REGULAR INCOME UNIT TRUST SCHEME

(JIKIMU FUND)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Contents	**Page**

REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND)

GENERAL INFORMATION

The Board of Directors of the Fund Manager

The Directors holding office during the year and as at the date of this report are as follows:

Name	Position	Gender	Appointed on
Prof. Faustin Rweshabura Kamuzora	Chairman	Male	04 August 2024
Casmir Sumba Kyuki	Chairman*	Male	05 August 2021
Dr. Judika Loti King'ori	Member**	Female	29 July 2022
Paul Andrew Maganga	Member**	Male	29 July 2022
Neema Julie Jones	Member**	Female	29 July 2022
David Emmanuel Mwankenja	Member**	Male	29 July 2022
Migangala Simon Milenge	Managing Director***	Male	05 October 2021

* Retired on 04 August 2024
**Re-appointed on 29 June 2025
***Re-appointed on 4 October 2024

Fund Manager	UTT Asset Management and Investor Services Plc. 2nd Floor, Sukari House Sokoine Drive/Ohio Street P. O. Box 14825 Dar es Salaam
Custodian	CRDB Bank Plc CRDB Headquarters Plot No. 25/26, Ali Hassan Mwinyi Road & Plot No. 21 Barack Obama Road P. O. Box 268 & 11101 Dar es Salaam
Auditor	KPMG 2nd Floor, The Luminary Haile Selassie Road, Masaki P. O. Box 1160 Dar es Salaam TIN 101-269-027, VAT REG No. 10-007190R NBAA Reg. No. PF 020
Advocate	Abenry Advocates 3rd Floor, Wing A, Golden Jubilee Towers Ohio/Kibo Street P. O. Box 3167 Dar es Salaam

REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND)

REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER
FOR THE YEAR ENDED 30 JUNE 2025

The Board of Directors of UTT Asset Management and Investor Services Plc, (UTT AMIS) hereinafter also referred to as the "Fund Manager", presents the report of Regular Income Unit Trust Scheme (Jikimu Fund) (hereinafter also the "Fund" or "Scheme") together with the audited financial statements for the year ended 30 June 2025, which disclose the financial performance for the year and the state of affairs of the Fund as at that date. This report is an equivalent of the Report by Those Charged with Governance as required by Tanzania Financial Reporting Standard No.1 (TFRS 1).

1. Establishment and management of the Fund

Regular Income Unit Trust Scheme (Jikimu Fund) is a collective investment scheme established by the Unit Trust of Tanzania (UTT), a government sponsored institution that was incorporated on 19 June 2003 under the Trustees Incorporation Act. The main objectives of UTT included establishing, launching and management of collective investment schemes.

The Fund was established in Tanzania under the Deed of Trust of the Jikimu Unit Trust Scheme, on 3 November 2008 and is regulated by Capital Markets and Securities (Collective Investment Schemes) Regulations 1997, prescribed under the Capital Markets and Securities Act, Cap. 79.

The Fund is currently managed by UTT Asset Management and Investor Services Plc (UTT AMIS) – formerly known as Unit Trust of Tanzania. As the Fund Manager, UTT AMIS has set up management structure to carry out day to day operations of the Fund. 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 Fund Manager and the Trustee/Custodian are specified in sections 4.0 and 6.0 of the Offer Document. The Offer Document sets forth concisely, the information about the scheme that a prospective investor ought to know about the Fund. It also contains information about the rights and obligations of the Fund Manager and Trustee/Custodian to the Fund.

2. UTT AMIS vision and mission

Vision statement
"Continue being the most trusted and accessible investment partner that makes a difference to peoples' lives".

Mission statement

"To offer people-oriented innovative products, providing comparatively superior returns and achieving high service standards that meet and exceed stakeholders' expectations".

Core values
i) Transparency: we ensure transparency in all of our dealings;
ii) Honesty and Integrity: we uphold high standards of honesty and integrity;
iii) Work principles: we work together as a team to deliver value to our investors;
iv) Respect: we value all people equally and treat them fairly;
v) Performance: we work hard to deliver high performance and quality products; and
vi) Social responsibility: we are socially responsible. We do our best to contribute to social order and development.

3. Principal activity 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 offer financial solutions to investors who seek income at regular intervals and also seek possibility of a long-term capital appreciation; and to sensitize the need for a planned approach to investment and offer financial solutions based on a track record through past performance of the Manager that instils confidence in the financial solutions offered. It is an open–end balanced fund which aims at distributing income periodically (quarterly and annually).

4. Business Model

The Fund is designed to enable investors to have a planned approach towards investment. It offers a financial solution which aims at facilitating planning a regular flow of income that would help investors meet their periodical liabilities in a planned way. It also aims at facilitating a comfortable post-retirement life by supplementing the pension with a regular income while keeping the lump sum amount intact.

5. Investment Policy

The Fund investment policy is primarily to generate regular income coupled with long-term capital appreciation through growth in NAV by investing in debt instruments and listed ordinary shares. The asset allocation of the scheme investments shall be as under:

a. Debt Instruments – 0% to 100%; and
b. Equity – 0% to 35%.

The scheme invests in ordinary shares listed on the Dar es Salaam Stock Exchange or other stock exchanges provided that the amount invested in this market segment does not exceed 35% of the total investments of the scheme. The balance is invested in Government instruments of various maturities, listed corporate bonds as well as bank deposit accounts.

6. Investment and income distribution plan

The scheme offers investment and distribution under three plans:

a) Quarterly Income distribution plan;
b) Annual Income distribution plan; and
c) Annual Reinvestment plan.

The fund is open for investment to Resident Individual East Africans and Non-Resident Individual East Africans as well as non-individuals as laid down in the Offer Document of the Scheme.

Minimum Initial Investment for Quarterly plan is TZS 2 million; Annual plan is TZS 1 million for both distribution and re-investment plan. Additional Investment is TZS 15,000/- for any of the income plans and TZS 5,000/- for annual reinvestment plan, without any upper limit.

7. Unit Holder's Capital

The Fund is authorized to issue an unlimited number of units. The units were initially sold at TZS 100 per unit while subsequent sale of units is done at applicable Net Asset Value (NAV) (without any entry load). The following is a summary of the Fund's unit capital transactions for the year:

	2025 **Units**	**2024** **Units**
Opening balance as at 1 July	151,598,376	120,653,572
Sales of units made during the year	84,976,039	53,665,325
Repurchases of units made during the year	(35,255,761)	(22,720,521)
Closing balance as at 30 June	**201,318,654**	**151,598,376**

The net asset value is included under Key Performance Indicators disclosed on the next page.

8. Financial performance

The financial performance of the Fund for the year ended 30 June 2025 is set out on page 13 of the financial statements.

9. Sale and re-purchase of units of the Fund

From 16 April 2009, the Fund opened sale and re-purchase of units. The sale price is based on the Net Asset Value (NAV) per unit of the next 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 year, 1.5% for repurchases done after 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.

