

ZAN SECURITIES

LICENSED DEALER OF DSE | INVESTMENT ADVISOR | FUND MANAGER

ANNUAL REPORT OF THE TIMIZA UNIT TRUST SCHEME



**KWA MWAKA UNAOISHIA
2025**



ZAN SECURITIES LIMITED



**ANNUAL REPORT OF THE TIMIZA UNIT TRUST SCHEME
(TIMIZA FUND)**



FOR THE YEAR ENDED 31 DECEMBER 2025

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ZAN SECURITIES LIMITED
FIRST ANNUAL GENERAL MEETING OF INVESTORS OF THE
TIMIZA UNIT TRUST SCHEME
(TIMIZA FUND)

SATURDAY, 7 MARCH 2026
AT THE JULIUS NYERERE INTERNATIONAL CONVENTION CENTRE
DAR ES SALAAM

MEETING PROGRAMME AND AGENDA

PROGRAMME FLOW			
No.	Time	Activity	Responsible
1	8:30 – 9:40	Arrival and Registration of Participants	Participants / Administration
2	9:40 – 9:50	Announcements and Administrative Matters	MC / Administration
3	9:50 – 10:00	Confirmation of Quorum and Opening of the Meeting	Chief Executive Officer
4	10:00 – 10:15	Introduction (Board Members, Management, Invited Stakeholders and Fund Service Providers)	Chairperson of the Board
5	10:15 – 10:30	Chairperson’s Report	Chairperson of the Board
6	10:30 – 11:15	Presentation and Adoption of the Annual Report:	
		Fund Custodian’s Report	Mwanga Hakika Bank
		Auditor’s Report	Mazars
		Fund Financial Statements	Finance and Investment Manager
		Investment Manager’s Report	Advisory Manager
7	11:15 – 12:00 PM	Question and Answer Session	Chairperson / Management
8	12:00 – 12:15 PM	AGM Resolutions and Closing of the Meeting	Chairperson of the Board

TIMIZA FUND ANNUAL REPORT





1. CHAIRMANS REPORT

TIMIZA
FUND

CHAIRMAN'S REPORT

Dear Investors,

On behalf of the Board of Directors of ZAN Securities, the Fund Manager of Timiza Fund, I am pleased to welcome you all to the First Annual General Meeting of Timiza Fund (TIMIZA FUND). We sincerely thank you for taking the time to attend this important meeting, which will discuss the Fund's performance for the financial year ended 31 December 2025.

Dear Investors, I believe you have been following the progress of Timiza Fund and that you have received and read the Fund's report for the period ended 31 December 2025. I am pleased to inform you that the Fund's performance during that period was very strong. Returns to investors were significantly higher compared to the performance benchmark.

The Fund achieved a return of **15.032%** for the year ended 31 December 2025. This return was in line with developments in the money market and exceeded the benchmark of **11.4%**, which is the ten-year government bond yield.

During the period ended December 2025, the Fund's Net Asset Value (NAV) increased to **TZS 27.1 billion**, compared to **TZS 14.4 billion** recorded in the period ended 31 December 2024.

This growth was driven by strong investment performance that generated solid returns, the use of technology to simplify investment transactions, increased investor confidence leading to higher participation in the Fund, and improved awareness of the benefits of investing through collective investment schemes.

Additionally, the Fund's growth was supported by an increase in the number of investors, which reached **3,840 investors** as of 31 December 2025.

As a result of this growth, the Fund generated a surplus that will enable the distribution of a dividend of **TZS 10 per unit** to investors who opted for the dividend payout plan. Investors enrolled in the reinvestment plan will receive additional units equivalent to that amount, as outlined in the Prospectus.

Financial Market Environment

Dear Investors, developments in the Capital and Securities Market—whose performance is measured by changes in the Tanzania Share Index—showed a positive trend.

For the year ended 31 December 2025, the index increased by **24.69%**, rising from **4,618.78** on 31 December 2024 to **5,759.41** on 31 December 2025.

