

**ZAN SECURITIES LIMITED  
TIMIZA UNIT TRUST SCHEME  
(TIMIZA FUND)**

**(An Open-ended Unit Trust Growth Scheme)**



**OFFER DOCUMENT**

**OFFER DETAILS**

Opening Date of the Initial Sale: 27<sup>th</sup> May, 2024

Closing Date of the Initial Offer: 26<sup>th</sup> June, 2024

Units to be offered: 100 million Units

Amount to be raised: TZS 10 billion

Offer of Units at TZS 100 each for cash at par during the Initial Sale Period and at applicable Net Asset Value (NAV) during the Subsequent Sale Period

This Offer Document sets forth concisely, the information about the Scheme that a prospective investor ought to know before investing. The Offer Document should be retained for future reference.

The Scheme particulars have been prepared in accordance with the Capital Markets and Securities Act, Cap 79 of the laws of Tanzania and the Capital Markets and Securities (Collective Investment Schemes) Regulations, GN No. 770 of 1997. The Units being offered for public subscription have not been approved or disapproved by the Capital Markets and Securities Authority. Prospective investors should carefully consider the matters set forth and those under the caption "risk factors".

The Offer Document shall remain effective until a 'material change' (other than a change in the fundamental attributes and within the purview of this Offer Document) occurs and thereafter the changes will be submitted to the Authority for authorization and circulated to the Unit holders along with half year reports.

**CAUTION STATEMENT**

IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS OFFER DOCUMENT, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, LAWYER, ACCOUNTANT OR OTHER FINANCIAL ADVISER

THE VALUE / PRICES OF UNITS OF THE TIMIZA FUND AS WELL AS INCOME FROM THE UNITS MAY GO UP OR DOWN

**TIMIZA UNIT TRUST SCHEME  
(TIMIZA FUND)  
(An Open-ended Unit Trust Growth Scheme)**

**HIGHLIGHTS OF THE TIMIZA FUND**

(i)	Objectives	An open-ended balanced fund that invests in Treasury Bonds, listed corporate bonds, money market investments and listed equities. The Fund aims at providing capital appreciation for long term investors and distributing income, subject to distributable surplus, periodically.
(ii)	Investment Policy	The profile of the Scheme's investment is a balanced portfolio investing in both listed equities and fixed income securities to reduce potential volatility. Fixed income securities will comprise at least 0%-100% of the portfolio, 0%-50% invested in listed equities.
(iii)	Plans	The Scheme offers investment options under two plans: (a) Reinvestment Plan; and (b) Annual Income Distribution Plan.
(iv)	Eligible Investors	All investors domestic and foreign including individuals and institutions as per the provisions of the Act.
(v)	Face Value	TZS 100 per Unit.
(vi)	Issue Price	TZS 100 per Unit. Units will be sold at TZS 100/= per Unit during the Initial Sale period from 27 <sup>th</sup> May, 2024 to 26 <sup>th</sup> June, 2024
(vii)	Entry and Exit Loads	The Scheme shall charge neither entry nor exit load. Investors shall therefore, buy and sell Units of the Scheme at NAV per Unit.
(viii)	Minimum initial investment	(a) TZS 10,000 for reinvestment option (b) TZS 1 million for annual income distribution
(ix)	Minimum Additional Subsequent Investment	TZS 10,000 for all plans.
(x)	Maximum Investment Amount	There is no limit on the maximum amount to be invested by an investor.
(xi)	Holding Basis	Single or Joint as opted by respective investors

(xii)	How to Invest	<p>By completing application form and depositing funds in the account of the Fund through the branches of Mwanga Hakika Bank Limited, and Licensed Dealing Members of the Dar es Salaam Stock Exchange. No money shall be paid to any intermediary who is not a licensed dealer or investment advisor.</p> <p>USSD CODE</p> <table border="1" data-bbox="563 595 1417 1077"> <thead> <tr> <th data-bbox="563 595 847 636">TIGO PESA</th> <th data-bbox="847 595 1131 636">AIRTEL MONEY</th> <th data-bbox="1131 595 1417 636">M-PESA</th> </tr> </thead> <tbody> <tr> <td data-bbox="563 636 847 1077">           Mobile phone -- USSD Dial *150*01# Select – LIPIA BILI Select – KUPATA MAJINA YA KAMPUNI Select – TIMIZA FUND         </td> <td data-bbox="847 636 1131 1077">           Mobile phone -- USSD Dial *150*60# Select 5 – Make payment Select 2 – Choose business Select 7– Choose business Select – TIMIZA FUND         </td> <td data-bbox="1131 636 1417 1077">           Mobile phone -- USSD Dial *150*01# Select – LIPA BILI Select – KUPATA MAJINA YA KAMPUNI Select – FEDHA &amp; ELIMU Select – TIMIZA FUND         </td> </tr> </tbody> </table>	TIGO PESA	AIRTEL MONEY	M-PESA	Mobile phone -- USSD Dial *150*01# Select – LIPIA BILI Select – KUPATA MAJINA YA KAMPUNI Select – TIMIZA FUND	Mobile phone -- USSD Dial *150*60# Select 5 – Make payment Select 2 – Choose business Select 7– Choose business Select – TIMIZA FUND	Mobile phone -- USSD Dial *150*01# Select – LIPA BILI Select – KUPATA MAJINA YA KAMPUNI Select – FEDHA & ELIMU Select – TIMIZA FUND
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(xiii)	Payment Terms	In full on application for specified number of Units.						
(xiv)	Additional Investment	Investors may make additional investments after the cool off period subject to the minimum amount of TZS 10,000.						
(xv)	Liquidity / Repurchase	Subsequent to the initial offer and Cool off Period, the Fund will be open for repurchase of Units on Business days. Repurchase price will be based on NAV of the Scheme without exit load.						
(xvi)	Transparency	The NAV will be declared on a daily basis on every working day beginning not later than 10 Business days from the Initial Sale closure date.						
(xvii)	Tax benefits	As per the current laws, Income distributed by the respective plans is exempt from Income Tax in the hands of investors. There is no tax deduction at source on Repurchase, irrespective of the Repurchase amount.						
(xviii)	Valuation of Units	The NAV of the Fund will be determined by the Manager once on every working day after end of business day.						
(xix)	Income Distribution	Subject to availability of income and choice of each investor, income distribution will be made once a year. Investors who choose not to receive income distribution will have their income reinvested on a yearly basis at the applicable NAV.						



**Timiza Unit Trust Scheme**  
**(Incorporated in the United Republic of Tanzania)**

**Custodian and Trustee**



Mwanga Hakika Bank Limited  
 Mwanga Tower, 16<sup>th</sup> Floor, New Bagamoyo Road,  
 P.O Box 11735, Dar es Salaam,

**Sponsor, Manager and Investment Advisor**



Zan Securities Limited VIVA Tower, 1st Floor,  
 Ali Hassan Mwinyi Road,  
 P.O.Box 5366, Dar es Salaam

**ZANZIBAR OFFICE**

3rd Floor, Michenzani Mall, Karume Road,  
 P.O.Box 2138, Zanzibar  
 Tel: +255 24 223 8359  
 E-Mail: info.znz@zansec.co.tz

**Auditors**



3rd Floor, 85K Building, 85 Kinondoni Rd,  
 P.O. Box 78999,  
 Dar es Salaam,  
 Tanzania

**Legal Advisor**



**MM ATTORNEYS**

10th Floor, Suite No. 1005 Uhuru Heights,  
 Bibi Titi Mohamed Road,  
 P. O. Box 7281 Dar es Salaam, Tanzania

The Directors of Zan Securities Limited whose names are hereunder indicated accept responsibility for the information contained in this Offer Document as being accurate as at the date of publication of the document.

**NAMES OF DIRECTORS**

<b>SN</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	MR. ABDISALAAM ISSA KHATIBU	CHAIRMAN
2.	MR. HARRY KITILYA	DIRECTOR
3.	MR. MELVINNE HARRY KITILYA	DIRECTOR

Dated 02<sup>nd</sup> April 2024



### STATEMENT OF ACCURACY

We, the undersigned members of the board of directors of ZAN SECURITIES LIMITED, hereby affirm the accuracy and completeness of the offer document pertaining to the launch of the Timiza Unit trust Scheme.

Having thoroughly reviewed and evaluated the contents of the offer document, we confirm that to the best of our knowledge:

1. All the information provided within the offer document is accurate, reliable and presented in good faith.
2. The financial statements, projections and other data included in the offer document fairly represent the financial position and outlook of the Timiza Unit Trust Scheme.
3. All statements made regarding the objectives, strategies, risks and terms of the Timiza Unit Trust Scheme are truthful and transparent.
4. Any forward-looking statements contained within the offer document are based on reasonable assumptions and reflect our genuine expectations.
5. We have complied with all regulatory requirements and standards in the preparation of the offer document.
6. The offer document does not omit any material information that could affect the decision making process of the potential investors.

By signing below, we acknowledge our responsibility for the accuracy and integrity of the offer document and affirm that it reflects a true representation of the Timiza Unit Trust Scheme.

Signed on behalf of the Board of Directors of ZAN SECURITIES LIMITED

Abdisalaam Issa Khatibu- Chairman

Harry Kitilya- Director

Melvinne Kitilya- Director

**TIMIZA UNIT TRUST SCHEME**  
**(Incorporated in the United Republic of Tanzania)**

**INTERPRETATION**

In this Offer Document unless the context otherwise requires, the following words have the meaning herein ascribed:

**“Acceptance Date”** or **“Date of Acceptance”** or **“DOA”** means the date on which a Statement of Account/ service request form [pertaining to subsequent period transactions] is received within the specified banking hours (i.e. from 09.00 hours to 16.00 hours) of a Business day, by the Manager or a designated agent of the Manager.

**“Accounting Year”** means the accounting year of Zan Securities Limited as well as the Scheme which is from January to December.

**“Act”** means the Capital Markets and Securities Act, Cap 79 of the laws of Tanzania and the Regulations made there-under.

**“Additional Investment”** means investment made during Subsequent Sale period by existing Unit holders.

**“Authority”** means the Capital Markets and Securities Authority established under the Act.

**“Book closure dates”** means the dates during which the Register of Unit holders is closed by the Scheme for the purposes of administration of income distribution or any other purpose.

**“Timiza Fund”** means Timiza Unit Trust Scheme.

**“Business day”** means a day other than (i) Saturday and Sunday (ii) a day on which the principal stock exchange of the country (Dar es Salaam Stock Exchange) or the Bank of Tanzania or banks in Tanzania are closed for business, or (iii) a day on which Zan Securities Limited offices remain closed or a day on which Sale and Repurchase/switching of Units is suspended by the Directors.

**“Citizen”** means a citizen of the United Republic of Tanzania in accordance with the Citizenship Act, Cap 357 (Revised Edition 2002).

**“Commencement date”** means the date on which the Manager for the first time offers for sale to the public Units in the Scheme (27th May, 2024).

**“Compulsory charge”** means any fiscal charge and any necessary charge payable for the benefit of any person other than the Manager in connection with the acquisition or holding of securities acquired by the Scheme.

**“Cool off Period”** means the period of Fifteen days (15) beginning immediately after the Initial Sale closure date of 26<sup>th</sup> June, 2024 during which sale and Repurchase operations will not be carried out by the Scheme.

**“Custodian”** or **“Trustee”** means an entity that under the Deed of Trust is a participating party performing the functions of a Trustee under the Act.

**“Date of Acceptance”** – please refer to **“Acceptance Date”**.

**“Deed of Trust”, “Trust Deed” or “Deed”** means the deed incorporating the Timiza Unit Trust Scheme dated 3<sup>rd</sup> April 2024 and any deed supplemental thereto.

**“Directors”** means the Board of Directors of Zan Securities Limited

**“Distribution period”** means the period in the Accounting Year of the Scheme when income is distributed to Unit holders.

**“Fund”** means the “Timiza Fund” incorporated pursuant to the Deed of Trust.

**“Financial Year”** means the period commencing on 1st January and ending on 31<sup>st</sup> December of every year.

**“Initial Sale”** means the sale of Units by the Scheme from 27<sup>th</sup> May, 2024 to 26<sup>th</sup> June, 2024.

**“Initial Investment”** means amount invested by an investor during the Initial Sale period.

**“Investment Policy”** means a set of rules and guidelines on allowable investments and limits by the Scheme.

**“Investment Strategy”** means activities and actions for implementing the investment policy of the Scheme.

**“Joint-Holding”** means individuals holding the Fund jointly.

**“Lock-in period”** means the period as explained under clause 21 (a) (i) and (ii) of this Offer Document.

**“Manager”** means an entity (i.e. ZAN SECURITIES LIMITED), which is responsible for the day to day management and administration of the Scheme.

**“Minister”** means the Minister responsible for matters relating to finance in the United Republic of Tanzania.

**“Net Asset Value” or “NAV”** means the value arrived at after taking the value of the Schemes assets and subtracting there-from the liabilities of the Scheme taking into account the accruals and provisions.

**“Offer Document” or “Offering Document”** means this offering document dated 3<sup>rd</sup> April 2024.

**“Record Date”** means the date appointed for entitlement relating to corporate actions such as income distribution.

**“Register”** means the register of Unit holders maintained by the Manager.

**“Repurchase”** means the purchase of Units either in part or in full, by the Scheme from Unit holders of Units previously sold and held by Unit holders.