10. Risk warning

An investment in unit trust 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.

11. Solvency

The Fund's state of affairs as at 30 June 2025 is set out on page 14 of the financial statements. The Fund Manager considers the Fund to be solvent. The Board of Directors of the Fund Manager confirms that IFRS Accounting Standards as issued by the International Accounting Standards Board have been followed and that the financial statements have been prepared on a going concern basis with a reasonable expectation that the Fund has adequate resources to continue its operational existence at least for the next twelve months from the date of approval of these financial statements.

12. Key performance indicators of the Fund

The table below shows historical performance of the fund for the last three years.

	30 June 2025	**30 June 2024**	**30 June 2023**
Net assets attributable to Unit holders (TZS'000)	37,948,513	26,203,239	19,343,073
Number of units	201,318,654	151,598,376	120,653,572
Net Asset Value per unit (TZS)	188.50	172.85	160.32
Published Net Asset Value per unit (TZS)	191.88	176.84	166.32

The table below shows the highest issue price and the lowest redemption price of the units for the last nine years the fund has been in existence.

	2025 TZS	**2024 TZS**	**2024 TZS**	**2022 TZS**	**2021 TZS**	**2020 TZS**	**2019 TZS**	**2018 TZS**	**2017 TZS**	**2016 TZS**
Highest issue price	191.88	176.84	166.37	156.70	148.77	136.04	130.24	130.31	127.82	126.26
Lowest redemption price	171,32	160.12	150.32	142.77	132.80	127.41	123.93	124.96	121.16	122.33

13. Related party transactions

Details of transactions with related parties are disclosed in Note 20 to the financial statements.

14. Liquidity and cashflows of the Fund

The overall liquidity profile of the Fund is reviewed and updated regularly. The liquidity profile takes into account investment, cash flow and market liquidity considerations.

Investment liquidity considerations include an assessment of asset class liquidity conditions, liquidity of underlying holdings, portfolio construction and concentration, the scale of individual unit ownership and the nature of the investment strategy.

Cash flow liquidity is managed by the Fund on a daily basis using reports that include sales and repurchases of units information as well as the impact of trading, investment in equity, investment in government securities and corporate security activity. In addition to the daily reporting, the fund managers are provided with reporting on the prevailing net assets value.

Market (or distribution-related) considerations include an assessment of asset demand, fund growth, investors concentration and the persistency of the investors base. Liquidity in funds is independently assessed and challenged through internal governance process at the Fund Manager. Liquidity is modelled and compared against potential liability scenarios such as severe repurchases of units and where the Fund has any liquidity issues, it is flagged to internal committee who further escalates the issue to the Board of Directors of the Fund Manager for remedial action. However, the Fund Manager has put a quantitative restriction on repurchase which is additional exit load on repurchases as follows 2% for repurchase done within year, 1.5% for repurchases done after 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.

15. Corporate Governance of the Fund

i) Fund Manager

The Fund is currently managed by UTT Asset Management and Investor Services Plc. (UTT AMIS). As a Fund Manager, UTT AMIS has set up a management structure to carry out day to day operations of the Fund.

ii) Board of Directors of the Fund Manager

The Board takes overall responsibility for the Fund, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and is in compliance with sound corporate governance principles.

The Board delegates the day-to-day management of the Fund to Managing Director assisted by senior management. Senior management are invited to attend board meetings and facilitate effective control of the Fund's operational activities. They also act as a medium of communication and coordination between various business units. During the year the Board met four times.

The Fund is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency, and accountability. During the year the Board had the following board sub-committees to ensure a high standard of corporate governance. These are:

- Board Audit, Risk and Compliance Committee; and
- Board Investment Committee.

15. Corporate Governance of the Fund (Continued)

Board Audit, Risk and Compliance Committee

Name	Gender	Position
Dr. Judika King'ori	Female	Chairperson
David Mwankenja	Male	Member
Daniel Olesumayan	Male	Member

Board Investment Committee

Name	Gender	Position
Paul Maganga	Male	Chairman
Neema Jones	Female	Member
Fortunatus Magambo	Male	Member
Lameck Kakulu	Male	Member

iii) Custodian

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 Board of Directors of CRDB Bank Plc is made up of the following individuals:

Name	Gender	Position
Neema Munisi Mori	Female	Chairperson
Abdulmajid Musa Nsekela	Male	Group CEO and Managing Director
Miranda Naiman Mpogolo	Female	Director
Dr. Judika L. King'ori	Female	Director
Moses William Dulle	Male	Director
Jes Klausby	Male	Director
Dr. Donald Mmari	Male	Director
Abdul Ally Mohamed	Male	Director
Grace Philotea Joachim	Female	Director
Prof. Faustine Karrani Bee	Male	Director
Dr, Fredy Matola Msemwa	Male	Director
Gerald Paul Kasaato	Male	Director

16. The Board of Directors of the Fund Manager

Details of Directors of the Fund Manager who held office during the year and up to the date of this report are found on page 1 of this report.

17. Interest by the Directors of the Fund Manager in the units of the Fund

Details of the units held by senior employees of the Fund Manager and the non-executive Directors are disclosed in Note 20 (iii) to the financial statements.

18. Relationship with stakeholders

Relationships with our key stakeholders including our investors, suppliers, business partners, regulators and other service providers remained cordial throughout the year. A good relationship with our key stakeholders remains the root of UTT AMIS core values and beliefs.

19. Serious prejudicial matter

In the opinion of the Directors of the Fund Manager, there were no significant unfavorable matters as at the reporting date that can affect the Fund (2024: None).

20. Disabled persons

The Fund Manager gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with and adequately meet the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where an existing employee becomes disabled, it is the Fund Manager's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

21. Environmental control program

The fund has implemented an Environmental Control Program (ECP) in accordance with the Capital Markets and Securities Authority (CMSA) requirements. The program ensures that the Fund's investment and operational activities are conducted responsibly and in compliance with the Environmental Management Act, Cap 191 (R.E. 2022) and NEMC guidelines.
Environmental risks are assessed as part of investment decisions, with preference given to issuers demonstrating strong environmental and sustainability practices. The Fund promotes efficient resource use, minimize paper consumption through digital processes, and ensures proper waste management.
The ECP is reviewed periodically to maintain compliance with evolving environmental standards and to support continuous improvement in the Fund's environmental performance.

22. Political and charitable donations

No donations were made to any political or charitable institutions during the financial year ended 30 June 2025 (2024: Nil).

23. Statement of compliance

The Directors of the Fund Manager are of the opinion that the Fund complied with all laws, regulations and guidelines affecting the Fund and its operations.

The report of Directors of the Fund Manager has been prepared in full compliance with Tanzania Financial Reporting Standard No.1 (TFRS 1) on Report of Those Charged with Governance.

