\$130 per barrel in 2022 on structural barriers to demand and supply disruptions from the Russia-Ukraine war.

**2. Inflationary pressures rose to a 17-year high at the end of 2022**

The consumer price index (CPI) report for the month of November 2022 released by the National Bureau of Statistics indicated that the headline inflation in Nigeria rose for the 10<sup>th</sup> consecutive month to 21.47% in November 2022 from 21.09% recorded in the previous month. This depicted its 17-year high since September 2005. The hotter-than expected inflation rate in November was largely driven by exchange rate pass-through effect and higher cost of production due to abrupt rise in energy costs. Another major culprit for the 17-year high November CPI was the flood effect, which ravaged at least 85% of states in the nation. Annual inflation for 2022 averaged 18.76%, recording the lone decline for the year in December down to 21.34%. The rising inflation was buoyed by the exchange rate pass-through effect of the Russia-Ukraine war, high energy prices, nationwide flood, and reoccurring fuel scarcity.

**3. FG borrowed N6.3trn through ways and means in 10 months of 2022**

The Ways and Means is a loan facility provided by the CBN to finance the government budget shortfalls. This climbed from N17.5 trillion as at the end of December 2021 to N23.8 trillion in October 2022. This portrays an increase of N6.3 trillion in 10 months. Of all the analyzed months, October recorded the highest with N957.2 billion, while the lowest for the year was in April N112.3 billion.

**4. New Rules for Collective Investment Schemes (CIS):**

The Securities and Exchange Commission in early 2022 released new general rules for Collective Investment Schemes prescribing that all units/securities of a collective investment scheme shall be registered by the Commission. The Rule which is on the Commission's website states that all units/securities subject to registration by the Commission may be offered through the following methods:(a) offer for subscription; (b) offer for sale; (3) Units/securities of a collective investment scheme may be registered by way of a shelf registration.

## FINANCIAL MARKET

### Money Market

The year 2022 saw one of the sternest monetary policies tightening by the Central Bank of Nigeria in the monetary policy rates by the monetary policy committee as it rose by 500 basis points from 11.50% in the beginning of the year to 16.5% as at the end of the year. Similarly, the cash reserve ratio rose from 27.5% to 32.5% over the year. However, the Committee retained the asymmetric corridor of +100/-700 basis points around the MPR; and retained the Liquidity Ratio at 30%.

These decisions were triggered by the elevated inflation caused due to heightened uncertainties and consequences of the Russia-Ukraine war and the resurgence of COVID-19 pandemic in major Chinese industrial cities as well as the synchronized policy responses of the major central banks.

In addition, credit to private sector increased to ₦41.58 trillion in November 2022 from ₦40.84 trillion in October. This growth can be attributed to the Loan-to-Deposit Ratio (LDR) policy of the CBN that mandated banks to lend to real sectors of the nation's economy. The reported ₦41.58trillion credit to private sector in November hit its highest in the banking industry. According to the statistics, credit to private sector opened 2022 at ₦35.18 trillion in January and crossed the ₦40 trillion frontier in August 2022 amid hike in inflation rate and severe business environment.

### Fixed Income Market

In the fixed income market, selloffs dominated the bonds market in the year 2022. Yields rose across all tenors. Wide bid-offer spread plagued activities, which led to smaller trade volumes. Pocket of demand was nevertheless recorded on select maturities especially at the belly of the curve, with the 2029s – 2037s being the most active over the year.

During the year, most of the Bond Auctions by the DMO were oversubscribed as investors sought for avenues to invest funds with very limited options. Bonds peaked at 16% in the year 2022 recording one of its highest levels in the past few years.

### Currency Market

The local currency traded to close negative against the Dollar at end of trading session on the last working day of the year. On a year-on-year basis, the Naira depreciated on both the I & E FX window and NAFEX window by 6.09% and 11.13% to close at ₦461.50/US\$ (previously ₦435/US\$) and ₦465.00/US\$ (previously ₦414.45/US\$), respectively.

According to data obtained from the CBN official website, Nigeria's foreign reserve dipped by -8.48% within the year to close at \$37.08 billion compared to \$40.52 billion recorded at the beginning of the year 2022. The decline in external reserves was linked to the weakening in oil exports attributable to the oil thefts across the oil producing areas of the Niger Delta even at a time of higher oil prices. With huge efforts towards reduction in oil thefts across the Niger delta and the rising prospects of increased overseas remittances, gross external reserves have been predicted to grow by a large extent in 2023.

## OUTLOOK – 2022

We project Nigeria's inflation figures to remain high for most months of the years 2023 culpable rising energy prices and possible increased tensions in the food-producing regions of the country. Energy cost rose to a significant high due to the Russian-Ukraine war-induced supply chain disruption and local distortion in transport of petroleum and supply infrastructure. In accordance to the full implementation of the Petroleum Industry Act expected to take effect in 2023. The total removal of the fuel subsidy will likely drive fuel cost to record high with an expected 100% increase on its current price. The expected total removal of the fuel subsidy by mid-2023 is believed to further worsen the inflationary pressures as the major contributors to inflation are cost-push or supply driven. In addition, it is believed that structural impediments and other supply side factors should outweigh the impact of subdued demand. On the other hand, it is believed this reduction of government spending on subsidy will ease the utilization of funds in other developmental purposes by the government.