**“Sale”** means the Initial Sale and the Subsequent Sale of Units and is explained as follows:

- (a) **“Initial Sale”** means the offer for sale of Units during Initial Sale period.
- (b) **“Subsequent Sale”** means the offer for sale of Units after closure of the Initial Sale.

**“Scheme”** means the **“Timiza Unit Trust Scheme”** or **“Timiza Fund”** incorporated pursuant to the Deed of Trust.

**“Service charge”** means that portion of the re-purchase price of a Unit which includes compulsory charges as well as expenses of the Manager in administering the Scheme.

**“Statement of Account”** or **“SOA”** means an accounting advice issued by the Scheme to a Unit holder indicating the number of Units held by the Unit holder in the Scheme.

**“Time”** means East African Standard Time.

**“Unit”** means a Unit issued under the Scheme representing a proportionate right in the beneficial ownership of the assets and to entitlement of the Scheme.

**“Unit Capital”** means the aggregate of the face value of units issued under the Scheme and outstanding for the time being.

**“Unit holder”** means a person or body corporate recognized by the Scheme as a bona fide holder of Units in the Scheme.

**“Zan Securities”** or **“Company”** means **ZAN SECURITIES LIMITED**, a registered Company under the Companies Act Cap 212.



# Contents

<b>1.0</b>	<b>SCHEME INITIATION.....</b>	<b>1</b>
1.1	Basis for Introduction of the Scheme.....	1
<b>2.0</b>	<b>CONSTITUTION AND MANAGEMENT OF ZAN SECURITIES LIMITED.....</b>	<b>1</b>
2.1	Management of Zan Securities.....	1
2.2	Functions of the Directors.....	1
<b>3.0</b>	<b>MANAGEMENT OF THE SCHEME .....</b>	<b>1</b>
3.1	Board of Directors.....	1
3.2	Zan Securities Limited Management Team.....	2
<b>4.0</b>	<b>DUTIES OF THE MANAGER .....</b>	<b>4</b>
<b>5.0</b>	<b>CUSTODIAN OF THE SCHEME .....</b>	<b>5</b>
5.1	Constitution of the Custodian .....	5
5.2	Board of Directors of the Custodian .....	5
5.3	Management of the Custodian.....	6
5.4	The Duties of the Custodian.....	9
<b>6.0</b>	<b>ASSOCIATED PERSONS .....</b>	<b>10</b>
<b>7.0</b>	<b>DUE DILIGENCE BY THE MANAGER.....</b>	<b>10</b>
<b>8.0</b>	<b>OFFER DETAILS AND SCHEME FEATURES .....</b>	<b>11</b>
8.1	The Timiza Fund – The Scheme and Investor Challenges it Addresses .....	11
8.2	Fund Type.....	11
8.3	Scheme Objectives.....	11
8.4	Eligible Investors (Who May Invest in the Scheme).....	12
8.5	Holding Basis .....	12
8.6	Tenure of investment .....	12
8.7	Requirements for Admission into the Scheme.....	12
8.8	Investment Options .....	12
8.8.1	Re-investment Option .....	12
8.8.3	Annual Income Option.....	13
8.9	Minimum Investment Amount – Entry Value during Initial Sale .....	13
8.10	Issue Price of Timiza Fund Units .....	13
8.10.1	Initial Sale.....	13
8.10.2	Subsequent Sale .....	13
8.11	Entry Load - Nil .....	13
8.12	Exit Load - Nil.....	13
8.13	Timetable for the Initial Sale .....	13
8.14	Initial Value and Sale / Repurchase Price .....	13
8.15	Initial Issue Expenses .....	14
8.16	Allotment of Units .....	14

<b>9.0</b>	<b>INVESTMENT POLICY</b> .....	<b>14</b>
<b>10.0</b>	<b>PERFORMANCE BENCHMARK - 10 YEAR TREASURY BOND</b> .....	<b>14</b>
<b>11.0</b>	<b>RISK FACTORS AND STEPS TAKEN TO MITIGATE IDENTIFIED RISKS</b> .....	<b>15</b>
11.1	Interest Rate Risk.....	15
11.2	Liquidity Risk .....	15
11.3	Exchange Rate Risks.....	15
11.4	Regulatory Risks .....	15
11.5	Company Specific Risks.....	15
11.6	Credit Risks.....	16
11.7	Distribution Risks.....	16
11.8	Tax-related Risks.....	16
<b>12.0</b>	<b>CHARGES TO THE SCHEME</b> .....	<b>16</b>
<b>13.0</b>	<b>CHARGES TO INVESTORS</b> .....	<b>16</b>
<b>14.0</b>	<b>ACCOUNTING POLICIES</b> .....	<b>17</b>
14.1	Accounting Policies.....	17
14.1.1	Income Recognition.....	17
14.1.2	Expenses .....	17
14.1.3	Investments.....	17
14.1.4	Provisions and Depreciation .....	17
14.1.5	Write-back of Existing Provision.....	18
14.1.6	Rescheduling of Payment of an Asset .....	18
14.1.7	Valuation of Financial Assets .....	18
<b>15.0</b>	<b>NOMINATION FACILITY</b> .....	<b>19</b>
<b>16.0</b>	<b>ACQUISITION OF UNITS</b> .....	<b>20</b>
16.1	When Units May be Acquired .....	20
16.2	Officers of Collection Agents of TIMIZA Fund.....	20
16.3	Investing in Timiza Fund from other countries.....	22
<b>17.0</b>	<b>PAYMENT FOR ACQUISITION OF UNITS</b> .....	<b>22</b>
<b>18.0</b>	<b>LIQUIDITY– SUBSEQUENT SALE AND REPURCHASE OF TIMIZA FUND UNITS</b> .....	<b>22</b>
18.1	Subsequent Sales and Repurchases.....	22
18.2	Procedures for Subsequent Sales of Timiza Fund Units.....	23
18.2.1	Additional Investments.....	23
18.2.2	Sales through Designated Agents.....	23
18.3	Procedures for Repurchase of Timiza Fund Units.....	24
<b>19.0</b>	<b>DISPATCH OF STATEMENTS OF ACCOUNT</b> .....	<b>25</b>
<b>20.0</b>	<b>INCOME DISTRIBUTION</b> .....	<b>20</b>
<b>21.0</b>	<b>TRANSFER OF UNITS</b> .....	<b>25</b>

22.0	COLLATERABILITY/MORTGAGE OF UNITS .....	26
23.0	ASSOCIATE TRANSACTIONS.....	26
24.0	“INVESTOR GRIEVANCE” REDRESSAL.....	26
25.0	DETERMINATION OF NET ASSET VALUE.....	26
26.0	UNIT HOLDERS RIGHTS AND SERVICES .....	27
27.0	TAXATION.....	28
28.0	TERMINATION OF THE SCHEME .....	28
29.0	GENERAL INFORMATION.....	28
30.0	ABSTRACT OF SIGNIFICANT PROVISIONS OF THE DEED OF TRUST FOR TIMIZA FUND.....	29
30.1	Compliance by Manager and the Custodian .....	29
30.2	Limit of Liability for Unit Holders.....	29
30.3	No Exemption of Liability for Manager and the Custodian .....	29
30.4	Interest of Unit Holders into the Property of the Scheme .....	29
30.5	Investment and Borrowing Restrictions.....	29
30.6	Valuation of Assets and Pricing .....	30
30.7	Dealing, Suspension and Deferral of Dealing .....	31
30.7.1	Circumstances under which Dealing can be Deferred or Suspended .....	31
30.7.2	Interval between Receipt of Request for Repurchase and Payment of Repurchase Money... 31	
30.8	Appropriation of income.....	31
30.9	Fees and Charges.....	31
30.9.1	Initial Charge .....	31
30.9.2	Subsequent Charge.....	31
30.9.3	Re-Investment Charge .....	32
30.9.4	Charges to the Scheme .....	32
30.10	Income Distribution Policy .....	32
30.11	Publication of Annual and Interim Reports.....	32
31.0	MEETINGS .....	33
32.0	DEATH OF A UNIT HOLDER.....	33

## **1.0 SCHEME INITIATION**

Upon launch, Timiza Unit Trust Scheme, otherwise known as “Timiza Fund”, will be a collective investment scheme managed by Zan Securities Limited.

### **1.1 Basis for Introduction of the Scheme**

Limited choice of existing products in the domestic financial market creates a need for further establishment of collective investment schemes, Zan Securities Limited identified gaps that have led to consideration for setting up the Timiza Fund. The Fund would meet the needs of investors seeking capital appreciation coupled with regular cash flows in the form of Income Distribution. With relaxed entry and exit requirements, the Fund will also provide convenience for investors looking for lucrative returns in long term debt securities without having to hold individual investments to maturity.

## **2.0 CONSTITUTION AND MANAGEMENT OF ZAN SECURITIES LIMITED**

### **2.1 Management of Zan Securities**

Zan Securities Limited is led by the board of directors that is comprised of three professionals. The Board is assisted by a management team that manages day to day operations of the Company.

### **2.2 Functions of the Directors**

The functions of the Directors include inter alia:

- (a) to maintain, operate or engage in any investment arrangement that would enable increase in value of assets and profit of the company;
- (b) to formulate in relation to any collective scheme:
  - i. any plan or plans, under which a person may acquire an interest in units;
  - ii. savings and insurance plan or plans under which a person may acquire an interest in units in association with or as the agent of the insurance company, but not including insurance business;
- (c) To extend investment or fund or portfolio management services to persons in and outside Tanzania.

## **3.0 MANAGEMENT OF THE SCHEME**

The Timiza Fund will be managed by Zan Securities Limited. Zan Securities Limited has a competent management team to carry out day to day operations of the Timiza Fund.

### **3.1 Board of Directors**

#### **(i). MR. ABDISALAAM ISSA KHATIBU- CHAIRMAN**

Abdisalaam Issa Khatibu is a distinguished businessman and leader with a career spanning over three decades. Since 2010, he has served as the Chairperson of Zansecurities Ltd, where his strategic vision and leadership have driven the company's success in the financial sector. Prior to his tenure at Zansecurities Ltd, he held several prominent roles in public service and international development. From 2008 to 2010, he represented the Makunduchi Constituency as a Member of Parliament and concurrently chaired the Parliamentary Committee for Industries and Trade. His advocacy for economic growth and trade policies contributed significantly to the development of Tanzania's industrial sector during his parliamentary tenure.

He served as the Deputy Minister for Finance in the United Republic of Tanzania from 1995 to 2008. In this capacity, he played a pivotal role in fiscal policy formulation and economic management, earning recognition for his commitment to fiscal prudence and sustainable development. Abdisalaam Issa Khatibu's dedication to agricultural development and rural empowerment is evident in his extensive experience with the Food and Agriculture Organization (FAO). As a National Project Advisor and later as the National Project Director/Team Leader, he spearheaded initiatives to promote smallholder-oriented irrigated rice production in Tanzania. His efforts to enhance agronomic research, improve seed distribution systems, and facilitate training programs have had a lasting impact on agricultural productivity and food security in the region.

**(ii). MR. HARRY KITILYA - DIRECTOR**

Mr. Harry M. Kitilya was the Commissioner General of the Tanzania Revenue Authority (TRA) since 2003 - 2013. He graduated with B.A Hons at the University of Dar es Salaam in 1972, obtained his M.Acc at Bowling Green State University in the USA in 1978. In 1992 and 2007 he attended the PIAM and Senior Executive Fellows (SEF) at Harvard University. Prior to this appointment, he was the Deputy Commissioner General for two years and earlier on the Commissioner for Income Tax since the inception of TRA in 1996 seeing the Central Government tax administration functions in Tanzania. He has been a member of the National Tax Appeals Board, UN Committee of Experts in International Cooperation in Tax Matters, Joint Finance Commission of Tanzania, Management Committee of the Commonwealth Association of Tax Administrators (CATA) and Export Processing Zone Authority (EPZA). Mr. Harry M. Kitilya is currently chairman of the board of directors TOL Gases Limited

**(iii). MR. MELVINNE HARRY KITILYA – DIRECTOR**

Mr. Kitilya is a seasoned financial market professional with over seven years in the field, specializing in equities, fixed income, research and private placements. He is licensed by the Capital Markets & Securities Authority (CMSA) as Authorized Dealers Representative to the Dar es Salaam Stock Exchange (DSE), Commodities Dealer Representative and Derivative Trader. Prior to joining Zan Securities Ltd, Mr. Kitilya worked for OMNI Development Corporation as the Finance Officer, specializing in real estate development projects in Dar Es Salaam, Tanzania. He has an extensive knowledge and working experience with the real estate market in Dar es Salaam. Mr. Kitilya holds a bachelor's degree in Business Management and Hospitality Management from Michigan State University.

