

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 HALF YEAR ENDED 31ST DECEMBER 2019

The Board of Directors of UTT AMIS presents Watoto Fund report for the half year ended 31st December 2019. The Scheme which commenced operations in October 2008 reported net income of TZS 34.79 Million on its audited accounts for the year ended 30th June 2019.

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

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3. Financial Performance

The financial performance of the Fund for the half year 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 31stDecember 2018 herewith indicated. The directors consider the Fund to be solvent.

7. The Board of Directors

Details of Directors who held office during the half year 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.

Casmir S. Kyuki

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Board Chairman

Juma A. Muhimbi

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Director

7 February, 2020

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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 half year ended 31st December 2019. 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 HALF YEAR ENDED 31ST DECEMBER 2019**

	Six Months to 31 December 2019	Six Months to 31 December 2018	Twelve Months to June 2019
Revenue	TZS'000	TZS'000	TZS'000
Interest income	176,767	139,497	308,162
Gross dividend income	26,995	18,358	33,825
Net gain/(loss) from financial instruments	(13,592)	(161,048)	(253,861)
Other income	6,446	14,733	26,491
Total Income	196,616	11,540	114,617
Total Operating Expenses	(42,461)	(40,913)	(76,009)
Net income from operations before taxation	154,155	(29,373)	38,608
Taxation	(1,504)	(2,582)	(3,820)
Net income from operations after tax	152,651	(31,955)	34,788
Other Comprehensive Income	-	-	-
Change in net assets attributable to unit holders	152,651	(31,955)	34,788

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STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2019

	31st December 2019 TZS'000	31st December 2018 TZS'000	30 June 2019 TZS'000
Assets			
Cash and cash equivalents	31,727	72,132	54,387
Treasury bonds	2,163,157	2,071,075	2,036,920
Equity Investments	845,560	1,067,298	937,998
Interest receivable	161,806	132,353	138,599
Other receivables	14,366	13,436	40,512
Total assets	3,216,616	3,356,294	3,208,416
Liabilities			
Income tax payable	(1,876)	(6,076)	(1,876)
Accounts payable	(24,113)	(29,855)	(19,593)
Other Accounts payable	(19,240)	(34,053)	(6,604)
Total Liabilities	(45,229)	(69,984)	(28,073)
Net-assets attributable to unit holders	3,171,387	3,286,310	3,180,343
Represented by:			
Retained earnings	2,060,153	2,197,729	2,025,365
Unit capital equalization	-	627,641	-
Unit capital	958,583	492,895	1,120,190
Profit (loss) for the Period	152,651	(31,955)	34,788
Total Unit holders Equity	3,171,387	3,286,310	3,180,343

Net Asset value based on 9,067,018.83;
9,501,007.93 and 9,500,774, Units outstanding for
Dec. 2019, Dec. 2018 and June 2019 respectively.

<u>349.77</u>	<u>345.89</u>	<u>334.75</u>
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Casmir S. Kyuki
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Board Chairman

Juma A. Muhimbi
.....
Director

7 February, 2020
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Date