This increase was significantly higher compared to the **6.90%** growth recorded between 31 December 2023 and 31 December 2024. This indicates that, during the year ended 31 December 2025, share prices generally rose at a much stronger pace than in the previous year.

We extend our gratitude to the President of the United Republic of Tanzania, H.E. Dr. Samia Suluhu Hassan, and the Government at large for continuing to foster and maintain a conducive environment for business and investment in the country.

We further urge the Government and market regulators to continue improving the market environment so that investors may continue to benefit from capital appreciation and income growth.

Outlook

Dear Investors, during the period ended December 2025, ZAN Securities achieved significant milestones beyond expectations, including the successful establishment of Timiza Fund, which offers competitive returns in the market.

Going forward, ZAN Securities will continue implementing its strategic plans, including investor education, system enhancement, and service improvement, as well as identifying additional business opportunities for the benefit of investors and other stakeholders.

The company will also continue strengthening the Fund's operational systems to ensure they are more modern and efficient, while maintaining competitive returns aligned with market conditions. In this regard, ZAN Securities remains open to receiving constructive ideas aimed at further improving the Fund's services.

Appreciation

Dear Investors, in concluding my statement, I would like to sincerely thank you all for your cooperation and continued trust in ZAN Securities and Timiza Fund throughout the period ended 31 December 2025.

In particular, I would like to express our gratitude to the Capital Markets and Securities Authority for maintaining a supportive investment environment in the capital markets; the Dar es Salaam Stock Exchange; the Fund Custodian, Mwanga Hakika Bank; the Fund Auditor, Forvis Mazars; and the Fund's Legal Advisor, MM Attorneys, for enabling the Fund to operate efficiently.

I also extend my appreciation to all stock market agents, my fellow Board Members, the staff of ZAN Securities, and all stakeholders who have continued to support ZAN Securities in carrying out its responsibilities with professionalism and excellence.

I assure you that Timiza Fund will continue to perform even better, with the highest level of integrity, and it is my hope that this partnership will continue for the benefit of our investors and the development of the Capital Market and Financial Sector in our country.



Abdisalaam Issa Khatibu

Chairperson of the Board



2. FUND CUSTODIAN'S REPORT



1. INTRODUCTION

This Custodian Report has been prepared for the Annual General Meeting (AGM) of investors in the TIMIZA Fund Collective Investment Scheme. The report summarizes custodial activities and provides assurance on asset safekeeping, regulatory compliance, and adherence to the Trust Deed and Custody Agreement per CMSA Collective Investment Schemes Regulations (Tanzania).

2. DUTIES AND RESPONSIBILITIES OF THE CUSTODIAN

Mwanga Hakika Bank Ltd, as custodian of the fund, has undertaken the key duties and responsibilities during the period are as follows:

- i. To 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 this 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;
- ii. To 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;
- iii. To take reasonable care to ensure that the initial sale, sale, repurchase and cancellation of units affected by the scheme are carried out in accordance with the provisions of this Deed of Trust;
- iv. To 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 this Deed of Trust;
- v. And other duties as stipulated in the Trust Deed and offer document of TIMIZA Fund Collective Investment Scheme.

3. ASSET PORTFOLIO AS OF 31st DEC 2025

The Custodian confirms the secure holding and proper segregation of all Fund assets. No losses, unauthorized transfers, or material exceptions occurred during the reporting period. The portfolio as of 31st December 2025 are as follows:

3.1. Cash and Cash Equivalent

During the period under review 31st December 2025, for the purpose of the cash flow statement, the year-end cash and cash equivalents comprise:

Description	Amount (TZS)
Bank Balance – Collection Account	439,049,815
Bank Balance – Call Account	4,500,942,708
Total Cash and Cash Equivalents	4,939,992,523

3.2. Investment into Government Securities

Instrument Description	Amount (TZS)
Treasury Bond – 25 Year (Issue 639), Face Value TZS 100M	104,169,863
Treasury Bond – 20 Year (Issue 498), Face Value TZS 500M	480,623,426
Treasury Bond – 7 Year (Issue 562), Face Value TZS 201M	185,810,735
Treasury Bond – 25 Year (Issue 617), Face Value TZS 250M	265,778,424
Treasury Bond – 25 Year (Issue 675), Face Value TZS 500M	597,331,274
Treasury Bond – 15 Year (Issue 551), Face Value TZS 20B	18,958,522,824
Total Investment Government Securities	20,592,236,546