**3.2 Zan Securities Limited Management Team**

**(i). MR. RAPHAEL MASUMBUKO RUTAMAGA**

Mr Raphael Masumbuko is the Chief Executive Officer of Zan Securities Limited, and is a distinguished capital markets expert in Tanzania. With a career spanning over 20 years, he has established himself as a prominent figure in the industry. As the CEO of Zan Securities Ltd, a licensed dealing member of the Dar es Salaam Stock Exchange, investment advisor, and fund manager, he provides comprehensive and diversified capital markets services, catering to an array of clients including banks, pension funds, private investors, foreign fund managers, and high net worth individuals. He has enhanced his expertise through working with numerous stock brokerages over the years. Mr Raphael Masumbuko is licensed by the Capital Markets & Securities Authority (CMSA) as Authorized Dealers Representative, Nominated Advisor

representative (NOMADR) and Investment advisor, Dar es Salaam Stock Exchange Floor Trader and attended East Africa Securities Industry Training Institute (SITI) course. He also attended training on Capital Market development leaders organized by London Stock Exchange UK. Mr Raphael Masumbuko worked for various stock brokerage firms and banks; including Vertex International Securities Ltd, Orbit Securities Co Ltd, Akiba Commercial Bank and Sumaria Group. He has extensive knowledge and working experience of equities, fixed income, and foreign exchange. He holds a Master of Science in Accounting and Finance from Mzumbe University, He holds a Securities Certificate from the London Stock Exchange, a testament to his global perspective and industry recognition. Additionally, his East Africa Securities Industry Certificate, awarded by the East Africa Securities Industry Training Institute in Uganda. His leadership philosophy centers on integrity, innovation, and inclusivity, all of which contribute to shaping a brighter future for both the industry and Tanzania.

**(ii). CPA (T) FADHILA NASSIR MBURA**

Mrs. Mbura is the Finance and Investments manager with Zan Securities. She has over seven years' experience in financial Markets. She joined Zan Securities in 2015. Prior to her current role, Mrs Mbura was a finance officer then senior finance officer at Zan Securities. She holds Bachelor of Science in Accounts and Finance with Honors from Iringa University formerly as Tumaini University, and is a Certified Public Accountant- CPA (T). She is also licensed by the Capital Markets & Securities Authority (CMSA) as Authorized Dealer Representative certificate from the Capital Markets and Securities Authority and the Chartered Institute for Securities and Investment of London., Commodities Dealer Representative and Derivative Trader certificate from the Capital Markets and Securities Authority.

**(iii). MR. MELVINNE HARRY KITILLYA**

Mr. Kitillya is a seasoned financial market professional with over seven years in the field, specializing in equities, fixed income, research and private placements. He is licensed by the Capital Markets & Securities Authority (CMSA) as Authorized Dealers Representative to the Dar es Salaam Stock Exchange (DSE), Commodities Dealer Representative and Derivative Trader. Prior to joining Zan Securities Ltd, Mr. Kitillya worked for OMNI Development Corporation as the Finance Officer, specializing in real estate development projects in Dar Es Salaam, Tanzania. He has an extensive knowledge and working experience with the real estate market in Dar es Salaam. Mr. Kitillya holds a bachelor's degree in Business Management and Hospitality Management from Michigan State University.

**(iv). MR. ISAAC MGEMA LUBEJA**

Mr Isaac Lubeja is the Advisory and Research Manager with Zan Securities. He is a seasoned capital market professional with experience in research, financial advisory, debt and equity capital markets, fund management, client acquisition and engagement. With a strong passion for contributing to the development of the capital markets in Tanzania, Isaac actively engages in research and public discussions, as well as delivers presentations to promote growth and innovation in the industry. As the Advisory and Research Manager at Zan Securities, Isaac plays a pivotal role as the corporate finance liaison, overseeing equity and debt financing. Isaac is an Associate member of the Chartered Institute for Securities and Investments UK (CISI), showcasing his commitment to continuous learning and professional development. In addition, Isaac is a

certified Financial Modelling and Valuation Analyst (FMVA) by the Corporate Finance Institute further validating his expertise in financial analysis and valuation. With his in-depth knowledge and experience in the capital markets, Isaac is a trusted advisor to clients and stakeholders alike. He is well-regarded for his analytical acumen, and ability to deliver innovative solutions to complex financial challenges.

**(iv). MR. GODLUCK SAMWEL**

Godluck Samwel is the technology and trading manager at Zan Securities, he has over a decade of experience in the Information and Communication Technology (ICT) industry, coupled with a multifaceted skill set in Product/Service Development, Project Management, and Professional Coaching, Godluck stands as a seasoned professional in the industry. He Holds a Bachelor's degree with honors in Electronic Science and Communication from the University of Dar es Salaam, Tanzania , and a Masters degree in Electronic Engineering and Information Technology, COET, UDSM. He has accumulated Professional qualifications such as Cisco Certifications in Network & Security, Operating Systems, Cyber Security, to MySQL Database and Juniper Certification. His expertise extends beyond technical realms, evidenced by Professional Teaching Methodology Certificates and Project Management Professional (PMP) credentials. Membership commitment to professional excellence. Godluck worked as a Senior Engineer at Vodacom (T) Ltd. from January 2008 to December 2013, where he played part in significant projects in IP Networks and Security. His contributions ranged from WiMAX Network Installation and Quality of Service (QoS) deployment to the setup of new Data Corporate Networks and Vodacom Data Centres. Prior to his corporate endeavors, Godluck served as an Academic Staff at the University of Dar es Salaam from June 2006 to January 2010, where he immersed himself in research, consultation services, and teaching within the Electronics and Communications Department. His academic pursuits revolved around Wireless Technologies, Artificial Intelligence, Cyber Security, and Electronics Instrumentation, reflecting his passion for continuous learning and innovation.

**4.0 DUTIES OF THE MANAGER**

The Manager of the Scheme has the following duties:

- (a) manage, the Scheme in accordance with the Deed of Trust in the exclusive interest of the Unit holders and fulfill the duties imposed on it by the general law;
- (b) maintain or cause to be maintained the books and records of the Scheme and prepare the Scheme's accounts and reports, including at least two reports to be published in respect of each financial year and sent to all registered Unit holders;
- (c) publish and distribute to Unit holders annual reports within four months of the end of the Scheme's financial year provided that the Manager may subject to approval of the Authority distribute an abridged version to Unit holders;
- (d) maintain an up-to-date register of holders of Units;
- (e) ensure that appropriate systems and procedures are put in place for servicing investors;
- (f) ensure that the Deed of Trust is made available for inspection by the public in Tanzania, free of charge at all times during normal working hours at its place of business and make copies of such documents available upon the payment of a reasonable fee.

## **5.0 CUSTODIAN OF THE SCHEME**

### **5.1 Constitution of the Custodian**

The Custodian of the Scheme is Mwanga Hakika Bank Limited (MHB) which is a commercial bank licensed to carry out banking business under the Banking and Financial Institutions Act, 2006. The Bank which is a public limited liability company was incorporated on 4<sup>th</sup> May 1998 and carries a Certificate of Incorporation No. 33931. Its registered office is situated at Mwanga Tower, 16<sup>th</sup> Floor, New Bagamoyo road, P.O Box 11735, Dar es Salaam.

### **5.2 Board of Directors of the Custodian**

#### **(i). ENG RIDHUAN MRINGO**

Eng. Ridhuan Mringo is currently the group Chairman of Derm Group that own companies of Derm Electrics Tanzania Limited, Skyline Properties Limited and Derm Elevators (OTIS Exclusive Distributor in Tanzania). He is an Electrical Engineer by profession with vast experience in engineering project management and leading first class corporate organizations. Eng. Mringo brings in to the bank a wide range of experience in areas of Leadership, Entrepreneurship, Business Strategies and Investments.

#### **(ii). ENG RAYMOND THADEUS**

Eng. Raymond is a science graduate (BSc. in Geology) with extensive training in Finance, Economics, and Accounting. He is thoroughly equipped with first-rate analytical, negotiation, management, and interpersonal skills. While being a decisive self-starter and committed to job performance responsibilities, he also possesses strong commercial instinct and business acumen, a team mindset, and an inherent ability to communicate with a wide range of people as well as resource scheduling ability. He has over 10 years of work experience in roads construction and the extractive industry (mining, oil, and gas - artuma energy).

#### **(iii). ENG JOHN K MSEMOM**

Eng John K Msemom Completed BSc. Eng (Civil) for Makerere University of Kampala in 1995, then employed in 1995 and Graduated MBA (Finance) in 2011. In between 1995 to date he has attended professional training and supervision of merger projects of National interest as Project Manager and/or member of the Steering committee. He represented the country in various negotiation teams be it for the Kigamboni bridge to Power generation projects. He has over twenty seven years of experience and achieved the highest level of professional career and got registered as independent Consulting Engineer in 2017. He was first registered as Professional engineer in 2001 and later in the same year was registered as a Corporate member of IET.

#### **(iv). CPA(T) ZUKRA ALLY**

Zukra Ally previously worked as a Tax Director at Taashi Consulting Limited and Tax team of PricewaterhouseCoopers Tanzania. She is a Chartered Public Accountant (CPA T), a registered tax consultant with the Tanzania Revenue Authority (TRA) and also a Board member of Mwanga Hakika Microfinance Bank Limited. She has worked extensively with various organisations in various sectors and has offered advice in regards to a wide range of taxation issues including corporate tax, withholding taxes, Pay As You Earn (PAYE), Skills and Development Levy, social security matters, Stamp Duty and interpretation of various tax legislations. She has vast experience in tax health checks, due diligence, dispute resolution and tax compliance issues. She has also conducted tailor made tax trainings in various organisations.



**(v). ENG THOMAS UIISO**

Eng. Uiso is the Managing Director and Chief Executive Officer of Namis Corporate Limited. He is a registered professional Engineer with ERB. Eng. Uiso has over 15 years experience in electrical construction and installation. His experience involves construction of HT 33kv line, installation of substation, Construction of 11 kV outgoing feeders, construction of electrical distribution infrastructure to rural areas. He also has practical experience in building and civil construction works. He has experience in designing and planning power line distribution, maintenance programme in power line distribution networks, and construction practice of power distribution networks, installation and maintenance of substations. Eng. Uiso has attended various courses including management course in South Africa and other professional courses offered in Tanzania. He holds BSc in Electrical Engineering from the University of Dar es Salaam and a MBA in Finance from the same University. He is the founder of Namis Corporate Limited, after having worked with TANESCO for over 8 years in several positions.

**5.3 Management of the Custodian****(i). MR JAGJIT SINGH**

Mr. Jagjit Singh is a multi-skilled person and possess over 25 years' of cross functional experience of working at senior level positions in the areas of: Banking & Finance, Capital Markets Operations, Fund Raising, Treasury Management, Fund Accounting, Operations Management, Risk Management, Design of innovative Financial Products, Managing High Volume Financial Transactions, Business Development, Project Finance, preparation of Corporate Governance Documents, and Business Turnaround Specialist. Prior to joining Mwanga Hakika Bank Limited as Managing Director, Mr. Singh worked with Unit Trust of Tanzania [UTT] and its group companies. During his stint with UTT, Mr. Singh played a pivotal role in making Unit Trust of Tanzania as a household name in the country. Additionally, Mr. Singh was instrumental in spearheading the Organization restructuring exercise at UTT, which culminated into formation of three different companies' viz. UTT Asset Management & Investor Services Plc., UTT Projects & Infrastructure Development Plc and UTT Microfinance Plc. Mr. Singh holds a Master degree in Business Administration [MBA – Finance] and a bachelor degree in BA-Economics. In India, among other companies Mr. Singh worked with a renowned financial services company promoted by the then India's largest mutual fund i.e. Unit Trust of India.

**(ii). MR PROJEST MASSAWE**

Mr. Projest Massawe is a seasoned and experienced Banker with 20 years of involvement in the Banking and professional Industry positioned as an undisputable guru in areas of Business Management. His carrier journey started at NMB bank during its transformation as a Loan Officer, Branch Commercial Manager then to level of Microfinance Manager at Head Office where he managed to sharpen his knowledge and skills through engagement in various areas such as Sales, Credit analysis, Portfolio Monitoring, and Portfolio Management. He later joined ACB Bank as Head of SME Loans and through his commendable job he has succeeded to grow up to Senior Management level serving as a Senior Manager Business Banking. He holds Postgraduate Diploma in Business Administration and Advanced Diploma in Accountancy from the Institute of Finance Management. Also, he was trained by IDI Ireland on Strategic Banking and Developments

**(vii). MR DOMINICK MNZAVA**

Mr. Dominick Mnzava is a Certified Public Accountant CPA (T) from NBAA with Bachelor Degree in Accounting from Bugema University. He has 9 years' experience with Banking Industry in area of Operations, Finance and Management. He has also experience in project activities where is working as project accountant from different donors who are supporting the Mwanga Community Bank Ltd and also is a Chairman of Mwanga District Audit Committee since 2019. Prior joining Mwanga Community bank Ltd he has also worked as Human Resources officer at Asilia Lodges and Camp in Tanzania Mainland and Team leader of the team which conducted Public Expenditure Tracking system ( PET) at Same district in 2009.

**(viii). MR HAMISI CHIMWAGA**

Mr. Hamisi Chimwaga is a multi-skilled person with more than 10 years solid experience in Microfinance Projects and Banking sector. He has cross functional experience of working from Junior level to senior level positions in the areas of: Banking & Finance, Information Technology, Project Management, Microfinance, Operations Management, Management of Donor funds, Proposal writing, Business Plan Preparations and Specialized skills in training and mobilization of Village Savings and Loans Associations (VSLAs).

