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**TIMIZA UNIT TRUST SCHEME  
(TIMIZA FUND)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025**

**TIMIZA FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025**

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## **TIMIZA FUND**

### **GENERAL INFORMATION**

#### **The Board of Directors of the Fund Manager**

The Directors who held office during the period and as at the date of this report are as follows;

<b>Name</b>	<b>Position</b>	<b>Gender</b>	<b>Appointed on:</b>
Hon. Abdisalaam Issa Khatibu	Chairman	Male	2014
Mr. Harry Kitillya	Director	Male	2024
Mr. Melvinne Kitillya	Director	Male	2014

#### **FUND MANAGER**

Zan Securities Limited,  
1<sup>st</sup> Floor, Viva Tower,  
A.H. Mwinyi Road,  
P.O Box 5366,  
Dar es Salaam, Tanzania.

#### **CUSTODIAN**

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

#### **AUDITOR**

Forvis Mazars,  
4th Floor, 85K, Kinondoni Road,  
P.O Box 78999,  
Dar es Salaam, Tanzania.

#### **ADVOCATE**

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

## TIMIZA FUND

### REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025

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The Board of Directors of Zan Securities Limited (the “Fund Manager”) presents the report of the TIMIZA Unit Trust Scheme (“TIMIZA Fund” or the “Fund”) together with the audited financial statements for the 19-month period ended 31 December 2025, which disclose the financial performance and financial position of the Fund as at that date. This report is equivalent to the Report of Those Charged with Governance required under Tanzania Financial Reporting Standard No. 1 (TFRS 1).

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

TIMIZA Unit Trust Fund (TIMIZA Fund) is the first collective investment fund to be established by Zan Securities Limited, a limited liability company incorporated in Tanzania under the provisions of the Companies Act, 2002 (As amended).

The Fund was established in Tanzania under the Deed of Trust on 3 April 2024 between Zan Securities Limited and Mwangi Hakika Bank Limited (The Trustee), a limited liability company incorporated in Tanzania under the provisions of the Companies Act, 2002 (As amended) and is regulated by Capital Markets and Securities (Collective Investment funds) Regulations 1997, prescribed under the Capital Markets and Securities Act, 1994.

The Fund is currently managed by Zan Securities Limited. As a Fund Manager, Zan Securities Limited has set up a management structure to carry out day to day operations of the Fund.

The Custodian of the Fund is Mwangi Hakika Bank Limited, a commercial bank licensed to carry out banking business under the Banking and Financial Institutions Act, 2006. The duties of the Fund Manager and the Trustee / Custodian are specified in Section 4.0 and 5.4 of the Offer Document respectively. The Offer Document sets forth concisely, the information about the fund that a prospective investor ought to know about the Fund. It also contains information about the rights and obligations of the Fund Manager and Trustee/Custodian to the Fund.

#### 2. Fund Manager Vision and Mission

##### Vision Statement

To exceed the expectations of every client by offering outstanding investment service, increased flexibility, and greater value in Africa.

##### Mission Statement

To create and preserve wealth through innovation for our clients and all stakeholders.

##### Core Values

- I. **Integrity:** We uphold the highest ethical standards, ensuring transparency and trust in every transaction.
- II. **Client-Centric Approach:** We prioritize our clients’ needs by offering personalized investment solutions and sound financial advice.
- III. **Innovation:** We embrace technology and new ideas to improve market participation and trading efficiency.
- IV. **Market Leadership:** We strive to be at the forefront of Tanzania’s capital markets by providing expert insights and driving market development.
- V. **Financial Literacy & Inclusion:** We actively educate and empower investors to foster wider participation in the financial markets.

#### 3. Principal activities and investment objectives

The principal activity of the Fund is to invest the pooled fund into a balanced portfolio of 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.

## TIMIZA FUND

### REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025

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#### 4. Business model

The Fund offers two main options aimed at serving various investment objectives suitable for investors of various profiles. These are growth (re-investment) option and annual income option. The amounts received under all plans shall be managed as one single investment portfolio.

#### 5. Financial performance during the period

The financial performance of the fund for the period is set out on page 12 of these financial statements.

