

AXA MANSARD EQUITY INCOME FUND

Managed by

AXA MANSARD INVESTMENTS LIMITED

FINANCIAL STATEMENTS

for the year ended

31st DECEMBER, 2024

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Audited financial statements for year ended 31st December, 2024

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MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Corporate information

Trustee to the Fund

Investment One Financial Services Limited
37 Karimu Kotun Street,
Victoria Island,
Lagos

Directors of the Fund Manager

Ms. Denise Ntonta
Mr. Erick Decker
Mr. Deji Tunde-Anjous
Mrs. Rashidat Adebisi
Mr. Tope Adeniyi
Mrs. Ngozi Ola-Israel
Mrs. Abisola Nwoboshi

Registered office of the Fund Manager

Mansard Place
Plot 927/928 Bishop Aboyade Cole Street
Victoria Island
Lagos

Independent Auditors to the Fund

Crowe Dafinone
Chartered Accountants
15, Elsie Femi Pearse
Victoria Island
Lagos

Bankers

First Bank of Nigeria Limited
First City Monument Bank Plc
Guaranty Trust Bank Limited
Rand Merchant Bank Limited
United Bank for Africa Plc
Zenith Bank Plc

Custodian to the Fund

Rand Merchant Bank Limited
3rd Floor East Tower
Wings Office Complex
Victoria Island
Lagos

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Report of the Trustee

Dear Unitholder

The Trustee presents its report on the AXA Mansard Equity Income Fund (the “Fund”), for the Financial Year ended 31st December, 2024.

Constitution of the Fund

The Fund, an open -ended Unit Trust Scheme, is constituted under a Trust Deed duly stamped on the 23rd day of May 2016 (“the Trust Deed”) and registered with the Securities and Exchange Commission (“the Commission”) as a Collective Investment Scheme.

Investment Objective of the Fund

The objective of the AXA Mansard Equity Income Fund is to generate income and capital growth from a diversified investment in select quoted equity securities and quality money market securities.

Directors

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

S/N	NAMES
1.	Ms. Denise Ntonta
2.	Mr. Erick Decker
3.	Mr. Deji Tunde -Anjous
4.	Mrs. Rashidat Adebisi
5.	Mr. Tope Adeniyi
6.	Mrs. Ngozi Ola-Israel
7.	Mrs. Abisola Nwoboshi

Directors' interest in the units of the Fund

Two (2) Directors of the Fund Manager held beneficial interest in the units of the Fund as at 31st December, 2024.

S/N	Director	Units held
1.	Mr. Deji Tunde-Anjous	4,963.00
2.	Mrs. Rashidat Adebisi	1,001.05

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 these financial statements, the fund manager:

- Selected suitable significant accounting policies and applied them consistently;
- Made judgments and estimates that have been reasonable and prudent;

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Report of the trustee (continued)

- Ensured that the applicable International Financial Reporting Standards were followed, and in the case of any material departures, that it was fully disclosed and explained within 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.
- Is responsible for keeping proper accounting records, which disclose with reasonable accuracy, the financial position of the fund, and enable the fund manager to ensure that the financial statements comply with the applicable regulations.
- 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 Trustees

The responsibilities of the Trustee as provided by Securities and Exchange Commission, Rules and Regulations made pursuant to the Investments and Securities Act, 2007 are as stated below:

- Monitoring 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 unitholders in accordance with the Trust Deed and the Custodian 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 Custodian 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 are within the prescribed limits; and
- Acting at all times in the interest and for the benefit of unitholders of the scheme.

Income Distribution

During the year ended 31st December 2024, the Fund Manager made no income distribution to Unitholders. However, the Fund Manager has proposed that the profit for the year, amounting to **₦135,906,961**, be distributed as dividends.

Compliance

The Fund Manager, during the Financial Year ended 31st December 2024, complied with the Trust Deed, the rules and regulations of the Commission and applicable laws including preparation of the financial statements of the Fund in the manner required by the Financial Reporting Council of Nigeria.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Report of the trustee (continued)

Charitable donations

The Fund did not make any charitable donations during the 2024 Financial year. (2023: nil).

Independent Auditors

Messrs Crowe Dafinone, the Fund's Auditors, have indicated their willingness to continue in office and shall do so in accordance with Section 184(1) of the Investments and Securities Act, 2007.

BY ORDER OF THE TRUSTEES INVESTMENT ONE FINANCIAL SERVICES LIMITED



IFEOMA UBA-ONUBOGU

Head, Trust Services

FRC/2015/NBA/0000000/6266

30th May, 2025

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Report of the Fund Manager

FUND MANAGER REPORT – 2024

The global economy exhibited divergent trends, with the U.S. reporting resilient job growth and moderating inflation amid Fed rate cuts. Consumer spending in Eurozone rebounded, and Asia showed mixed signals. Economic growth in South Korea slowed, persistent deflation in China, while Japan reported stronger-than-anticipated expansion.

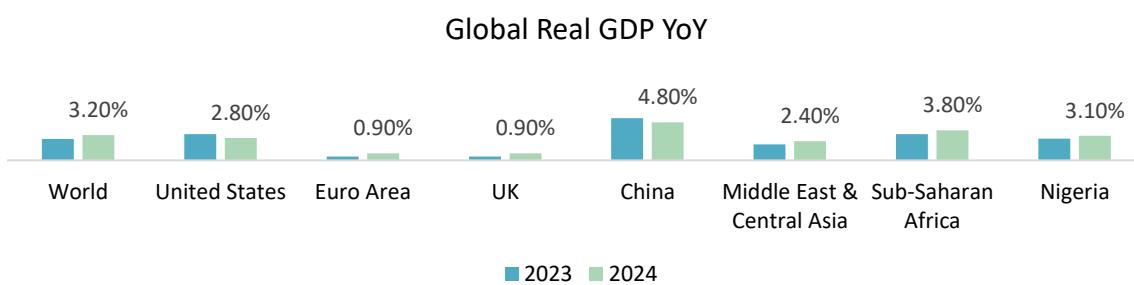
Figure 1: Global inflation across key countries



Source: Bloomberg, AXA Mansard

Global growth remained steady but subdued, with key forecast revisions within the year. Upgrades to U.S. growth offset downgrades in major European economies. In emerging markets, supply disruptions, geopolitical tensions, and climate shocks weakened growth for the Middle East, Central Asia, and sub-Saharan Africa. However, strong semiconductor demand, fuelled by AI-driven investments, drove growth in emerging Asia, supported by large-scale public spending in China and India.