**(ix). MS JUDITH HALINGA**

Ms. Judith Halinga joined Mwanga Hakika Bank in 2021 and has over 12 years of banking experience in both Commercial and Microfinance. Prior to joining Mwanga Hakika Bank, she worked for United Bank for Africa as Senior Relationship Manager (Government and institution Banking). Prior to joining United Bank for Africa, she worked for Letshego Bank Tanzania where she held various positions including Relationship manager (Institution Banking), Alternative channels supervisor, Deposit and Financials services supervisor, and senior business development officer. Ms. Judith Halinga holds a master's degree in Business Administration (Marketing) from the University of Dar es Salaam.

**(x). MR GEOFFREY MSUBA**

Joined the bank in March 2022, where he works with the bank as Senior Manager – Risk and Compliance. Before joining MBH Bank he used to work with Equity Bank (T) Ltd for seven years where he serves in different roles in Operations Department and Risk and Compliance Department. He has extensive knowledge in areas of Bank Operations, Agency Banking, Credit Management, Fraud Investigations, compliance reviews and Enterprise Risk Management. He has Masters of Science in Finance and Investment from Institute of Finance Management (IFM) and Bachelor of Commerce in Accounting (Hons) from University of Dar es Salaam (UDSM). He also has two ISO certifications, Certified ISO 22301 Certified Business Continuity Management and Certified Disaster Recovery Manager.

**(iii). MR YONAH M MGONGOLWA**

Mr. Yonah M. Mgongolwa is a Certified Public Accountant CPA (T) with Bachelor of Commerce and Management majoring in Accounting (B.COM) from University of Dar es Salaam (UDSM)-UDBS-University of Dar es Salaam Business School. He has attended various Seminars and training such as the Bank of Tanzania (B.O.T) training course on credit Management, loan appraisal, and recovery conducted at the Bank of Tanzania headquarters Dar es Salaam. TRAINING COURSE ON B.O.T PRUDENTIAL REGULATIONS, An overview of the Banking sector, Banking industry

Regulatory Environment in Tanzania, Banking and Financial Institutions Act, 2006 and Risk Management Guidelines, 2010. He has more than 8 years of Experience In Credit, Operations, Business Development, And Risk Management Gained In Various Financial Institutions In Tanzania.

**(iv). MS NANCY KISSANGA**

Nancy Kissanga is an advocate of the High Court of Tanzania with over 7 years of experience advising general corporate entities in the areas of banking and finance, general corporate and commercial law, and litigation. Nancy is the Head of Legal and Company Secretary of Mwanga Hakika Microfinance Bank Ltd, as well as serves as a member of the Management Board charged with overseeing Mwanga Hakika Microfinance Bank Ltd legal operations and corporate governance. She acts as Secretary to the Board of Directors of Mwanga Hakika Microfinance Bank Ltd. Prior to joining Mwanga Hakika Microfinance Bank Ltd, Nancy started her career journey as an Advocacy Intern at World Vision Tanzania-Dar es Salaam zone, later worked in a corporate law firm in Dar es Salaam as an Advocate where she was later promoted to partner level where she gains a vast experience in legal and banking sector by representing different clients

**(v). MR MAULIDI MATIMBWA**

Mr. Maulidi Matimbwa joined Mwanga Hakika Microfinance Bank as IT Manager through one of its merged entities in December 2018 from NMB Bank Plc where he had worked as Senior Database Administrator looking after the whole portfolio of NMB bank databases ranging from Oracle, MS SQL Server and MySQL. Prior to joining NMB he has also worked as System and Database Administrator and later on promoted to Systems Support Manager at FINCA Tanzania Microfinance Bank. He has over 9 years' worth of experience in banking industry, having worked in Information Technology, Projects Management, Business Process Improvement, Business Continuity Management, Business Intelligence and Bank's Reports Development. Maulidi also has notable competency working with Orbit Rubikon, Sysde SAF and Bankers Realm .NET Core Banking Systems in both Support and Transformation. Maulidi holds a BSc in Computer Science from University of Dar es Salaam and certification in OCA and OCP. Also holds ITIL certification for IT Service Management Skills from Axelos. He is also a member of Tanzania Institute of Bankers (TIOB)

**(vi). MR ELIFURAHA CHARLES**

Mr. Elifuraha Charles is a Certified Public Accountant CPA (T) from NBAA with Postgraduate Diploma in Accountancy (PDGA) from Institute of Accountancy Arusha and Advanced Diploma in Accountancy (ADA) from College of Business Education Dar es Salaam. He has 10 years' experience with Banking Industry in the area of Operations, Finance, Risk Management and Internal Audit. Mr. Elifuraha Charles attended various seminars, training and workshops conducted by Bank of Tanzania (BOT), Institute of Internal Auditors and National Board of Accountants and Auditors. Mr. Elifuraha Charles is also a member of Institute of Internal Auditors (IIA), National Board of Accountants and Auditors (NBAA) and Tanzania Institute of Bankers (TIOB).

#### 5.4 The Duties of the Custodian

The duties of the Trustee are spelt out in the Law as well as Deed of Trust of the Scheme. These duties include to:

- (a) Take into custody or under his control all the property of the Scheme and hold it in trust for the Unit holders in accordance with the provisions of the Deed of Trust, and ensure that cash and registrable assets are held or registered in the name of or to the order of the Scheme;
- (b) be liable for any act or omission of any agent with whom any investments in bearer form are deposited as if they were the act or omission of any nominee in relation to any investment forming part of the property of the Scheme;
- (c) take reasonable care to ensure that the Initial Sale, repurchase, and cancellation of Units effected by the Scheme are carried out in accordance with the provisions of the Deed of Trust;
- (d) take reasonable care to ensure that the methods adopted by the Manager in calculating the value of Units are adequate to ensure that the sale and repurchase prices are calculated in accordance with the provisions of the Deed of Trust;
- (e) carry out the instructions of the Manager in respect of investment unless they are in conflict with the provisions of the Deed of Trust;
- (f) take reasonable care to ensure that the investment and borrowing limitations set out in the Deed of Trust and conditions stipulated in any law or regulations under which this Scheme is authorized are complied with;
- (g) issue a report to the Unit holders to be included in the annual report on whether in the Custodian's opinion, the Manager has in all material respects managed the Scheme in accordance with provisions of the Deed of Trust. If the Manager has not done so, the respects in which it has not done so and the steps which the Custodian has taken respect thereof;
- (h) take reasonable care to ensure that Statements of Account are not issued until subscription moneys have been paid;
- (i) ensure that any registrable investments which are held for Unit holders in the Scheme are properly registered in the name of the Scheme or other eligible nominee; and
- (j) where title to investments is recorded electronically, to ensure that entitlements are separately identified from those of the Manager of the Scheme in the records of the person maintaining records of entitlement.

#### 6.0 ASSOCIATED PERSONS

Neither the Custodian nor the Directors are associated Persons.

**6.0 ASSOCIATED PERSONS**

Neither the Custodian nor the Directors are associated Persons.

**7.0 DUE DILIGENCE BY THE MANAGER**

It is confirmed that:

- (a) the Offer Document forwarded to CMSA is in accordance with the Capital Markets and Securities Act, Cap 79 of the laws of Tanzania and the Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997 [G.N No: 770 of 1997];
- (b) all legal requirements connected with the launching of the Timiza Fund Scheme including guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with;
- (c) The disclosures made in the offer document are true, fair and adequate to enable investors to make a well informed decision regarding investment in the proposed Scheme.

Date: 8<sup>th</sup> APRIL 2024

Mr. Raphael Masumbuko  
Chief Executive Officer

Place: Dar es Salaam

Signed by the Chief Executive Officer



## **8.0 OFFER DETAILS AND SCHEME FEATURES**

### **8.1 The Timiza Fund – The Scheme and Investor Challenges it Addresses**

ZAN SECURITIES LIMITED has developed the Timiza Fund in response to the limited choice that investors face for investing in collective investment schemes in Tanzania. The financial market offers products and services that are intended to meet different client needs. Some of the products are straight forward and are easily accessible but do not offer the best returns while others require use of agents including dealers, brokers, investment advisors etc. Other products require specialized knowledge, tasking procedures and large amount of funds to be allowed to participate. Given the risks involved, some products require services of professionals who are vetted and computer systems with strict regulations that impose heavy penalties in case of non-compliance. Once an investment is made, partial or full, exit from that fund is a challenge for some of the products to the extent that offering large discounts, accepting loss of accrued benefits or waiting for buyers for a long time become necessary.

For investors looking for a low risk, convenient, long term investment or savings product, with capital appreciation, the Timiza Fund is the solution as it addresses most of the challenges pointed out. With the Timiza Fund, investors will have access to good returns from listed equities and long term debt securities at low risk while maintaining liquidity of their investment through partial or full Repurchase of Units of the Fund. The Fund will invest in high quality listed equities, debt securities and liquid assets only to strike a balance between returns and liquidity needs of investors in the Fund.

### **8.2 Fund Type**

The Timiza Fund is an open-ended balanced fund that invests in Fixed income securities, money market investments and listed equities.

### **8.3 Scheme Objective**

- (a) The Fund aim at providing capital appreciation for long term investor and distributing income, subject to distributable surplus, periodically relaxed entry and exit requirements, the Fund will also provide convenience for investors looking for returns in long term debt securities without having to hold individual investments to maturity.
- (b) The Timiza Fund is an empowerment scheme that provides opportunity for investors to invest and participate in the capital markets and obtain a return on their investment. The Scheme has therefore been structured in such a way that it provides opportunities for low, middle and high income potential investors, be individuals as well as corporate bodies and formalized community based organizations to participate in it. The main objective of the Scheme is to empower participating investors through wide ownership of its Units and encourage a culture of savings in financial assets.
- (c) Moreover, the Scheme provides flexible long-term investment opportunity to investors who wish to invest in fixed income securities. Annual income distribution coupled with tailored choice by investors to receive or re-invest the payout makes the Scheme responsive to varying investor financial circumstances over time.

#### 8.4 Eligible Investors (Who May Invest in the Scheme)

The Fund is open for investment to all domestic and foreign investors including:

- (a) Resident and non-resident citizens of Tanzania or partner states of the East African Community either individually or jointly. In case of Joint Holding, both Unit holders need to sign the prescribed request form for all transactions while in case of holding on 'either or survivor' basis, these request forms can be signed by either of the Unit holders and the transaction request including Repurchase would be processed in favor of the Unit holder who has signed the form. This additional facility is fully voluntary and has been introduced in view of the fact that senior Citizens should not face much difficulty in realizing their investments;
- (b) parents or lawful guardians on behalf of resident or non-resident Tanzanians or East Africans who are yet to attain majority age;
- (c) bodies corporate incorporated in Tanzania or East African partner states;
- (d) local Government authorities;
- (e) pension or social security funds incorporated in Tanzania or other East African partner states in which the sponsor is a body corporate incorporated in Tanzania or East Africa and the beneficiaries are citizens of East Africa;
- (f) cooperative societies, charitable or religious trusts, other community based groups as well as investment clubs registered in any East African states in which non-citizen individuals or companies incorporated outside East Africa do not hold any equity;
- (g) such other individual/ institution/body corporate etc. as may be decided by ZAN SECURITIES from time to time, so long as wherever applicable they are in conformity with Regulations by the Capital Markets and Securities Authority.

#### 8.5 Holding Basis

Single as well as Joint Holding as opted by respective investors. However, Joint Holding is allowed only to individual category of investors.

#### 8.6 Tenure of investment

The Scheme is open ended and one can remain invested as long as one desires.

#### 8.7 Requirements for Admission into the Scheme

Every eligible person desirous of participating in the Scheme shall:

- (a) Complete the application form specified by the Manager;
- (b) Pay the requisite amount as per the chosen investment plan.

#### 8.8 Investment Options

The Scheme offers two main options aimed at serving various investment objectives suitable for investors of various profiles. The Scheme offers:

- (a) growth (re-investment) option;
- (b) annual income option.

The amounts received under all plans shall be managed as one single investment portfolio. Investors should indicate the plan for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the application form. In case of valid applications received without indicating any choice of plan, it shall be considered for annual reinvestment plan and processed accordingly. Investors must use separate application forms for investing simultaneously in different plans of the Scheme, subject to the minimum subscription requirements under each plan. More details on each of the plans are provided below:

##### 8.8.1 Re-investment Option

Under Reinvestment option, no regular income distribution payments will be made to the Unit holders and instead it will be ploughed back and Units issued to the investor based on applicable NAV. The Unit holders under this option can exercise partial or full repurchase of their Units subject to fulfilling conditions as set for effecting any repurchase transaction under the Scheme.

**8.8.2 Annual Income Option**

Under annual income option, income will be distributed after every twelve months depending on availability of distributable income. The Unit holders under this option can also exercise partial or full repurchase of their Units subject to fulfilling conditions as set for effecting any Repurchase transaction under the Scheme.

**8.9 Minimum Investment Amount – Entry Value during Initial Sale**

Minimum amount to be invested during the Initial Sale depends on the option chosen by each investor as indicated below:

- (a) under re-investment option, the minimum investment during Initial Sale of Units is 100 Units. Since the initial value of a Unit is TZS 100/=, the price of acquisition is TZS 10,000 (Ten thousand Shillings). No initial charge will be levied on the investor during the initial purchase;
- (b) under annual income option, the minimum investment is 10,000 Units which is equivalent to TZS 1,000,000 (One Million Shillings). Based on financial circumstances, and with this amount invested in the Timiza Fund, the investor may choose to receive income distribution every twelve months.

