



UTT ASSET MANAGEMENT AND INVESTOR SERVICES PLC

Your Obvious Investment Partner

**UMOJA UNIT TRUST SCHEME
(UMOJA FUND)**

UN-AUDITED FINANCIAL STATEMENTS

FOR SIX MONTH PERIOD ENDED

31ST DECEMBER 2020

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UMOJA UNIT TRUST SCHEME – UMOJA FUND

General Information

Umoja Unit Trust Scheme (Umoja Fund) is an open-ended collective investment scheme launched in 2005. The Scheme was established by Unit Trust of Tanzania (UTT) in accordance with the provisions of the Capital Markets and Securities Act, 1994 (Act No. 5 of 1994) as amended and Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997 of Tanzania. In 2013, UTT was restructured and its functions transferred to UTT Asset Management and Investor Services (UTT AMIS) that is registered under the Companies Act, 2002. UTT AMIS was re-assigned with the management of collective investment schemes and other functions of the predecessor organisation from 1st October 2013. For the six month period from 1st July 2020 to 31st December 2020, the directors of UTT AMIS who held office and are currently responsible for the scheme's oversight are:

Name	Position
Mr. Casmir Sumba Kyuki	Chairman
Dr. Suleiman Rashid Mohamed	Member
Mr. Ramadhani Sampa Hamisi	Member
Mr. Juma Alli Muhimbi	Member
Mr. Francis Mtete Chachah	Member

The assets of the Fund are managed by UTT AMIS, Registered Fund Manager while the Custodian of the Scheme is CRDB Bank Plc, a commercial bank established under the Banking and Financial Institutions Act, 2006. The auditors of the Fund are KPMG while the legal advisors are Mkono & Co. Advocates. UTT AMIS maintains the register of investors of the Fund. The addresses of UTT AMIS, the Custodian, the Auditors and Legal Advisors are as indicated below:

Fund Manager and Registrar	-	UTT AMIS 2nd Floor, Sukari House Sokoine Drive/Ohio Street P.O. Box 14825 Dar es Salaam
Custodian	-	CRDB Bank Plc Office Accommodation Scheme Building Azikiwe Street P.O. Box 268 Dar es Salaam
Auditors	-	KPMG 2 nd Floor, The Luminary Haile Selassie Road, Masaki P.O. Box 1160 Dar es Salaam
Advocates	-	Mkono & Co. Advocates 8 TH Floor, Exim Tower Ghana Avenue P.O. Box 4369 Dar es Salaam

UMOJA UNIT TRUST SCHEME – UMOJA FUND

REPORT OF THE BOARD OF DIRECTORS OF UTT ASSET MANAGEMENT AND INVESTOR SERVICES PLC FOR THE SIX MONTH PERIOD ENDED 31ST DECEMBER 2020

The Board of Directors of UTT AMIS presents Umoja Fund report for the six month period ended 31st December 2020. The Scheme which commenced operations in May 2005 reported net income of TZS 14.85 Billion on its audited accounts for the year ended 30th June 2020. During the Annual General Meeting held in December 2006, a resolution was passed that changed the Scheme from income scheme to Growth scheme. As such no income was distributed in respect to financial results for the year ended 30th June 2020.

1. Establishment and Management of the Fund

Umoja Unit Trust Scheme, also known as “Umoja Fund” is a collective investment scheme formed by the Unit Trust of Tanzania (UTT), a government sponsored institution that was incorporated on 19th June 2003 under the Trustees Incorporation Act. Umoja Unit Trust Scheme was established under the Deed of Trust of the Umoja Unit Trust Scheme, on 12 May 2005 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 Manager are specified in Section 4.0 of the Offer Document.

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.

3. Financial Performance

The financial performance of the Fund for the half year is set out on page 4 of these Financial Statements.

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

The Fund is an open ended scheme with its units available for sale and re-purchase through the Fund Manager. The sale price is based on prospective Net Asset Value (NAV) per unit of the same working day and re-purchase price is based on Net Asset Value (NAV) per unit of the date of acceptance, less 1% service charge.

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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 2020 herewith indicated. The Fund Manager considers 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 this Report. All the Directors are Tanzanians.

.....
Director

.....
Director

.....
Date

UMOJA UNIT TRUST SCHEME – UMOJA FUND

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 31ST DECEMBER 2020**

		Six Months ended 31 December 2020	Six Months ended 31 December 2019	Twelve Months ended 30 June 2020
	Note	TZS'000	TZS'000	TZS'000
Interest income	2	10,387,683	9,708,314	19,468,026
Gross dividend income	3	4,801,810	2,077,050	2,971,002
Valuation gain/(loss) on debt instruments		-	581,142	-
Valuation gain/(loss) on equity investments	4	8,959,702	(968,220)	1,747,057
Other income/(loss)		2,349,892	(219)	4,644,387
Total income		26,499,087	11,398,067	28,830,472
Operating expenses	5	(2,917,798)	(2,727,531)	(13,774,896)
Net income from operations before taxation		23,581,289	8,670,536	15,055,576
Taxation	6	(262,975)	(126,071)	(204,051)
Change in net assets attributable to unit holders		23,318,314	8,544,465	14,851,525
Other Comprehensive Income		-	-	-
Change in net assets attributable to unit holders		23,318,314	8,544,465	14,851,525

Notes and related statements forming part of these Financial Statements appear on pages 6 to 9