Figure 2: Global economic growth across key countries and Region



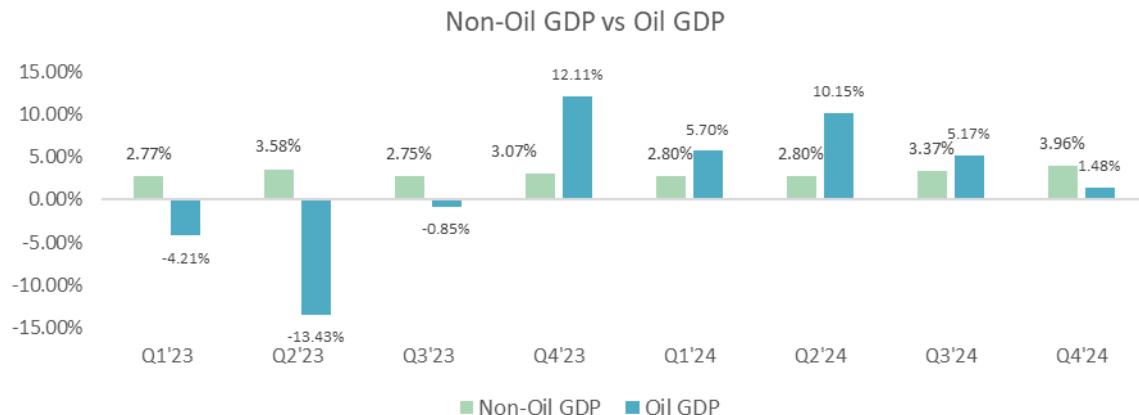
Source: IMF, AXA Mansard

Nigeria's economy expanded by 3.40% in 2024, improving from 2.74% in 2023, with growth primarily driven by the non-oil sector. The sector recorded a full-year expansion of 3.96% in Q4, up from 3.07% in Q4 2023, and accounted for 95.40% of total GDP. Key contributors to non-oil sector growth included Financial and Insurance Services, Information and Communication (Telecoms), Agriculture (Crop Production), Trade, and Manufacturing, while the transportation sector, particularly road transport, also supported growth.

**AXA MANSARD EQUITY INCOME FUND
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Report of the Fund Manager (continued)

Figure 3: Oil and non-oil growth (QoQ)



Source: NBS Nigeria, AXA Mansard

In addition, the oil sector exhibited strong momentum in 2024, expanding by 5.54% and rebounding from a -2.22% contraction in 2023. Although Q4 growth moderated to 1.48%, this was largely a function of a high base from the prior year rather than a weakening in sector fundamentals. The sector's GDP contribution eased to 4.60% from 4.70% in Q4 2023 and 5.57% in Q3 2024, but its overall trajectory reflects sustained recovery, underpinned by resilient production levels and steady market dynamics.

Oil production averaged 1.54 million barrels per day (mbpd) in Q4 2024, slightly below the 1.56 mbpd recorded in Q4 2023, but showing an improvement from 1.47 mbpd in Q3 2024.

Table 1: Sectorial Contribution to Non-Oil Sector

Sector	2019	2020	2021	2022	2023	2024
Agriculture	21.91	24.14	25.88	25.58	25.18	24.64
Industry	27.38	28.22	20.56	19.02	18.65	18.47
Service	49.73	46.39	53.56	55.4	56.18	56.89

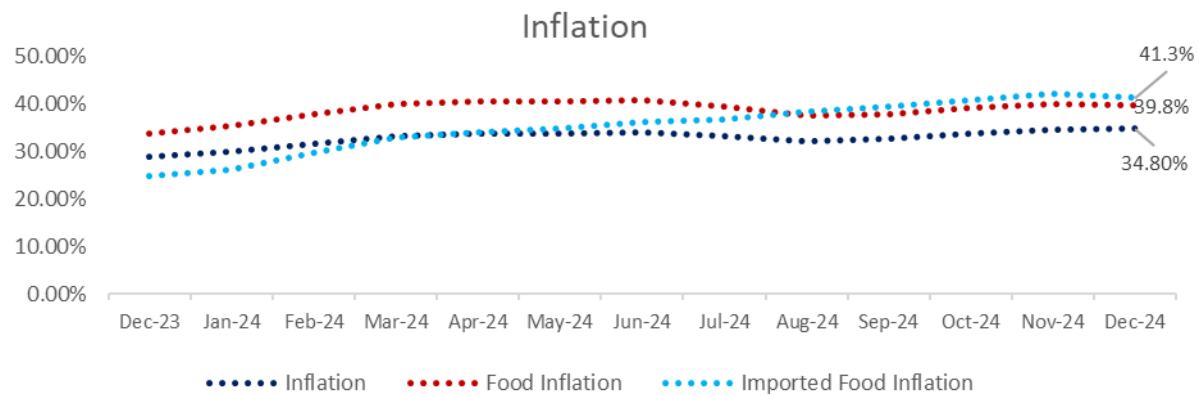
Source: NBS Nigeria, AXA Mansard

Nigeria's inflation surged to a historic peak of 34.80% YoY in 2024 (2023: 24.52%), with annual averages rising to 33.18% driven by persistent supply-chain disruptions, currency depreciation (naira). In addition, structural bottlenecks such as retail fuel price adjustments, flooding, and security challenges in agrarian regions further heightened the price pressures. Food inflation spiked to 39.10% (2023: 27.8%), reflecting acute agricultural supply constraints, while core inflation hardened to 27.06% (2023: 20.76%), signalling entrenched demand-pull pressures. Consequently, the Central Bank of Nigeria (CBN) maintained its hawkish stance, hiking the policy rate by 25bps to 23.25% and retaining tight liquidity measures (CRR: 50%, asymmetric corridor: +500/-100bps). For 2025, inflation is projected to moderate marginally (~20% average) on potential FX stability, base effects, and CPI rebasing, though risks remain skewed to the upside from fiscal imbalances, energy subsidies, and climate-related shocks.

Figure 5: Trend in Inflation rate (YoY)

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Report of the Fund Manager (continued)



Source: NBS Nigeria, AXA Mansard

The Nigerian Equity Market closed the year on a positive note, sustaining the bullish momentum carried over from 2023. The All-Share Index improved by 4.44% Q/Q in Q4 2024 (Q3 2023: 12.64% Q/Q). Accordingly, the market returned 37.65% in FY 2024 (FY23: 45.90%). The Oil and Gas (160%), Insurance (123%), Consumer Goods (54%), Industrial Goods (32%), and Banking sectors (21%), were all winners for the year. Specifically, top performing stocks for the year are Juli Plc (+1,645.76%), Sunu Assurances (+877.27%), Oando Plc (+528.57%), Eunisell Interlinked (+502.19%), Transcorp (+402.31%), Tantalizers (+336.17%), RT Briscoe (+309.84%), Veritas Kapital Assurance (+267.57%), and Julius Berger (+261.05%). The 2024 performance of the market index was further driven by the listing of Transcorp Power, Aradel Plc, as well as the performance of Conoil Oando Plc and International Breweries Plc.