In addition, the full-scale commencement of the Dangote 650,000 barrels per day refinery located in Lagos is believed to position the country's international trade balance with an additional surplus of about ₦6.2 trillion or 28.10%. These trade surpluses are positive contributions to a nation's Gross Domestic Product (GDP).

**INVESTMENT OBJECTIVE**

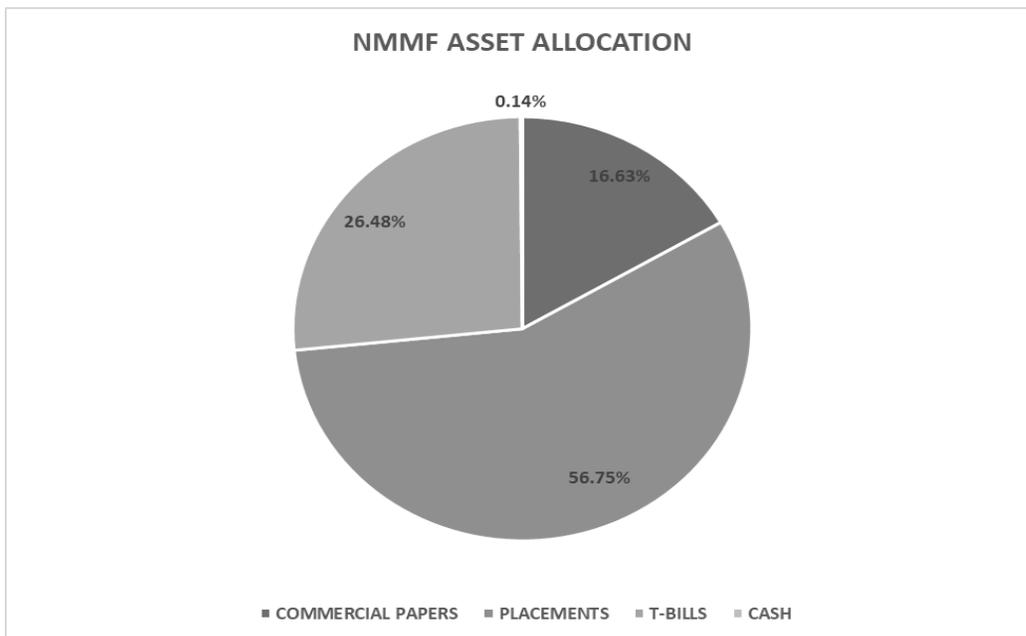
The Fund is an actively managed open-ended Money Market Unit Trust Scheme that invest in money market instruments subject to the approval of SEC and earns a consistent income stream. The Fund seeks to provide capital preservation and steady income while maintaining liquidity, diversification, and competitive return. The Fund shall achieve the objective through investing 100% of its assets in low-risk short-term securities such as high-quality short-term money market securities, unsubordinated short term debt securities such as bankers' acceptances, certificate of deposits, commercial papers, collateralized repurchase agreements, deposits (fixed/tenured) with eligible financial institutions, and other instrument introduced and approved by the CBN from time to time as permissible under the SEC Rules. These eligible securities must have received an investment grade rating from a SEC-registered agency.

**INVESTMENT STRATEGY**

The Fund seeks to achieve its objective through active securities selection consistent with a daily assessment of market liquidity and credit risks. The Fund Manager shall maintain a weighted average portfolio maturity of 90 days and will invest only in investment grade instruments that have a term to maturity of not greater than 365 days at the time of issuance.

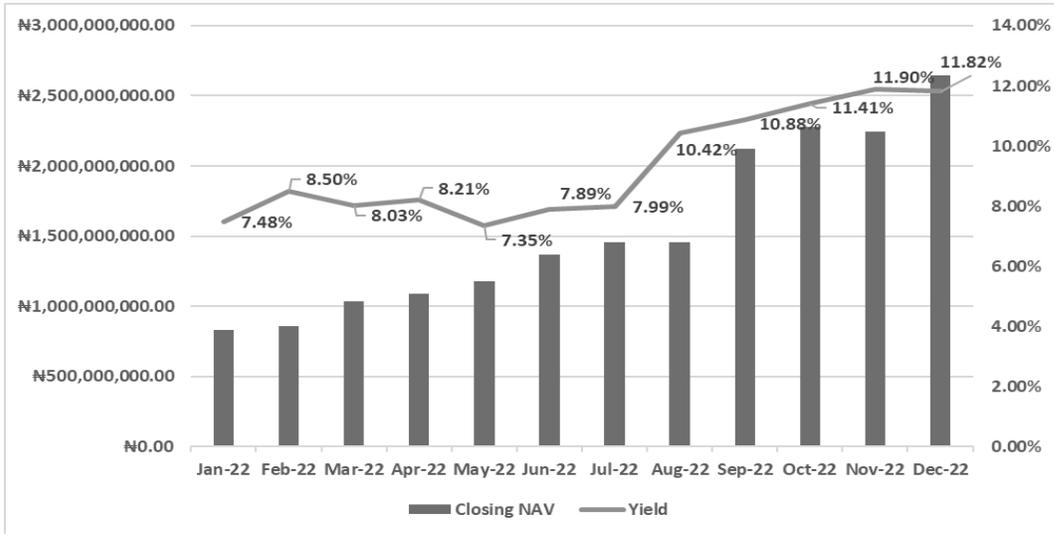
**ASSET ALLOCATION**

As at Dec, 31 2022, Commercial Paper accounted for 16.63%, Treasury bills 26.48%, Fixed Deposits (Bank Placements)was 56.75% and Cash was 0.14%.