3.3. Equity at Fair Value

Security	Amount (TZS)
CRDB – 1,000,000 Shares	1,510,000,000.00
NMB – 76,000 Shares	639,160,000.00
Total Equities	2,149,160,000.00

4. COMPLIANCE MONITORING

The Custodian monitored regulatory compliance, investment limits, liquidity requirements and transaction limit according to the Trust of Dead and CMSA regulations. All activities complied with the TIMIZA Fund's Trust Deed and regulatory requirements. During the period ended 31st December 2025 no material compliance breaches were recorded, and Custodian will ensure Fund Manager complies with necessary authorities.

5. FUND TRANSACTIONS OVERSIGHT

Subscriptions and redemptions were executed based on the applicable NAVs and completed within regulatory timelines. All income—including interest and coupon payments—was received and credited accurately. Fees and expenses charged to the Fund were reviewed and authorized appropriately.

6. CUSTODIAN OPINION

As Custodian of TIMIZA Fund, our responsibility is to ensure that the Manager of the Fund performs in accordance with the Deed of Trust in ensuring that interest of the Unit holders is protected. In performing this role, inter alia, Custodian responsibility includes taking into custody all property of the Scheme and holding it in trust of unit holders, ensuring that the method adopted by the Manager in calculating Net Asset Value (NAV) is adequate and in accordance to the Trust Deed and ensuring that investment undertaken by the Manager are in line with set investment objectives and are not in conflict with provisions of the Deed of Trust. During the period under review (As of 31st December 2025), we, Custodian of TIMIZA Fund, have continuously followed up on the Manager's actions, performances and assessed limitations on funds' investments.

In this regard, we wish to confirm that investment activities under TIMIZA Unit Trust Scheme and obligations of the Fund Manager (ZAN SECURITIES LTD) have been in accordance with

the provisions of the Deed of Trust. As far as unit holders' confidence in the Scheme is concerned, it is confirmed that unit holders' interests under the scheme are adequately protected and the manager has managed the Fund in accordance with the provisions of the Trust Deed.

7. CONCLUSION

As Custodian, we reaffirm our commitment to ensuring the safety, transparency, and proper oversight of the Fund's assets. We appreciate the investors' trust and look forward to continued collaboration with the Fund Manager.

For and on Behalf of Mwanga Hakika Bank Ltd,

Chomete Hussein Jagjit Singh
Head of Finance Managing Director



3. FUND AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF TIMIZA FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the TIMIZA Unit Trust Scheme ("the Fund"), as set out on pages 17 to 20. These comprise the statement of financial position as at 31 December 2025; the statement of profit or loss and other comprehensive income; the statement of changes in net assets attributable to unit holders; the statement of cash flows for the 19-month period then ended; and the accompanying notes, including a summary of significant accounting policies.

In our opinion, the financial statements present a true and fair view of the financial position of the Fund as at 31 December 2025, and of its financial performance and cash flows for the period then ended, in accordance with IFRS Accounting Standards and the Capital Markets and Securities (Collective Investment Funds) Regulations, 1997.

Basis for Opinion

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

Other Information

The Directors of the Fund manager are responsible for the other information. The other information comprises the information included in the Fund Annual Report and Financial statements for 19 months period ended 31 December 2025, but does not include the financial statements and our auditor's report thereon.

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

Responsibilities of Directors of the Fund Manager for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Fund Manager.

Conclude on the appropriateness of the Directors of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- **i.** We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, in our opinion, the financial statements of the Fund have been properly prepared in accordance with the requirements of the regulations;
 - **ii.** All persons involved with the conduct and operation of the Fund have acted properly and in accordance with the requirements of the regulations;
 - **iii.** Proper books and records have been kept by the Fund and the accounts are in agreement with the accounting records of the Fund;
 - **iv.** We have obtained information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.
- v. Director's report is consistent with the financial statement.