There is no maximum target for the size of the Scheme and therefore, subject to the applications being in accordance with the terms of this Offer Document, full and firm allotment will be made to the Unit holders. There is therefore no maximum investment amount limit.

**8.10 Issue Price of Timiza Fund Units**

**8.10.1 Initial Sale**

Units shall be sold at initial (face) value of TZS 100 per Unit without any upfront entry load.

**8.10.2 Subsequent Sale**

The Scheme shall be open for Subsequent Sale operations after the lapse of 15 days Cool off Period (i.e. 27<sup>th</sup> June, 2024 to 11<sup>th</sup> July, 2024) from the Initial Sale closure date. Once Subsequent Sale is open, Units of the Fund shall be sold at the applicable NAV without any entry load.

**8.11 Entry Load - Nil**

Units of the Fund shall be issued / allotted without charging any entry load.

**8.12 Exit Load - Nil**

Repurchase of Scheme Units shall be processed at the prevailing applicable N A V without charging any exit load.

**8.13 Timetable for the Initial Sale**

The time table for the Initial Sale of Timiza Fund Units to the public is as follows:

a)	Opening of the Offer	27 <sup>th</sup> May 2024
b)	Closing of the Initial Sale	26 <sup>th</sup> June 2024
c)	Cool off period	27 <sup>th</sup> June 2024 – 11 <sup>th</sup> July 2024
d)	Notification of Results	12 <sup>th</sup> July 2024
e)	Dispatch of Statements of Account	15 <sup>th</sup> July 2024
f)	Open to subsequent sale	15 <sup>th</sup> July 2024

**8.14 Initial Value and Sale / Repurchase Price**

Initial value of a Unit of the Fund is TZS 100. The sale price during the initial offer will therefore be based on this value. Subsequent Sale and Repurchase transactions shall be based on the applicable business day’s NAV of the Scheme without any charges.



### 8.15 Initial Issue Expenses

The followings are the initial issue expenses:

- (a) advertising;
- (b) commission to agents;
- (c) printing and marketing expenses; and
- (d) miscellaneous expenses.

These expenses will be charged to the sponsor of the Scheme. The Scheme will not be charged with any initial expenses.

### 8.16 Allotment of Units

There is no maximum target for the size of the Scheme and therefore, subject to the applications being in accordance with the terms of this offer, full and firm allotment will be made to the Unit holders. Units shall be allotted up to four decimal places. Allotment of Units shall be subject to the realization of invested amount by the Manager and the applicant fulfilling all eligibility conditions as set out in this Document.

## 9.0 INVESTMENT POLICY

(a) The profile of the Scheme's investment is a balanced portfolio. Fixed income securities will comprise 0%-100% of the portfolio, listed equities will be fixed at a maximum of 50%. The Manager shall keep adequate liquid assets in anticipation of calls for re-purchase. No investment in unlisted equity instruments shall be made.

(b) Asset allocation of the Fund based on the Investment Policy shall be as indicated hereunder:

	Type of investment	Minimum	Maximum
i)	Fixed income securities	0%	100%
iii)	Listed Equities	0%	50%

(c) Investment Strategies

The Timiza Fund's investment management philosophy is based on preservation of capital and generation of competitive returns to investors as priorities. Subject to approval of the Authority and in compliance with Regulations, the asset allocation indicated above may change from time to time in response to variations in market condition, emerging opportunities, political environment and economic factors. It should be noted that the percentages stated above are indicative and not absolute and may vary substantially depending upon the information the Manager has; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in investment strategy will be short lived and only for defensive or specific considerations. ZAN SECURITIES shall seek approval from the Authority prior effecting any changes in the Investment Strategy.

## 10.0 PERFORMANCE BENCHMARK – 10 YEAR TREASURY BOND

Investment returns of the Scheme shall be benchmarked against the prevailing return of the 10 Year Treasury Bond. This benchmark may be changed by the Manager of the Scheme subject to approval of the Authority and communication to the Unit holders.

## **11.0 RISK FACTORS AND STEPS TAKEN TO MITIGATE IDENTIFIED RISKS**

Investors should note that investments in the Scheme are subject to market risks and the Net Asset Value of the Fund may go up or down depending upon the factors and forces affecting the securities market. Past performance is not necessarily indicative of the future. Investors should be aware that the following risks may affect performance and steps taken by the manager in mitigating identified risks.

### **11.1 Interest Rate Risk**

Investors should be aware that the Fund is exposed to the changes in interest rates in the economy which may affect the value of fixed income and equity securities in which the Scheme has invested. ZAN SECURITIES manages this risk by diversifying its investments on bond with different tenures and coupon rates, investing in fixed deposits with different time horizons and employing duration strategies. ZAN SECURITIES will also take a dynamic approach in Equities through strategic sector allocation aligning with interest rate expectations and adjust the portfolio accordingly.

### **11.2 Liquidity Risk**

The Fund is also exposed to liquidity risk resulting from difficulty in selling securities timely and at prices that do not result in loss of value. Liquidity in the domestic bond market or other markets in other countries where some of the securities held by the scheme are traded may be low leading liquidity risk. ZAN SECURITIES manages these risks through Investing in a diversified portfolio which consists of investments such as treasury bonds and treasury bills with different investment horizon that the fund can conveniently sell. This will allow the fund to sell long-term investments when they have risen in value.

### **11.3 Exchange Rate Risks**

Investors should be aware of risks associated with economic losses that may be caused by changes in foreign exchange rates between local currency and foreign currencies. Changes in exchange rates may affect the value of the scheme's investments in foreign currency denominated securities. To manage this risk ZAN SECURITIES has set an investment policy with allowable investments in local currency only. The Fund will not invest in foreign currency denominated investments.

### **11.4 Regulatory Risks**

Investors should be aware of risks associated with changes in the act/regulation. This can have an adverse impact on the working of the scheme. ZAN SECURITIES will stay abreast of regulatory developments and maintain open communication with investors and regulators to address concerns and navigate regulatory challenges effectively.

### **11.5 Company Specific Risks**

Investors should be aware of risks directly associated with the performance of companies whose ordinary shares are acquired and held by the scheme. ZAN SECURITIES mitigates this risk through diversification by further spreading investments across a wide range of companies and sectors. Also by gaining insights into the broader economic and market dynamics, ZAN SECURITIES will make informed decisions about sector allocations and adjust the portfolio accordingly to mitigate concentration risk.

### 11.6 Credit Risks

Investors should be aware of risks associated with default in debt servicing/repayment of debt; or downgrading by rating agencies by the issuers of listed corporate bonds that the scheme may invest in. ZAN SECURITIES mitigates this risk by diversifying credit exposures across issuers, industries, geography; also by continuously monitoring creditworthiness of issuers and credit quality of portfolio holdings.

### 11.7 Distribution Risks

Investors should be aware of risks associated with the Periodical distributions which shall be dependent on the returns achieved by the Manager through careful management of the portfolio. Periodical distributions may therefore vary from period to period, based on investment results of the portfolio. To manage this risk ZAN SECURITIES will strategically tilt the portfolio to stable income-generating securities such as bonds to help reduce income volatility and enhance the reliability of income distributions.

### 11.8 Tax-related Risks

Investors should be aware of risks to the income of the scheme as well as the income distribution that may be caused by changes in the taxation regime of unit trusts. ZAN SECURITIES will closely monitor changes in tax laws and regulations and ensure compliance with all applicable tax requirements. This will include staying informed about proposed tax changes and implementing necessary adjustments to the investment strategy and portfolio holdings.

## **12.0 CHARGES TO THE SCHEME**

The income of the Scheme will be charged with costs to a maximum of 2.1% of NAV including:

- (a) taxes as per the rates applicable;
- (b) investment management fee at 1.3% of NAV;
- (c) custodian fees at 0.1% of NAV with the minimum of TZS 10,000,000 per annum;
- (d) other charges at 0.7% of NAV. These include common charges in the normal course of business such as bank charges, marketing and selling expenses, transaction costs pertaining to the distribution of Units, audit fee, costs related to investors communication, costs for providing account statements and income/redemption payments.

In case the other charges exceed 0.7% of NAV, the amount in excess will be borne by the Manager.

## **13.0 CHARGES TO INVESTORS**

The Scheme shall charge neither entry load nor exit load thus investors will be allowed to purchase as well as redeem Units at the prevailing applicable NAV.

## **14.0 ACCOUNTING POLICIES**

### **14.1 Accounting Policies**

#### **14.1.1 Income Recognition**

- (a) In respect of interest-bearing investments, such as term deposits, income is recognized on accrual basis;
- (b) profit or loss on sale of investments is recognized on the sale date on the basis of weighted average cost;
- (c) the difference between carrying cost and maturity value of Treasury Bills and other long term discounted instruments is treated as income over the remaining life of the instrument on yield to maturity (YTM) basis. For short-term investments, valuation will be on amortization basis. Both shall, however, be reported in the annual financial statements in compliance to the International Financial Reporting Standards Number 7 on financial instruments (IFRS 7) as required by the National Board of Auditors and Accountants (NBAA);
- (d) other income is accounted for on receipt basis.

#### **14.1.2 Expenses**

Expenses are accounted for on accrual basis.

#### **14.1.3 Investments**

- (a) Investments are stated at cost or written down cost.
- (b) In case of secondary market transactions, investments are recognized on trade dates.
- (c) Subscription to primary market issues is accounted as investments, on allotment.
- (d) Investments in Treasury bills, Government bonds, corporate bonds and term deposits are transferred to current assets on the redemption / due date.
- (e) The cost of investments includes brokerage and any applicable taxes and stamp fees.

#### **14.1.4 Provisions and Depreciation**

An 'asset' is classified as non-performing (Non-Performing Asset / NPA), if the interest and/or principal amount have remained outstanding for 60 days from the day such income/principal installment has fallen due. Once an asset is classified as NPA there is no further accrual of income on such asset.

##### **(a) Interest Provision**

Full provision is made at quarter ends in respect of interest accrued and outstanding until the date the asset is classified as NPA.

##### **(b) Investment Provision**

Once both secured and unsecured investments are recognized as NPAs, they shall be provided at 100% of the carrying cost or investment book value whichever is applicable. Principal repayment remaining outstanding on NPA is provided for in full.

##### **(c) Reclassification of asset**

An asset is reclassified as 'performing asset' only when the entire interest and/ or installment in default are repaid in full and the asset is serviced regularly over the next two quarters.

#### 14.1.5 Write-back of Existing Provision

In case any arrears of interest are fully cleared, any interest provision to the extent made is written back in full.

The provision made for the principal amount is written back in the following manner:

- (a) where the provision on principal was made due to the interest defaults only such provision is written back at the end of the 2<sup>nd</sup> calendar quarter from the date of payment;
- (b) Where the provision on principal was made due to both interest and principal installment defaults such provision is written back to the extent of 50% at end of 2<sup>nd</sup> calendar quarter, and the balance at the end of 3<sup>rd</sup> calendar quarter from the date of payment;

#### 14.1.6 Rescheduling of Payment of an Asset

In case any company defaults in paying either interest or principal amount and the Manager has accepted the proposal for revising the schedule of payments, then the following norms will be adhered to:

- (i) In case it is a first rescheduling and only interest is in default, the asset on rescheduling continues to be non-performing for a period of 2 quarters, even though the asset is serviced regularly during these 2 quarters. Thereafter, the asset is classified as 'per forming asset' and all existing provision is written back.
- (ii) If the rescheduling is done due to default in interest and principal amount, the asset on rescheduling continues to be non-performing for a period of 4 quarters, even though the asset is serviced regularly during these 4 quarters. Thereafter, the asset is classified as 'performing asset' and 50% the existing provision is written back at the end of the 2<sup>nd</sup> calendar quarter and the balance at the end of the 3<sup>rd</sup> calendar quarter from the date of being classified as 'performing asset'
- (iii) If the rescheduling is done for a second or third time or thereafter, the asset on rescheduling continues to be non-performing for a period of 8 quarters, even though the asset is serviced regularly during these 8 quarters. Thereafter, the asset is classified as 'performing asset' and 50% of the existing provision is written back at the end of the 2<sup>nd</sup> calendar quarter and the balance at the end of the 3<sup>rd</sup> calendar quarter from the date of being classified as 'performing asset'. This norm is also applicable to restructured asset i.e. issue of a new paper. However, in case of conversion into shares, entire provision is written back in full on such conversion as there are separate valuation norms for equity.

#### 14.1.7 Valuation of Financial Assets

Traded investments are valued at the closing market rates on the valuation date and in its absence, the latest available quote within a period of 30 days prior to the valuation date. If no quotes are available for a period of 30 days prior to valuation date, the same is treated as non-traded investment. When a debt security is not traded on any stock exchange on any particular valuation day, the value at which it was traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than 15 days prior to the valuation date. When a debt security is purchased by way of private placement, the value at which it was bought may be used for a period of 15 days beginning from the date of purchase.

In case of listed debentures and bonds, the market rate, being cum-interest, the same is adjusted for the interest element if any.