**FUND PERFORMANCE**

The money market and fixed income space recorded significant growth in the 2022, especially is the H2 of the year. The Fund Manager has been able to improve the average annual yield by about 400 basis points. In tandem, the NAV grew by over 200% over the 12-month span. The funds NAV grew from N703 Million at the end of December 2021 January 2022 to N2.6 billion at the end of 2022.



**Abigail Utomi**  
 Fund manager

### **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 gives a true and fair view of the state of affairs of the unit trust scheme during the period covered by the financial statements.

In preparing the financial statements, the Fund Manager:

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

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



Nkiru Chime (Chief Financial Officer)  
FRC/2014/ICAN/000006837



Anthony Edeh (Managing Director)  
FRC/2015/ICAN/0000012821

## **INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF NORRENBERGER MONEY MARKET FUND**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Norrenberger Money Market Fund, which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year ended, a summary of significant 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 Company as at 31 December 2022, its financial performances and its cash flows for the period then ended and comply with the requirement of the Trust Deed, Investments and Securities Act, 2007, and the applicable International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Financial Reporting Council of Nigeria Act, Securities and Exchange Commission's Rules and Regulations.

#### ***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 Statement sections of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significant 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.

The following key audit matters apply to the audit of the financial statements:

#### **Financial asset – Impairment**

There are various complexities relating to the testing and recognition of impairment on financial asset.

As a result, impairment on financial asset is considered a key audit matter due to the complexities and judgement arising from the considerations relating to the calculation, recognition in line with IFRS 9, in relation to the financial statements as a whole.

#### **Our audit procedures:**

We evaluated whether the model used to calculate the recoverable amount complies with the requirements of IFRS 9 and its agreement with our understanding of the business and the industry in which Norrenberger Money Market Fund operates by considering the impairment charged by different funds with similar asset portfolio during the period. We also reviewed the qualitative and quantitative disclosures for reasonableness to ensure conformity with IFRS 7 – Financial Instrument: Disclosure.

#### **Information Other than the Financial Statements and Audit Opinion thereon**

The Fund Manager and the Trustee report and other information contained therein are the responsibility of the Fund manager and Trustee. Our opinion does not cover these reports and accordingly 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 the fact. From our review of other information, we have nothing to report in this regard.

#### ***Responsibilities of the Fund Manager and Trustee for the Financial Statements***

The Fund Manager and those charged with governance are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Financial Reporting Council of Nigeria Act, 2011 and the requirements of the Investment and Securities Act, 2007, whilst the Trustee is responsible for ascertaining compliance with the provision of the Trust Deed and other relevant laws. The responsibility of the Fund Manager includes the designing, implementing and maintaining internal controls that are relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error as well as selecting and applying appropriate significant accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the Fund Manager and those charged with governance are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, has alternative but do so.

**Auditor's Responsibilities for the Audit of the Financial Statement**

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, individual 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 procedure responsive to those risks, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cause 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 date of our auditor's report. However, future events or condition 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Fund to express an opinion on the financial statements.

We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

*Compliance with the requirements of Section 169 of the Investment and Securities Act 2007.*

In accordance with Section 169 (1) of the Investment and Securities Act, 2007. We confirm that the financial statements are in agreement with the accounting records, which have been properly kept.

In accordance with Section 169 (3) of the Investment and Securities Act, 2007. We confirm that we received all of the information and explanation that were required for the purpose of the audit.

Signed:



**Abiola Fajimi FCA**  
**FRC/2012/ICAN/00000002994**  
PML Audit  
Chartered Accountants  
Lagos, Nigeria  
**28 March 2023**



**Statement of Financial Position as at 31 December 2022**

<b>Assets</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>N</b>	<b>N</b>
Cash and cash equivalents	10.4	3,828,817	2,333,113
Financial assets	11.4	2,749,569,828	712,483,290
<b>Total assets</b>		<b>2,753,398,644</b>	<b>714,816,403</b>
<b>Liabilities</b>			
Dividend payable	12.4	63,403,238	12,230,498
Other payables	13.4	44,787,202	6,674,500
<b>Total liabilities</b>		<b>108,190,440</b>	18,904,998
<b>Net asset attributable to Unitholders</b>		<b>2,645,208,205</b>	<b>695,911,405</b>
<b>Represented by:</b>			
Unitholder fund	14.4	2,645,208,205	695,911,405
Retained Earnings	21(b)	-	-
<b>Net asset attributable to Unitholders</b>		<b>2,645,208,205</b>	<b>695,911,405</b>

*The financial statements were approved by the Board of Trustee of Norrenberger Money Market Fund on 28 March 2023 and signed on its behalf by:*



Nkiru Chime (Chief Financial Officer)

FRC/2014/ICAN/0000006837



Anthony Edeh (Managing Director)

FRC/2015/ICAN/00000012821

The accompanying notes form an integral part of these financial statements

**Statement of Profit or Loss and Other Comprehensive Income  
 For the Year Ended 31 December 2022**

		<u>2022</u>	<u>2021</u>
	<b>Notes</b>	<b>N</b>	<b>N</b>
Interest income	16.4	168,604,059	20,496,991
<b>Gross income</b>		<b>168,604,059</b>	<b>20,496,991</b>
Management fees	17.4	16,089,778	2,220,593
Operating expenses	19.4	9,446,593	1,663,015
<b>Total expenses</b>		<b>25,536,371</b>	<b>3,883,609</b>
<b>Profit for the year</b>		<b>143,067,688</b>	<b>16,613,382</b>
<b>Other comprehensive income:</b>		-	-
<b>Total comprehensive income for the period</b>		<b>143,067,688</b>	<b>16,613,382</b>
<b>Net asset value per unit</b>		100	100