By order of the Board

____________________________	____________________
Prof. Faustin Rweshabura Kamuzora **Chairman**	**Date**
____________________	____________________
Dr. Judika Loti King'ori **Director**	**Date**

REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND)

STATEMENT OF THE DIRECTORS OF THE FUND MANAGER'S RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2025

The Fund Manager's Directors are responsible for the preparation of financial statements that give a true and fair view of Regular Income Unit Trust Scheme (Jikimu Fund) ("The Fund") , comprising the statement of financial position as at 30 June 2025, statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unit holders, statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997.

The Fund Manager's Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Fund Manager's Directors have made an assessment of the ability of the Fund to continue as a going concern and have no reason to believe that the Fund will not be a going concern in at least next twelve months from the date of approval of the financial statements.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of financial statements

The financial statements of Regular Income Unit Trust Scheme (Jikimu Fund), as identified in the first paragraph, were approved and authorised for issue by the Fund Manager's Board of Directors on ………………………. and signed by:

____
Prof. Faustin Rweshabura Kamuzora
Chairman

____
Dr. Judika Loti King'ori
Director

REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND)

DECLARATION OF THE DIRECTOR OF FINANCE AND PLANNING OF THE FUND MANAGER
FOR THE YEAR ENDED 30 JUNE 2025

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Statement of the Directors of the Fund Manager's Responsibilities on page 8.

I, **Joan Msofe** being the Head of Finance of the Fund Manager (UTT AMIS) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2025 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements of Regular Income Unit Trust Scheme (Jikimu Fund) comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.

…………………………….
Signed by: CPA Joan Msofe

Position: Director of Finance and Planning

NBAA Membership No.: ACPA1675

Date: ……………………….

INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Regular Income Unit Trust Scheme (Jikimu Fund) ("the Fund") set out on pages 13 to 40, which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with International Ethics Standards Board for Accountants*' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information of the Fund Manager

The Directors of the Fund Manager are responsible for the other information. The other information comprises the information included in *Regular Income Unit Trust Scheme (Jikimu Fund) Annual Report and Financial Statements for the year ended 30 June 2025,* but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND) (CONTINUED)

Report on the audit of the financial statements (Continued)

Responsibilities of the Directors of the Fund Manager for the Financial Statements

The Directors of the Fund Manager are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997, and for such internal control as the Directors of the Fund Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors of the Fund Manager are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Fund Manager either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Fund Manager.

- Conclude on the appropriateness of the Directors of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the Directors of the Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Directors of the Fund Manager, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997 we report to you, solely based on our audit of financial statements, that:

- in our opinion, the financial statements of the Fund have been properly prepared in accordance with the requirements of the regulations;
- all persons involved with the conduct and operation of the Fund have acted properly and in accordance with the requirements of the regulations;
- proper books and records have been kept by the Fund and the accounts are in agreement with the accounting records of the Fund;
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- directors of the Fund Manager's report is consistent with the financial statements.

KPMG
Certified Public Accountants (T)

____

Signed by: CPA Frank Mboya (ACPA 3730)
Dar es Salaam

Date: ....

REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 TZS'000	2024 TZS'000
Investment income	6	4,057,444	2,607,982
Net gain from financial instruments	8	710,830	363,380
Other income	9	1,089,527	1,014,686
Total income		**5,857,801**	**3,986,048**
Management fees	20(i)	(579,370)	(412,462)
Custodian fees		(32,187)	(22,915)
Brokerage fees		(17,226)	(14,842)
Audit fees		(2,531)	(2,459)
Agent commission		(224,528)	(153,174)
Other administration expenses	10	(61,540)	(38,850)
Total Expenses		**(917,386)**	**(644,702)**
Income before distribution to unit holders		**4,940,415**	**3,341,346**
Income distribution to unit holders	18 (a)	(2,188,534)	(1,668,561)
Increase in net assets attributable to unit holders before tax		**2,751,881**	**1,672,785**
Withholding tax expense	11	(74,678)	(26,483)
Increase in net assets attributable to unit holders, net of tax		**2,677,203**	**1,646,302**
Other comprehensive income		-	-
Increase in net assets attributable to unit holders, net of tax		**2,677,203**	**1,646,302**

Notes and related statements forming part of these financial statements appear on pages 17 to 40.

Report of the Auditor – pages 10 - 12

REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	2025 TZS'000	2024 TZS'000
Assets			
Cash and cash equivalents	12	4,505,909	5,528,665
Government securities	13	27,813,074	15,332,038
Equity investments	14	6,678,535	6,275,370
Other receivables	15	70,494	18,942
Total assets		**39,068,012**	**27,155,015**
Liabilities			
Other liabilities	17	(1,119,499)	(951,776)
Total liabilities		**(1,119,499)**	**(951,776)**
Net assets attributable to unit holders		**37,948,513**	**26,203,239**
Represented by:			
Net assets attributable to unit holders		**37,948,513**	**26,203,239**
Net Asset Value per unit based on 201,318,654 outstanding units (2024: 151,598,376)		**188.50**	**172.85**

The financial statements on pages 13 to 40 were approved and authorized for issue by the Board of Directors of the Fund Manager on …………………………….. and signed by:

____
Prof. Faustin Rweshabura Kamuzora
Chairman

____
Dr. Judika Loti King'ori
Director

Notes and related statements forming part of these financial statements appear on pages 17 to 40.

Report of the Auditor – pages 10 - 12

REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 TZS'000	2024 TZS'000
Opening balance of net assets attributable to unit holders		**26,203,239**	**19,343,073**
Increase in net assets attributable to unit holders		2,677,203	1,646,302
		28,880,442	**20,989,375**
Transactions with unit holders during the year			
Sales of units during the year	19 (ii)	12,948,612	9,067,304
Repurchase of units during the year	19 (ii)	(3,880,541)	(3,853,440)
Net transactions with unit holders during the year		**9,068,071**	**5,213,864**
Closing balance of net assets attributable to unit holders		**37,948,513**	**26,203,239**

Notes and related statements forming part of these financial statements appear on pages 17 to 40.

Report of the Auditor – pages 10 – 12

REGULAR INCOME UNIT TRUST SCHEME (JIKIMU FUND)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 TZS'000	2024 TZS'000
Cash flows from operating activities:			
Increase in net assets attributable to unit holders, net of tax		**2,677,203**	**1,646,302**
Adjustments for:			
Dividend income	6	(467,257)	(326,637)
Net gain from financial instruments	8	(710,830)	(363,380)
Income distribution to unit holders	18(a)	2,188,534	1,668,561
Withholding tax expense	11	74,678	26,483
Gain on sale of bonds	9	(976,820)	(942,848)
Interest income calculated using effective interest method	7	(3,590,187)	(2,281,345)
Cash utilised in operations before working capital changes		**(804,679)**	**(572,864)**
Changes in:			
Government securities		(10,884,984)	(792,522)
Equity investments		307,665	(322,000)
Other receivables		(35,054)	28,519
Other liabilities		(840,345)	(538,997)
Cash used in operating activities		**(12,257,397)**	**(2,197,864)**
Dividend received		450,759	314,662
Interest income received		2,970,955	2,485,639
Withholding tax paid	16	(74,678)	(26,483)
Net cash (utilised in)/generated from operating activities		**(8,910,361**	**575,954**
Cash flows from financing activities:			
Sales of units	19 (ii)	12,948,612	9,067,304
Repurchase of units	19 (ii)	(3,880,541)	(3,853,440)
Income distribution paid during the year	18 (b)	(1,180,466)	(965,466)
Net cash generated from financing activities		**7,887,605**	**4,248,398**
Net (decrease)/increase in cash and cash equivalents		**(1,022,756)**	**4,824,352**
Cash and cash equivalents as at 1 July		**5,528,665**	**704,313**
Cash and cash equivalents as at 30 June	12	**4,505,909**	**5,528,665**

Notes and related statements forming part of these financial statements appear on pages 17 to 40.