Valuation of non-traded / thinly traded debt securities are as follows:

- (i) debt securities where the time of purchase the residue maturity is up to 364 days:

debt securities purchased with residual maturity of up to 364 days is valued at cost (including accrued interest till beginning of the day) plus the difference between the redemption value (inclusive of interest) and the cost spread uniformly over the remaining maturity period of the instrument;

- (ii) debt securities where at the time of purchase the residual maturity is of more than 364 days:

in case of debt securities where the maturity is greater than 364 days at the time of purchase, the last valuation price (i.e. price prevalent on the 365th day) plus the amortized value up to the date of valuation is used instead of purchase cost as given in the methodology stated at (i) above.

### **15.0 NOMINATION FACILITY**

- (a) Nomination facility is available under the Scheme;
- (b) where the Units are held by more than one person on joint basis, such Unit holders may together nominate a person in whom all the rights in the Units shall vest in the event of death of all the joint Unit holders;
- (c) Non-individuals cannot nominate;
- (d) Existing nomination (if any) in respect of the Units stands rescinded upon the transfer of Units, however the transferor is entitled to nominate a person of his/ her choice;
- (e) cancellation of nomination can be made only by those individuals who hold Units on their own behalf singly or jointly basis. On cancellation of the nomination the nomination shall stand rescinded and the Manager shall not be under any obligation to transfer the Units in favor of the nominee;
- (f) only one person, including minors (to be represented by a guardian), can be nominated per application form;
- (g) on registration of nomination, a suitable endorsement shall be made on the Statement of Account or in the form of a separate letter as decided by the Manager;
- (h) nomination can be changed by the Unit holder/s at any time during the currency of the investment;
- (i) where a nomination in respect of any Unit has been made, the Units shall, on the death of the member; vest in the nominee and on compliance of necessary formalities, the death claim shall be settled in favor of the nominee in respect of the Units so vested, subject to any charge or encumbrance over the said Units
- (j) the nomination facility extended under the Scheme is subject to the existing laws. In the provision of this Timiza Fund the Manager is not in any way attempting to grant any rights other than those granted by law to the nominee;
- (k) In the event of dispute between heirs and consequent litigation in that behalf, resulting in a court order directing devolvement on a basis different from the one indicated in the nomination, then such court order would prevail over the nomination and to that extent, the nomination facility is not final.

## **16.0 ACQUISITION OF UNITS**

### **16.1 When Units May be Acquired**

Units may be bought on any Business day during the Initial Sale period and/or immediately after the lapse of “cool off period” as specified for Subsequent Sale thereafter, except during the period of book closure which shall not exceed seven Business days at a time and not exceeding 15 days in a year. The Initial Sale shall take place from 27<sup>th</sup> May, 2024 to 26<sup>th</sup> June, 2024.

- (a) The application form for acquisition of Units and the Scheme Offer Document are available from authorized agents or can be downloaded from ZAN SECURITIES website: [www.zansec.co.tz](http://www.zansec.co.tz).
- (b) Investors are permitted to submit multiple applications during Initial Sale period.

### **16.2 Officers of Collection Agents of TIMIZA Fund**

During Initial Sale as well as Subsequent Sale period, Scheme Units can be acquired through any of the following authorized entities:

- (a) Any of the branches of Mwanga Hakika Bank Limited
- (b) The offices of the Licensed Dealing Members of the Dar es Salaam Stock Exchange

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<p>Orbit Securities Company Limited P. O. Box 70254, Dar es Salaam, Tanzania 4th Floor, Golden Jubilee Towers, Ohio Street, Tel: 255 22 2111758, Fax: 255 22 2113067 E-mail: <a href="mailto:orbit@orbit.co.tz">orbit@orbit.co.tz</a> Website: <a href="http://www.orbit.co.tz">www.orbit.co.tz</a></p>	<p>Core Securities Ltd P. O. Box 76800, Dar es Salaam, Tanzania First Floor Karimjee Jivanjee Building, Sokoine Drive Tel: +255 22 2123103, Fax: +255 22 2122562 E-mail: <a href="mailto:info@coresecurities.co.tz">info@coresecurities.co.tz</a> Website: <a href="http://www.coresecurities.co.tz">www.coresecurities.co.tz</a></p>
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<p>FIMCO Limited  Suite 205 – Jangid Plaza, 2nd Floor  Plot No. G6, Chaburuma Road  Ali Hassan Mwinyi Road  Dar es Salaam, Tanzania  Tel : +255 22 292 627/+255 767 211 690  E-mail: info@fimco.co.tz  Website : www.fimco.co.tz</p>	<p>E. A. Capital Ltd  3rd Floor, Accacia Building, Kinondoni Road  P. O. Box 20650,  Dar es Salaam , Tanzania  Tel +255 779740818 / +255784461759  E-mail: EC@EACAPITAL-TZ.COM</p>
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<p>Exodus Advisory Services Limited,  10th Floor, Mwanga Tower  Plot No. 1&amp;50, Block 45A  New Bagamoyo Road,  P. O. Box 80056,  Dar es Salaam.  Tel: + 255 22 292 3810  Email: info@exodusadvisory.co.tz  Website: www.exodusadvisory.co.tz</p>	<p>Global Alpha Capital Limited,  PSSSF Millenium Tower1,  Ali Hassan Mwinyi Road,  P. O. Box 70166,  Dar es Salaam, Tanzania  Tel: +255784786188/+255763631999  Email: info@alphacapital.co.tz  Website: www.alphacapital.co.tz</p>
<p>iTrust Finance Limited  Mahando Street, Block C Ground Floor,  Masaki Plot No. 429,  P. O. Box 22636  Dar es Salaam  Tel: +255 787 382 016, +255 653 609 152  Website: www.itrust.co.tz</p>	<p>Yusra Sukuk Company Limited  Rita Tower, 23rd Floor, Plot No. 727/11  Makunganya Street,  P. O. Box 4681,  Dar es Salaam  Tel: +255 762 715 311 / 713 956 803</p>
<p>ARCHCO Limited  P.O Box 38028  Dar es Salaam,  2nd Floor, Wing C, NIC Life House, Sokoine  Drive/Ohio Street  Tel. +255 22 732922396  Fax +255 22 732928489</p>	



### 16.3 Investing in Timiza Fund from other countries

Investors wishing to invest in Timiza Fund from other countries may do so through Licensed Custodians in Tanzania or may contact any of the Licensed Dealing Members of the Dar es Salaam Stock Exchange. They may also contact Zan Securities Limited to obtain additional information or guidance through calling: +255 755 898 425

### 17.0 PAYMENT FOR ACQUISITION OF UNITS

Payment for acquisition of Units during initial and Subsequent Sale period shall be made either by tendering cash in Tanzanian currency or a TZS denominated banker's cheque payable to "Timiza Fund Collection Account" with Account number "2090050000585", maintained at Mwanga Hakika Bank Limited at any of the designated offices. Payment may also be made through MPesa, Tigo Pesa and Airtel Money. For investors from other countries, they may use Custodians or contact any of the Licensed Dealing Members of the Dar es Salaam Stock Exchange. Alternatively, they may contact ZAN SECURITIES LIMITED to obtain a list and details of documentation to be completed before they could wire funds to the account of the Timiza Fund.

### 18.0 LIQUIDITY – SUBSEQUENT SALE AND REPURCHASE OF TIMIZA FUND UNITS

Units of the Timiza Fund are intended to be very liquid. The Manager will facilitate sale and Repurchase of the Units so that investors may invest and exit the Fund as per their financial requirements.

#### 18.1 Subsequent Sales and Repurchases

Subsequent Sale of Units under the Scheme are planned to commence on 15<sup>th</sup> July, 2024. From this date onwards, the Manager shall continue the sale of Units at the applicable NAV. Procedures for such sale shall be as under:

- (a) during Subsequent Sale, the minimum additional amount to be invested under all two options is TZS 10,000. Units will be sold at NAV with the allotment of Units done up to four decimal places subject to fulfilling the minimum additional investment condition of TZS 10,000. This minimum amount has been set to facilitate acquisition of Units through other electronic channels for registered investors;
- (b) the contract for sale of Units by ZAN SECURITIES shall be deemed to have been concluded on the acceptance date except in cases where an application is rejected by ZAN SECURITIES for any reason;
- (c) sales and re-purchases will be open on every business day except during non-Business days and during the book closure periods as may be announced by ZAN SECURITIES from time to time;
- (d) all applications for sale or Repurchase of Units received and accepted at the offices of ZAN SECURITIES or its designated agents on a working day/Business day will be governed by the prospective / next NAV calculated;
- (e) repurchase will be effected on receipt of the Re-purchase Request Form where applicable along with statement of account, Identification or such other document as may be prescribed by the ZAN SECURITIES from time to time duly completed in all respects;

- (f) bank transfers and postal money orders for Repurchase proceeds shall be dispatched within five working days from the date of receipt of an application by ZAN SECURITIES duly completed in all respects;
- (g) partial re-purchases are permitted;
- (h) no interest shall on any account be payable on the amount of Repurchase proceeds due to an applicant for Repurchase of Units;
- (i) notwithstanding anything contained in any provision of the Scheme, ZAN SECURITIES shall not be under any obligation to:
  - i. sell or Repurchase Units on such days as the offices of ZAN SECURITIES will in accordance with the laws of Tanzania be closed;
  - ii. sell or Repurchase Units during the period not exceeding seven working days at a time or such other period as may be decided by ZAN SECURITIES when register of the Scheme is closed for any purpose as notified by ZAN SECURITIES.

## 18.2 Procedures for Subsequent Sales of Timiza Fund Units

### 18.2.1 Additional Investments

Additional Investments under an existing investor account can be made subject to fulfilling of the minimum additional amount condition of TZS 10,000.

### 18.2.2 Sales through Designated Agents

Sale of Units is based on NAV of Units. The procedures for such sales are as follows:

- (a) investors are advised to consider the NAV of Timiza Fund Units at the time they contemplate buying Units of the Fund. If in doubt, investors are advised to contact financial advisers for professional advice;
- (b) upon decision to invest in the Fund, investors are advised to do so through offices of designated agents where they will be provided with application form and other information. They may also visit ZAN SECURITIES Offices or website for further guidance;
- (c) investors should fill the "Application Form for Purchase of Timiza Unit Trust (Timiza Fund)" Units;
- (d) the application form should then be submitted to designated agent together with:
  - i. Cash in Tanzanian Currency; or
  - ii. TZS Bank Acknowledged Transfer or Banker's Cheque crossed "not negotiable" in favour of "Timiza Fund collection account".
  - iii. Evidence of transfer of funds to the Account of the Scheme through Mpesa, Tigo Pesa, Airtel Money, TPesa, etc
- (e) applications shall be treated as having been received on the same day if they are received by ZAN SECURITIES or a designated agent within banking hours (i.e. From 9:00 hours to 16:00 hours) of working days;
- (f) all applications during Subsequent Sale of Units received and accepted at the offices of a designated collecting agent(s) on a Business day shall be governed by prospective (next available) N A V;
- (g) The contract for sale of Units by the ZAN SECURITIES shall be deemed to have been concluded on the acceptance date except in cases where an application is rejected by the Manager;

- (h) Statement of Account shall be dispatched to the Unit holders who subscribe for Units during the Subsequent Sale period not later than one Business day from the date of acceptance of an application.

### 18.3 Procedures for Repurchase of Timiza Fund Units

Under the Scheme, repurchases shall be allowed subject to completion of Repurchase application form, verification of identity, authentication of signature and other details. Accordingly, Repurchase of Units under the Scheme shall commence on 15<sup>th</sup> July 2024 after the Cool off Period. From this date onwards, the Manager may purchase Units from Unit holders based on applicable NAV of Units.

The procedure for such Repurchases shall be as under:

- (a) the repurchase of Units shall be carried out at the prevailing NAV per Unit;
- (b) investors are advised to consider the NAV of the Timiza Fund at the time they contemplate selling Units back to the Manager. If in doubt, investors are advised to contact investment advisers for professional advice;
- (c) if an investor decides to sell Units back to the Manager, he/she should proceed to the offices of ZAN SECURITIES LIMITED or of a designated collecting agent where he/she shall be provided with the application form for Repurchase of Units and other information;
- (d) an investor should fill an application for Repurchase of Timiza Fund Units;
- (e) the application should then be submitted to the office of ZAN SECURITIES or a designated collecting agent(s) attached with the latest Statement of Account;
- (f) applications for Repurchase shall be treated as having been received on the same day if they are received and accepted at the offices of ZAN SECURITIES or its designated collecting agent(s) within banking hours (i.e. 09.00 hours to 16.00 hours) of a Business day;
- (g) all applications for Repurchase of Units received and accepted at the offices of ZAN SECURITIES or its designated collecting agent(s) on a Business day shall be governed by prospective (next available) NAV;
- (h) If by virtue of Repurchase the Unit holding falls below the minimum investment limits as stipulated in this Offer Document, under each plan, the Units would automatically be re-categorized to reinvestment plan;
- (i) proceeds of Repurchase shall be dispatched / posted not later than the tenth Business day from the date of receipt of the application. Payees whose bank details are known shall be paid by way of transfers to their bank accounts. Payees who have not notified their bank details shall be paid by way of postal money transfer. However, it is mandatory for Unit holders tendering Units for Repurchase, having Repurchase value equal to or above TZS 100,000 to furnish their bank account particulars through which the payment shall be made;
- (j) in the event of transfer returns (from bank or post office), the Unit holder shall not be entitled for any further claims relating to delay in the respective payment;
- (k) an investor from outside Tanzania in need of carrying out Repurchase transaction may obtain Repurchase form from ZAN SECURITIES website and complete it according to mandate provided in the application form when he/she applied for buying the Units of the Fund. The completed form should then be emailed to [info.dsm@zansec.co.tz](mailto:info.dsm@zansec.co.tz)

## **19.0 DISPATCH OF STATEMENTS OF ACCOUNT**

- (a) For the Initial Sale of Units, Unit holders will receive statement of account detailing their respective holdings in the Scheme. The Statement of Account will be issued during the Cool off Period;
- (b) for Subsequent Sale of Units, Unit holders will receive statement of account which will be dispatched to them not later than a working day from the date of acceptance of an application;
- (c) annual statement of account shall be issued showing the additional amounts invested during the year (if any) together with Units created, Units reduced on account of Repurchase and the balance of Units to the investor's credit at the end of the financial year. In other words, the annual statement of account would be a summary of all Unit related transactions carried out during the year;
- (d) Unit holders may request for issue of fresh statement of account after consolidating their ownership of Units in the Scheme;
- (e) additional statement of account may be issued to a Unit holder on specific request which shall be issued immediately upon receipt of the investor's request at ZAN SECURITIES Offices but not later than three Business days. Depending on the number of requests, ZAN SECURITIES reserves the right to charge a nominal fee for such service.