#### 6. Sale and re-purchase of units of the Fund

The Fund had initial sale of units opened from 1 May 2024 to 31 May 2024, where units were purchased at offer price of TZS 100 per unit. From 1 June 2024, the sale and re-purchase price was based on the prevailing Net Asset Value (NAV) per unit on the date of sale and re-purchase respectively.

#### 7. 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.

#### 8. Investment option

The Fund has a minimum initial investment of ten thousand Tanzanian shillings (TZS 10,000) for re-investment option and one million (TZS 1,000,000) for annual income distribution. For all plans, ten thousand Tanzanian shillings (TZS 10,000) as subsequent minimum additional investment. Additionally, there is no limit in maximum investment amount. The Fund offers investment under growth option with no load charged for both entry and exit.

#### 9. Unit holders' capital

The following is a summary of the Fund's unit capital transactions for the period.

	Units	Amount (TZS)
Sales of units made during the period	260,120,760	28,008,657,167
Repurchases of units made during the period	<u>(38,220,783)</u>	<u>(4,367,873,702)</u>
<b>Closing balance as at 31 December 2025</b>	<b><u>221,899,977</u></b>	<b><u>23,640,783,465</u></b>

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

## TIMIZA FUND

### REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025

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#### 10. Principal risks and uncertainties

Investors should note that investments in the Fund are subject to market risks and the Net Asset Value (NAV) of the Fund may go up or down depending upon the factors and forces affecting the securities market. Past performance is not a guide to future performance.

#### 11. Solvency

The Fund's state of affairs as at 31 December 2025 is set out on page 13 of the financial statements. The Fund Manager considers the Fund to be solvent.

The Board of Directors of the Fund Manager confirms that IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) have been followed and that financial statements have been prepared on a going concern basis with a reasonable expectation that the Fund has adequate resources to continue its operational existence for next twelve months from the date of approval of these financial statements.

#### 12. Key Performance Indicators of the Fund

The table below shows performance of the Fund;

	<b>31 December 2025</b>
Net assets attributable to Unit holders (TZS)	27,167,893,463
Number of units	221,899,977
Net Asset Value (TZS)	122.43
Published Net Asset Value per unit (TZS)	122.43

#### 13. Liquidity and Cash flows of the Fund

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

Liquidity of the funds is independently assessed and challenged through internal governance process at the Fund Manager. Liquidity is modelled and compared against potential liability scenarios such as severe repurchases of units and where the Fund has any liquidity issues, its communicated to the Board of Directors of the Fund Manager for remedial action.

## TIMIZA FUND

### REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025

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#### 14. Corporate governance of the Fund

##### i) Fund Manager

The Fund is currently managed by Zan Securities Limited. As a Fund Manager, ZAN has set up a management structure to carry out day to day operations of the Fund.

##### Board of Directors of the Fund Manager

The Board takes overall responsibility for the Fund, including to maintain, operate or engage in any investment management that would enable increase in value of assets and profit of the Fund, to formulate in relation to any collective scheme any plan or plans, under which a person may acquire an interest in units and 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 no including insurance business and to extend investment or fund or portfolio management services to persons in and outside Tanzania.

##### Board Audit, Risk and Compliance Committee

S/No	Name	Gender	Position
1	Hon. Abdisalaam Issa Khatibu	Male	Chairperson
2	Melvinne Kitilya	Male	Member

##### Board Investment Committee

S/No	Name	Gender	Position
1	Harry Kitilya	Male	Chairperson
2	Raphael Masumbuko	Male	Member

##### ii) Custodian

The Custodian of the Fund is Mwanga Hakika Bank Limited, a commercial bank licensed to carry out banking business under the Banking and Financial Institutions Act, 2006. The Board of Directors of Mwanga Hakika Bank Limited is made up of the following individuals:

S/No	Name	Gender	Position
1	Eng. Ridhuan Mringo	Male	Chairman
2	CPA(T). Zukra Ally	Female	Director
3	CPA(T). Anna Mushi	Female	Director
4	CPA(T). Yonah Mgongolwa	Male	Director
5	CPA(T). Dominick Mnzava	Male	Director
6	CPA(T). Elifuraha Charles	Male	Director

#### 15. Relationship with stakeholders

Relationships with our key stakeholders including our investors, suppliers, business partners, regulators and other service providers remained cordial throughout the period. A good relationship with our key stakeholders remains the root of the Fund Manager's core values and beliefs.