Report of the Auditor – pages 10 - 12

1. REPORTING ENTITY

Regular Income Unit Trust Scheme (Jikimu Fund) was established on 3 November 2008 and is regulated by Capital Markets and Securities (Collective Investment Schemes) Regulations 1997, prescribed under Capital Markets and Securities Act, Cap 79. The address of the Fund's registered office is 2nd Floor, Sukari House Sokoine/Ohio Street P.O. Box 14825 Dar es Salaam.

Regular Income Unit Trust Scheme Jikimu Fund ('the Fund') is managed by UTT Asset Management and Investor Services Plc ("UTT AMIS"), who has set up a management structure to carry out day to day operations of the Fund. 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 Trustee/Custodian and the Fund Manager are specified on sections 6.0 and 4.0 of the Offer Document respectively.

The Fund is an open-ended investment fund primarily involved in investing in a diversified portfolio of quoted equity securities issued by companies listed on Dar es Salaam Stock Exchange (DSE), debt securities issued by corporate or government and fixed deposits with the objective of providing Unit holders with competitive returns over the medium to long-term.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Fund for the year ended 30 June 2025 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of Capital Markets and Securities (Collective Investment Funds) Regulations, 1997.

(b) Basis of measurements

The financial statements have been prepared on the historical cost basis unless where fair value has been applied in line with the respective accounting policy.

(c) Functional and presentation currency

These financial statements are presented in Tanzanian Shillings (TZS), which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousands ('000') except where otherwise indicated.

Functional currency is the currency of the primary economic environment in which the Fund operates. The Fund's investment and transactions are denominated in Tanzanian Shillings. Investor subscriptions and redemptions are determined based on the net asset value and received and paid in Tanzanian Shillings. The expenses (including management fees, custodian fees and other charges) are denominated and paid for in Tanzanian shillings. Accordingly, management has determined that the functional currency of the Fund is Tanzanian Shillings.

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in Note 5.

(e) Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the Fund will continue in operation for at least one year from the date of approval of the financial statements and will be able to realize its assets and discharge its liabilities in the ordinary course of business.

3. MATERIAL ACCOUNTING POLICIES

(a) Change in accounting policies

Below are the changes that came into effect for accounting periods beginning on or after 1 January 2024. All the applicable changes have been applied in the preparation of these financial statements.

i) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases became effective on 1 January 2024.
ii) Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements became effective on 1 January 2024;
iii) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements became effective on 1 January 2024;

The adoption of the standards above had no material impact on the financial statements of the Fund. The accounting standards set out below have been applied consistently to all periods in presenting these financial statements.

(b) Interest income

Interest income presented in the statement of profit or loss and other comprehensive income comprise interest on financial assets measured at amortised cost calculated on an effective interest basis.

The 'effective interest rate' is calculated on initial recognition of a financial instrument as the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. Interest income is recognised on a gross basis, including withholding tax, if any.

(c) Dividend income

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for quoted equity securities. Dividends are reflected as a component of investment income. Dividend income from equity securities carried at fair value is recognised in the "investment" line in the statement of profit or loss and other comprehensive income.

(d) Net gain from financial instruments

Net gain from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes but excludes interest and dividend income.

(e) Income distribution to unit holders

Subject to performance of the Fund, income distribution is made on quarterly or annual basis. At the point of joining the Fund, the investor has an option of joining either of the three investment options which are quarterly income distribution plan, annual income distribution plan or annual re-investment plan.

Distributions made to unit holders are recognized in profit and loss statement as finance costs.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Expenses

Expenses to the Fund would be charged in accordance with Section 24.0 of the Offer Document: -

- Management fee is charged at 1.8% of the daily Net Asset Value.
- Custodian fees at 0.1% of daily NAV with the minimum of TZS 20 million per annum; and
- Other charges at 0.6% of daily NAV. Other charges include the commonly rated charges such as bank charges, marketing, selling expenses and audit fees.

Management fee and other charges are restricted to 2.4% of the daily NAV. Any additional amount is borne by the Fund Manager.

(g) Taxation

Under Section 86 of the Income Tax Act, 2004 as amended, the Fund is exempt from paying taxes on income, profits or capital gains as such deferred tax is not applicable.

Dividend and interest income received by the Fund is subject to withholding tax as final tax on the same basis as for individuals. Investment income is recorded gross of such taxes and the withholding tax is included under tax charge for the year.

(h) Redeemable units

Units issued by the Fund are redeemable and the Fund provide the investors with the right to require redemption for cash at the value proportionate to the investor's units in the Fund's net assets at the redemption date.

In accordance with the Offer Document, the Fund is contractually obliged to issue (sell) and redeem (re-purchase) units based on prevailing Net Asset Value (NAV) per unit. Net Asset Value (NAV) per unit is the value that is arrived at after taking the value of the Fund's assets and subtracting the liabilities of the Fund divided by prevailing number of units.

In accordance with IFRS 9, redeemable units give rise to financial liability for the present value of the redemption amount. Units applied for repurchase and approved but not settled as at year end are presented as repurchase payables and classified as other liabilities.

(i) Cash and cash equivalents

Cash and cash equivalents include cash and call deposits with banks with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value and are used by the Fund in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(j) Investment securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either fair value through profit or loss, or amortised cost. The equity investments are measured at fair value through profit or loss whereas Treasury Bonds and corporate bonds are subsequently measured at amortised cost.

(k) Fees and commission expense

Fees and commission expenses are recognised in profit or loss as the related services are rendered.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments

i. **Recognition and initial measurement**

The Fund initially recognises regular-way transactions in financial assets and financial liabilities at Fair Value Through Profit and Loss (FVTPL) on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

On initial recognition, the Fund classifies financial assets as measured at amortised cost or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

All other financial assets of the Fund are measured at FVTPL.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets. The Fund has determined that it has one business model which is:

- Held-to-collect business model: this includes government securities, term deposits with banks, cash and cash equivalents and other receivables. These financial assets are held to collect contractual cash flow.