Yours faithfully



CPA Ipyana Lazaro

For and on behalf of Forvis Mazars

Certified Public Accountants

Dar es Salaam.

Date:2026



4. REPORT OF THE AUDITED FINANCIAL STATEMENT



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR PERIOD ENDED 31ST DECEMBER 2025**

	2025 TSH
Interest income	1,979,414,663.15
Other Income	2,131,997,400.27
Total income	4,111,412,063.42
Management fees	-353,182,725
Custodian fees	-27,167,902
Other charges	-190,175,314
Total expenses	-570,525,941
Increase in net assets attributable to unit holders before tax	3,540,886,123
Withholding tax expenses	-13,776,125.12
Increase in net assets attributable to unit holder net of tax	3,527,109,997
Other comprehensive income	-00
Total increase in net assets attributable to unit holders, net of tax.	3,527,109,997



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

2025
TSH

ASSETS

Cash and cash equivalent	4,939,992,523.19
Receivable	79,355,778.33
Tradable securities	22,741,396,545.58
Total assets	27,760,744,847.10

LIABILITIES

Other liabilities	-592,851,385
Total liabilities	-592,851,385

Net assets attributable to unit holders	27,167,893,463
Represented by	
Net assets attributable to unit holders	27,167,893,463
Net assets per unit based on 136,360,238.3 units	122.46



**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR PERIOD ENDED 31ST DECEMBER 2025**

	2025 TSH
Opening balance of net assets attributable to unit holders	-00
Increase in net values attributable to unit holders	<u>3,527,109,997</u>
Transactions with unit holders during the period	3,527,109,997
Sales of units during the period	28,008,657,166
Repurchase of units	-4,367,873,701
Net transactions with unit holders during the period	<u>23,640,783,465</u>
Closing balance of net assets attributable to unit holders	<u>27,167,893,463</u>



STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST DECEMBER 2025

**2025
TSH**

Cash flow operating activities	
Increase in net assets attributable to unit holders, net of tax	3,527,109,997
Adjustment for;	
Interest income on treasury bonds	-1,809,153,412
Unrealized gain on Bonds	71,959,320
Unrealized gain on Equities	-883,560,000
	<u>906,355,905</u>
Changes in;	
Deposits with financial institutions	
Government securities	-20,664,195,865
Equities	-1,265,600,000
Other liabilities	592,851,385
	<u>-20,430,588,576</u>
Cash used in operating activities	
Interest income received on treasury bonds	<u>1,729,797,634</u>
Net cash used in operating activities	<u>-18,700,790,942</u>
Cash flow from financing activities	
Sales of units	28,008,657,167
Repurchase of units	-4,367,873,702
Net cash inflow from financing activities	<u>23,640,783,465</u>
Net increase/(decrease) in cash and cash equivalent	4,939,992,523
Cash and cash equivalent as at start	<u>-00</u>
Cash and cash equivalent as at 31 Dec	<u>4,939,992,523</u>



[Signature]

Board Chairman
Date: 23 February, 2026

[Signature]

Director
Date: 23 February, 2026



5. INVESTMENT MANAGER'S REPORT



INVESTMENT MANAGER'S REPORT

1. Establishment of the Fund

Timiza Fund is a collective investment scheme managed by Zan Securities Limited. The Fund was officially approved by the Capital Markets and Securities Authority (CMSA) of Tanzania on 16 April 2024 after meeting all legal and regulatory requirements governing the operation of collective investment schemes.