#### 16. Related party transactions

Details of transactions with related parties are disclosed in Note 14 to the financial statements.

#### 17. The Board of Directors of the Fund Manager

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

**TIMIZA FUND**

**REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025**

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**18. Interests of the Directors and senior employees of the Fund manager in units of the Fund**

Details of the units held by the Directors and senior employees of the fund manager are disclosed note 13 of the financial statements.

**19. Serious prejudicial matter**

In the opinion of the Directors of the Fund Manager, there were no significant unfavourable matters as at the reporting date that can affect the Fund.

**20. Disabled persons**

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

**21. Political and charitable donations**

No donations were made to any political or charitable institutions during the period ended 31 December 2025.

**22. Responsibilities of the auditor**

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

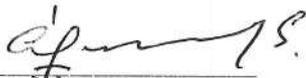
**23. Responsibilities of the Directors of Fund Manager**

The Directors of Fund Manager are responsible for the preparation of financial statements that give a true and fair view of the Fund for 19 months period ended 31 December 2025 to the date of approval of the financial statements, in accordance with IFRS Accounting Standards and in the manner required by the Capital Markets and Securities (Collective Investment Funds) Regulations, 1997. More details of the responsibilities of the directors are shown on page 7.

**24. Statement of compliance**

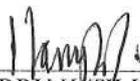
The report of Directors of the Fund Manager has been prepared in full compliance with Tanzania Financial Reporting Standard No.1 (TFRS 1) on Report of Those Charged with Governance.

**By order of the Board**



ABDISALAAM ISSA KHATIBU  
Chairman

Date ... 3 March 2026



HARRY KIFILLYA  
Director

Date 3 March 2026

**TIMIZA FUND**

**STATEMENT OF THE DIRECTORS OF THE FUND MANAGER'S RESPONSIBILITIES  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025**

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The Directors of the Fund Manager are responsible for preparing financial statements that give a true and fair view of the TIMIZA Unit Trust Scheme ("the Fund"). These include 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 period then ended, and the accompanying notes including a summary of significant accounting policies in accordance with IFRS Accounting Standards and the Capital Markets and Securities (Collective Investment Funds) Regulations, 1997.

The Directors are also responsible for establishing and maintaining internal controls necessary to ensure that the financial statements are free from material misstatement, whether arising from fraud or error, as well as maintaining adequate accounting records and an effective risk-management framework.

The Directors have assessed the Fund's ability to continue as a going concern and have concluded that there is no indication that the Fund will be unable to continue operating for at least twelve months from the date of approval of these financial statements.

The auditor's responsibility is to express an opinion on whether the financial statements present a true and fair view in accordance with the applicable financial reporting framework.

**Approval of financial statements**

The financial statements of TIMIZA Unit Trust Scheme, as identified in the first paragraph, were approved and authorized for issue by the Fund Manager's Board of Directors on .....3 March 2026..... and signed by:



ABDISALAAM ISSA KHATIBU  
Chairman

Date ..3 March 2026.....



HARRY KILLYA  
Director

Date ...3 March 2026.....

**TIMIZA FUND**

**DECLARATION OF FINANCE MANAGER OF THE FUND MANAGER  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025**

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

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

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Statement of the Directors of the Fund Manager's Responsibilities on page 7.

I, **Fadhila Mbura**, being the Finance Manager of the Fund Manager (Zan Securities Limited), hereby acknowledge my responsibility for ensuring that the financial statements for the 19-month period ended 31 December 2025 have been prepared in compliance with applicable accounting standards and statutory requirements. I further confirm that the financial statements of the TIMIZA Unit Trust Scheme comply with applicable accounting standards and statutory requirements as at that date, and that they have been prepared based on properly maintained financial records.

I thus confirm that the financial statements of TIMIZA Unit Trust Scheme comply with applicable accounting standards and statutory requirements on that date and that they have been prepared based on properly maintained financial records.