## **20.0 INCOME DISTRIBUTION**

Subject to availability of distributable income, income distribution under the Scheme will be made by the Manager in consultation with the Custodian annually (once every twelve months) depending on the option chosen by the investor.

To qualify for annual income distribution, the investor will have to maintain at least TZS 1 million in the account for twelve months. Accounts with less than TZS 1 million will be on re-investment option only.

## **21.0 TRANSFER OF UNITS**

Units issued under the Scheme are transferable and may be pledged or assigned. Any transaction relating to the transfer of Scheme Units from one Unit holder to another is allowed under the Scheme. The transfer of Units may involve the following kinds of transactions:

- (a) non-commercial transfer of Units - where a Unit holder may decide to transfer his/ her Units to another person/ entity without involvement of any financial consideration;
- (b) commercial transfer of Units - where a Unit holder may decide to transfer his/ her Units to another person/ entity with involvement of a financial consideration;
- (c) to facilitate transfer of Units in favor of a lending institution pertaining to the collateral/ mortgage of Units for raising loans and is applicable in cases of default by a Unit holder;
- (d) settlement of 'death claim' cases; and
- (e) any other valid reason - like a court order involving 'transfer of Units'.

Partial transfers of Units are allowed. No other transfer or purported transfer of Units, other than a transfer made in accordance with this clause, shall entitle the transferee to be registered in respect thereof, nor shall any notice of such transfer or purported transfer be entered in the Unit holders register.

## **22.0 COLLATERABILITY/MORTGAGE OF UNITS**

- (a) the Units of the Scheme may be used as a Collateral/ Mortgage with lending financial institutions for obtaining credit facilities;
- (b) such Collateral/ Mortgage of Units shall be subject to the applicant as well as lending institution following a laid down procedures as outlined by the ZAN SECURITIES for such transactions;
- (c) in case of default, the respective lending institution (i.e. in whose favor the mortgage of Units was recorded by the Manager) shall have the sole right to apply for effecting transfer or Repurchase of Units in their favor;
- (d) for Units under mortgage, no repurchase/ transfer shall be entertained from a Unit holder unless it is accompanied by a 'charge release certificate' in original issued by the concerned lending institution.

## **23.0 ASSOCIATE TRANSACTIONS**

Any transaction between the scheme and the Manager, an investment adviser or any of their commercial persons as principal may only be made with the prior written consent of the Trustee

## **24.0 "INVESTOR GRIEVANCE" REDRESSAL**

The Manager believes in providing investors with a superior service so as to make the investor's experience of dealing with the Scheme an efficient and satisfactory one. In order to achieve these goals, ZAN SECURITIES endeavors to continuously establish and upgrade systems to handle all investor service transactions efficiently and resolve investor grievances (if any) promptly.

Accordingly, in case of grievances, investors may refer them to:

The Chief Executive Officer

Zan Securities Limited

P O Box 5366,

Dar es Salaam

Tel: +255 22 2103433

E-mail: info.dsm@zansec.co.tz

**Zanzibar Office**

3rd Floor, Michenzani Mall, Karume Road,

P.O.Box 2138, Zanzibar

Tel: +255 24 223 8359

E-Mail: info.znz@zansec.co.tz

A special "Investor Complaint Form" is available at the ZAN SECURITIES, designated agents as well as on the Website [www.zansec.co.tz](http://www.zansec.co.tz)

## **25.0 DETERMINATION OF NET ASSET VALUE**

NAV of the Scheme shall be calculated by determining the value of the Scheme's assets and subtracting there-from the liabilities of the Scheme taking into account, the accruals and provisions. The NAV per Unit is calculated by dividing the NAV of the Scheme by the total number of Units issued and outstanding under the Scheme on the date of calculation.

The Scheme will declare its 1st NAV not later than 14 Business days from the Initial Sale closure date and thereafter on daily basis as follows:

- (a) NAV shall be issued to the press for publication on every working day;
- (b) NAV shall be published in newspapers of wide circulation in Tanzania;
- (c) The NAV shall also be available on the website of ZAN SECURITIES ([www.zansec.co.tz](http://www.zansec.co.tz));
- (d) If on any valuation day, market information used in carrying out valuation is not available due to public holiday or any other reason, the information of the previous Business day shall be taken for the purpose of NAV calculation.

## **26.0 UNIT HOLDERS RIGHTS AND SERVICES**

- (a) Unit holders under the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme and to the income declared by the Scheme;
- (b) Unit holders have the right to ask ZAN SECURITIES any information which may have an adverse bearing on their investments and ZAN SECURITIES shall be bound to disclose such information to the Unit holders;
- (c) a summary of the annual report in respect of the Scheme shall be made available to Unit holders not later than four months from the date of closure of the relevant Accounting Year and be made available for inspection at the office of ZAN SECURITIES and branches of Mwanga Hakika Commercial Bank;
- (d) the financial year of the Scheme shall close on 31<sup>st</sup> December of every individual year;
- (e) Semi-annual reports shall be published in Newspapers of wide circulation in Tanzania and posted on ZAN SECURITIES website not later than two months after the period in which they relate;
- (f) any change in the fundamental attributes of the Scheme will be carried out only if the Unit holders are allowed to exit at NAV besides being intimated by individual communication as well as publication of intimation in an English and Swahili newspaper of national circulation;
- (g) Unit holders have the right to inspect the following documents at the offices of ZAN SECURITIES free of charge at all times during normal working hours at its place of business:
  - i. The Act
  - ii. The Capital Markets and Securities (Collective Investment Schemes) Regulations 1997 [G.N No: 770 of 1997];
  - iii. The Deed of Trust of the Timiza Fund;
  - iv. The Offer Document of the Timiza Fund;
  - v. The Companies Act Cap 212.

## **27.0 TAXATION**

The information provided below is only for purposes of providing general information to Unit holders. In view of the individual nature of tax consequences, each Unit holder is advised to consult his own legal or tax adviser with respect to specific tax implications arising out of his/her participation in the Scheme.

As per taxation laws in force on the date of this Offer Document, the tax implications of the Scheme are as follows:

- (i.) income from Government bonds whose tenure is above two years is tax exempt;
- (ii.) withholding tax on interest from all other bonds, treasury bills and bank deposits is 10% and is final;
- (iii.) income distribution (if any) in the hands of investors is tax exempt;
- (iv.) gains arising from sale or maturity of listed bonds are tax exempt.

## **28.0 TERMINATION OF THE SCHEME**

The Scheme may be terminated if:

- (a) if it is so resolved at the extra ordinary general meeting;
- (b) pursuant to section 122 and 124 of the Act.

## **29.0 GENERAL INFORMATION**

- (a) Applications for the issuance of Units under the following circumstances are liable to be rejected by the Manager if:
  - i. an application is received with an amount less than the minimum amount of investment prescribed from time to time;
  - ii. an application has not been signed by an applicant;
  - iii. an applicant is not eligible to invest in the Scheme;
  - iv. The cheque deposited along with the application is rejected and payment is not received by the Manager.
- (b) any decision of ZAN SECURITIES about the eligibility or non-eligibility of a person to make an application under the Scheme shall be final subject to the approval by the Authority. Refund of application money in a rejected case will be made after the requisite operational and other procedural formalities are complied with and at the cost of the applicant and the Manager not incurring any liability whatsoever for interest or any other sum(s);
- (c) all applications will be reviewed by the Manager in relation to objectives of the Scheme and allotment will be based upon criteria that will be approved by the Authority;
- (d) Unit holders who come to hold Units under a false declaration/certificate shall be liable to have their ownership of the Units cancelled and their name removed from the register of Unit holders. In such cases, the Manager shall have the right to repurchase the outstanding Unit holding at the offer price or at NAV whichever is lower, after deducting a sum equal to 10% of the Repurchase price as penalty. The Manager may recover income distribution, if any, wrongly paid to such Unit holder in Repurchase proceeds and return the balance to the concerned investor.

## **30.0 ABSTRACT OF SIGNIFICANT PROVISIONS OF THE DEED OF TRUST FOR TIMIZA FUND**

### **30.1 Compliance by Manager and the Custodian**

- (a) ZAN SECURITIES as Manager and MWANGA HAKIKA COMMERCIAL BANK as Custodian shall in all manners act as required of them by the terms of this Offer Document and the Act;
- (b) the Manager shall have the power and competencies as set out in its constitutive document and shall subject to the provisions of this Offer Document be entitled to make arrangements necessary to carry into effect the objects, investment policy and provisions of the Timiza Fund;
- (c) neither the Manager nor the Directors thereof shall either directly or indirectly derive any pecuniary advantage or personal interest from the acquisition or sale by the Manager of any securities or property intended for the purpose of the "Timiza Unit Trust Scheme";
- (d) the Custodian shall exercise all the powers necessary to protect the interest of Unit holders under the Deed of Trust;
- (e) the Custodian shall not have or acquire an interest in any agreement or transaction which has conflicting interests with the Scheme or concerning an underlying security or property.

### **30.2 Limit of Liability for Unit Holders**

Unit holders under the Scheme are not liable to make any further payment after they have paid the purchase price towards the purchase of Units and no further liability shall be imposed by the Manager or Custodian on them in respect of the Units which they hold.

### **30.3 No Exemption of Liability for Manager and the Custodian**

The Manager and the Custodian of the Scheme shall not be exempted from any liability to holders unopposed under the laws of Tanzania or breaches of trust through fraud or negligence nor may they be indemnified against such liability by holders or at holder's expense.

### **30.4 Interest of Unit Holders into the Property of the Scheme**

- (a) The property of the Scheme consists of the investment amount as well as all income and rights arising out of application of the investment amount;
- (b) the property of the Scheme is held by the Custodian in trust for the holders of the Units pari- passu according to the number of Units held by each holder. All sums to be distributed to Unit holders are held by the Custodian on trust to distribute or otherwise apply them in accordance with the Deed or the Act;
- (c) in no event shall a Unit holder have or acquire any rights against the Manager or Custodian except as expressly conferred upon such Unit holder by the Deed of Trust.

### **30.5 Investment and Borrowing Restrictions**

- (a) The Scheme shall not borrow;
- (b) the investment policy of the Manager shall be aimed at investing at fair prices in a balanced spread in fixed income securities in order to achieve the stated objectives of the Scheme;
- (c) the Manager shall not invest Scheme property in securities which are partly paid up or which in other ways are likely to incur any liability for the Scheme;



(d) investment of Scheme property shall be effected in accordance with regulations prescribed by the Authority from time to time and in line with the Scheme investment policy as outlined hereunder:

(e) the profile of the Scheme's investment is a balanced portfolio. Fixed income securities will comprise at least 0%-100% of the portfolio, listed securities will be fixed at a maximum of

50%. The Manager shall keep adequate liquid assets in anticipation of calls for re-purchase. No investment in unlisted equity instruments shall be made. Asset allocation of the Fund based on the investment policy shall be as indicated hereunder:

	<b>Type of investment</b>	<b>Minimum</b>	<b>Maximum</b>
i)	Fixed income securities	0%	100%
ii)	Listed Equities	0%	50%

### (iii) Investment Strategies

The Timiza Fund's investment management philosophy is based on Growth, preservation of capital and generation of commensurate returns to investors as priorities. Subject to approval of the Authority and in compliance with Regulations, the asset allocation indicated above may change from time to time in response to variations in market condition, emerging opportunities, political environment and economic factors. It should be noted that the percentages stated above are indicative and not absolute and may vary substantially depending upon the information the Manager has; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in investment strategy will be short lived and only for defensive or specific considerations. ZAN SECURITIES LIMITED shall seek approval from the Authority prior effecting any changes in the Investment Strategy.