Fund Performance

The AXA Mansard equity income fund returned 25.31% in 2024, 818bps under its blended benchmark return (NSE 30 and 90-day NITTY) of 33.49%. This performance breaks the fund's streak of outperforming its benchmark while also positioning the fund for a better performance in 2025. Towards the end of the year, the fund manager took steps to rebalance the portfolio in anticipation of an expansion in fixed income yields in Q1 2025, a possible tapering in Q2 2025 causing yield compression and a further deceleration of yields in H2 2025. As a result, allocation to equities reduced to 72.86% by 2024 year-end from 76.55% in Q3 2024.

Outlook

In 2025, we expect that a further expansion in yields in Q1 2025 on the back of the tightening stance of the monetary authority. However, we expect the monetary authority to taper in Q2 through H2 2025 on the back of the expected deceleration in inflation rate due to the 2024 high base effect and the rebasing effort of the NBS. We also expect an eventual reintegration of the Nigerian bourse in the MSCI Frontiers market index due to the on-going structural reforms. These are expected to further increase investors' confidence and as a result lead to an increase in the participation of foreign portfolio managers in the market.

Though, Over the first half of the year, we anticipate some profit-taking activities as companies release their financial results – we foresee a mild recovery in returns over the second half. As a result, we expect the market to yield moderate returns this year compared to the performance seen in 2024.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Management's annual assessment of, and report on, internal control over financial reporting for the year ended 31st December, 2024

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and securities Act 2007, we hereby make the following statements regarding the internal controls of AXA Mansard Equity Income Fund for the year ended 31 December 2024:

- i AXA Mansard Investment Limited's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii AXA Mansard Investment Limited's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;
- iii AXA Mansard Investment Limited's management has assessed that the fund's ICFR as at the end of 31 December 2024 is effective.
- iv AXA Mansard Equity Income Fund 's external auditor, Messrs Crowe that audited the financial statements included in the report has issued an attestation report on management's assessment of the fund's internal control over financial reporting. The attestation report of Messrs Crowe that audited its financial statements will be filed as part of AXA Mansard Equity Income Fund 's financial statements.

Signed on behalf of the Directors by:

Date: 30th May, 2025



Mrs. Ngozi Ola-Israel
Chief Financial Officer
FRC/2017/PRO/ANAN/001/00000017349



Mr. Deji Tunde-Anjous
Managing Director
FRC/2014/PRO/CISN/00000008235

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Certification of management's assessment on internal control over financial reporting for the year ended 31st December, 2024

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of investments and securities Act 2007, I hereby make the following statements regarding the internal controls of AXA Mansard Equity Income Fund for the year ended 31 December 2024.

I Deji Tunde-Anjous, certify that:

- (a) I have reviewed this Management's assessment on internal control over financial reporting of AXA Mansard Equity Income Fund;
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the year covered in this report.
- (c) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the fund as of, and for, the periods presented in this report.
- (d) The fund's other certifying officer and I:
 - i are responsible for establishing and maintaining internal controls;
 - ii have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - iii have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements to external purposes in accordance with generally accepted accounting principles;
 - iv have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (e) The fund's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the fund's auditors and audit committee of the fund's board of directors (or persons performing the equivalent functions):
 - i All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the fund's ability to record, process, summarize and report financial information; and
 - ii Any fraud, whether or not material, that involves management or other employees who have a significant role in the fund's internal control system.
- (f) The fund's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Deji Tunde-Anjous
Managing Director
FRC/2014/PRO/CISN/00000008235

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

***Certification of management's assessment on internal control over financial reporting for
the year ended 31st December, 2024***

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of investments and securities Act 2007, I hereby make the following statements regarding the internal controls of AXA Mansard Equity Income Fund for the year ended 31 December 2024.

I Ngozi Ola-Israel, certify that:

- (a) I have reviewed this Management's assessment on internal control over financial reporting of AXA Mansard Equity Income Fund;
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the year covered in this report.
- (c) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the fund as of, and for, the periods presented in this report.
- (d) The fund's other certifying officer and I:
 - i are responsible for establishing and maintaining internal controls;
 - ii have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - iii have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements to external purposes in accordance with generally accepted accounting principles;
 - iv have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (e) The fund's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the fund's auditors and audit committee of the fund's board of directors (or persons performing the equivalent functions):
 - i All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the fund's ability to record, process, summarize and report financial information; and
 - ii Any fraud, whether or not material, that involves management or other employees who have a significant role in the fund's internal control system.
- (f) The fund's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Mrs. Ngozi Ola-Israel
Chief Financial Officer

FRC/2017/PRO/ANAN/001/00000017349

Independent auditor's attestation on management's assessment of internal control over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over the financial reporting systems that were put in place by the management of AXA Mansard Equity Income Fund were not adequate as of 31st December 2024, having regard to the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission together with the requirement of the Financial Reporting Council regulations on this issue.

What we have performed

We have performed an assurance engagement on AXA Mansard Equity Income Fund's internal control over financial reporting as of December 31, 2024, based on Financial Reporting Council Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The fund's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying report of management's annual assessment on the fund's internal control over financial reporting. Our responsibility is to express an opinion on the fund's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting controls and systems based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control systems put in place by the management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A fund's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A fund's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the fund's assets that could have a material effect on the financial statements.

Independent auditor's attestation on management's assessment of internal control over financial reporting (continued)

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of AXA Mansard Equity Income Fund and our report dated 30th May 2025, expressed an unqualified opinion.



Oluwatosin Dare-Abel

Engagement Partner

FRC/2020/PRO/ICAN/004/00000021583

For Crowe Dafinone

Chartered Accountants

30th May, 2025



**REPORT OF THE INDEPENDENT AUDITORS TO THE UNIT HOLDERS OF THE
AXA MANSARD EQUITY INCOME FUND (MANAGED BY AXA MANSARD INVESTMENTS
LIMITED)**

Opinion

We have audited the financial statements of the AXA Mansard Equity Income Fund which comprises, the statement of financial position as at 31st December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, the material accounting policies and other explanatory notes, the statement of value added and the five year financial summary. These financial statements are set out on pages 16 to 37 and have been prepared using the material accounting policies set out on page 22 to 26.