.....  
Signed by: Fadhila Mbura

**Position:** Finance Manager

**NBAA Membership No.:** ACPA674

**Date:** ..... 3 March 2026 .....

**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 12 to 29. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNIT HOLDERS OF TIMIZA FUND (CONTINUED)**

**Report on the Audit of the Financial Statements (Continued)**

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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNIT HOLDERS OF TIMIZA FUND (CONTINUED)**

**Report on the Audit of the Financial Statements (Continued)**

**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; and
- 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: ..... 4 March ..... 2026

**TIMIZA FUND****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025**

	Notes	2025 TZS
Interest income	5	1,914,414,663
Dividend income		65,000,000
Other income	6	2,131,997,400
<b>Total income</b>		<b>4,111,412,063</b>
Management fees	13 (a)	(353,182,725)
Custodian fees	13 (d)	(27,167,902)
Other charges	7	(190,175,314)
<b>Total expenses</b>		<b>(570,525,941)</b>
<b>Increase in net assets attributable to unit holders before tax</b>		<b>3,540,886,122</b>
Withholding tax expense	8	(13,776,125)
<b>Increase in net asset attributable to unit holders, net of tax</b>		<b>3,527,109,997</b>
Other comprehensive income		-
<b>Total increase in net assets attributable to unit holders, net of tax</b>		<b>3,527,109,997</b>

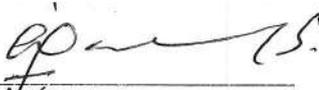
Notes and related statements forming part of these financial statements appear on pages 16 to 30.

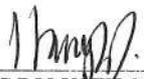
**TIMIZA FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025**

	Notes	2025 TZS
<b>Assets</b>		
Cash and cash equivalents	9	4,939,992,523
Receivable		79,355,778
Investments at Fair Value	10	<u>22,741,396,546</u>
<b>Total assets</b>		<u><b>27,760,744,847</b></u>
<b>Liabilities</b>		
Other liabilities	11	<u>(592,851,384)</u>
<b>Total liabilities</b>		<u><b>(592,851,384)</b></u>
<b>Net assets attributable to unit holders</b>		<u><b>27,167,893,463</b></u>
<b>Represented by:</b>		
Net assets attributable to unit holders		<u><b>27,167,893,463</b></u>
Net Asset Value per unit based on 221,899,977 units outstanding	12	122.43

The financial statements on pages 12 to 30 were approved for issue by the Board of Directors of the Fund Manager on 3 March 2026 and signed by:

  
 \_\_\_\_\_  
 ABDISALAAM ISSA KHATIBU  
 Chairman

  
 \_\_\_\_\_  
 HARRY KILLYA  
 Director

**TIMIZA FUND****STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025**

	Notes	2025 TZS
Opening balance of net assets attributable to unit holders – (Fund commenced during the period)		-
Increase in net assets attributable to unit holders		<u>3,527,109,997</u>
		<u>3,527,109,997</u>
<b>Transactions with unit holders during the period</b>		
Sales of units	12	28,008,657,167
Repurchase of units	12	(4,367,873,702)
<b>Net transaction with unit holders.</b>		<u>23,640,783,465</u>
<b>Closing balance of net assets attributable to unit holders</b>		<u>27,167,893,463</u>

**TIMIZA FUND**

**STATEMENT OF CASH FLOWS  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025**

	Notes	2025 TZS
<b>Cash flows from operating activities:</b>		
<b>Increase in net assets attributable to unit holders, net of tax:</b>		<b>3,527,109,997</b>
Adjustment for:		
Interest income at effective interest rate	5	(1,809,153,412)
Unrealized loss on treasury bonds		71,959,320
Unrealized gain on listed equities	6	<u>(883,560,000)</u>
		<b>906,355,905</b>
<b>Changes in:</b>		
Government securities		(20,664,195,865)
Listed equities		(1,265,600,000)
Other liabilities	11	<u>592,851,385</u>
<b>Cash used in operating activities</b>		<b>(20,430,588,575)</b>
Interest income received on treasury bonds		<u>1,729,797,633</u>
<b>Net cash used in operating activities</b>		<b>(18,700,790,942)</b>
<b>Cash flows from financing activities:</b>		
Sales of units	12	28,008,657,167
Repurchase of units	12	<u>(4,367,873,702)</u>
<b>Net cash generated from financing activities</b>		<b><u>23,640,783,465</u></b>
<b>Net increase in cash and cash equivalents</b>		<b><u>4,939,992,523</u></b>
<b>Cash and cash equivalents as at the beginning of period</b>		<b><u>-</u></b>
<b>Cash and cash equivalents as at the end of the period</b>	9	<b><u><u>4,939,992,523</u></u></b>

\*Cash and cash equivalent include call deposit that are repayable on demand and form an integral part of Fund's cash management

## TIMIZA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR 19 MONTHS PERIOD ENDING 31 DECEMBER 2025

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#### 1. REPORTING ENTITY

TIMIZA Unit Trust Scheme (“the Fund”) was established on 27 May 2024 and is regulated under the Capital Markets and Securities (Collective Investment Funds) Regulations, 1997, issued pursuant to the Capital Markets and Securities Act, 1994. The registered office of the Fund is located at 1st Floor, Viva Tower, P.O. Box 5366, Dar es Salaam.