UMOJA UNIT TRUST SCHEME – UMOJA FUND

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2020

	Note	31 December 2020 TZS'000	31 December 2019 TZS'000	30 June 2020 TZS'000
Assets				
Cash and cash equivalents		1,568,977	6,358,265	1,599,857
Term deposits with banks		1,890,735	2,675,060	3,527,470
Treasury bills		-	-	-
Treasury bonds		125,506,218	109,631,861	127,284,711
Corporate Bonds		15,283,871	16,784,927	8,380,148
Equity Investments		88,686,004	64,384,264	70,199,491
Interest receivable	7	16,599,373	8,029,986	-
Other receivables		77,025	107,748	39,156
Total assets		249,612,203	207,972,111	211,030,833
Income tax payable		-	(8,242)	-
Accounts payable	8	(20,349,551)	(1,342,408)	(1,512,737)
Total Liabilities		(20,349,551)	(1,350,650)	(1,512,737)
Net-assets attributable to unit holders		229,262,652	206,621,461	209,518,096
Represented by:				
Retained earnings		223,681,184	208,829,657	208,829,657
Unit capital		(17,736,846)	(10,752,661)	(14,163,086)
Profit (loss) for the Period		23,318,314	8,544,465	14,851,525
Total Unit holders Equity		229,262,652	206,621,461	209,518,096

Net Asset Value per unit based on **351,137,780.8651**; **361,345,479.3159** & **355,713,846** units outstanding on 31st December 2020, 31st December 2019 & 30th June 2020 respectively.

652.91

571.81

589.01

Notes and related statements forming part of these Financial Statements appear on pages 6 to 12

UMOJA UNIT TRUST SCHEME – UMOJA FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 31ST DECEMBER 2020

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are presented in Tanzanian Shillings (TZS) in thousands. They are prepared on historical cost convention. No adjustments have been made for inflationary factors affecting the statements.

(b) Income Recognition

- (i) Dividend Income on listed equity is recognized on the ex-dividend date. Dividend on other shares is recognized on receipt.
- (ii) Interest income is recognised in the income statement as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income is recognised on a gross basis, including withholding tax.
- (iii) The difference between carrying cost and maturity value of Treasury Bills and other long term discounted instruments is treated as income over the remaining life of the instrument.
- (iv) Profit or loss on sale of investments is recognized on the sale date on the basis of weighted average value.

(c) Expenses

Expenses are recognised in the income statement on an accrual basis.

(d) Investments Valuation and Liabilities Recognition

- (i) Investment acquisitions are accounted for at cost.
- (ii) Tradable investments, mainly shares of companies listed at the Dares Salaam Stock Exchange, are valued at the closing market prices on the valuation date.
- (iii) Debt Securities, mainly Treasury Bonds and Bills, are valued on yield to maturity basis.
- (iv) Fixed term Deposits are stated at cost while interest that has accrued to the Valuation date is accounted for as income.
- (v) Other financial assets and financial liabilities are stated at amortised cost.

(e) Taxation

Income tax payable is recognised as an expense in the period in which the income arises.

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2 INTEREST INCOME

Interest income arises from:

	TZS'000
Deposits with banks	219,941
Treasury bonds	10,158,851
Treasury Bills	-
Corporate bonds	8,891
Total	10,387,683

3 DIVIDEND INCOME

TBL @ 160	715,268
DCB @ 5.4	76,093
TCC @ 250	59,810
VODACOM @ 12.26, 178.57	3,945,406
DSE @ 74.46	5,232
Total	4,801,809

The reported amount represents interim dividend received in July, September, October and December 2020.

4 VALUATION GAIN/ (LOSS)

Tanzania Breweries Limited (TBL)	8,156,181
Tanzania Portland Cement Company (TPCC/TWIGA)	496,228
DCB Commercial Bank (DCB)	(352,282)
CRDB Bank PLC	880,103
NMB	411,600
SIMBA	(4,923)
Tanzania Cigarette Company Ltd (TCC)	1,115,368
SWISSPORT	(87,170)
VODACOM	(1,653,998)
DSE	(1,405)
Total	8,959,702

The valuation loss represents the difference between the market price of the shares on the reporting date and the value of those shares at the beginning of the reporting period.

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5 OPERATING EXPENSES

Operating expenses were borne by the Manager during the lock-in period as set out in Umoja Fund Offer Document, Section 14 – Charges to the Scheme. During the six month period from 1st July 2020 to 31stDecember 2020 the following costs were provided for to meet anticipated charges:

	TZS'000
Custodian fee	116,712
Management fee	2,100,815
Scheme expenses	238,844
Bank charges and Commission	136,107
Advertisement	69,570
Promotion materials-scheme branding	35,792
Promotion-Public education	89,406
Agent commission - Unit sales	46,346
Exhibition costs -Public events	16,533
Communication with unit holders	11,974
AGM Costs	55,699
Total	2,917,798

6 TAXATION CHARGE

	TZS'000
Withholding tax	263,801

The amount represents 5% tax charge on dividend income for listed shares and 10% charged on interest income earned during the period.

7 INTEREST RECEIVABLE

	TZS'000
Deposits with banks	52,085
Treasury bills	-
Treasury bonds	6,069,058
Corporate Bonds	10,478,230
Total	16,599,373

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8 ACCOUNTS PAYABLE

	TZS'000
Service Charge payable – UTT AMIS	36,528
Repurchase payable	558,804
Income distribution payable	145,251
Investor's services acc-provision	2,134
Custodian fee	116,712
Management fee	362,110
Other charges	378,312
Provision for Doubtful Debt - Corporate Bond	18,748,038
Sundry creditors	1,662
Total	20,349,551

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9 APPENDIX 1 – INVESTMENT PORTFOLIO

	31 December 2020 TZS'000	% of total investment portfolio
Treasury Bonds	125,506,218	54.25
Listed equity securities	88,686,004	38.33
Term deposits with banks	1,890,735	0.82
Corporate Bonds	15,283,871	6.61
Total investment portfolio	231,366,828	100