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31st December, 2024 and of its financial performance and its cash flows for the year ended on that date, and have been properly prepared in accordance with the Trustee Investments Act, CAP T22 LFN 2004, the Investments and Securities Act, 2007 and the applicable International Financial Reporting Standards in the manner required by the Financial Reporting Council of Nigeria Act 2023 and the provision set out in the Trust Deed of the Fund, the Investments and Securities Act 2007 and the Securities and Exchange Commission's Rules and Regulations.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities are further described in the Auditor's responsibilities for the financial statements.

Independence

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA) Code. We have fulfilled our ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a reasonable basis for our audit 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 year. These matters were addressed in the context of our audit of the financial statement, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

***REPORT OF THE INDEPENDENT AUDITORS TO THE UNIT HOLDERS OF THE
AXA MANSARD EQUITY INCOME FUND (MANAGED BY AXA MANSARD INVESTMENTS
LIMITED) (continued)***

Information other than the financial statements and auditors' report

The report of the Trustees, report of the Fund Manager and other information contained therein are the responsibility of management. Our opinion does not cover these reports and accordingly we do not express any form of assurance conclusion thereon. It is our responsibility to read the other information and in doing so, consider whether the information is materially inconsistent with the financial statements or with the knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work we conclude that there is material misstatement of the other information, we are required to report that fact. We have nothing to report on in this regard.

Fund Manager and Trustee's responsibilities for the financial statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards and the requirements of the Investments 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 and Trustee 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 material accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the Fund Manager and Trustee is responsible for assessing the fund's ability to continue as a going concern and using the going concern basis of accounting unless the Fund Manager and Trustee either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

Auditors' responsibilities for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error and to issue an auditors report that include our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (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 scepticism 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE UNIT HOLDERS OF THE
AXA MANSARD EQUITY INCOME FUND (MANAGED BY AXA MANSARD INVESTMENTS
LIMITED) (continued)**

Auditors' responsibilities for the financial statements (continued)

- 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 company's internal control.
- Evaluate the appropriateness of material accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager and Trustee.
- 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 events or conditions that may cast significant doubt on the company'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 the manner that achieves fair presentation.

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.

Compliance with the relevant legislation and regulations

In accordance with Section 169(1) of the Investments 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 Investments and Securities Act, 2007, we confirm that the fund has been operated within the provisions of the Act.

Lagos, Nigeria
30th May, 2025


Oluwatosin Dare-Abel
Engagement Partner
FRC/2020/PRO/ICAN/004/00000021583
For: Crowe Dafinone
Chartered Accountants



**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Statement of financial position as at 31st December, 2024

	Notes	2024	2023
		₦	₦
Current assets			
Cash and cash equivalents	8	108,588,307	149,058,346
Financial assets at fair value through profit or loss	9	459,726,980	375,490,154
Financial assets at amortised cost	10	70,284,135	-
Other receivables	11	12,108,952	6,666,551
Total assets		650,708,434	531,215,051
Current liabilities			
Other payables	12	(3,382,093)	(49,010,500)
Net assets		647,326,341	482,204,551
Financed by:			
Members' Fund		647,326,341	482,204,551
Net assets per unit	13.1	222.52	190.81

The financial statements on pages 11 to 37 were approved and authorised for issue by the Board of directors on 30th May, 2025 and were signed on its behalf by;


Mrs. Ngozi Ola-Israel
FRC/2017/PRO/ANAN/001/00000017349


Mr. Deji Tunde-Anjous
FRC/2014/PRO/CISN/00000008235

The general information, material accounting policies and notes to the financial statements set out on pages 20 to 35 form an integral part of these financial statements.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Statement of profit or loss and other comprehensive income for the year 31st December, 2024

	Notes	2024 ₦	2023 ₦
Revenue			
Investment income	14	51,000,363	25,490,427
Gain from security trading	15.1	(5,643,035)	31,143,172
Fair value gain on financial assets through profit or loss	15	107,257,649	103,280,407
		<hr/>	<hr/>
Profit from investing activities		152,614,977	159,914,006
Expenses			
Operating expenses	16	(14,606,741)	(7,850,469)
		<hr/>	<hr/>
Profit before taxation		138,008,236	152,063,537
Taxation	17	(2,101,275)	(1,443,694)
		<hr/>	<hr/>
Profit for the year		135,906,961	150,619,844
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		135,906,961	150,619,844
		<hr/> <hr/>	<hr/> <hr/>
Basic earning per unit	13	46.71	59.6
		<hr/> <hr/>	<hr/> <hr/>

The general information, material accounting policies and notes to the financial statements set out on pages 20 to 35 form an integral part of these financial statements.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Statement of changes in equity for the year ended 31st December, 2024

	Unit holder capital balances 2024 ₦	Unit holder capital balances 2023 ₦
As at 1st January	482,204,551	228,399,254
Total comprehensive income for the year	135,906,961	150,619,844
	<hr/>	<hr/>
	618,111,512	379,019,098
	<hr/>	<hr/>
Transactions with unit holders:		
Units purchased	727,263,404	384,676,924
Units liquidated	(614,569,798)	(281,491,471)
Distributions	(83,478,777)	-
	<hr/>	<hr/>
Total transactions with unit holders	29,214,829	103,185,453
	<hr/>	<hr/>
Members' funds as at 31st December	647,326,341	482,204,551
	<hr/> <hr/>	<hr/> <hr/>

The general information, material accounting policies and notes to the financial statements set out on pages 20 to 35 form an integral part of these financial statements.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Statement of cash flows for the year ended 31st December, 2024

	Notes	2024 ₦	2023 ₦
Cash flow from operating activities			
Profit before taxation		138,008,236	152,063,537
Adjustment for:			
Fair value gain on financial assets through profit or loss	9,15	(107,257,649)	(103,280,407)
Loss/(profit) from financial assets through profit or loss	15	5,643,035	(31,143,172)
		36,393,622	17,639,958
Changes in working capital:			
Increase in other receivables	11	(5,442,401)	(2,655,046)
(Decrease)/increase in trade and other payables	12	(45,628,407)	1,845,960
		14,677,187	16,830,872
Cash utilised from operation		(2,101,275)	(1,443,693)
Net cash (outflow)/inflow from investing activities		(16,778,462)	15,387,179
Cash flow from investing activities			
Proceed from sale of quoted securities	15.1	140,423,930	134,049,925
Purchase of quoted securities	9	(123,046,141)	(194,379,279)
Net movement of financial assets at amortised cost	10	70,284,135	64,750,686
Net cash outflows from investing activities		(52,906,346)	4,421,332
Cash flow from financing activities			
Net cash flow from units trading transactions		29,214,829	103,185,453
Net cash inflow from financing activities		29,214,829	103,185,453
Net (decrease)/ increase in cash and cash equivalent		(40,470,039)	122,993,964
Cash at the beginning of the year		149,058,346	26,064,382
Cash and cash equivalents at the end of the year	8	108,588,307	149,058,346
		=====	=====

The general information, material accounting policies and notes to the financial statements set out on pages 20 to 35 form an integral part of these financial statements.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

1. General information

1.1 Reporting entity

The AXA Mansard Equity Income (“the Fund”) is a collective investment scheme registered by the Securities and Exchange Commission. The Fund’s principal office is located at Mansard place, Plot 927/928 Bishop Aboyade Cole Street, Victoria Island, Lagos.