Assessment whether contractual cash flows are Solely Payment of Principal and Interest (SPPI)

For the purposes of this assessment, ‘principal' is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (Continued)

ii. Classification and subsequent measurement (Continued)

- contingent events that would change the amount or timing of cash flows.
- leverage features;
- prepayment and extension features;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Subsequent measurement of financial assets

Financial assets at amortised cost:	These assets are subsequently measured at amortised cost using the effective interest method. Interest income is calculated using effective interest method and recognised in profit or loss.
Financial assets at FVTPL:	These assets are subsequently measured at fair value. Net gains and losses are recognised in profit or loss.

Financial liabilities

Other liabilities are classified as financial liabilities at amortised cost and hence carried at amortised cost.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when and only when the Fund has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards or gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

iii. Impairment

An 'expected credit loss' (ECL) model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive.

Loss allowances for the financial assets is measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The Fund limits its exposure to credit risk from financial assets by establishing a maximum payment period of 30 days. The Fund considers reasonable and supportable forward-looking information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Fund's historical experience and informed credit assessment.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (Continued)

iii. Impairment (Continued)

The Fund recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised accordance with the requirement of IFRS 9.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

iv. Derecognition

The Fund derecognises regular-way sales financial assets using trade date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Fund transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such is transferred assets that is created or retained by the Fund is recognised as a separate asset or liability.

(m) Provisions

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(n) Contingent liabilities

The Fund recognises a contingent liability where, it has a possible obligation from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain events not wholly within the control of the Fund, or it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

(o) New relevant standards and amendments to standards in issue but not yet effective and not early adopted by the Fund

A number of new standards are effective for annual periods beginning after 1 July 2024 and earlier application is permitted; however, the Fund has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Fund's financial statements.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) New relevant standards and amendments to standards in issue but not yet effective and not early adopted by the Fund (Continued)

New standard or amendments	Effective for annual periods beginning on or after
Lack of Exchangeability – Amendments to IAS 21.	1 January 2025
Amendments to the Classification and measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure	1 January 2026
Annual improvements to IFRS Accounting standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

(m) Comparative information

Where necessary, the comparative figures have been reclassified to conform to changes in presentation in the current year. During the year, we reclassified gain on sale of treasury bonds within operating cashflows to conform with the current year presentation.

4. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Fund has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

Risk management framework

The Fund maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The Fund's investment portfolio comprises quoted equity investments and debt securities. Asset purchases and sales are determined by the Fund Manager who has been given discretionary authority to manage the distribution of the assets to achieve the Fund's investment objectives.

Compliance with the target asset allocations and the composition of the portfolio is monitored by the Board of Directors on a quarterly basis. In instances where the portfolio has diverged from target asset allocations, the Fund's Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

(a) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, fixed deposits and cash and cash equivalents. Default is assumed to have occurred after 30 days past due.

For risk management reporting purposes, the Fund considers and consolidates all elements of credit risk exposures (such as individual obligor default risk, country and sector risk). Default is assumed to have occurred after 30 days past due.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Management of credit risk

The Fund's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out in the Fund's prospectus.

Credit risk is monitored on a daily basis by the Fund Manager in accordance with policies and procedures in place. Credit risk is mitigated by investing in issuers with known credibility and it is monitored on an ongoing basis by the Fund Manager.

The Fund's credit risks are monitored on a quarterly basis by the Board of Directors of the Fund Manager. Where the credit risks are not in accordance with the investment policy or guidelines of the Fund, the Fund Manager is obliged to rebalance the portfolio upon determination that the portfolio is not in compliance with the stated investment parameters. Credit risk is mitigated by investing in issuers with known credibility and it is monitored on an ongoing basis by the Fund Manager.

The table below provides details of exposure to credit risk for the financial assets as defined by IFRS 9, analysing the carrying amounts – similar to their fair values at the reporting date and showing maximum exposure to credit risk, if different from carrying amount.

	30 June 2025		30 June 2024	
	Financial assets	**Exposure to credit risk**	**Financial assets**	**Exposure to credit**
	TZS '000	**TZS '000**	**TZS '000**	**TZS '000**
Government securities	27,813,074	27,813,074	15,332,038	15,332,038
Equity investments	6,678,535	6,678,535	6,275,370	6,275,370
Cash and cash equivalents	4,505,909	4,505,909	5,528,665	5,528,665
Other receivables	70,566	70,566	18,942	18,942
	39,068,084	**39,068,084**	**27,155,015**	**27,155,015**

Concentration of credit risk

The Fund Manager reviews credit concentration of debt securities held with counterparties and industries. As at the reporting date, the Fund's debt securities exposures were concentrated in the following industries.

	30 June 2025		30 June 2024	
	TZS '000	**%**	**TZS '000**	**%**
Government Sector	27,813,074	71.19	15,332,038	56.46
Cash and cash Equivalents	4,505,909	11.53	5,528,665	20.36
Equity investments	6,678,535	17.09	6,275,370	23.11
Other sectors	70,566	0.19	18,942	0.07
	39,068,084	**100.00**	**27,155,015**	**100.00**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Concentration of credit risk

As at the reporting date, the Fund's value of investment holding as a percentage of net asset value is as summarized below.

	30 June 2025		30 June 2024	
	TZS '000	**%**	**TZS '000**	**%**
Cash and cash equivalent	4,505,909	11.87	5,528,665	21.10
Quoted equity investments	6,678,535	17.60	6,275,370	23.95
Government securities	27,813,074	73.29	15,332,038	58.51
Other receivables	70,566	0.19	18,942	0.07
	39,068,084	**102.95**	**27,155,015**	**103.63**

(a) Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions, the Fund mitigates this risk by conducting settlements through a custodian to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval and limit monitoring processes described earlier.

Past due and impaired assets

No financial assets carried at amortized cost were past due or impaired as at 30 June 2025 (2024: Nil).

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

Management of liquidity risk

The Fund's policy to managing liquidity is to have sufficient liquidity to meet its liabilities, including estimated redemptions of units, as and when due, without incurring undue losses or risking damage to the Fund's reputation.

The Fund's constitution provides for the creation and cancellation of units on daily basis and it is therefore exposed to the liquidity risk of meeting unit holders` redemptions on a daily basis. The Fund's listed securities are considered to be readily realizable as they are all listed on Dar es Salaam Stock exchange (DSE).

The Fund's liquidity risk is managed on a daily basis by the Fund Manager in accordance with policies and procedures in place. The Fund's overall liquidity risks are monitored on a quarterly basis by the Board of Directors. The Fund's redemption policy allows for daily redemption of units.

