



**UTT ASSET MANAGEMENT AND INVESTOR SERVICES PLC**

*Your Obvious Investment Partner*

**INVEST LIFE UNIT TRUST  
SCHEME  
(WEKEZA MAISHA FUND)**

**UN-AUDITED FINANCIAL STATEMENTS**

**FOR SIX MONTH PERIOD ENDED  
31<sup>ST</sup> DECEMBER 2020**



## **Contents**

General Information	1
Report of the Directors	2
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Notes to the Financial Statements	7
Appendix 1 – Investment Portfolio	10

## INVEST LIFE UNIT TRUST SCHEME – WEKEZA MAISHA

### General Information

Invest Life Unit Trust Scheme (Wekeza Maisha Fund) is an open-ended collective investment scheme launched in May 2007. The Scheme was established by Unit Trust of Tanzania (UTT) in accordance with the provisions of the Capital Markets and Securities Act, 1994 (Amended) and Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997. 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 activities of the predecessor organisation from 1st October 2013. For the six months period from 1<sup>st</sup> July 2020 to 31<sup>st</sup> December 2020, the directors of UTT AMIS who held office and are currently responsible for the scheme's oversight are:

<b>Name</b>	<b>Position</b>
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, a Registered Fund Manager and 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 address of the Manager, the Custodian, the Auditors and Legal Advisors are as indicated below:

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

## INVEST LIFE UNIT TRUST SCHEME – WEKEZA MAISHA

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

The Board of Directors of UTT AMIS presents Invest Life Unit Trust Scheme (Wekeza Maisha Fund) report for the six month period ended 31<sup>st</sup> December 2020. The Scheme which commenced operations in May 2007, reported net profit of TZS 263.6 Million on its audited accounts for the year ended 30<sup>th</sup> June 2020. **For the period of Six months the schemes report net profit of TZS 98.5 Million.**

#### 1. Establishment and Management of the Fund

Invest Life Unit Trust Scheme, otherwise known as “Wekeza Maisha” is a combination of insurance and unit trust (investment) benefits, formed by the Unit Trust of Tanzania (UTT), a government sponsored institution that was incorporated in 2003 under the Trustees Incorporation Act. The Fund was established under the Deed of Trust of the Unit Linked Insurance Scheme, on 16 May 2007 and is regulated by Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997, prescribed under the Capital Market and Securities Act, 1994.

The Fund is managed by UTT AMIS, a registered Fund Manager, who has set up a management structure to carry out 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 Institution Act, 2006. The duties of the Custodian are specified in section 6.3 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 six months period is set out on page 4 of these Financial Statements.

## INVEST LIFE UNIT TRUST SCHEME - WEKEZA MAISHA

### 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 units of the Fund are sold at the prevailing Net Asset Value (NAV) with a lock-in period of five years from the date of joining the Fund. The investment period in the Fund is ten years from the date of acceptance.

Partial repurchase of units are allowed at prevailing repurchase price after completion of five years from the date of joining the Fund subject to a member maintaining a minimum balance which is equal to 25% of the chosen contribution amount. Accordingly, the partial repurchases of units under the scheme commenced on 01 August 2012 for investors who joined during the initial public offer in 2007. From this date onwards, the Fund Manager may purchase units from unit holders based on Net Asset Value of units and deducting there from a service charge of 2%.

### 5. Wekeza Maisha's First Maturity in August 2017

In August 2017, the Fund successfully attained its first ten years that marked maturity of funds by investors who joined the scheme during the initial public offer in 2007. At maturity, investors have options to repurchase and cash in their investments, open a new account and start another ten-year savings plan or switch to another scheme.

### 6. 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.

### 7. 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 31<sup>st</sup> December 2020 herewith indicated. The Fund Manager considers the Fund to be solvent.

### 8. 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**

INVEST LIFE UNIT TRUST SCHEME - WEKEZA MAISHA

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED 31<sup>ST</sup> DECEMBER 2020

		Six Month ended 31 December 2020	Six Month ended 31 December 2019	Twelve Months ended 30 June 2020
	Note	TZS'000	TZS'000	TZS'000
Interest income	2	84,306	74,321	143,991
Gross dividend income	3	23,984	5,720	60,756
Valuation gain/(loss) on equity	4	14,216	11,765	87,365
Valuation gain/(loss) on debt instruments		-	-	-
Other income		-	-	11,256
<b>Total income</b>		<b>122,506</b>	<b>91,806</b>	<b>303,368</b>
Operating expenses	5	(22,155)	(14,566)	(38,527)
<b>Net income from operations before taxation</b>		<b>100,351</b>	<b>77,240</b>	<b>264,841</b>
Taxation	6	(1,789)	(680)	(1,212)
<b>Change in net assets attributable to unit holders</b>		<b>98,562</b>	<b>76,560</b>	<b>263,629</b>
Other Comprehensive Income		-	-	-
<b>Change in net assets attributable to unit holders</b>		<b>98,562</b>	<b>76,560</b>	<b>263,629</b>

