



UTT ASSET MANAGEMENT AND INVESTOR SERVICES PLC

Your Obvious Investment Partner

**REGULAR INCOME UNIT TRUST SCHEME
(JIKIMU FUND)**

UN-AUDITED FINANCIAL STATEMENTS

**FOR THE HALF YEAR ENDED
31st DECEMBER 2020**

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**REGULAR INCOME UNIT TRUST SCHEME
(JIKIMU FUND)**

General Information

Regular Income Unit Trust Scheme (Jikimu Fund) is an open-ended collective investment scheme launched in November 2008. 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 all 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 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 Abenry & 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:

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	- Abenry & Co. Advocates Golden Jubilee Towers Main Tower, 3rd Floor Ohio / Kibo Street P.O. Box 3167 Dar Es Salaam

**REGULAR INCOME UNIT TRUST SCHEME
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**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 Jikimu Fund report for the six month period ended 31st December 2020. The Scheme which commenced operations in November 2008 reported net income of TZS 1.134 Billion on its audited accounts for the year ended 30th June 2020 after Income Distribution of TZS 1.724 Billion.

1. Establishment and Management of the Fund

Regular Income Unit Trust Scheme, also known as “Jikimu 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.

Jikimu Unit Trust Scheme was established under the Deed of Trust of the Jikimu Unit Trust Scheme, on 03 November 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 Unit Trust of Tanzania Registered Trustees up to 30 September 2013 and thereafter by the 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 risks and obtain competitive returns over the medium and long term through capital growth or income distribution.

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.

**REGULAR INCOME UNIT TRUST SCHEME
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4. Income Distribution

Pursuant to section 17 of the Jikimu Fund Offer Document, the Fund distributes income quarterly or annually based on the choice and financial needs of each investor.

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

Units of Jikimu Fund are open 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 the Net Asset Value (NAV) per unit of the date of acceptance, less service charge which is 2% for repurchase done within first year, 1.5% for repurchases done more than a year but before 2 years, 1% for the ones ranging from 2 to 3 years and nil for repurchases done after three years from the date of sale.

6. Risk Warning

Investment in unit trusts should be regarded as medium to long term investment. Investors should note that investments in the Fund are subject to market risks and the Net Asset Value (NAV) of the Fund may go up or down depending upon the factors and forces affecting the securities market. Past performance is not a guide to 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 31st December 2020 herewith indicated. The 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

**REGULAR INCOME UNIT TRUST SCHEME
(JIKIMU FUND)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF
YEAR ENDED 31 DECEMBER 2020**

		Six Months to 31 December 2020 TZS'000	Six Months to 31 December 2019 TZS'000	Twelve months to 30 June 2020 TZS'000
Interest income	2	1,035,123	1,323,508	2,338,399
Net gain from financial instruments	3	264,376	(96,819)	95,326
Gross dividend Income		42,420	65,193	-
Other Income		128,174	192,041	905,035
Total income		1,470,093	1,483,923	3,338,760
Operating expenses	4	(222,345)	(252,256)	(469,869)
Net income from operations before taxation		1,247,748	1,231,667	2,868,891
Taxation	5	(3,657)	(5,037)	(8,988)
Net Income from Operations after taxation		1,244,091	1,226,630	2,859,903
Income distribution		(766,300)	(924,878)	(1,724,968)
Change in net assets attributable to unit holders		477,791	301,752	1,134,935

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

**REGULAR INCOME UNIT TRUST SCHEME
(JIKIMU FUND)**

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2020

	31 December 2020	31 December 2019	30 June 2020
Assets	TZS'000	TZS'000	TZS'000
Cash and cash equivalents	252,624	818,361	854,539
Term deposits with banks	-	-	-
Treasury bonds	12,979,058	14,631,150	13,722,640
Corporate Bonds	-	-	-
Equity Investments	3,659,171	2,837,649	3,149,795
Interest receivable	6	1,220,102	-
Other receivables	35,097	43,923	64,160
Total assets	17,597,625	19,551,185	17,791,134
Liabilities			
Income tax payable	-	(19,949)	-
Accounts payable	7	(58,659)	(92,647)
Other Accounts payable	8	(423,865)	(505,390)
Total Liabilities (excluding net assets attributable to unit holders)	(482,524)	(617,986)	(593,895)
Net-assets attributable to unit holders	17,115,101	18,933,199	17,197,239
Represented by:			
Retained earnings	2,691,204	1,556,269	1,556,269
Unit capital equalization	-	-	-
Unit capital	13,946,106	17,075,178	14,506,035
Profit/Loss for the Period	477,791	301,752	1,134,935
Total Unit holders Equity	17,115,101	18,933,199	17,197,239

Net Asset value based on 127,830,510.94;
151,834,749.41 and 132,124,272 Units
outstanding December 2020, December 2019 &
June 2020 respectively.

133.89

124.70

130.16

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

**REGULAR INCOME UNIT TRUST SCHEME
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR 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 shares 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 cost.

(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.

(e) Taxation

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

**REGULAR INCOME UNIT TRUST SCHEME
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2 INTEREST INCOME

Interest income arises from:

	TZS'000
Deposits with banks	14,872
Treasury bonds	<u>1,020,251</u>
Total	<u>1,035,123</u>

3 VALUATION (DEFICIT)/SURPLUS

	TZS'000
DCB Valuation	(39,712)
TBL Valuation	177,000
TWIGA-TPCC	41,190
SIMBA-TCCL	(6,199)
Swissport	(9,103)
CRDB	27,000
TCC	75,000
Vodacom	<u>(800)</u>
	<u>264,376</u>

The valuation Surplus / (deficit) represents the difference between the market price of the shares and the weighted average cost of those shares as on the valuation date.

4 OPERATING EXPENSES

Operating expenses were borne by the Unit Trust of Tanzania during the first year of its operation. However, all charges after the One year (i.e. from 1st Dec 2010) is to be borne by the Scheme, during the six months period from 1st July 2018 the following provisions for expenses were made:

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	TZS'000
Investment management fees	160,089
Custodian fees	8,894
Administration fees	
AGM Costs	4,495
Brokerage and other costs	5,022
Communication - Advertising	4,040
Communication - Tel, Postage and Fax	771
Promotion Material & Scheme Branding	2,273
Promotion - Public education A/c	5,826
Agent commission - Unit sales	1,020
Other Charges expenses	28,581
Exhibition/Public Event	1,334
Total	222,345
<hr style="border-top: 3px double #000;"/>	
5 TAXATION CHARGE	
The amount represents 5% tax charge on Dividend income and 10 % charged on interest income earned during the period.	
6 INTEREST RECEIVABLE	
	TZS'000
Deposits with banks	-
Treasury bonds	646,870
Corporate bonds	-
Receivable - Dividend income	24,805
Total	671,675
<hr style="border-top: 3px double #000;"/>	
7 ACCOUNTS PAYABLE	
	TZS'000
Service Charge payable –UTT AMIS	8,463
Repurchase payable	13,953
Custodian fee	8,894
Management fees	27,349
Total	58,659
<hr style="border-top: 3px double #000;"/>	

**REGULAR INCOME UNIT TRUST SCHEME
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8 OTHER ACCOUNTS PAYABLE

	TZS'000
Income Distribution	383539
Other Charges	40,326
Total	423,865

8. APPENDIX 1 – INVESTMENT PORTFOLIO

	31 December 2020 Tzs'000	% of total investment portfolio
Treasury Bonds	12,979,058	76.85
Listed equity securities	3,659,171	21.67
Deposits with bank – Call a/c	249,566	1.48
Total investment portfolio	16,887,795	100.00