The Fund is managed by Zan Securities Limited, which has established an operational structure to oversee the Fund’s day-to-day activities. The roles and responsibilities of the Fund Manager and the Trustee/Custodian are set out in Sections 4.0 and 5.4 of the Offer Document, respectively. The registered office of the Fund Manager is also located at 1st Floor, Viva Tower, P.O. Box 5366, Dar es Salaam.

The Fund is an open-ended balanced fund investing in treasury bonds, fixed deposits, money market instruments, and listed equities. Its objective is to provide long-term capital appreciation and periodic income distribution, subject to the availability of distributable surplus.

#### 2. BASIS OF ACCOUNTING

##### (a) Statement of compliance

The financial statements for the 19-month period ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in compliance with the Capital Markets and Securities (Collective Investment Funds) Regulations, 1997.

##### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except where specific accounting policies require the application of fair value.

##### (c) Functional and presentation currency

These financial statements are presented in Tanzanian Shillings (TZS), which is the Fund’s functional and presentation currency. The functional currency reflects the primary economic environment in which the Fund operates. All subscriptions, redemptions, investments, and expenses including management fees, custodian fees, and other charges are denominated in Tanzanian Shillings, confirming that TZS is the appropriate functional currency.

##### (d) Use of estimates and judgements

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed continuously, with revisions recognised prospectively.

##### (e) Going Concern

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

## TIMIZA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025 (CONTINUED)

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#### 3. MATERIAL ACCOUNTING POLICIES

The accounting policies outlined below have been applied consistently in the preparation of these financial statements.

(a) **Interest income**

Interest income is recognised using the effective interest method on financial assets measured at amortised cost. The effective interest rate is determined at initial recognition and allocates interest income over the expected life of the asset.

(b) **Dividend income**

Dividend income is recognised when the Fund's right to receive payment is established, generally on the ex-dividend date for listed equity securities.

(c) **Expenses**

Expenses are charged in accordance with Section 12 of the Offer Document, which specifies management fees of 1.3% of NAV, custodian fees of 0.1% of NAV, and other allowable charges capped at 0.7% of NAV.

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

(d) **Taxation**

In accordance with Section 86 of the Income Tax Act, 2004, the Fund is exempt from income tax on profits and capital gains. Interest income is subject to withholding tax, which is treated as a final tax.

(e) **Redeemable units**

Units issued by the Fund are classified as financial liabilities, as holders may request redemption for cash equal to the proportionate share of the Fund's net assets at the valuation date.

(f) **Cash and cash equivalents**

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

(g) **Financial instruments**

**i. Recognition and initial measurement**

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025 (CONTINUED)

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ii. **Classification and subsequent measurement**

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

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

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

**Business model assessment**

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

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

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

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

**Reclassifications**

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

**Subsequent measurement of financial assets**

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

## TIMIZA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025 (CONTINUED)

Financial assets at FVTPL: These include; cash and cash equivalents and receivables. These assets are subsequently measured at fair value. Net gains and losses are recognised in profit or loss.

#### Financial liabilities

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

#### Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when and only when the Fund has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards or gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

#### iii. Impairment

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

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

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

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

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

#### iv. Write off

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

#### v. Derecognition

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

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

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

## TIMIZA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025 (CONTINUED)

#### (h) Fees and commission expenses

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

#### (i) Provisions

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

#### (j) Contingent liabilities

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

#### (k) Changes in Accounting Policies

During the period there were no new standards or amendments to standards and interpretations that were effective and applicable to the Fund.