The Fund is primarily involved in investments in money market and equity securities.

The Fund is managed by AXA Mansard Investments Limited (“the Fund Manager”) and the Trustee to the Fund are Investment One Financial Services Limited (“the Trustee”).

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Reporting Standards (IFRSs) as issued by International Accounting Standard Board (‘IASB’) in the manner required by Financial Reporting Council of Nigeria Act 2023, the Investments and Securities Act 2007, the Securities and Exchange Commission and Trust deed provisions.

The financial statements were authorised for issue by the Trustee and Fund Manager on - 30th May, 2025.

2.2 Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Fund’s functional currency.

2.3 Basis of measurement

These financial statements are prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value;
- Financial instruments at amortised cost;
- Financial instruments at fair value through other comprehensive income.

2.4 Financial period

These financial statements 12 months from 1st January 2024 to 31st December 2024 with comparative values for the year ended 31st December, 2023.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

3. New standards, amendments and interpretations

3.1 New standards and interpretations not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company have been issued but they are not yet effective as at 1st January, 2025. Where the IFRSs and IFRIC Interpretations listed below permits, early adoption is encouraged. The company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Pronouncement	Nature of change	Effective date
<i>Amendments to IAS 21-Lack of Exchangeability</i>	<p>These amendments impact entities with transactions or operations in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.</p> <ul style="list-style-type: none"> • Exchangeability is determined by the ability to obtain the other currency with a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. • Entities with non- exchangeable foreign currencies will be affected 	Annual periods beginning on or after 1 st January, 2025, with early adoption available.
<i>Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures</i>	<p>The amendment settling financial liabilities using an electronic payment system; and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG) linked features. The amendment will be applied retrospectively. The impact on the interim financial statements has not yet been fully determined.</p>	Annual periods beginning on or after 1 st January, 2026 with early adoption available
<i>IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	<p>The standard set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses</p> <p>The standard specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.</p>	Annual periods beginning on or after 1 st January, 2027, with early adoption available

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

4. Material accounting policies

The material accounting policies set out below have been consistently applied to all periods presented in these financial statements.

4.1 Foreign currency transactions

Transactions denominated in foreign currencies are recorded in Naira at the rate of exchange ruling at the date of each transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the statement of financial position date, the resulting foreign exchange gain is recognised in the income statement while those on non-monetary items are recognised in other comprehensive income.

4.2 Net gain/(loss) from financial instruments at fair value through profit or loss

Net gain/loss from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences but excludes finance and dividend income.

4.3 Dividend income

Dividend income is recognised when the right to receive income is established. Dividend income from equity securities designated at fair value through profit or loss and available-for-sale is recognised in the “dividend income” line in the statement of comprehensive income.

4.4 Fees and other expenses

Fees and other expenses are recognised in the statement of comprehensive income on an accrual basis.

4.5 Taxation

Dividend income is subject to withholding tax. Dividend income and income from financing and investing are therefore recorded gross of such taxes and the corresponding withholding tax is recognised as tax expense.

4.6 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

The Fund’s investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

4.7 Financial instruments

(i) Initial recognition and measurement

Financial instruments are recognised initially when the Fund becomes a party to the contractual provisions of the instruments. Financial instruments carried at fair value through profit or loss are initially recognised at fair value with transaction costs, which are directly attributable to the acquisition or issue of the financial instruments, being recognised immediately through profit or loss.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

4. Material accounting policies (continued)

4.7 Financial instruments (continued)

(i) Initial recognition and measurement (continued)

Financial instruments that are not carried at fair value through profit or loss are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments. Financial instruments are recognised or de-recognised on the date the Fund commits to purchase or sell the instruments (trade day accounting).

(ii) Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at amortised cost or fair value depending on their classification category.

All financial assets within the Fund are measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL).

The Fund's financial assets are subsequently measured at amortised cost if they meet both of the following criteria and are not designated as at FVTPL:

- 'Hold to collect' business model test - The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- 'SPPI' contractual cash flow characteristics test - The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date. Interest in this context is the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

Debt instruments are measured at amortised cost by the Fund if they meet both of the following criteria and are not designated as at FVTPL:

- 'Hold to collect and sell' business model test: The asset is held within a business model whose objective is achieved by both holding the financial asset in order to collect contractual cash flows and selling the financial asset; and
- 'SPPI' contractual cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All other financial assets (equity investments) are measured at fair value. A financial asset is classified and measured at fair value through profit or loss (FVTPL) by the Fund if the financial asset is:

- A debt instrument that does not qualify to be measured at amortised cost or FVOCI;
- An equity investment which the Fund has not irrevocably elected to classify as at FVOCI and present subsequent changes in fair value in OCI;
- A financial asset where the Fund has elected to measure the asset at FVTPL under the fair value option.

Financial liabilities are either classified by the Fund as:

- Financial liabilities at amortised cost; or
- Financial liabilities as at fair value through profit or loss (FVTPL).

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

4. Material accounting policies (continued)

4.7 Financial instruments (continued)

(iii) Classification (continued)

- Financial liabilities are measured at amortised cost by the Fund unless either:
- The financial liability is held for trading and is therefore required to be measured at FVTPL, or
- The Fund elects to measure the financial liability at FVTPL (using the fair value option).

(iv) Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on discounted cash flow models and option pricing valuation techniques whose variables include only data from observable markets.

Subsequent to initial recognition, the fair values of financial instruments are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. If the market for a financial asset is not active or the instrument is an unlisted instrument, the fair value is determined by using applicable valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and valuation techniques commonly used by market participants.

Where discounted cash flow analyses are used, estimated cash flows are based on management's best estimates and the discount rate is a market-related rate at the financial position date from a financial asset with similar terms and conditions. Where pricing models are used, inputs are based on observable market indicators at the financial position date and profits or losses are only recognised to the extent that they relate to changes in factors that market participants will consider in setting the price.