## 30.6 Valuation of Assets and Pricing

### 30.6.1 Valuation of assets

Investments held by the Scheme shall be valued by considering the following:

- (a) The latest closing prices of listed shares including cross listed companies as on every working day
- (b) amortised cost basis for fixed income securities for which the objective is to collect cashflows or by taking the latest "yield to maturity" for listed fixed income securities provided that these securities are actively traded (i.e. at least twice every month) after taking into account of tax liabilities arising from such an investment;
- (c) for unlisted and listed but not actively traded (as per the prescribed limits) fixed income securities the valuation method is "yield to maturity" using comparable traded securities adjusted to accommodate risk and illiquidity factors while making an adjustment for tax;
- (d) amount of principal and accrued interest less tax on interest earning deposits;
- (e) where instruments have been bought on "repo" basis, the instrument must be valued at the resale price after deduction of applicable interest up to date of resale. If the Repurchase price exceeds the value, the credit must be taken for appreciation and if the Repurchase price is lower than the value, depreciation must be provided for;
- (f) Such other criteria or methods as may be prescribed by the Authority from time to time.

Note: "In the event that any of the accounting procedures outlined under clause 31.6 is not in compliance with the treatment required under International Financial Reporting Standards (IFRS) on financial instruments, the treatment and reporting requirements of IFRS shall prevail."

### 30.6.2 Pricing of Assets

The scheme shall employ historical pricing as the methodology for valuing its net assets. Under this approach, the net asset value (NAV) of the fund is calculated based on the value of the fund's assets at the end of each trading day. Investors transact at the NAV calculated at the end of the trading day on which their transactions is processed.

### 30.7 Dealing, Suspension and Deferral of Dealing

There shall be at least one regular dealing day per month or in three months. Any price offer which the manager or the distribution company quotes or publishes shall be the maximum price payable on purchase and any redemption price shall be the net price receivable on redemption.

#### 30.7.1 Circumstances under which Dealing can be Deferred or Suspended

- (a) the Manager shall not carry out sale or Repurchase of Units during the Cool off Period not exceeding fifteen days from the Initial Sale closure date;
- (b) the Manager shall with the approval of the Authority suspend Repurchase of Units in the event of exceptional circumstances;
- (c) the Manager shall defer to the next dealing day Repurchase of Units if 10% of the Units are Re-purchased within one dealing day;
- (d) sale and Repurchase operations shall not be carried out by the Manager during the books closure period (if any).

#### 30.7.2 Interval between Receipt of Request for Repurchase and Payment of Repurchase Money

- (a) Repurchase will be effected on receipt of Application for Repurchase form attached with Statement of Account and certified copy of identification or such other document as may be prescribed by the Manager from time to time duly completed in all respects;
- (b) Repurchase will be processed soon it is received by the Manager. Accordingly, Repurchase payment shall be disbursed within 3 business days and not more than 10 Business days from the date of acceptance of an application by the Manager or his agent duly completed in all respects. Payment shall be made by way of bank transfers by crediting the notified bank accounts of Unit holders as recorded into the Unit holders register maintained by the Manager.

### 30.8 Appropriation of income

No amount shall be deducted from the income of the Scheme other than an amount which in the opinion of the Manager and the auditor is required to pay compulsory charges and auditors' fees for which the Scheme is liable. The Manager and auditor shall consult the Custodian prior to deducting any amount from the income of the Scheme.

### 30.9 Fees and Charges

#### 30.9.1 Initial Charge

There shall be no initial charge for Units sold during the Initial Sale of Units under the Scheme. All initial charges shall be borne by the Manager.

#### 30.9.2 Subsequent Charge

The Manager shall not levy any service charge to arrive at the sale as well as Repurchase price of a Unit and thus the Scheme Units would be sold and repurchased at the prevailing applicable NAV.

### 30.9.3 Re-Investment Charge

There shall be no re-investment charge for income re-invested (if any) pursuant to an income distribution.

### 30.9.4 Charges to the Scheme

The income of the Scheme shall be charged with:

- (a) taxes as per the rates applicable;
- (b) commissions as per rates prescribed by self-regulatory organizations such as the Dar es Salaam Stock Exchange;
- (c) investment management /advisory fee at 1.30% of NAV per annum;
- (d) Custodian fees @ 0.1% of NAV per annum with a minimum of TZS 10 Million;;
- (e) other charges @ 0.7% of NAV. These include commonly rated charges in the normal course of business such as:
  - i. marketing/ promotion/advertising expenses;
  - ii. bank charges;
  - iii. audit fees;
  - iv. legal fees;
  - v. transaction costs pertaining to the distribution of Units;
  - vi. costs relating to investor servicing etc.

However, the other charges and investment management/ advisory fee as shown above will be limited to 2.1% of NAV. In an event, where the other charges exceed 0.7% of NAV, the excess portion shall be borne by the Manager. All expenses of the Scheme during the Initial Sale period shall be borne by the Manager.

### 30.10 Income Distribution Policy

- (a) The Scheme shall upon availability of distributable income; distribute income to Unit holders once a year or such other times as the Manager in consultation with the Custodian may determine taking into account the interests of the Unit holders and the Scheme.
- (b) On the income distribution date, the Custodian shall pay to registered Unit holders the amount available for distribution in respect of the said income distribution period in proportion to the number of units held by such Unit holders on the above-mentioned date.

The income distributable amount to Unit holders shall be paid:

- i. By bank transfer to Unit holders whose income is equal to or more than TZS 100,000/= and have notified their bank details to the Manager; or
- ii. By postal money order to Unit holders whose income is less than TZS 100,000/= and have not notified their bank details to the Manager.

### 30.11 Publication of Annual and Interim Reports

The Manager shall as soon as after 31<sup>st</sup> December but not later than the end of May of each subsequent year cause to be published the annual report of the Scheme which shall contain the particulars prescribed under the Act. The Manager shall publish an interim report covering six months of operations before the end of September of each year.

### **31.0 MEETINGS**

- (a) There shall be held every year a general meeting of Unit holders, minimum notice period for calling a general meeting will be twenty one days. The Scheme shall conduct meetings of Unit holders as follows:
- (b) Unit holders shall be able to appoint proxies;
- (c) votes shall be proportionate to the number of Units held;
- (d) The quorum for meetings at which a special or extraordinary resolution is to be considered shall be the holders of twenty five per cent of the Units in issue; and ten per cent if only an ordinary resolution is to be considered;
- (e) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned for not less than fifteen days and the quorum at an adjourned meeting shall be those persons present in person or by proxy;
- (f) An extraordinary general meeting shall be convened for the following purposes:
  - i. to modify, alter or add to this Offer Document;
  - ii. To terminate the Scheme;
- (g) The Custodian or Manager and their associated persons are prohibited from voting their beneficially owned Units at or counted in the quorum for a meeting at which they have material interest in the business to be conducted. an ordinary resolution may be passed by a simple majority of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting; and
- (h) A special or extraordinary resolution may only be passed by seventy-five per cent or more of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting.

### **32.0 DEATH OF A UNIT HOLDER**

- (a) For accounts held jointly, in the event of death of any one of the Joint Holder of Units, the survivor shall be the only person recognized by the Scheme as having any title to or interest in the Units represented by the respective Statement of Account;
- (b) where a nomination in respect of Units has been made, the Units shall, on the death of all the Unit holders, vest in the nominee and on compliance of necessary formalities the nominee shall be issued a Statement of Account in respect of the Units so vested subject to any charge or encumbrance over the said Units. Provided that nothing herein contained shall affect any right, which any other person may have as against such survivors or survivor in respect of the said Units; In absence of a nomination, the executor or administrator of a deceased sole Unit holder shall be the only person who may be recognized by the Scheme as having any title to Units. In such a case, the executor or administrator of the deceased's estate shall be recorded as the Unit holder of the Units previously held in the name of the deceased. A Statement of Account shall be issued to the administrator or executor in that capacity;

- (c) alternatively, in absence of a nomination, any person becoming entitled to a Unit in consequence of the death of any sole Unit holder or upon the death of both Unit holders [when Units are held on joint basis], subject as hereinafter provided, upon producing such evidence as the Scheme shall consider sufficient either be registered as a holder of such Unit upon giving to the Scheme notice in writing of his desire to that effect or transfer such Unit to some other person;
- (d) all the limitations, restrictions and provisions of this Scheme relating to transfers shall be applicable to any such notice or transfer as if the death had not occurred and such notice or transfer were a transfer executed by the Unit holder;
- (e) The Scheme may retain any moneys payable by it in respect of any Unit of which any person is entitled to be registered as the Unit holder or which any person under these provisions is entitled to transfer, until such person be registered as the holder of such Unit or shall duly transfer the same.

IN WITNESS WHEREOF the parties have executed these presents in the manner and respective date hereinafter appearing; SEALED with the Common Seal of the said **ZAN SECURITIES LIMITED** and DELIVERED in the presence of us

This 8<sup>th</sup> day of APRIL 2024


Name: RAPHAEL MANSUMBUHO

Signature: 

Qualification: CHIEF EXECUTIVE OFFICER

Postal Address: PO BOX 5366 DSM

Name: ISOPAC LUBEJA

Signature: 

Qualification: ADVISORY & RESEARCH MANAGER

Postal Address: PO BOX 5366 DSM

SEALED with the Common Seal of the said **MWANGA HAKIKA BANK LIMITED**  
and DELIVERED in the presence of us this 08<sup>th</sup> day of April 2024

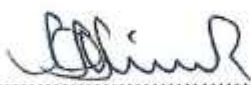
Name: Project Massawe

Signature: 

Qualification: Head of Corporate Banking

Postal Address: P.O. Box 11735, DSM

Name: HAMISI CHIMWAGA

Signature: 

Qualification: SENIOR MANAGER RETAIL BANKING

Postal Address: P.O. BOX 11735, DSM



**TIMIZA UNIT TRUST SCHEME  
 REGISTRATION FORMS**

**TYPE OF INVESTMENT/ AINA YA UWEKEZAJI**

- Individual Investments/ Mwekezaji Binafsi  Minor Investor/ Mtoto chini ya Miaka 18.
- Joint Investment/ Uwekezaji Shirikishi  Company / Institution (fill section A and d)

**INVESTMENT PLAN/ MPANGO WA UWEKEZAJI**

- INCOME DISTRIBUTION/ MAGAWIO
- REINVESTMENTS/ KUKUZA MTAJI

**SECTION A – INDIVIDUAL INVESTORS/ INSTITUTIONAL INVESTORS**

>> Individual Please attach Copy of (i) national identity card or any proof of your nationality.  
 >> Institutions Please attach (i) TIN Copy (ii) Copy of Business Registration Number

**INVESTORS INFORMATION/ TAARIFA ZA MWEKEZAJI**

Name/ Jina	
Date of Birth/ Tarehe ya kuzaliwa	
Identity card number/ Namba ya kitambulisho	
Institution Registration Number	
Business license	

**CONTACTS/ MAWASILIANO**

Phone Number/ Namba ya simu	
Region of Residence/ Mkoa unapoishi	
Physical Address/ Anwani ya Makazi	
Email/ Barua pepe	
Nationality/ Utaifa	

**BANK DETAILS/ TAARIFA ZA BENKI**

Bank Name/ Jina la Benki	
Bank Account Number/ Namba ya akaunti ya Benki	
Bank Branch/ Tawi la Benki	

**DAR ES SALAAM OFFICE** | 1<sup>st</sup> Floor, VIVA Towers, A.H. Mwinyi Road, P.O. Box 5366, Tel +255 22 2103433, info.dsm@zansec.co.tz  
**ZANZIBAR OFFICE** | 3<sup>rd</sup> Floor, Michenzani mall, Karume road, P.O. Box 2138, Tel +255 24 223 8359, info.znz@zansec.co.tz  
 Cell +255 755 898 425, +255 786 344 767, www.zansec.co.tz



**NEXT OF KIN/ TAARIFA ZA MRITHI**

Name/ Jina	
Mobile Number/ Namba ya simu	
Email/ Barua Pepe	
Postal Address/ Sanduku la Posta	
Relationship/ Mahusiano	

**SECTION B – JOINT INVESTORS/ UWEKEZAJI SHIRIKISHI**

**PARTNER BASIC DETAILS/ TAARIFA ZA MBIA**

Name/Jina	
Date of Birth/ Tarehe ya kuzaliwa	
Identity card type/ Aina ya kitambulisho	
Identity card number/ Namba ya kitambulisho	

**PARTNER CONTACT DETAILS/ MAWASILIANO**

Phone Number/ Namba ya simu	
Region of Residence/ Mkoa unapoishi	
District of residence/ Wilaya unapoishi	
Postal Address/ Sanduku la posta	
Physical Address/ Anwani ya Makazi	
Email/ Barua pepe	
Nationality/ Utaifa	

**PARTNER BANK DETAILS/ TAARIFA ZA BENKI ZA MBIA**

Bank Name/ Jina la Benki	
Bank Account Number/ Namba ya akaunti ya Benki	
Bank Branch/ Tawi la Benki	

**APPLICATION AND PAYMENT DETAILS**

Amount applied for (TZS):	
Mode of payment:	
Payment reference:	
Bank Name:	
Branch Name :	
Account Name:	
Account Number :	

**Signatures**

Signature 1:	
Signature 2:	
Date (DD/MM/YYYY)	

TEAR HERE

.....

Investors receipt	
Serial No:	
Full name:	
Amount Paid	
Signature 1	
Signature 2	