The accompanying notes form an integral part of these financial statements

**Statement of Changes in Unitholders Fund  
 For the Year Ended 31 December 2022**

	<b>2022</b>		
	<b>Redeemable unit N</b>	<b>Retained earnings N</b>	<b>Total N</b>
Balance at 1 January 2022	695,911,405	-	695,911,405
Addition during the year	1,949,296,800	-	1,949,296,800
Profit for the year	-	143,067,688	143,067,688
Dividend	-	(143,067,688)	(143,067,688)
Balance at 31 December 2022	<u>2,645,208,205</u>	<u>-</u>	<u>2,645,208,205</u>
	<b>2021</b>		
	<b>Redeemable unit N</b>	<b>Retained earnings N</b>	<b>Total N</b>
Balance at 1 January 2021	-	-	-
Addition during the period	695,911,405	-	695,911,405
Profit for the period	-	16,613,382	16,613,382
Dividend	-	(16,613,382)	(16,613,382)
Balance at 31 December 2021	<u>695,911,405</u>	<u>-</u>	<u>695,911,405</u>

The accompanying notes form an integral part of these financial statements

**Statement of Cash Flow for the Year Ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>N</b>	<b>N</b>
<b>Cash flow from operating activities</b>		
Profit for the year	143,067,688	16,613,382
<b>Adjustments for:</b>		
Impairment of financial assets	268,432	110,866
	<u>143,336,120</u>	<u>16,724,248</u>
<b>Changes in working capital:</b>		
Other payables	38,112,702	6,674,500
<b>Net cash used in operating activities</b>	<u>181,448,821</u>	<u>23,398,748</u>
<b>Cash flows from investing activities</b>		
Investment in placements	(1,015,577,147)	(473,261,962)
Investment in treasury bills	(498,680,338)	(206,128,793)
Investment in commercial paper	(523,097,485)	(33,203,401)
<b>Net cash generated from investing activities</b>	<u>(2,037,354,970)</u>	<u>(712,594,156)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	(91,894,948)	(4,382,884)
Issue of units	1,949,296,800	695,911,405
<b>Net cash generated from financing activities</b>	<u>1,857,401,852</u>	<u>691,528,521</u>
Net increase in cash & cash equivalents	1,495,703	2,333,113
Cash and cash equivalents at beginning of period	<u>2,333,113</u>	-
Cash and cash equivalents at end of period	<u><u>3,828,816</u></u>	<u><u>2,333,113</u></u>

The accompanying notes form an integral part of these financial statements

**Notes to the financial statements for the year ended 31 December 2022**

**1 General information**

Norrenberger Money Market Fund (“the Fund”) is a collective investment scheme registered by the Securities and Exchange Commission. The Fund’s principal office is located at 11, Volta Street Off Thames Street Maitama, Abuja, Nigeria

The Fund is governed by a Trust Deed with UTL Trust and Management Services Limited as Trustees. The Fund is offering 5,000,000 Units as initial subscription to the public. The Fund has been allocated a rating of “A-(f)” by Agosto & Co which shall be subject to an annual review throughout the life of the Fund.

**1.1 Investment objective**

The Fund seeks to provide capital preservation and steady income while maintaining liquidity, diversification, and competitive return. The Fund Manager shall seek to attain this objective within an acceptable level of investment risk.

**1.2 Investment strategy**

The Fund seeks to achieve its objective through active securities selection consistent with a daily assessment of market liquidity and credit risks. The Fund Manager shall maintain a weighted average portfolio maturity of 90 days and will invest only in investment grade instruments that have a term to maturity of not greater than 366 days at the time of issuance.

**1.3 Investment Policy**

The Fund is an actively managed open-ended Money Market Unit Trust Scheme seeking to invest in money market instruments subject to the approval of SEC and earn a consistent income stream. The Fund shall achieve the objective through investing 100% of its assets in low risk short term securities such as Guaranteed Commercial Papers, Treasury Bills, CBN Certificates, Commercial Papers, Banker’s Acceptances, Certificates of Deposit and other instruments issued and approved by the CBN as permissible under SEC rule 470. These eligible securities must have received an investment grade rating from a SEC-registered rating agency.

**1.4 Asset Classes and Allocation Strategy**

The Fund assets shall be fully invested in short-term money market instruments from Issuers with credit ratings of not less than investment grade assigned by SEC-approved credit rating agencies as indicated below. The overarching major task of the Fund Manager is to ensure a steady stream of income from the investment process. In line with this, the strategic asset allocation has been developed based on the principle that specific asset classes have different investment characteristics and, as such, the fund’s assets can be diversified to optimize the primary objective of the fund stated herein.

Proposed Asset Classes	Asset Allocation (%)	Range (%)
Short Term Government Securities	60%	+/- 20
Other Money Market Instruments	40%	+/-30%

**2 Basis of accounting**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards in the manner required by the Financial Reporting Council of Nigeria Act, 2011. The financial statements were authorised for issue by the Trustee and Fund Manager on 28 March 2023.

