

CHILDREN CAREER PLAN UNIT TRUST SCHEME-(WATOTO FUND)



UTT ASSET MANAGEMENT AND INVESTOR SERVICES PLC

REPORT OF THE BOARD OF DIRECTORS OF UTT ASSET MANAGEMENT AND INVESTOR SERVICES PLC FOR THE SIX MONTH PERIOD 31ST DECEMBER 2022

The Board of Directors of UTT AMIS presents Watoto Fund report for the six month period ended 31st December 2022. The Scheme which commenced operations in October 2008 reported net income of TZS 631.9 Million on its audited accounts for the year ended 30th June 2022. For the six month ended 31st December 2022 Watoto Fund reported net income of TZS 362.2 Million.

1. Establishment and Management of the Fund

Children's Career Plan Unit Trust Scheme, also known as "Watoto Fund" is a collective investment scheme formed by the Unit Trust of Tanzania (UTT), a government sponsored institution that was incorporated in 2003 under the Trustees Incorporation Act. Watoto Unit Trust Scheme was established under the Deed of Trust of the Children's Career Plan Unit Trust Scheme, on 01st October 2008 and is regulated by Capital Markets and Securities (Collective Investment Schemes) Regulations 1997, prescribed under Capital Markets and Securities Act, 1994.

The Fund was managed by the Unit Trust of Tanzania Registered Trustees up to 30 September 2013 and thereafter by UTT AMIS, a Registered Fund Manager who has set up a management structure to carry out the day-to-day operations of the Fund. The duties of the Directors and the Manager are specified in Sections 2.2 and 4.0 of the Offer Document respectively.

The Custodian of the Fund is CRDB Bank Plc, a commercial bank licensed to carry out banking business under the Banking and Financial Institutions Act, 2006. The duties of the Custodian are specified in Section 5.3 of the Offer Document.

2. Principal Activities and Investment Objectives

The principal activity of the Fund is to invest the pooled funds into a balanced portfolio that enables both high and low income investors to diversify risk and obtain competitive returns over the medium and long term through capital growth.

The main objective of the Fund is to empower Tanzanians through wide ownership of its units and encourage a culture of savings in financial assets. It also gives Tanzanians an opportunity

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to acquire a stake in privatisation, further participate in the capital markets and obtain a good return on their investment.

3. Financial Performance

The financial performance of the Fund for the six month period is shown on the Statement of Profit or Loss and Other Comprehensive Income.

4. Sale and Re-purchase of Units of the Fund

The Fund is open for sale and re-purchase of units. The Fund allows partial or full repurchase upon a beneficiary's child attaining 12 years of age as stated in Section 27.2 of the Offer Document. The sale price is based on the applicable Net Asset Value (NAV) per unit without charging an Entry Load. An Entry Load is a cost charged to the investor to compensate issuing costs and is charged at the time an investor purchases the units of a scheme.

For re-purchases, an Exit Load of 1% of Net Asset Value (NAV) is charged for redeemable units held for a period of less than three years. Whereas for investments held for more than three years no exit load is charged. An exit load is a cost charged to the investor at the time of repurchasing the units of the Fund. It is deducted from NAV at the time of redemption of units.

5. Risk Warning

Investment in unit trusts should be regarded as medium to long term investment. Investors should note that investments in the Scheme are subject to market risks and the Net Asset Value (NAV) of the Scheme may go up or down depending upon the factors and forces affecting the securities market. Past performance does not guarantee future performance.

6. Solvency

Solvency is the ability of the Fund in meeting its long-term financial obligations. This can be established through the Fund's Statement of Financial Position at 31st December 2022 herewith indicated. The directors consider the Fund to be solvent.

7. The Board of Directors

Details of Directors who held office during the six month period and up to the date of this report are found on page 1 of the Watoto Fund Report available on www.uttamis.co.tz. All the Directors are Tanzanians.

Mr. Casmir S. Kyuki

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Board Chairman

Dr. Judika Loti King'ori

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Director

17th February, 2023

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Date

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Report of financial condition of Children's Career Plan Unit Trust Scheme (Watoto Fund) for the six month period ended 31st December 2022. Published pursuant to Part XIII, Section 38 (1) of The Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 31ST DECEMBER 2022

	Six Months to 31 December 2022	Six Months to 31 December 2021	Twelve Months to June 2022
Revenue	TZS'000	TZS'000	TZS'000
Interest income	356,490	236,614	501,006
Gross dividend income	15,992	16,424	60,150
Net gain/(loss) from financial instruments	6,531	(11,930)	107,401
Other income	71,457	69,392	92,673
Total Income	450,469	310,500	761,230
Total Operating Expenses	(86,803)	(81,564)	(124,804)
Net income from operations before taxation	363,666	228,936	636,426
Taxation	(1,515)	(1,658)	(4,470)
Net income from operations after tax	362,152	227,278	631,956
Other Comprehensive Income	-	-	-
Change in net assets attributable to unit holders	362,152	227,278	631,956

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**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2022**

	31st December 2022 TZS'000	31st December 2021 TZS'000	30 June 2022 TZS'000
Assets			
Cash and cash equivalents	122,031	363,728	157,946
Treasury bonds	6,629,560	2,890,481	4,058,059
Equity Investments	1,503,104	1,241,777	1,400,573
Interest receivable	210,424	114,766	146,703
Other receivables	972	3,486	8,279
Total assets	8,466,091	4,614,238	5,771,560
Liabilities			
Accounts payable	(42,528)	(61,404)	(45,041)
Total Liabilities	(42,528)	(61,404)	(45,041)
Net-assets attributable to unit holders	8,423,563	4,552,834	5,726,519
Represented by:			
Retained earnings	3,781,117	3,149,160	3,149,160,
Unit capital	4,280,295	1,176,396	1,945,403
Profit (loss) for the Period	362,152	227,278	631,956
Total Unit holders Equity	8,423,563	4,552,834	5,726,519
 Net Asset value based on 15,378,315.70; 9,512,862.35 and 11,038,350 Units outstanding for Dec. 2022, Dec. 2021 and June 2022 respectively.	 <u>547.75</u>	 <u>478.60</u>	 <u>518.78</u>

Mr. Casmir S. Kyuki

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Board Chairman

17th February, 2023

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Date

Dr. Judika Loti King'ori

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Director