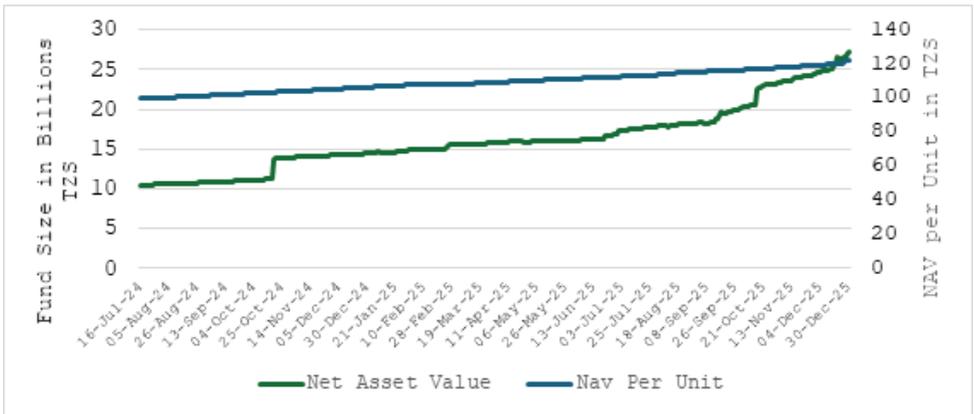
The Fund was officially launched to the public on 27 May 2024, with an initial target of raising TZS 10 billion during the first subscription phase. During this introductory offer period, the Fund successfully raised TZS 10.38 billion, equivalent to 103.8% of the initial target, demonstrating strong investor enthusiasm for the collective investment product.

2. Fund Evaluation (Performance up to 2025)

According to the first annual performance report, Timiza Fund has demonstrated sustained growth in value:

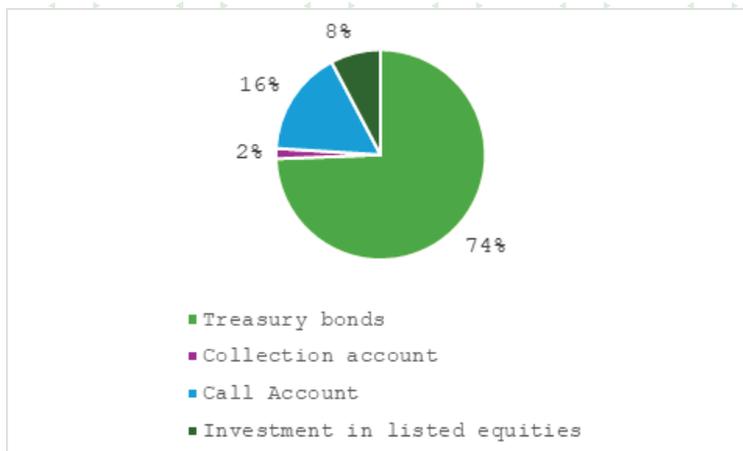
- **Net Asset Value (NAV)** increased from approximately TZS 10.38 billion in July 2024 to TZS 27.1 billion as at 31 December 2025. This represents an increase of approximately 161% in the total value of the Fund over that period.
- In terms of unit value, the price per unit increased from TZS 100.00 to approximately TZS 122.4616 within one year, reflecting an average increase of 22.4616% per unit since the Fund's inception.

Chart 1 TIMIZA Fund NAV Per Unit and Fund Size Movement from Inception to December 2025



Timiza Fund has continued to manage the fund with prudence and strategic asset allocation, in line with the fund’s investment policy and guidelines. The portfolio position as of 31st December 2025 was as follows:

Chart II: Portfolio Composition for Timiza Fund as of 31st December 2025



From Chart II, it can be seen clearly that Treasury bonds of various tenures accounted for the largest share of the portfolio by 74% followed by call account (16%) and investment in listed shares at 8%. The high allocation to government securities helps ensure portfolio stability and consistent income through predictable cash flows and attractive yields.

Table I: Annual Returns and Fund Size for Timiza Fund for year ending 31st December 2025

SN	Financial Year	Fund Size (TZS Billion)	Returns	Benchmark
01	2025	21.7	15.032%	11.4%

For the financial year that ended in 31 December, the Fund delivered annual return of 15.032%. As indicated in Table I, the current year’s return exceeded the benchmark of the 10 year government bond 11.4%. As a result of this remarkable growth the fund has proposed to declare and distribute distributions of TZS 10 per unit.