**(b) Basis of measurement**

The financial statements of Norrenberger Money Market Fund have been prepared on historical cost basis except for other payables which are measured at amortised cost.

**3 Functional and presentation currency**

Items are indicated in these financial statements using the currency that best reflects the primary economic environment in which the Fund is operated. These financial statements are presented in Nigerian Naira, which is the Fund’s functional currency. Financial information are also presented in absolute Naira.

**4 Presentation**

These financial statements have been prepared on a going concern basis. The statement of financial position is presented based on liquidity. In the statement of cash flows, the cash flows from operating activities are reported on the indirect method.

## 5. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

### i. Provisions

Provisions are liabilities of uncertain timing or amount and are recognised when the entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 6. Changes to accounting policies

### (a) Standards and interpretations effective during the year reporting period

All the applicable International Financial Reporting Standards, amendments and interpretations effective for the year ended 31 December 2022 have been adopted as applicable in these financial statements.

### (b) New standards and interpretations that have been issued but not yet effective

A number of new standards and amendments to standards and interpretations are issued but not effective for annual period beginning after 1 January 2022, and have not been applied in preparing these financial statements. These standards are not expected to have a material impact on the entity in the current reporting and on foreseeable future transactions.

### Significant accounting Policies

## 7. Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks (less bank overdraft) and highly liquid financial assets with maturities of three months or less from the acquisition date 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.

## 8. Financial assets

The Fund classifies its financial instruments into two categories: at fair value through profit or loss and amortised cost. The Fund Manager determines the classification at initial recognition.

### II. Classification and Measurement

Initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss. Financial assets include both debt and equity instruments.

Financial assets are classified into one of the following measurement categories:

1. Amortised cost
2. Fair Value through Other Comprehensive Income (FVOCI)
3. Fair Value through Profit or Loss (FVTPL)

The Fund classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

### Business Model Assessment

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Company assesses business model at a portfolio level reflective of how the Company's assets are managed together to achieve a particular business objective.

### 8.2 Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

### a) Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, financial assets in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization is included in Interest income in the Statement of Profit or Loss and Other Comprehensive Income.

#### **b) Financial assets measured at FVOCI**

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income (OCI). Upon derecognition, realized gains and losses are reclassified from OCI and recorded in Non-interest income in the Statement of profit or loss and other comprehensive income. Foreign exchange gains and losses that relate to the amortized cost of the debt instrument are recognized in the Statement of profit or loss and other comprehensive income. Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to Interest income in the Statement of profit or loss and other comprehensive income using the effective interest rate method.

#### **c) Financial assets measured at FVTPL**

Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Statement of Financial Position, with transaction costs recognized immediately in the Statement of profit or loss and other comprehensive income as part of non-interest income.

Financial liabilities are classified into one of the following measurement categories:

- Amortised cost
- Fair Value through Profit or Loss (FVTPL)

#### **d) Financial liabilities at fair value through profit or loss**

Financial liabilities accounted for at fair value through profit or loss fall into two categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception.

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of shortterm profit-taking.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the statement of profit or loss and other comprehensive income.

#### **e) Financial Liabilities at amortised cost**

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost are other payables.

### **I. Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets. A change in the Fund's business model will occur only when the Fund either begins or ceases to perform an activity that is significant to its operations such as acquisition and disposal of a business line.

### **II. Modification of financial assets and liabilities**

#### **a. Financial assets**

When the contractual terms of a financial asset are modified, the Fund evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognised at fair value. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss as gains and losses arising from the derecognition of financial assets measured at amortized cost.

#### **b. Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The Fund derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### **8.3 De-recognition of financial instruments**

The Fund derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

#### 8.4 Impairment of financial assets

In line with IFRS 9, the Fund assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortized cost financial assets;

The Fund adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

- Stage 1 – 12-months ECL

Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded.

- Stage 2 – Lifetime ECL - not credit-impaired

The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly

When a financial instrument experiences a significant increase in credit risk (SICR) subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

- Stage 3 – Lifetime ECL - credit-impaired

Financial instruments that are considered to be in default are included in this stage. Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. As this uses the same criteria as under IAS 39, the Fund's methodology for specific provisions remains unchanged. For financial assets that have become credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost rather than the gross carrying amount.

#### 2.4 Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. Other payables are not usually remeasured, as the obligation is known with a high degree of certainty and settlement is short-term.

#### 3.4 Unit holder balances

Unit holder balances are redeemable on demand at an amount equal to a proportionate share of the unit portfolio's net asset value. The balances are carried at the redemption amount that is payable at the financial position date if the holder exercised their right to redeem the balances. The Fund's redeemable units meet these conditions and are classified as equity.

All transactions relating to the issue and redemption of redeemable units as well as distributions to holders of redeemable units are recognised in equity.

#### 4.4 Retained earnings

The retained earnings comprise of undistributed profit/loss from previous years and current year. Retained earnings is classified as part of equity in the statement of financial position.

##### a. Dividend

Dividend is the entitlement of the Unitholders on the unit of fund held. The Fund manager is expected to distribute income (less expense) as dividend to Unitholders on a quarterly basis.

The Unitholders have the option to choose whether to be paid dividends or to reinvest their dividends in additional Units at the prevailing unit price. Unitholders who elect to have their dividends reinvested in new units shall be entitled to an issue of units that shall be equal in value to the amount they otherwise would have received in cash as dividend. Where an investor did not choose any of these options, the default will be for the Fund Manager to pay dividends to the respective Unitholders.