## 4. FINANCIAL RISK MANAGEMENT

### Introduction and overview

The Fund is exposed to a variety of financial risks, including credit risk, liquidity risk, market risk, and operational risk, all of which are actively monitored and managed

#### (a) Credit risk

Credit risk represents the possibility that a counterparty may fail to meet its contractual obligations. Exposure arises primarily from government securities, listed equities, receivables, and cash balances. The Fund mitigates this risk by investing only in instruments issued by credible counterparties and by monitoring exposures on an ongoing basis.

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

	31 December 2025	
	Financial assets TZS	Exposure to credit risk TZS
Cash and cash equivalents	4,939,992,523	4,939,992,523
Government securities	20,592,236,546	20,592,236,546
Listed equities	2,149,160,000	2,149,160,000
Receivables	79,355,778	79,355,778
	<u>27,760,744,847</u>	<u>27,760,744,847</u>

**TIMIZA FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025 (CONTINUED)**

**Concentration of credit**

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

	<b>31 December 2025</b>	
	<b>TZS</b>	<b>%</b>
Financial services sector	7,089,152,523	0.25
Government sector	20,592,236,546	0.74
Other sectors	79,355,778	0.01
	<u>27,760,744,847</u>	<u>1</u>

**Settlement risk**

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For the vast majority of transactions, the Fund mitigates this risk by conducting settlements through a custodian to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval and limit monitoring processes described earlier.

**(b) Liquidity risk**

Liquidity risk refers to the risk that the Fund may be unable to meet its financial obligations as they fall due. The Fund manages this risk by maintaining a diversified portfolio of assets that can be readily liquidated and by monitoring liquidity positions regularly.

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

	Carrying amount TZS	Contractual cash flows TZS	Within 1 year TZS	1 year and above TZS
<b>At 31 December 2025</b>				
<b>Financial liabilities</b>				
Other liabilities	592,851,384	592,851,384	592,851,384	-
Net assets attributable to unit holders	<u>27,167,893,463</u>	<u>27,167,893,463</u>	<u>27,167,893,463</u>	<u>-</u>
	<u>27,760,744,847</u>	<u>27,760,744,847</u>	<u>27,760,744,847</u>	<u>-</u>

**(c) Market risk**

Market risk is the risk that changes in market variables such as interest rates, credit spreads, and market prices may negatively affect the Fund's financial performance.

The Fund manages market risk through diversified asset allocation strategies and active monitoring of market developments

**Interest rate risk**

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 Fund has invested. The Fund Manager manages this risk by diversifying its investments on bond with different tenures and coupon rates. The Fund Manager takes a dynamic approach in equity securities through strategic sector allocation aligning with interest rate expectations and adjust the portfolio accordingly.

TIMIZA FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR 19 MONTHS PERIOD ENDING 31 DECEMBER 2025

The table below summarises the exposure to interest rate risk in TZS thousands. Assets and liabilities are categorised by the earlier of contractual re-pricing or maturity dates.

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
<b>At 31 December 2025</b>							
<i>In TZS' thousands</i>							
<b>ASSETS</b>							
Cash and cash equivalents	4,500,943					439,050	4,939,993
Government securities				20,592,237			20,592,237
Listed equities	2,149,160						2,149,160
Other receivables						79,356	79,356
<b>Total</b>	<b>6,650,103</b>				<b>20,592,237</b>	<b>518,406</b>	<b>27,760,746</b>
<b>LIABILITIES</b>							
Other liabilities						(592,851)	(592,851)
Net assets attributable to unit holders						(27,167,893)	(27,167,893)
<b>Net interest rate gap</b>	<b>6,650,103</b>				<b>20,592,237</b>	<b>(27,242,338)</b>	

## TIMIZA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR 19 MONTHS PERIOD ENDING 31 DECEMBER 2025

#### Interest risk sensitivity

The table below sets out the effect on the Fund's net assets attributable to holders of units of a reasonably possible increase of 100 basis points in interest rates as at 31 December 2025. A reduction in interest rates of the same amount would have resulted in an equal but opposite effect to the amounts shown. The impact of such an increase or reduction has been estimated by calculating the fair value changes of the fixed-interest debt securities and other fixed-interest-bearing assets, less liabilities. The impact is primarily from the decrease in the fair value of fixed income securities. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2025 TZS
Increase in net assets attributable to holders of unit holders	271,678,935
Decrease in net assets attributable to holders of unit holders	(271,678,935)

#### Currency risk

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

The Fund strategy towards managing its foreign currency exposure is through transacting mainly using its functional currency, the Tanzanian shillings (TZS). The Fund will not invest in foreign currency denominated investments.