Notes and related statements forming part of these Financial Statements appear on pages 7 to 10

**INVEST LIFE UNIT TRUST SCHEME – WEKEZA MAISHA**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31<sup>ST</sup> DECEMBER 2020**

	<b>Note</b>	<b>31 December 2020 TZS'000</b>	<b>31 December 2019 TZS'000</b>	<b>30 June 2020 TZS'000</b>
<b>Assets</b>				
Cash and cash equivalents		42,596	69,521	94,430
Treasury bonds		1,066,024	892,657	983,168
Corporate Bonds		50,000	50,000	50,000
Equity Investments		304,621	235,105	270,405
Interest receivable	7	48,704	42,013	27,104
Other receivables		(41,297)	(74,627)	(32,645)
<b>Total assets</b>		<b>1,470,648</b>	<b>1,214,669</b>	<b>1,392,462</b>
Income tax payable		-	-	-
Accounts payable	8	(31,937)	(1,899)	(27,600)
Other Accounts payable	9	(16,298)	(21,856)	(17,179)
<b>Total Liabilities</b>		<b>(48,235)</b>	<b>23,755</b>	<b>(44,779)</b>
<b>Net-assets attributable to unit holders</b>		<b>1,422,413</b>	<b>1,190,914</b>	<b>1,347,683</b>
<b>Represented by:</b>				
Retained earnings		3,082,981	2,819,352	2,819,352
Unit capital		(1,759,130)	(1,704,998)	(1,735,298)
Profit (loss) for the Period		98,562	76,560	263,629
<b>Total Unit holders Equity</b>		<b>1,420,893</b>	<b>1,190,914</b>	<b>1,347,683</b>

Net Asset Value per unit based on 2,697,092.17; 2,757,049.64 and 2,732,127 units outstanding on 31<sup>st</sup> December 2020, 31<sup>st</sup> December 2019 & 30<sup>th</sup> June 2020 respectively.

**527.39**

**431.95**

**493.27**

Notes and related statements forming part of these Financial Statements appear on pages 7 to 10

## INVEST LIFE UNIT TRUST SCHEME - WEKEZA MAISHA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 31<sup>ST</sup> 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 Dar es 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.



## INVEST LIFE UNIT TRUST SCHEME - WEKEZA MAISHA

### (e) Taxation

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

### 2 INTEREST INCOME

Interest income arises from:

	<b>TZS'000</b>
Deposits with banks	2,795
Treasury bonds	78,533
Corporate bonds	2,978
	<u><b>84,306</b></u>

### 3 DIVIDEND INCOME

	<b>TZS'000</b>
Vodacom	22,384
TBL	1,600
<b>Total</b>	<u><b>23,984</b></u>

The reported amount represents interim dividend received in July and September 2020

### 4 VALUATION GAIN/(LOSS)

	<b>TZS'000</b>
Vodacom Shares	(9,384)
TBL Shares	23,600
<b>Total</b>	<u><b>14,216</b></u>

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

## INVEST LIFE UNIT TRUST SCHEME - WEKEZA MAISHA

### 5 OPERATING EXPENSES

During the six month period from 1<sup>st</sup> July 2020 the following costs were provided for to meet anticipated charges:

	<b>TZS'000</b>
Bank charges & Commission	109
Custodian fee	706
Management fee	10,601
Scheme expenses	10,847
<b>Total</b>	<b><u>22,154</u></b>

### 6 TAXATION CHARGE

**TZS'000**

Withholding Tax	<b><u>1,789</u></b>
-----------------	---------------------

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

### 7 INTEREST RECEIVABLES

	<b>TZS'000</b>
Corporate Bonds	145
Treasury bonds	47,039
Dividend Receivable	1,520
<b>Total</b>	<b><u>48,704</u></b>

### 8 ACCOUNTS PAYABLE

	<b>TZS'000</b>
Service Charge payable – UTT AMIS	1,148
Repurchase payable	26,709
Custodian fee	707
Management fee	3,373
<b>Total</b>	<b><u>31,937</u></b>

**INVEST LIFE UNIT TRUST SCHEME - WEKEZA MAISHA**

**9 OTHER ACCOUNTS PAYABLE**

	<b>TZS'000</b>
Sundry Creditors	14,274
Other Charges	(881)
Loyalty bonus	2,905
<b>Total</b>	<b>16,298</b>

**10 APPENDIX 1 – INVESTMENT PORTFOLIO**

	<b>31 December 2020 TZS'000</b>	<b>% of total investment portfolio</b>
Treasury Bonds	1,066,024	72.91
Listed equity securities	304,621	20.84
Corporate Bonds	50,000	3.42
Deposits with Bank - Call	41,316	2.83
<b>Total investment portfolio</b>	<b>1,461,961</b>	<b>100</b>