#### 5.4 Interest income

Interest income comprises interest on funds granted to third party and actual amount collected and changes in the fair value of financial assets at fair value through profit or loss where the Fund holds such financial assets. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

#### 6.4 Management fee

This is the fund manager incentive fee relating to the operation of the Fund. It is an annual management fee of 1.50% of the Net Asset Value of the Fund, accruable daily and payable quarterly in arrears and represents the remuneration due to the Fund Manager for the management and advisory roles involved in the daily management of the Fund. The fund was benchmarked against the prevailing 90-day FGN Treasury bills rate plus 100bps. The incentive fee was chargeable on the total annualised returns above the benchmark (up to 20% of the excess returns), where the Fund underperforms its benchmark, it shall not be entitled to charge the incentive fee. The fund manager outperformed its benchmark and was entitled to charge the incentive fee.

#### 7.4 Operating expenses

This is an expense a business incurs through its normal business operations. It involves expenses associated with operations of the Fund, including fees payable to Trustee, Custodian, Initial offer cost shall be deducted from the income generated by the Fund.

## 8 Financial Risk Management

### Introduction and Overview of Company's Risk Management

Financial risk management is carried out through internal control process adopted by the Fund Manager and adherence to the investment restrictions as stipulated in the prospectus.

The Fund has exposure to the following risks from financial instruments.

- a. Market risk
- b. Liquidity risk
- c. Credit risk
- d. Reinvestment risk
- e. FGN Obligations risk
- f. Inflation risk

#### a. Market/Interest Rate Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, equity prices, foreign exchange rates and credit spreads.

The value of the Fund's portfolio may be affected by markets risks that are external and out of the Fund Manger's control. Some of these risks include volatility (risk) in interest rates. Interest rate risk is the risk of an unexpected change in interest rate affecting the value of an investment. A decline in interest rates resulting in a dip in the market value of the Fund while a rise in interest rates would surge in the market value of the Fund.

#### (i) Foreign currency risk

The Fund does not have any transactional currency exposures that could arise from receipts and/or payments in currencies other than the respective functional currency.

#### (ii) Interest rate risk

The Fund is exposed to interest rate risk on credit facilities to the extent that the significant rise in market interest rates would result in an increase in the interest paid by the Fund.

A summary of the Fund's interest rate gap position on trading and non trading portfolio is as follow:

Repricing period	31 December 2022			
	Repricing profile			
	carrying amounts	0-6 months	6-12 months	more than 12 months
	N	N	N	N
Cash and cash equivalents	3,828,817	3,828,817	-	-
Financial assets	2,749,949,126	2,020,722,848	729,226,278	-
	<u>2,753,777,943</u>	<u>2,024,551,665</u>	<u>729,226,278</u>	<u>-</u>
	2,753,777,943	2,024,551,665	729,226,278	-
Repricing gap (assets-liabilities)	<u>2,753,777,943</u>	<u>2,024,551,665</u>	<u>729,226,278</u>	<u>-</u>

#### Interest rate shock

+ 1%	27,537,779
+ 2%	55,075,559
- 1%	(27,537,779)
- 2%	(55,075,559)

Repricing period	31 December 2021			
	Repricing profile			
	carrying amounts	0-6 months	6-12 months	more than 12 months
	N	N	N	N
Cash and cash equivalents	2,333,113	2,333,113	-	-
Financial assets	712,594,156	506,465,363	206,128,793	-
	<u>714,927,269</u>	<u>508,798,476</u>	<u>206,128,793</u>	<u>-</u>
	714,927,269	508,798,476	206,128,793	-
Repricing Gap (assets-liabilities)	<u>714,927,269</u>	<u>508,798,476</u>	<u>206,128,793</u>	<u>-</u>

#### Interest rate shock

+ 1%	7,149,273
+ 2%	14,298,545
- 1%	(7,149,273)
- 2%	(14,298,545)

**b. Liquidity risk**

Liquidity risk is the risk that the fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are due. The Fund manages its liquidity process by:

- regular monitoring of future cash flows to ensure that requirements can be met.
- monitoring balance sheet liquidity ratios against internal requirements
- managing debt profile

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

**Gross nominal (undiscounted) maturities of financial assets and liabilities**

**Liquidity gap analysis (Asset - Liability Matching)**

At 31 December 2022

	Carrying amount	Nominal cashflow	0 - 6 months	6 - 12 months	Above 1 period
	N	N	N	N	N
Fixed income securities	1,261,110,017	-	-	-	-
Bank balances	3,828,817	3,828,817	3,828,817	-	-
Call Deposits	1,488,839,109	475,129,395	475,129,395	-	-
	<b>2,753,777,943</b>	<b>478,958,212</b>	<b>478,958,212</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Other payables	44,787,202	44,787,202	44,787,202	-	-
Dividend payable	63,403,238	63,403,238	63,403,238	-	-
	<b>108,190,440</b>	<b>108,190,440</b>	<b>108,190,440</b>	<b>-</b>	<b>-</b>
<b>Gap (assets - liabilities)</b>	<b>2,645,587,503</b>	<b>370,767,772</b>	<b>370,767,772</b>	<b>-</b>	<b>-</b>