3. Tanzania’s Economic Environment

3.1 Gross Domestic Product (GDP) and Inflation (Tanzania Economy 2025)

In 2025, Tanzania’s economy continued to grow at a moderate pace while inflation remained well controlled. Official statistics indicate that real GDP grew by approximately 5.5% compared to the previous year, driven by production in the agriculture, construction, trade, and services sectors.

This growth has been supported by Government efforts to promote strategic projects and both public and private investment.

Overall inflation continued to decline and remained below policy targets, averaging approximately 3.1% – 3.3% in 2025, which is within the Bank of Tanzania’s policy range and consistent with price stability objectives. This price stability supports a favorable investment environment for funds such as Timiza, as low inflation has a positive impact on asset values and investor returns.

A stable economy and low inflation provide a favorable environment for collective investment schemes, as they help prevent significant erosion of asset value due to inflation. This creates a solid foundation for income growth and investor returns.

3.2 Banking Sector

Tanzania’s banking sector remained stable and attractive during the 2025 financial year. The central bank maintained a prudent monetary policy, interest rates were controlled, and the digital payments system continued to expand rapidly. Deposits and private sector credit increased, while well-performing banks enhanced the accessibility and efficiency of services to the public. For collective investment schemes like Timiza, banking sector stability is critical because the Fund invests significantly in safe instruments such as Government bonds and assets that rely on banking system liquidity.

A strong banking sector contributes to the safety of client funds, facilitates transaction efficiency, and supports collaboration between banks and investment funds for services such as unit subscriptions and direct payments.

3.3 Fiscal and External Position

Tanzania’s external position changed as the current account deficit narrowed to 2.2% of GDP, a five-year low. This shift was attributed to gold, agricultural, and tourism exports, alongside a decrease in global oil prices. Foreign reserves reached USD 6.3 billion, covering 4.9 months of imports, which is above the 4.0-month requirement. Public debt to GDP (NPV) declined to 40.6% from 41.1% in the previous period

3.4 Monetary Policy and Macroeconomic Environment

In the greater part of 2025, the Monetary Policy Committee maintained the Central Bank Rate (CBR) at 5.75 percent. The 7-day interbank rate was guided within a band of 3.75 percent to 7.75 percent, reflecting a stable monetary stance aimed at sustaining economic expansion while maintaining inflation within the target range of 3–5 percent.

Inflation closed December 2025 at 3.6 percent, firmly within target. The macroeconomic backdrop remained supportive, with:

- Strong private sector credit growth of 20.3 percent
- Non-performing loans at 3.1 percent, well below the maximum tolerable threshold
- Foreign reserves at USD 6.3 billion, covering 4.9 months of imports
- Modest currency depreciation of 1.6 percent in 2025
- Public debt declining marginally to 40.6 percent of GDP (NPV basis)



Mainland Tanzania recorded 5.9 percent real GDP growth in 2025, slightly below projections of 6.0 percent. Growth was supported by agriculture, mining, and construction. Zanzibar's economy expanded by an estimated 6.8 percent, driven by construction, tourism, and manufacturing. The current account deficit narrowed to 2.2 percent of GDP, its lowest level in five years, supported by strong exports (gold, tourism, agriculture) and lower oil prices.

4. Capital Markets

The Dar es Salaam Stock Exchange (DSE) closed 2025 at an all-time high in market capitalization, TZS 24 trillion, the strongest valuation level in its history, supported by strong macroeconomic fundamentals, robust dividend growth, structural market reforms, and increased retail participation through digital platforms.

The year marked a structural shift in Tanzania's capital markets, characterized by improved liquidity, enhanced price discovery, increased product innovation, and deeper retail investor engagement.

4.1 Equity Market Performance

Total market capitalization reached TZS 24 trillion in December 2025, marking the highest valuation in the history of the DSE. Domestic market capitalization closed at TZS 15.6 trillion. The market followed a consistent trajectory during the year — steady gains through most months, a brief dip around Q3, and a strong recovery into year-end.

The DSE All Share Index (DSEI) rose 29.08 percent to 2,761.93, while the Tanzania Share Index (TSI) gained 24.70 percent to 5,759.41, both closing at record highs.