It is the Fund's policy to have liquid assets comprising cash and cash equivalents and investments in commercial paper, short term fixed deposits and call deposits for which there are active and liquid market to cater for anticipated redemptions of units. In addition, the Fund Manager is empowered to defer to next dealing day repurchase of units if 10% of the units are re purchased within one dealing day. Liquidity risk can also occur if an institutional investor redeems a significant proportion of their units in the Fund.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

Management of liquidity risk (Continued)

Maturity profile of financial liabilities based on the contractual cash flows, "undiscounted" including interest and excluding impact of netting is as follows:

	Carrying amount TZS '000	Contractual cash flows TZS '000	Within 1 year TZS '000	1 year and above TZS '000
30 June 2025				
Financial liabilities				
Net assets attributable to unit holders	37,948,513	37,948,513	37,948,513	-
Other liabilities	1,119,499	1,119,499	1,119,499	-
	39,068,012	**39,068,012**	**39,068,012**	-
At 30 June 2024				
Financial liabilities				
Net assets attributable to unit holders	26,203,239	26,203,239	26,203,239	-
Other liabilities	951,776	951,776	951,776	-
	27,155,015	**27,155,015**	**27,155,015**	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rate, quoted equity prices and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Market risk is potential for both loss and gain to investor resulting from decreases and increases in the unit price of the Fund. The main causes of unit price changes are price changes in the underlying instruments caused by movements in securities prices, changes in the credit rating of instrument issuers, changes in the prevailing level of interest rates and currency movement relative to Tanzanian Shilling.

Management of market risk

The Fund's strategy on the management of risk is driven by the Fund's investment objective to empower Tanzanians through wide ownership of its units and encourage a culture of savings in financial assets. The Fund market risk is managed on a daily basis by the Fund Manager in accordance with policies and procedures in place. The Fund's market positions are monitored on a quarterly basis by Board of Directors.

Return is the desired reward for assuming market risk. Market risk is managed by the Fund's manager with reference to the Fund's investment mandate, the objective being to produce the highest possible return for a given level of risk.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

Interest rate risk

The Fund is exposed to cash flow interest rate risk which is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is another interest rate risk to the Fund; it is the risk that the value of the financial instrument will fluctuate because of changes in market interest rates. The Fund takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both the value and cash flow risks.

The table below summarizes the exposure to interest rate risk. Assets and liabilities are categorized by the earlier of contractual re-pricing or maturity dates.

All figures are in millions of Tanzanian Shillings.

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
30 June 2025							
Assets							
Cash and cash equivalents	4,091	-	-	-	-	414	4,505
Government securities	-	-	1,096		26,717	-	27,813
Equity investments	-	-	-	-	-	6,679	6,679
Other receivables	-	-	-	-	-	71	71
Total	**4,091**	**-**	**1,096**	**-**	**26,717**	**7,165**	**39,068**
Liabilities							
Net assets attributable to unit holders	-	-	-	-	-	(37,949)	(37,949)
Other liabilities	-	-	-	-	-	(1,119)	(1,119)
Net interest rate gap	**4,091**	**-**	**1,096**	**-**	**26,717**	**(31,903)**	**-**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

Interest rate risk (continued)

All figures are in millions of Tanzanian Shillings.

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
30 June 2024							
Assets							
Cash and cash equivalents	5,091	-	-	-	-	438	5,529
Government securities and corporate bonds	-	-	477	-	14,855	-	15,332
Equity investments	-	-	-	-	-	6,275	6,275
Other receivables	-	-	-	-	-	19	19
Total	**5,091**	**-**	**477**	**-**	**14,855**	**6,732**	**27,155**
Liabilities							
Net-assets attributable to unit holders	-	-	-	-	-	(26,203)	(26,203)
Other liabilities	-	-	-	-	-	(952)	(952)
Net interest rate gap	**5,091**	**-**	**477**	**-**	**14,855**	**(20,423)**	**-**

The table below sets out the effect on the Fund's net assets attributable to holders of units of a reasonably possible increase of 100 basis points in interest rates at 30 June 2025. A reduction in interest rates of the same amount would have resulted in an equal but opposite effect to the amounts shown. The impact of such an increase or reduction has been estimated by calculating the fair value changes of the fixed-interest debt securities and other fixed-interest-bearing assets, less liabilities. The impact is primarily from the decrease in the fair value of fixed income securities. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2025 TZS'000	2024 TZS'000
Increase in net assets attributable to unit holders	307,768	194,715
Decrease in net assets attributable to unit holders	(307,768)	(194,715)

Currency risk

The Fund is exposed to currency risk on transaction that are denominated in a currency other than the respective functional currency of the Fund, the Tanzanian Shillings (TZS). The currencies in which these transactions primarily are denominated are US Dollars (USD).

The Fund strategy towards managing its foreign currency exposure is through transacting mainly using its functional currency.

The Fund invests in financial instruments that are denominated in its functional currency, the Tanzanian shillings (TZS) therefore the Fund has very limited exposure to currency risk.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

Exposure to other price risks

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

Other price risk arises in respect of the Jikimu Fund's investment in the shares issued by the listed companies in Dar es Salaam stock exchange. The fair value of the equity investment as at 30 June 2025 was TZS 6,678,535,000 (2024: TZS 6,275,370,000)

The table below sets out the effect on the net assets attributable to holders of redeemable shares of a reasonably possible weakening in the prices of the shares held by the Fund by 3%. A strengthening in the prices of the shares of the same amount would have resulted in an equal but opposite effect to the amounts shown.

	2024 TZS'000	2024 TZS'000
Decrease in net assets attributable to holders of unit holders	200,356	188,261

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the process, technology and infrastructure supporting the Fund's activities with the financial instruments, either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investments management behavior.

The Fund's objective is to manage operational risks so as to balance the limiting of financial losses and damage to its reputation with achieving its investment objectives of generation returns to investors.

The primary responsibility for the development and implementation of controls over operational risks rests with the Board of Directors. The responsibility is supported by the development of overall standard for the management of operational risks, which encompasses the controls and the processes at the service providers and the establishment of the service levels with the service providers, in the following areas:

- Documentation of controls and procedures.
- Requirements for:
  i. Appropriate segregation of duties between various functions, roles and responsibilities
  ii. Reconciliations and monitoring of transactions and
  iii. Periodic assessment of operational risks faced
- The adequacy of controls and procedures to address the risk identified.
- Compliance with regulatory and other legal requirements.
- Development of contingency plans
- Training and professional development
- Ethical and business standards and
- Risk mitigation including insurance if this is effective.

Capital management

The Fund has no equity. The redeemable units issued by the Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor's unit in the Fund's net assets. See Note 19 for a description of the terms of the redeemable units issued by the Fund.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Operational risk (Continued)

Capital management (Continued)

The Fund's objectives in managing the redeemable units are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions. The Fund's management of the liquidity risk arising from redeemable units is discussed in Note 4(c).

The Fund is not subject to any externally imposed capital requirements.

5. USE OF ESTIMATES AND JUDGEMENTS

These disclosures supplement the commentary on financial risk management (see Note 4).

Key sources of estimation uncertainty

(a) Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 21. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(b) Critical accounting judgements in applying the Fund's accounting policies

Critical accounting judgements made in applying the Fund's accounting policies include:

Valuation of financial instruments

The Fund's accounting policy on fair value measurements is discussed under Note 21.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Fund determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates, bond and quoted equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants.

Financial asset and liabilities classification

The Fund's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

In classifying financial assets or liabilities as "trading", the Fund has determined that it meets the description of trading assets and liabilities; and in designating financial assets or liabilities at fair value through profit or loss, the Fund has determined that it has met one of the criteria for this designation.