The Fund's transactions are denominated in its functional currency, the Tanzanian shillings (TZS). Currency risk is therefore not relevant to the Fund.

#### Fund Specific Risks

There is risk directly associated with the performance of companies whose ordinary shares are acquired and held by the Fund.

The Fund Manager 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, the Fund Manager will make informed decisions about sector allocations and adjust the portfolio accordingly to mitigate the risk of concentration.

#### (d) Operational risk

Operational risk arises from inadequate or failed internal processes, systems, human factors, or external events. The Fund mitigates this risk through strong internal controls, oversight by the Board of Directors, documented procedures, and periodic assessments of operational effectiveness. Overall, the Fund's risk management framework is designed to ensure that risks are identified, measured, monitored and controlled in accordance with regulatory requirements and sound industry practices

#### 5. INTEREST INCOME

	2025 TZS
Interest income recognised using the effective interest method	1,809,153,412
Interest income from Fixed Deposits	105,261,251
	<u>1,914,414,663</u>

**TIMIZA FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025 (CONTINUED)**

<b>6. OTHER INCOME</b>	
Gain on disposal of treasury bonds	1,088,254,420
Gain on disposal of listed equities	232,142,300
Unrealized loss on treasury bonds	(71,959,320)
Unrealized gain on listed equities	883,560,000
	<u>2,131,997,400</u>
<b>7. OTHER CHARGES</b>	
Other expenses	108,946,039
Brokerage commissions	81,229,275
	<u>190,175,314</u>
<b>8. WITHHOLDING TAX EXPENSE</b>	
The Fund is exempt from income tax under the prevailing tax legislation. However, interest income earned by the Fund is subject to withholding tax at a statutory rate of 10%, which is treated as a final tax.	
	<b>2025</b>
	<b>TZS</b>
Withholding tax charged on income	13,776,125
	<u>13,776,125</u>
<b>9. CASH AND CASH EQUIVALENTS</b>	
	<b>2025</b>
	<b>TZS</b>
Cash balance held in collection account	439,049,815
Cash balance held in call account	4,500,942,708
	<u>4,939,992,523</u>
<b>10. INVESTMENTS AT FAIR VALUE</b>	
<b>Government securities</b>	
Treasury Bonds – 25 Years	967,279,561
Treasury Bonds – 20 Years	480,623,426
Treasury Bonds – 15 Years	18,958,522,824
Treasury Bonds – 7 Years	185,810,735
	<u>20,592,236,546</u>
<b>Listed equities</b>	
CRDB Shares	1,510,000,000
NMB Shares	639,160,000
	<u>2,149,160,000</u>
<b>Total Investments at Fair Value</b>	<u>22,741,396,546</u>
<b>11. OTHER LIABILITIES</b>	
Management fees payable (See Note 13(a))	353,182,725
Custodian Fees Payable (See Note 13(d))	10,927,435
Other expenses payable	105,937,224
Customers Deposit – Unallocated Units from Unknown Deposits	122,804,000
<b>Total Liabilities</b>	<u>592,851,384</u>

**TIMIZA FUND****NOTES TO THE FINANCIAL STATEMENTS  
FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025 (CONTINUED)****12. UNIT HOLDER'S FUNDS**

The movement in unit holders' Funds during the year is as follows:

	<b>2025</b>
	<b>Number of units</b>
Opening balance	-
Units sold during the period	260,120,760
Units repurchased during the period	<u>(38,220,783)</u>
<b>Units outstanding at the end of the period</b>	<b><u>221,899,977</u></b>
<b>Net Asset Value (NAV)</b>	<b>122.43</b>
<b>Published Net Asset Value per unit</b>	<b>122.43</b>
	<b>2025</b>
	<b>TZS</b>
Proceeds from sale of units	28,008,657,167
Repurchases of units	<u>(4,367,873,702)</u>
<b>Net proceeds from sales of units</b>	<b><u>23,640,783,465</u></b>

**13. RELATED PARTY TRANSACTIONS**

During the period ended 31 December 2025, the scheme had the following related party balances and transactions

**A: ZAN SECURITIES LIMITED**

Zan Securities Limited serves as the fund manager for the Fund.