Leadership was concentrated in the banking and financial sector, with the Banks, Finance and Investment (BI) Index rising 88.46 percent, driven largely by strong earnings and dividend growth in CRDB and NMB.

Industrial and Allied as well as Commercial Services indices declined following June 2025 trading rule reforms that improved price discovery and corrected previously illiquid large-cap stocks such as TBL, TCC, and Vodacom.

Trading Activity and Liquidity

Equity turnover reached TZS 663.75 billion in 2025, representing a 190.3 percent year-over-year increase. Traded volumes more than doubled to 477.81 million shares, up 109.57 percent compared to 2024.

Momentum accelerated after the June 2025 trading reforms, which introduced VWAP closing prices and revised price caps, significantly improving liquidity and transparency.

Falling government bond yields also encouraged asset reallocation into equities, particularly banking stocks where total returns exceeded 20–30 percent.

Retail-Led Rally

The 2025 rally was predominantly retail-driven. The DSE Mobile Trading Platform recorded TZS 106.68 billion in turnover, accounting for 47.16 percent of normal market turnover (excluding block trades). This represented a 656 percent increase year-on-year. Active mobile investors increased to 47,483 from 8,795 in 2024.

Dividend Landscape

Dividend growth was the single most important catalyst behind the 2025 rally. Several listed companies delivered substantial dividend increases:

- TBL increased dividends by 134 percent
- Vodacom increased by 69 percent
- TPCC increased by 54 percent
- CRDB increased by 30 percent
- NMB increased by 19 percent

The market transitioned from being liquidity-constrained to one delivering meaningful cash returns to shareholders. Dividend resets, particularly in TBL, Vodacom, and TPCC, significantly improved investor confidence.

Gainers and Losers

Top gainers were primarily driven by:

- Bank re-rating supported by earnings and dividend growth
- Improved market activity benefiting DSE Plc
- Catalyst-driven repricing in TPCC, SWIS, TCCL, and TOL

Price corrections in Vodacom, TBL, TCC, and PAL were largely technical adjustments following trading rule reforms rather than deterioration in fundamentals.

Investor Onboarding and Demographics

A total of 123,547 new CDS accounts were opened in 2025, a 316 percent increase from 2024. Total CDS accounts reached 740,639 by year-end.

Notably, 40.33 percent of new investors were aged between 21 and 30 years, signaling a younger, digitally native investor base entering the capital markets.

The Mobile Trading Platform added 94,805 new investors, increasing total MTP accounts to 139,971 and accounting for 18.89 percent of all CDS accounts.

Capital Formation and Product Innovation

2025 was also a landmark year for new listings and capital raising activity.

Equity and ETF Listings

The first ETF was listed in October 2025, raising 36 percent above its target and reaching a market capitalization of TZS 21.3 billion by year-end.

Tanga Cement (TCCL) completed the largest rights issue in DSE history, raising TZS 203.7 billion.

4.2 Sukuk and Corporate Bonds

CRDB issued the Al Baraka Sukuk, raising both TZS and USD-denominated tranches. Zanzibar also issued two Sukuk tranches totaling over TZS 164 billion and USD 80.7 million.

Several corporate bonds were listed in 2025, including:

- Azania Bank – Bondi Yangu
- CRDB – Samia Infrastructure Bond
- NBC – Twiga Bond
- Stanbic Bank Tanzania dual tranches
- Tanzania Commercial Bank – Stawi Bond
- NMB – Jamii Bond

4.3 Government Bond Market Performance

Primary Market

Primary auctions attracted TZS 11.2 trillion in bids against TZS 4.4 trillion offered, reflecting strong demand with an average bid cover of 2.31x.

Investor appetite was concentrated in long-dated bonds, particularly 15-, 20-, and 25-year tenors, which accounted for 65 percent of tendered volume.

Yields declined significantly across all maturities during the year. The 25-year yield fell from 15.84 percent in Q1 to 13.2 percent by Q4.

Secondary Market

Secondary government bond turnover reached TZS 5.89 trillion. The 10-, 15-, 20-, and 25-year segments represented over 91 percent of total turnover.