**Liquidity gap analysis (Asset - Liability Matching)**

At 31 December 2021

	Carrying amount	Nominal cashflow	0 - 6 months	6 - 12 months	Above 1 period
	N	N	N	N	N
Fixed income securities	239,332,194	243,096,625	35,000,337	208,096,287	-
Bank balances	2,333,113	2,333,113	2,333,113	-	-
Call deposits	473,261,962	475,129,395	475,129,395	-	-
	<b>714,927,269</b>	<b>720,559,133</b>	<b>512,462,846</b>	<b>208,096,287</b>	<b>-</b>
<b>Financial liabilities</b>					
Other payables	6,674,501	6,674,501	6,674,501	-	-
Dividend payable	12,230,498	12,230,498	12,230,498	-	-
	<b>18,904,999</b>	<b>18,904,999</b>	<b>18,904,999</b>	<b>-</b>	<b>-</b>
<b>Gap (assets - liabilities)</b>	<b>696,022,270</b>	<b>701,654,134</b>	<b>493,557,846</b>	<b>208,096,287</b>	<b>-</b>

**c. Credit Risk**

This is the risk that an asset/security in which the Fund Manager may invest becomes unable to make returns or interest as at when due. While the Fund Manager would only invest in grade investment securities, the fund manager offers no guarantee that the ratings of the issuer of the instrument will remain the same through out the life of the Fund.

The maximum exposure to credit risk as at the period end is summarised below:

		Carrying amount	Carrying amount
		2022	2021
		N	N
<b>Financial assets</b>			
Cash and cash equivalents	10.4	3,828,817	2,333,113
Financial assets at amortized cost	11.4	2,749,949,126	712,594,156
		<b>2,753,777,943</b>	<b>714,927,269</b>

**d. Reinvestment Risk**

This is the risk that future money market investments might be at a lower interest rate in comparison to the prevailing rate or that there may be no viable investment opportunity to re-invest the securities in at maturity of the asset.

**e. FGN Obligations Risk**

FGN obligations are subject to low but varying degrees of credit risks and are still subject to interest rate and market risk. While Debt Management Office issued obligations are backed by the "full faith and credit" of the FGN, securities issued by the government agencies or government-sponsored entities may not be backed by the full faith and credit of the FGN. If a government-sponsored entity is unable to meet its obligations or its creditworthiness declines, the performance of the Fund that holds securities issued or guaranteed by the entity will be adversely impacted.

**f. Inflation Risk**

This is the risk that an increase in price levels will undermine the purchasing power of the Fund's value of investment and returns.

**9 Fair value**

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.

**Fair value hierarchy**

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

\*\* Level 1: Quoted (unadjusted) prices in active markets for identical instrument.

\*\* Level 2: Valuation technique based on observable inputs.

\*\* Level 3: Valuation techniques using significant unobservable inputs.

There have been no transfers between fair value levels during the reporting period. Also, for some financial instruments of which their fair value cannot be obtained with certain degree of reliability or that their carrying amount mimics (or reflects) fair value are all stated at their carrying amount.

The Fund classified the financial instruments into three levels prescribed under the accounting standards as shown below:

**At 31 December 2022**

	Carrying Amount	Fair Value Measurements		
	N	N	N	N
		Level 1	Level 2	Level 3
<b>Financial assets at amortized cost:</b>				
Placements	1,488,839,109	1,488,839,109	-	-
Commercial papers	531,883,739	-	531,883,739	-
Treasury bills	729,226,278	-	-	-
<b>Financial assets at fair value through FVTPL:</b>				
Cash at bank	3,828,817	3,828,817	-	-
<b>Financial assets at fair value through FVTPL:</b>				
<b>Total financial assets</b>	<b>2,753,777,943</b>	<b>1,492,667,925</b>	<b>531,883,739</b>	<b>-</b>
<b>Financial liabilities at amortized cost</b>				
Dividend payable	63,403,238	63,403,238	-	-
Other payables	44,787,202	44,787,202	44,787,202	-
<b>Total financial liabilities</b>	<b>108,190,440</b>	<b>108,190,440</b>	<b>44,787,202</b>	<b>-</b>

At 31 December 2021

	Carrying Amount	Fair Value Measurements		
	N	N	N	N
		Level 1	Level 2	Level 3
<b>Financial assets at amortized cost:</b>				
Placements	473,261,962	473,261,962	-	-
Commercial papers	33,203,401	-	33,203,401	-
Treasury bills	206,128,793	208,096,287	-	-
<b>Financial assets at fair value through FVTPL:</b>				
Cash and cash equivalents	2,333,113	2,333,113	-	-
<b>Financial assets at fair value through FVTPL:</b>				
<b>Total Financial Assets</b>	<b>714,927,269</b>	<b>683,691,363</b>	<b>33,203,401</b>	<b>-</b>
<b>Financial liabilities at amortized cost</b>				
Dividend payable	12,230,498	63,403,238	-	-
Other payables	6,674,501	6,674,501	6,674,501	-
<b>Total financial liabilities</b>	<b>18,904,999</b>	<b>70,077,739</b>	<b>6,674,501</b>	<b>-</b>

The fair value of the Fund's financial instruments such as cash and cash equivalents, other receivables, unvested fund deposits are not materially sensitive to shifts in market return rate because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at financial position date approximate their fair values.