- a) The fund manager charged 1.3% of the Net Asset Value as management fees

	<b>2025</b>
	<b>TZS</b>
<b>Net Asset Value as at 31 December 2025</b>	<b>27,167,893,463</b>
Management fees at 1.3% of the Net Asset Value	353,182,725
b) According to the offer document, any costs exceeding 0.7% of the Net Asset Value of the investment are covered by the Fund Manager	
<b>Total Expenses relating to the Fund</b>	<b>570,525,941</b>
Costs paid on behalf of the Fund at 0.7% of the Net Asset Value	<u>190,175,314</u>
Expenses in excess of 0.7% borne by Fund Manager	<u>380,350,627</u>

**B: MWANGA HAKIKA BANK LIMITED**

Mwanga Hakika Bank Limited serves as the custodian for the Fund.

- d) The custodian shall charge 0.1% of the Net Asset Value with the minimum of TZS 10,000,000 per annum as custodian fees

Custodian fees at 0.1% of the Net Asset Value	27,167,902
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## TIMIZA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025 (CONTINUED)

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#### C: UNITS HELD BY DIRECTORS AND SENIOR MANAGEMENT

a) Units held by directors	775,000
b) Units held by senior management	2,067,754

#### 14. DETERMINATION OF FAIR VALUES

##### (a) Valuation models

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

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

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

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The Fund uses widely recognised valuation models for determining the fair value of common and simple financial instruments, such as interest rate that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

##### (b) Valuation framework

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

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

## TIMIZA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR 19 MONTHS PERIOD ENDED 31 DECEMBER 2025 (CONTINUED)

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

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

(c) **Financial instruments not measured at fair value**

**Government securities:** These are long term and are carried at amortised cost. Fair values of the government securities are different from their amortised costs and the fair values are disclosed in the table below.

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

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

**Other liabilities:** These are short-term financial assets and their carrying amounts approximate fair value because of their short-term nature and the high credit quality of counterparties.

**TIMIZA FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR FIVE MONTHS PERIOD ENDING 31 DECEMBER 2024**

**(c) Financial instruments not measured at fair value (Continued)**

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

	Level 1 TZS	Level 2 TZS	Level 3 TZS	Financial asset at amortised cost TZS	Financial liabilities at amortised cost TZS	Total carrying amount TZS
<b>31 December 2025</b>						
<b>Assets</b>						
Cash and cash equivalents				4,939,992,523	-	4,939,992,523
Government securities		20,592,236,546		-	-	20,592,236,546
Listed equities	2,149,160,000			79,355,778	-	2,149,160,000
Receivables	<u>2,149,160,000</u>	<u>20,592,236,546</u>		<u>5,019,348,301</u>		<u>79,355,778</u>
<b>Total</b>						<u><u>27,760,744,847</u></u>
<b>Liabilities</b>						
Other liabilities					(592,851,384)	(592,851,384)
Net assets attributable to unit holders					<u>(27,167,893,463)</u>	<u>(27,167,893,463)</u>
<b>Total</b>					<u><u>(27,760,744,847)</u></u>	<u><u>(27,760,744,847)</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR FIVE MONTHS PERIOD ENDING 31 DECEMBER 2024 (CONTINUED)

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15. SUSTAINABILITY REPORTING

a) General Sustainability Disclosures

The Fund recognizes the importance of sustainability in its investment strategy. The principal activities involve investing in a diversified portfolio of assets, including Treasury Bonds, listed corporate bonds, money market investments, and listed equities.

- **Risks:** The Fund assesses risks associated with environmental, social, and governance (ESG) factors that may impact its investments.
- **Opportunities:** The Fund aims to capitalize on sustainable investment opportunities that align with its objectives of capital appreciation and income distribution.

b) Climate-Related Disclosures

The Fund is committed to understanding and addressing the impacts of climate change on its investment portfolio.

- **Risks:** The Fund evaluates the potential financial risks posed by climate change, including regulatory changes, physical risks, and market shifts.
- **Mitigation Strategies:** Strategies are in place to manage these risks, including investing in sustainable assets and engaging with companies on their climate strategies.

16. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Directors of the Fund Manager confirm that there are no capital commitment or contingent liabilities against the Fund as at 31 December 2025.

17. SUBSEQUENT EVENTS

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