(a) Assets carried at amortised cost

The Fund assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired may include; default or delinquency by a debtor, restructuring of a financing account or advance by the Fund on terms that the Fund would not otherwise consider, indications that a customer or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of customers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

4. Material accounting policies (continued)

4.7 Financial instruments (continued)

(v) Impairment of financial assets

(a) Assets carried at amortised cost (continued)

If the Fund determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Fund's grading process which considers asset type, industry, geographic location, collateral type, past-due status and other relevant factors). These characteristics are relevant to the estimation of future cash flows for groups of such assets being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

In assessing collective impairment, the Fund uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that actual losses are likely to be greater or less than suggested benchmarks against actual outcomes to ensure that they remain appropriate.

If there is objective evidence that an impairment loss on receivable or at amortised cost asset has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the asset's original effective return rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Finance income on the impaired asset continues to be recognised through the unwinding of the discount. The carrying amount of the asset is reduced through the use of an allowance account.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based, and to remove the effects of conditions in the historical period that do not exist currently.

To the extent a receivable is irrecoverable, it is written off against the related allowance for impairment. Such receivables are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the allowance for impairment in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

4. Material accounting policies (continued)

4.8 Contingencies

(i) Contingent asset

Contingent asset is a possible asset 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 entity.

A contingent asset is disclosed when an inflow of economic benefit is probable. When the realisation of income is virtually certain, then the related asset is not a contingent and its recognition is appropriate. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

(ii) Contingent liability

Contingent liability is a possible obligation that arises from past event 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 entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

4.9 Unit holders 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 balance sheet 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.

4.10 Investment restrictions and allocation

The Fund Manager shall ensure that the aggregate value of investments made by the Fund shall be as follows:

Asset classes	% allocated
Listed Equity	60 – 95
Other Money Market instruments	5 – 40
Cash	0 – 5

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

5. Financial risk management

Risk management objectives

In pursuing its objective of seeking optimal return for fund holders within a predetermined risk profile, the Fund participates in risk-taking activities such as investment in short term placements with financial institutions, Commercial Papers, Equity Shares and Treasury Bills. These activities expose the Fund to various categories of risks such as: Market and Investment Risk.

- Liquidity risk
- Counterparty credit risk
- Compliance risk
- Operational risk

The Fund Manager adopts a holistic Enterprise Risk Management (ERM) framework that considers all risk exposures from a comprehensive and integrated standpoint. The ultimate goal is to ensure efficient risk/return decision-making, reduce volatility in fund performance, improve operational efficiency as well as the quality of service delivery and ultimately ensure that the fund's risk profile is transparent to all relevant stakeholders.

This holistic ERM Framework is implemented by the Fund Manager's independent risk management function who oversees risk exposures. The Risk Management function works closely with front and back-office personnel to address identified issues in a timely manner. In addition, the importance of risk management is stressed through periodic group-wide risk awareness activities, and a zero tolerance for violations of risk management guidelines.

The Fund's Investment Committee has ultimate responsibility for Risk Management oversight, playing an important role in defining and reviewing overall risk appetite; and in approving policies and methodologies. The Committee receives quarterly reports of the Fund strategies, performance and Risk Management, and to set operational strategy for the succeeding quarter. In addition, the executive management of the Fund Manager is responsible for providing oversight over development and implementation of risk management policies.

5.1 Market and Investment risk

Market risk is the risk of loss occurring as a result of unfavourable changes in market rates, such as foreign exchange rates, interest rates, equity prices, commodity prices, and implied volatilities of the market rates.

The Fund is exposed to market and investment risk through its investment activities, which is carried out in accordance with approved investment guidelines and within strategic asset allocation as contained in the trust deed. Adherence to these guidelines is monitored by the Risk Management team who immediately notify the portfolio managers of identified exceptions.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

5. Financial risk management (continued)

Risk management objectives (continued)

5.1 Market and Investment risk (continued)

5.1.1 Equity price risk

Equity price risk is the risk of loss to the Fund as a result of unfavourable changes in prices of equities. The Fund is significantly exposed to equity price risk from its investments in equities listed on the Nigerian Stock Exchange. In managing this risk and to minimise concentration risk, a single exposure limit which defines the maximum allowable exposure to any individual stock has been applied to the Fund.

Equity position held by the Fund has been presented at fair value and stands at 2024: ₦ 459,726,980 (2023: ₦ 375,490,154).

5.1.2 Foreign exchange risk

The Fund is not exposed to foreign exchange risk, as all transactions are done in the domestic currency, the Nigerian Naira.

5.1.3 Interest rate risk

Interest rate risk is the risk of loss of interest income arising from changes in interest rates. Interest rate exposure is generated from the Fund's investments in interest-sensitive securities such as treasury bills and placements with financial institutions, most of which are fixed rate instruments.

The Fund's exposure to interest rate risk is seen in its holdings in fixed income securities as shown below:

	2024 ₦	2023 ₦
Financial assets at amortised cost	155,985,398	129,504,582
Cash & cash equivalents*	108,588,307	149,058,346
Exposure to interest rate risk	264,573,705	278,562,928
	=====	=====

* Cash & cash equivalents are held in interest bearing accounts.

5.2 Liquidity risk

Liquidity risk is the risk that the Fund will be unable to efficiently meet its financial obligations as they fall due and without adversely affecting realisable amount on the Fund's assets. The Fund is exposed to daily cash redemptions of redeemable units.

Liquidity risk is managed on a daily basis by the Portfolio Manager. In order to meet client redemption requests, asset allocations are carefully and appropriately structured to ensure that the Fund is liquid at all times and that it has sufficient liquid assets that can be converted to cash immediately without any loss in Fund value when the need arises. To achieve this, the Fund invests principally in highly liquid assets such as treasury bills, commercial papers and placement with financial institutions. The fund also retains a portion of its assets in call accounts to meet client redemption requests in a timely manner without having to liquidate other assets.

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

5. Financial risk management (continued)

Risk management objectives (continued)

5.2 Liquidity risk (continued)

The table below shows the Funds' investments in cash and near cash equivalents net of payables at the end of the year.

	2024 ₦	2023 ₦
Financial assets at amortised cost	155,985,398	129,504,582
Cash and cash equivalents	108,588,307	149,058,346
	264,573,705	278,562,928
Current liabilities	(3,382,093)	(49,010,500)
	175,990,409	229,552,428
Net investments in cash and near cash equivalent net of payables	=====	=====

The table below shows redemption for the year and Member's Funds which are redeemable upon prior notice.

	2024 ₦	2023 ₦
Members' Funds	647,326,341	482,204,551
	=====	=====
Total client redemptions in the year	614,569,798	281,491,471
	=====	=====

5.3 Credit risk

Credit risk is the risk of loss arising from counterparty's inability or unwillingness to fulfil contractual obligations to the Fund. Credit risk arises from the Fund's placements with financial institutions, and investments in treasury bills.