**Notes to the financial statement for the year ended 31 December 2022**

**10 Cash and cash equivalents**

	<u>2022</u>	<u>2021</u>
	N	N
Cash at bank	3,828,817	2,333,113
	<u>3,828,817</u>	<u>2,333,113</u>

**11 Financial assets**

	<u>2022</u>	<u>2021</u>
	N	N
Placements	1,488,839,109	473,261,962
Commercial papers	531,883,739	33,203,401
Treasury bills	729,226,278	206,128,793
	2,749,949,126	712,594,156
Expected credit loss	(379,297)	(110,866)
	<u>2,749,569,828</u>	<u>712,483,290</u>

**12 Dividend payable**

	<u>2022</u>	<u>2021</u>
	N	N
Dividend payable - Mutual Fund (See Note (a) below)	63,403,238	12,230,498
	<u>63,403,238</u>	<u>12,230,498</u>

**(a) Dividend payable - Mutual Fund**

	<u>2022</u>	<u>2021</u>
	N	N
Beginning of the year	12,230,498	-
Arising during the year	143,067,688	16,613,382
Dividend paid	(91,894,948)	(4,382,884)
End of the year	<u>63,403,238</u>	<u>12,230,498</u>

**13 Other payables**

	<u>2022</u>	<u>2021</u>
	N	N
Deposit liability	35,411,674	-
Other payables	538,217	2,909,132
Accruals (See Note (a) below)	8,837,311	3,765,369
	<u>44,787,202</u>	<u>6,674,501</u>

**(a) Accruals**

	<u>2022</u>	<u>2021</u>
	N	N
Management fee	5,805,416	2,220,593
Custodian fee	290,271	73,993
Trustee fee	580,542	147,986
Audit fee	1,000,000	1,272,241
SEC supervisory fees	1,161,083	50,555
	<u>8,837,311</u>	<u>3,765,368</u>

**Notes to the financial statement for the year ended 31 December 2022**

**14.4 Net asset value per unit**

The net asset per unit is computed using the net assets value as at the closing date divided by the number of units in existence as at the date.

	<u>2022</u>	<u>2021</u>
	N	N
Net asset as at year end	2,645,208,205	695,911,405
Total number of units in issue	<u>26,452,082</u>	<u>6,959,114</u>
Net asset per unit	<u>100.00</u>	<u>100.00</u>

**15.4 Equity attributable to Unit Holders**

**(a) Redeemable Units**

	<u>2022</u>	<u>2021</u>
	N	N
Unitholder fund	2,645,208,205	695,911,405
	<u>2,645,208,205</u>	<u>695,911,405</u>

**(b) Retained Earnings**

	<u>2022</u>	<u>2021</u>
	N	N
Beginning of the year	-	-
Profit for the year	143,067,688	16,613,382
Dividend declared to be paid (see note (i) below)	<u>(143,067,688)</u>	<u>(16,613,382)</u>
End of the year	<u>-</u>	<u>-</u>

- (i) This represents Dividend declared to be paid in the year 2023. It is the portion of retained earnings that is distributed as dividend. The dividend declared for the year is the amount left of the profit after the deduction of expenses.

**Notes to the financial statement for the year ended 31 December 2022**

<b>16 Interest income</b>	<b>2022</b>	<b>2021</b>
	<b>N</b>	<b>N</b>
Placement with banks	72,085,976	13,963,434
Treasury bills	33,269,183	4,378,127
Commercial paper	60,365,754	2,155,430
Gain/loss from treasury bill	2,883,146	-
	<u>168,604,059</u>	<u>20,496,991</u>

<b>17 Management Fee</b>	<b>2022</b>	<b>2021</b>
	<b>N</b>	<b>N</b>
Management fees	16,089,778	2,220,593
	<u>16,089,778</u>	<u>2,220,593</u>

<b>18 Operating expenses</b>	<b>2022</b>	<b>2021</b>
	<b>N</b>	<b>N</b>
Bank charges	2,469,129	7,374
Custodian fees (See note (a) below)	783,944	73,993
Trustee fees (See note (b) below)	1,567,887	147,986
Initial offer cost (See note (c) below)	-	972,241
SEC supervisory fees	2,946,905	50,555
Audit fee	1,000,000	300,000
Other operating expenses	299,431	-
Impairment loss	379,297	110,866
	<u>9,446,593</u>	<u>1,663,015</u>

- (a) This represents Custody fee, it is an annual fee of 0.05% of the Net Asset Value, accruable daily and payable annually in arrears to the custodian.
- (b) This represents Trustee fee, it is an annual fee of 0.10% of the Net Asset Value, accruable daily and payable annually in arrears to the Trustee.
- (c) This represents the initial offer cost, it is the costs, charges and expenses of and incidental to the offer including fees payable to the SEC , brokerage, printing and distribution expenses, which is borne by Unitholders and offset from the Offer proceeds.

**Notes to the financial statement for the year ended 31 December 2022**

**19.4 Related parties**

- (i) Related parties: 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 Fund Manager and other key contracts

The Fund appointed UTL Trust Management Services Limited, a Trusteeship company in Nigeria to provide administrative services to the fund.

**Unit holding of related parties**

	<b>Units</b>
Anthony Edeh	100,000
Norrenberger Investment and Capital Management Limited	973,845
	<hr/>
	1,073,845
	<hr/>

- (ii) Other key contracts

Trustee

The Fund appointed UTL Trust Management Services Limited, a Trusteeship Company in Nigeria to provide administrative services to the fund.

**20.4 Contingent liabilities - Litigations and claims**

The Fund was not involved in any litigation during the year under review.