Details of the Fund's classification of financial assets and liabilities are given in the table below.

5. USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Fund's accounting policies (Continued)

The table below sets out the Fund's classification of each class of financial assets and liabilities, and their fair values.

Figures in millions of TZS	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities at amortized	Total carrying amount
30 June 2025				
Assets				
Cash and cash equivalents	-	4,505	-	4,505
Government securities	-	27,813	-	27,813
Equity investments	6,679	-	-	6,679
Other receivables	-	71	-	71
	6,679	**32,389**	**-**	**39,068**
Liabilities				
Net assets attributable to unit holders	-	-	(37,949)	(37,949)
Other liabilities	-	-	(1,119)	(1,119)
	-	**-**	**(39,068)**	**(39,068)**
30 June 2024				
Assets				
Cash and cash equivalents	-	5,529	-	5,529
Government securities	-	15,332	-	15,332
Equity investments	6,275	-	-	6,275
Other receivables	-	19	-	19
	6,275	**20,880**	**-**	**27,155**
Liabilities				
Net assets attributable to unit holders	-	-	(26,203)	(26,203)
Other liabilities	-	-	(952)	(952)
	-	**-**	**(27,155)**	**(27,155)**

6. INVESTMENT INCOME

	2025 TZS'000	2024 TZS'000
Interest income recognized at effective interest rate (Note 7)	3,590,259	2,281,345
Dividend income	467,257	326,637
	4,057,516	**2,607,982**

7. INTEREST INCOME RECOGNISED AT EFFECTIVE INTEREST RATE

	2025 TZS'000	2024 TZS'000
Term deposit with banks	513,885	101,808
Treasury bonds	3,076,374	2,179,537
	3,590,259	**2,281,345**

8. NET GAIN FROM FINANCIAL INSTRUMENTS

Quoted equity investments	710,830	363,380
	710,830	**363,380**

9. OTHER INCOME

UTT AMIS-Contribution for other charges	112,707	71,838
Gain on sale of bonds	976,820	942,848
	1,089,527	**1,014,686**

10. OTHER ADMINISTRATION EXPENSES

Advertising	2,561	3,081
Promotion material & scheme branding	4,286	3,028
Promotion - public education	44,471	26,630
Annual general meeting costs	7,772	2,890
Exhibition expenses	1,219	1,181
Advisory fee CMSA	1,231	2,040
	61,540	**38,850**

11. WITHHOLDING TAX EXPENSE

The Fund is exempt from paying income taxes under the current system of taxation in Tanzania. However, dividend income and interest income from corporate bonds, calls and fixed deposits received by the Fund is subject to withholding tax as final tax at the rate of 5% and 10% respectively.

	2025 TZS '000	2024 TZS '000
Withholding tax charge relates to;		
Interest income from term deposits	46,972	10,151
Dividend income	27,706	16,332
	74,678	**26,483**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

12. CASH AND CASH EQUIVALENTS

	2025 TZS '000	2024 TZS '000
For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise:		
Bank balance – Investment account	4,497,825	437,429
Bank balance – Call account	8,084	5,091,236
	4,505,909	**5,528,665**

Bank balances agrees to amount as per bank statements.

13. GOVERNMENT SECURITIES

Treasury Bonds - 25 Years	4,486,453	4,009,583
Treasury Bonds - 20 Years	15,775,626	9,149,813
Treasury Bonds - 15 Years	4,476,689	1,190,928
Treasury Bonds - 10 Years	1,977,935	504,575
Accrued interest on T/Bonds	1,096,371	477,139
	27,813,074	**15,332,038**

14. EQUITY INVESTMENTS

	Number of Shares	2025 Market Value TZS'000	Number of Shares	2024 Market Value TZS'000
TBL Shares	144,900	1,518,552	144,900	1,579,410
NMB shares	222,190	1,506,448	222,190	1,155,388
DCB Shares	-	-	1,588,497	174,735
TCC Shares	85,000	1,416,100	85,000	1,445,000
Twiga Shares	137,300	686,500	137,300	562,930
CRDB Shares	1,156,660	925,328	1,156,660	601,463
SWISSPORT Shares	245,571	368,357	245,571	245,571
SIMBA Shares	-	-	61,990	106,623
VODACOM Shares	525,000	257,250	525,000	404,250
		6,678,535		**6,275,370**

14. EQUITY INVESTMENTS (CONTINUED)

	EQUITIES – IN UNITS				EQUITIES – MARKET VALUES IN (TZS '000)				
	At 1 July	**Additions**	**Disposals**	**At 30 June**	**At 1 July**	**Additions**	**Disposals**	**Fair value gain / (loss)**	**At 30 June**
TBL Shares	144,900	-	-	144,900	1,579,410	-	-	(60,858)	1,518,552
NMB shares	222,190	-	-	222,190	1,155,388	-	-	351,060	1,506,448
DCB Shares	1,588,497	-	(1,588,497)	-	174,735	-	(182,677)	7,942	-
TCC Shares	85,000	-	-	85,000	1,445,000	-	-	(28,900)	1,416,100
Twiga Shares	137,300	-	-	137,300	562,930	-	-	123,570	686,500
CRDB Shares	1,156,660	-	-	1,156,660	601,463	-	-	323,865	925,328
SWISSPORT Shares	245,571	-	-	245,571	245,571	-	-	122,786	368,357
SIMBA Shares	61,990	-	(61,990)	-	106,623	-	(109,402)	2,779	-
VODACOM Shares	525,000	-	-	525,000	404,250	-	-	(147,000)	257,250
	4,167,108	**-**	**(1,650,487)**	**2,516,621**	**6,275,370**	**-**	**-**	**363,380**	**6,678,535**

15. OTHER RECEIVABLES

	2025 TZS '000	2024 TZS '000
Other receivable is made up of:		
Receivable from sale of units	14,913	6,670
Other receivable	39,083	297
Dividend receivable	16,498	11,975
	70,494	**18,942**

16. WITHHOLDING TAX PAYABLE

The movement in withholding tax payable during the year is as follows:		
Opening balance	-	-
Tax charge for the year	74,678	26,483
Tax paid during the year	(74,678)	(26,483)
	-	-

17. OTHER LIABILITIES

Re-purchases payables	34,877	122,762
Management fees payable	1,898	38,797
Service charges payable	54,876	40,993
Other charges payable	12,332	18,418
Income distribution (See Note 18 (b))	891,139	633,108
Inter-trust payables	124,377	97,698
	1,119,499	**951,776**

18. INCOME DISTRIBUTION

(a) Income distribution statement

The Fund declared and distributed TZS 3 per unit for quarter one, two, three and four the year ended 30 June 2025 making up a total of TZS 12 per unit for the whole year. The distribution was as follows:

	2025 TZS'000	2024 TZS'000
Opening distributable income	8,014,335	6,368,033
Net income after tax before distribution to unit holders	4,865,809	3,314,863
Income distributed during the year	(2,188,534)	(1,668,561)
	10,691,610	**8,014,335**