The Fund Manager has in place a Counterparty Policy that guides portfolio managers' counterparty selection. This policy states acceptable credit ratings for counterparties, and limits maximum exposure to each of the counterparties. The Policy also stipulates a counterparty selection process that includes a periodic assessment of each of the counterparty's financial position and available market information, to ascertain that these institutions are of sound financial health.

The Fund's maximum exposure to credit risk as at end of the year is shown in the table below.

	2024 ₦	2023 ₦
Placement with financial Institutions	155,985,398	129,504,582
Cash and cash equivalents	108,588,307	149,058,346
Other receivables	12,108,952	6,666,551
	276,682,657	285,229,479
	=====	=====

None of the balances were past due or impaired as at 31st December 2024 (2023: Nil).

Notes to the financial statements for the year ended 31st December, 2024

5. Financial risk management (continued)

Risk management objectives (continued)

5.4 Compliance risk

Compliance risk is the risk of loss arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies and procedures or ethical standards. The Fund Manager operates strictly within the fund's risk profile as stipulated in the Trust Deed, and has a dedicated compliance unit and a registered Compliance Officer, who ensure strict adherence to regulatory requirements and internal investment guidelines. In addition, regulatory returns and disclosures are made as and when due.

The Fund Manager's Compliance unit maintains a Regulatory Rule Library that contains key regulations pertaining to the Fund. The Rule Library enables easy monitoring of regulatory requirements; and helps prevent violations and/or non-conformance. This Rule Library is updated as new relevant legislations are released.

The Fund Manager has also implemented a robust Anti-Money Laundering policy and KYC procedures that help prevent the use of the Fund, the financial system and/or any of its resources for legalization of proceeds of illicit activities.

5.5 Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people, systems and external events.

The Fund Manager manages operational risk using a well-established control framework, and tools such as Risk and Control Self-Assessment (RCSA) workshops, Internal Loss Data Collection (LDC), Issues Management and Whistle blowing. The Fund Manager uses a bespoke system; the OpRisk Manager and other excel based templates for collecting, managing, monitoring and reporting operational risks.

Operational risk loss events are escalated and managed using a four-level escalation matrix depending on the amount of loss that may occur.

The ultimate aim of the Fund Manager's operational risk management activities is to improve operational efficiency as well as the quality of its service delivery to investors through:

- Improved processes and operational guidelines
- Minimising occurrence of avoidable risk events
- Creating group-wide risk awareness that guides behaviours and creates a careful approach to transaction handling and execution.

Information obtained from operational risk management tools mentioned above helps the Fund Managers to make informed decisions that invariably ameliorate impact of operational risk exposures.

6. Critical accounting estimates and judgements

Valuation of financial instruments

The Fund's material accounting policy on fair value measurements is discussed in note 4.7 (iii).

The Fund measures fair values 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 where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's 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 market prices or dealer price quotations. For all other financial instruments, the Fund determines fair values using valuation techniques.

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Notes to the financial statements for the year ended 31st December, 2024

7. Financial assets and liabilities

Accounting classification, measurement basis and fair value

The table below sets out the Fund's classification of each class of financial assets and liabilities, and their fair values.

31 st December, 2024	Notes	FVTPL ₦	Financial assets at amortised cost ₦	Other financial liabilities ₦	Total carrying amount ₦	Fair value ₦
Financial assets at fair value through profit and loss	9	459,726,980	-	-	459,726,980	459,726,980
Cash and cash equivalents	8	-	108,588,307	-	108,588,307	108,588,135
Financial assets at amortised cost	10	-	70,284,135	-	70,284,135	70,284,135
Other receivables	11	-	12,108,952	-	12,108,952	12,108,952
		459,726,980	190,981,454	-	650,708,434	650,708,434
Other payables	12	-	-	(3,382,093)	(3,382,093)	(3,382,093)
31st December, 2023		=====	=====	=====	=====	=====
Financial assets at fair value through profit and loss	9	375,490,154	-	-	375,490,154	375,490,154
Cash and cash equivalents	8	-	149,058,346	-	149,058,346	149,058,346
Other receivables	11	-	6,666,551	-	6,666,551	6,666,551
		375,490,154	155,724,897	-	531,215,051	531,215,051
Other payables	12	-	-	(49,010,500)	(49,010,500)	(49,010,500)

The fair value of the Fund's financial instruments such as cash and cash equivalents, other receivables and uninvested 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.

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Notes to the financial statements for the year ended 31st December, 2024

	2024 ₦	2023 ₦
8. Cash and cash equivalents		
Bank Balance	22,887,104	19,553,764
Fixed deposit *	85,701,263	129,504,582
	<hr/> 108,588,307	<hr/> 149,058,346
	<hr/> =====	<hr/> =====
This represents placement with financial institutions with maturity of less than 90 days as at reporting date at an interest rate range 24% to 27% (2023: 14.25% - 15.75%)		
9. Financial assets at fair value through profit or loss		
Investment as at 1 st January	375,490,154	180,737,221
Purchases	123,046,141	194,379,279
Disposal	(146,066,964)	(102,906,753)
	<hr/> 352,469,331	<hr/> 272,209,747
Fair value changes (note 15)	107,257,649	103,280,407
	<hr/> 459,726,980	<hr/> 375,490,154
	<hr/> =====	<hr/> =====
10. Financial assets at amortised cost		
Treasure bills	70,284,135	-
	<hr/> =====	<hr/> ==
11. Other receivables		
Dividend receivables	12,108,952	6,666,551
	<hr/> =====	<hr/> =====
12. Other payables		
Unallocated unit holders	-	1,705,000
Management fee payable	686,361	1,823,536
Custodian fees	6,626	6,205
Trustees fees	8,284	7,756
Audit fees	2,150,001	2,150,000
Withholding tax payable	-	4,502,292
Dividend payable	-	38,801,600
SEC supervisory fee	30,821	14,061
Other liabilities	500	-
	<hr/> 3,382,093	<hr/> 49,010,500
	<hr/> =====	<hr/> =====
13. Basic earnings per unit	46.71	59.66
	<hr/> =====	<hr/> =====
The basic earnings per unit is computed using the total earnings as the reporting period date divided by the 2,909,123 units (2023: 2,527,099) in existence as at that date.		
13.1 Net asset per unit	222.52	190.81
	<hr/> =====	<hr/> =====
The net asset per unit is computed using the net assets value as at the reporting period date divided by the 2,909,123 units (2023: 2,527,099) in existence as at that date.		