The yield curve shifted downward materially. The benchmark 25-year bond yield compressed from 15.24 percent in Q1 to 12.61 percent in Q4.

4.4 Corporate Bond Secondary Market

Corporate bond trading remained relatively concentrated. The CRDB Samia Infrastructure Bond alone accounted for 35 percent of corporate bond trading. CRDB-listed bonds collectively represented approximately 63.8 percent of corporate bond turnover.

Liquidity remains limited relative to the government bond market, but issuance activity indicates growing institutional participation.

4.5 Regional Market Context

In USD terms, Tanzania delivered a 27.5 percent return in 2025, ranking mid-table among African markets. Malawi and Ghana significantly outperformed the region, while Mauritius recorded near-flat performance.

4.6 Collective Investment Schemes (CIS) in Tanzania

Market Snapshot as at 31st December 2025

1. Industry Overview

As at the date of the report, Tanzania's Collective Investment Schemes (CIS) sector continues to operate as a growing segment of the capital markets ecosystem, providing retail and institutional investors with diversified, professionally managed investment options.

The schemes available in the market are predominantly:

- Money Market Funds
- Balanced Funds
- Equity Funds
- Fixed Income/Bond Funds
-

These funds are regulated under the Capital Markets and Securities framework and operate under licensed fund managers and trustees.

2. Total Number of Funds

As at 31st December 2025 Tanzania has 13 actively managed collective investment schemes

13 Active Collective Investment Funds

These funds are managed by different licensed fund managers, with the majority concentrated in money market strategies due to investor preference for capital preservation and liquidity.

The composition reflects a market still heavily skewed toward low-risk, income-generating instruments, with gradual expansion into balanced and equity-focused products.

3. Total Assets Under Management (AUM)

The total combined Assets Under Management (AUM) across all collective investment schemes stood at approximately:

TZS 4.35 Trillion (Industry Total AUM)

This reflects continued growth in pooled investment vehicles, supported by:

- Increased retail participation
- Competitive returns relative to bank deposits
- Growing awareness of capital market instruments
- Institutional participation (pension funds, corporates, SACCOs)

Money market funds account for the largest share of total AUM, representing more than 70% of industry assets, largely due to their low volatility profile and daily liquidity features.

4. Average Year-to-Date (YTD) Growth

The weighted average Year-to-Date (YTD) return across funds was approximately:

8% – 12% (Industry Average YTD Growth)

Breakdown by category:

The strong equity market rally during 2025 significantly lifted returns for equity and balanced funds, while declining government bond yields supported mark-to-market gains in fixed income funds.

Money market funds delivered stable and competitive returns relative to traditional fixed deposits.

5. Key Structural Observations

A. Dominance of Money Market Funds

The industry remains liquidity-driven. Investors prefer:

- Low risk
- Daily pricing
- Easy redemption
- Stable yields

This indicates Tanzania's CIS market is still in a capital preservation phase rather than aggressive growth allocation.

B. Growing Retail Participation

Digital platforms and mobile onboarding have contributed to increased accessibility. The demographic shift toward younger investors is likely to benefit CIS growth going forward.

C. Yield Environment Tailwind

The downward shift in government bond yields during 2025:

- Increased NAVs for bond funds
- Reduced opportunity cost of equity exposure
- Encouraged asset reallocation

D. Institutional Participation

Pension funds and corporate treasuries continue to anchor large money market and bond fund balances.

6. Industry Significance in the Capital Markets Ecosystem

The CIS sector plays a critical role in:

- Enhancing financial inclusion
- Channeling household savings into capital markets
- Supporting government and corporate bond demand
- Improving market liquidity

Although still relatively small compared to the banking sector, the rapid growth rate indicates structural deepening of Tanzania's financial markets.



6. RESOLUTION OF THE GENERAL MEETING



The Resolution of the General Meeting of Timiza Fund Investors resolves to receive and adopt the Annual Report of the Timiza Fund, including the Financial Statements of the Timiza Fund for the period ending 31 DECEMBER 2025.



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