(b) Income distribution payable

Opening balance	633,108	539,328
Income distribution to unit holders during the year	2,188,534	1,668,561
Income distribution paid during the year	(1,180,466)	(965,466)
Income distribution re-invested during the year	(750,037)	(609,315)
	891,139	**633,108**

19. UNIT HOLDERS' FUND

(i) The movement in unit holders Funds during the year is as follows:

	Number of units 2025	Number of units 2024
Opening balance	151,598,376	120,653,572
Units sold during the year	84,976,039	53,665,325
Units repurchased during the year	(35,255,761)	(22,720,521)
Units outstanding at the year end	**201,318,654**	**151,598,376**

(ii) Sale and repurchase of units

	2025 TZS'000	2024 TZS'000
Proceeds from sale of units	12,948,612	9,067,304
Repurchases of units	(3,880,541)	(3,853,440)
Net sales of units	**9,068,071**	**5,213,864**
Net asset value	**188.50**	**172.85**
Published Net Asset Value (NAV) per unit	**191.88**	**173.36**

Sales and re-purchase opened from 1 August 2006, after one-year lock in period. The Fund undertake to repurchase and sale any number of units offered to it on the basis of prices calculated in accordance with the terms and conditions set out on the Offer Document and Trust Deed of Regular Income Unit Trust Scheme.

20. RELATED PARTY TRANSACTIONS

(i) Fund manager

UTT AMIS, the Fund Manager, is a Government owned /institution that was established to implement the investment strategy as specified in the Offer Document and to provide administrative services. As per the Offer Document, the Manager shall levy a service charge of not more than 1% of the re-purchase price of a unit subject to a minimum of one hundred shillings per transaction and also management fees and other charges is limited to 2.4% of the Net asset Value. The transactions done during the year and the closing balance are shown in the table below:

	Management fee TZS'000	Service charge TZS'000
2025		
Opening balance	38,797	40,993
Charge for the year	579,370	57,937
Payments made during the year	(553,271)	(44,262)
Closing balance	**64,896**	**54,668**
2024		
Opening balance	29,536	32,985
Charge for the year	412,462	41,004
Payments made during the year	(403,201)	(32,996)
Closing balance	**38,797**	**40,993**

20. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Custodian

	2025 TZS'000	2024 TZS'000
Opening balance	-	-
Charge for the year	32,287	22,915
Payments made during the year	(32,187)	(22,915)
Closing balance	**-**	**-**

(iii) Unit holdings by senior management and non-executive Directors

Senior Management Personnel	60,129	60,129
Non-executive Directors	-	-
	60,129	**60,129**

(iv) Remuneration of Fund Manager's Director and senior management

There were no remunerations paid to the Fund Manager's Directors and senior management by the Fund during the period ended 30 June 2025 (2024: Nil).

(v) Inter trust payables

	2025 TZS'000	2024 TZS'000
UTT AMIS (Fund Manager)	124,377	97,698
	124,377	**97,698**

21. DETERMINATION OF FAIR VALUES

(a) Valuation models

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instrument. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- **Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

21. DETERMINATION OF FAIR VALUES (CONTINUED)

(a) Valuation models (Continued)

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, EBITDA multiples and revenue multiples and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Fund uses widely recognised valuation models for determining the fair value of common and simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

(b) Valuation framework

The Fund has an established control framework with respect to the measurement of fair values. This framework includes a portfolio valuation function, which is independent of front office management and reports to the Board of Directors, who have overall responsibility for fair value measurements. Specific controls include:

- verification of observable pricing inputs;
- re-performance of model valuations;
- a review and approval process for new models and changes to such models;
- calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- review of unobservable inputs and valuation adjustments.

When third party information, such as broker quotes or pricing services, is used to measure fair value, then the portfolio valuation function assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Fund for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

21. DETERMINATION OF FAIR VALUES (CONTINUED)

(c) Fair value hierarchy – Financial instruments measured at fair value

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring.

	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000	Total TZS'000
30 June 2025				
Equity investments	6,678,535	-	-	6,678,535
	6,678,535	**-**	**-**	**6,678,535**
30 June 2024				
Equity investments	6,275,370	-	-	6,275,370
	6,275,370	**-**	**-**	**6,275,370**

For Level 1 financial instruments the fair value as at year end is based on the latest available redemption price of each share, multiplied by the number of shares held. The quoted prices of equities are obtained from Dar es Salaam Stock Exchange where the shares are traded.

For Level 2 financial instruments the fair value is calculated by estimating the present value through discounting the expected future cash flows using the yield rates of similar Government bonds issued in the recent past, normally past 1-3 months. These yield rates are published by the Bank of Tanzania.

(d) Financial instruments not measured at fair value

The financial instruments not measured at fair value through profit and loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value, because of their short-term nature and, for the financial assets, high credit quality of counterparties.

Cash and cash equivalents, other receivables and other liabilities: These are short-term financial assets and their carrying amounts approximate fair value because of their short-term nature and the high credit quality of counterparties.

Treasury bonds: These are long term and are carried at amortised cost. Fair values of the treasury bonds are different from their amortised costs and are disclosed in the table below. Treasury bonds are categorized into Level 2 of the fair value hierarchy.

Net assets attributable to unit holders: The Fund routinely redeems and issues the redeemable units at the amount equal to the proportionate share of net assets of the Fund at the redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to holders of redeemable units approximately their fair value. The net assets attributable to unit holders are categorized into Level 2 of the fair value hierarchy.

The following table sets out the fair values of financial instruments not measured at fair value and analyses it by the level in the fair value hierarchy into which each fair value measurement is categorized.

21. DETERMINATION OF FAIR VALUES (CONTINUED)

(d) Financial instruments not measured at fair value (Continued)

	Fair value TZS'000	l Carrying amount TZS'000
30 June 2025		
Assets		
Cash and cash equivalents	4,505,909	4,505,909
Government securities	27,813,074	28,820,083
Other receivables	70,494	70,494
Total	**32,389,477**	**33,396,486**
Liabilities		
Other liabilities	(1,119,499)	(1,119,499)
Net assets attributable to unit holders	(37,948,513)	(37,948,513)
	(39,068,012)	**(39,068,012)**
30 June 2024		
Assets		
Cash and cash equivalent	5,528,665	5,528,665
Government securities	15,332,038	16,038,547
Other receivables	18,942	18,942
	20,879,645	**21,586,154**
Liabilities		
Other liabilities	(951,776)	(951,776)
Net assets attributable to unit holders	(26,203,239)	(26,203,239)
	(27,155,015)	**(27,155,015)**

22. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

The Directors of the Fund Manager confirm that the Fund has not contracted for any capital commitments and there were no contingent liabilities known to them at the reporting period.

23. SUBSEQUENT EVENTS

The Directors of the Fund Manager confirm that there are no events subsequent to the year-end up to the date of this report that require either disclosure or adjustment in these financial statements.