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Notes to the financial statements for the year ended 31st December, 2024

	2024 ₦	2023 ₦
14. Investment income		
Interest income	27,886,343	9,609,801
Dividend income	23,114,020	15,880,626
	=====	=====
	51,000,363	25,490,427
	=====	=====
15. Gain from financial assets at fair value through profit or loss		
Realised (loss)/gain (note 15.1)	(5,643,035)	31,143,172
Fair value gain on financial assets through profit or loss (note 9)	107,257,649	103,280,407
	=====	=====
	101,614,614	134,473,579
	=====	=====
15.1 Realised capital (loss)/gain		
Proceed	140,423,930	134,049,925
Cost	(146,066,964)	(102,906,753)
	=====	=====
	(5,643,035)	31,143,172
	=====	=====
16. Operating expenses		
Custodian fee	269,889	148,120
Trustees fee	336,611	185,150
Audit fee	2,150,001	2,150,000
Management fee	10,098,334	4,678,267
SEC Supervisory fee	1,252,506	688,932
Other fee	500	-
	=====	=====
	14,606,741	7,850,469
	=====	=====
17. Taxation		
The fund is exempted from paying income taxes under the current system of taxation in Nigeria. However, certain dividend incomes received by the Fund are subject to withholding tax imposed in Nigeria. During the year the average withholding tax rate suffered by the Fund was 10 percent (2023: 10 percent).		
18. Related parties and other key contracts		
(a) Related parties		
<i>Fund Manager</i>		
The Fund appointed AXA Mansard Investments Limited, an investment management company incorporated in Nigeria, to implement the investment strategy as specified in the prospectus and the Fund's trust deed. Under the Fund Management Agreement (Trust Deed), the Fund Manager is entitled to:		

**AXA MANSARD EQUITY INCOME FUND
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Notes to the financial statements for the year ended 31st December, 2024

18. Related parties and other key contracts (continued)

(a) Related parties (continued)

A management fee at an annual rate of up to 1.5 % of the Net Assets Value (NAV) attributable to holders of redeemable units on each valuation day. The Fund manager has charged a management fee of ₦ 10,098,334 for the year ended 31st December 2024 (2023: ₦ 4,678,267). The amount payable as at the reporting date is ₦ 686,361 (2023: ₦ 1,823,536)

An incentive fee not exceeding 30 percent of the increase in the total return in excess of 10 percent of Fund's Net Asset Value per annum subject to the consent of the Trustee and SEC. The Fund manager did not charge an incentive fee during the year. (2023: Nil)

(b) Other key contracts

Trustee

The Fund appointed Investment One Financial Services Limited, a trusteeship company in Nigeria, to provide administrative services to the Fund. Under the Fund Trust Deed, the Trustees is entitled to a fee at an annual rate of 0.05 % of the Net Assets Value net of all taxes which shall be payable by the Fund Manager. The Trustee's charge for the year and the amount payable as at 31st December, 2024 was ₦ 336,611 (2023: ₦ 185,150) and ₦ 8,284 (2023: ₦ 7,756) respectively.

Custodian

The Fund engaged the service of RMB Nominees to provide custodial services for a fee. The fee is charged on 0.045% per annum of the net asset value of the fund payable every quarter. The custodian's charge for the year and the amount payable as at 31st December, 2024 was ₦ 269,889 (2023: ₦ 148,120) and ₦ 6,626 (2023: ₦ 6,205).

(b) Other key contracts (continued)

SEC Supervisory fee

This relates to an annual supervisory fee of 0.2% of the Net Asset Value of the Fund payable to the Securities and Exchange Commission (SEC). The annual charge for the year was ₦ 1,252,506 (2023: ₦ 688,932) and the amount payable as at 31st December 2024 was ₦ 30,821 (2023: ₦ 14,061).

19. Compliance with regulatory bodies

The Fund did not contravene any regulation of the Investments and Securities Act or relevant circulars issued by the Securities and Exchange Commission.

20. Events after the reporting period

There were no significant events after the reporting period which would have had any material effect on the financial statements of the fund as at 31st December 2024 that have not been taken into account in preparation of these financial statements.

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Statement of value added for the year ended 31st December, 2024

	2024	%	2023	%
	₦		₦	
Investment income	51,000,363		25,490,427	
Unrealised gain on financial asset at fair value through profit or loss	107,257,649		103,280,407	
Realised capital gain	5,643,035		31,143,172	
	—————		—————	
	152,614,977		159,914,006	
Bought in material and services:				
Local	(2,650,001)		(2,149,998)	
	—————		—————	
Value added	149,964,976	100	157,764,006	100
	=====	==	=====	==
Applied as follows:				
To pay fund manager and other related parties				
Fees	11,956,740	8	5,700,469	12
	—————		—————	
To pay government				
Taxation	2,101,275	1	1,443,693	4
	—————		—————	
Retained for future replacement of assets and expansion of business:				
Profit for the year	135,906,961	91	150,619,844	84
	—————		—————	
	149,964,976	100	157,764,006	100
	=====	==	=====	==

**AXA MANSARD EQUITY INCOME FUND
MANAGED BY AXA MANSARD INVESTMENTS LIMITED**

Five year financial summary

	2024 ₦	2023 ₦	2022 ₦	2021 ₦	2020 ₦
Assets					
Financial assets at fair value through profit or loss	459,726,980	375,490,154	180,737,221	219,234,014	240,023,985
Financial assets at amortised cost	155,985,398	129,504,582	64,750,686	21,543,665	34,209,549
Other receivables	12,108,952	6,666,551	4,011,505	2,963,252	2,036,811
Cash and cash equivalents	108,588,307	149,058,346	26,064,382	11,935,059	71,706,473
	<hr/> 650,708,434	<hr/> 531,215,051	<hr/> 275,563,794	<hr/> 255,675,990	<hr/> 347,976,818
Liabilities					
Trade and other payables	(3,382,093)	(49,010,500)	(47,164,540)	(37,260,925)	(92,344,115)
	<hr/> 647,326,341	<hr/> 482,204,551	<hr/> 228,399,254	<hr/> 218,415,065	<hr/> 255,654,703
Equity					
Members' capital	647,326,341	482,204,551	228,399,254	218,415,065	255,654,703
Statement of profit or loss					
Investment income	51,000,363	25,490,427	19,950,218	24,480,644	12,746,271
	<hr/> =====				
Profit before taxation	138,508,236	152,063,537	27,602,787	22,715,235	52,487,876
	<hr/> =====				
Profit after taxation	135,906,961	150,619,844	26,315,026	20,636,228	51,624,385
	<hr/> =====				
Basic earnings per unit	46.71	190.81	122.45	117.10	172.81
	<hr/> =====				
Net assets per unit	222.52	59.6	14.11	13.95	34.90
	<hr/> =====				