



African Alliance Kenya Unit Trust Scheme

Unaudited financial statements
for the period ended 30 June 2025

African Alliance Kenya Unit Trust Scheme

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African Alliance Kenya Unit Trust Scheme

Management Company and Trustee's responsibilities and approval

The Management Company and the Trustee are required by the Capital Markets (Collective Investment Schemes) Regulations, 2023 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Scheme as at 30 June 2025 and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards, the Trust Deeds and Capital Markets (Collective Investment Schemes) Regulations, 2023 and for such internal controls as the Management Company and Trustee determine as necessary to enable the preparation of the financial statements that are free from material misstatements whether due to fraud or error.

The financial statements are prepared in accordance with IFRS® Accounting Standards, the Trust Deeds and Capital Markets (Collective Investment Schemes) Regulations, 2023 and are based upon appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates.

The Management Company and Trustee are of the opinion, based on the information and explanations given by Management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external Trustee is responsible for independently reviewing and reporting on the Scheme's financial statements. The Unit Trust Funds report is on pages 4 - 8.

The Management Company and Trustee are also responsible for the Scheme's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Management Company and Trustee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The financial statements have been prepared on the going concern basis, since the Management Company and Trustee have every reason to believe that the Scheme has adequate resources in place to continue in operation for at least the next twelve months from the date of this statement.

The Management Company and the Trustee are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the trust as at the end of the financial period and the results of its operations and cash flows for the period then ended, are in conformity with International Financial Reporting Standards.

The Management Company and the Trustee acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

The financial statements set out on pages 9 - 141, which have been prepared on the going concern basis, were approved and authorised for issue by the Management Company and the Trustee on 26 August 2025:

**Stanbic Bank Kenya Limited
(Trustee)**

**African Alliance Kenya Asset Management Limited
(Management Company)**

Date: 26 August 2025

African Alliance Kenya Unit Trust Scheme

Unit Trust Funds report

The Trustee has the pleasure in presenting its report for African Alliance Kenya Unit Trust Scheme for the period ended 30 June 2025.

The unit portfolios

The African Alliance Kenya Unit Trust Scheme consists of the following five unit portfolios:

African Alliance Kenya Equity Fund

Date of establishment: 03 January 2007

Fund objective: 'Is to comprise a mix of securities, as well as liquid assets. Such securities may be held directly by the Fund, or indirectly by means of another similar investment vehicle that in turn invests in a mix of securities and liquid assets.'

Investment policy: The Fund will normally consist of equities, cash and money market instruments. However, the Fund may also invest in other similar equity funds which the Management Company believes to be of the appropriate credit quality and which are consistent with the fund's objectives.

Fees: A maximum fee of 2% p.a. is permissible in terms of clause 8.2 of the supplemental trust deed. However, where the unit holders are other African Alliance Kenya Unit Trusts, the Management Company reduces the fees. Initial fees of 5% are permissible in terms of clause 8.1 but the Management Company has waived these on all investments made by other African Alliance Kenya Unit Trusts.

African Alliance Kenya Fixed Income Fund

Date of establishment: 14 January 2003

Fund objective: 'Is to seek medium-term stability and growth of capital consistent with moderate investment risk and a reasonable level of current income.'

Investment policy: Asset weightings are adapted to create a fixed income fund that achieves the best risk-adjusted returns. Such securities may be held directly by the Unit Portfolio, or indirectly by means of another similar investment vehicle.

Fees: A maximum fee of 2% p.a. is permissible in terms of clause 8.2 of the supplemental trust deed. However, where the unit holders are other African Alliance Kenya Unit Trusts, the Management Company reduces the fees. Initial fees of 5% are permissible in terms of clause 8.1 but the Management Company has waived these on all investments made by other African Alliance Kenya Unit Trusts.

African Alliance Kenya Balanced Fund (formerly African Alliance Kenya Managed Fund)

Date of establishment: 14 January 2003

Fund objective: 'Is to seek long-term stability and growth of capital consistent with moderate investment risk and reasonable level of current income.'

Investment policy: Asset weightings are adapted to create a balanced fund that achieves the best risk adjusted returns. Such securities may be held directly by the Unit Portfolio, or indirectly by means of a similar investment vehicle.

Fees: A maximum fee of 2% p.a. is permissible in terms of clause 8.2 of the supplemental trust deed. Initial fees of 5% are permissible in terms of clause 8.1.

As from 28th May 2025, the Fund changed its name to African Alliance Kenya Balanced Fund.

African Alliance Kenya Unit Trust Scheme

Unit Trust Funds report

The unit portfolios (continued)

African Alliance Kenya Money Market Fund

Date of establishment: 14 January 2003

Fund objective: 'Is to seek capital preservation and an attractive level of current income.'

Investment policy: Asset weightings are adapted to create a money market fund that achieves the best risk adjusted returns. Such securities may be held directly by the Unit Portfolio, or indirectly by means of another similar investment vehicle.

Fees: A maximum fee of 1% p.a. is permissible in terms of clause 8.2 of the supplemental trust deed. Initial fees are not charged by the Management Company.

African Alliance Kenya Enhanced Yield Fund

Date of establishment: 4 January 2017

Fund objective: 'Is to preserve capital over the medium-term whilst providing consistent income generation within moderate risk parameters by investing in a diversified portfolio of domestic short and medium-term corporate and sovereign debt securities.'

Investment policy: Invest in portfolio comprising a broad range of secured and unsecured, listed and unlisted securities, corporate and government bonds, debentures, medium term notes and bills of exchange that are consistent with the portfolio's investment policy.

Fees: A maximum fee of 0.75% p.a. is permissible in terms of clause 8.2 of the supplemental trust deed. Initial fees are not charged by the Management Company.

The Fund became operational in September 2018.

1. Trustee and custodian

The Trustee and Custodian in office as at 30 June 2025 and throughout the period, in compliance with the Capital Markets Act Chapter 485A, is as follows:

Name: Stanbic Bank Kenya Limited

Business Address: Stanbic Centre
Chiromo Road
Nairobi
Kenya

Postal address : P. O. Box 30500- 00100
Nairobi
Kenya

African Alliance Kenya Unit Trust Scheme

Unit Trust Funds report

2. Management company

The Management Company of the Trust Scheme is African Alliance Kenya Asset Management Limited, a company incorporated in Kenya (registered number 123559). African Alliance Kenya Asset Management Limited is licensed by the Capital Markets Authority.

The address of the Management Company is as follows:

Business address: 4th Floor
Kenya Re Tower
Upper Hill
Nairobi
Kenya

Postal address: P. O. Box 27639 - 00506
Nairobi
Kenya

3. Portfolio Managers, investment administrators and advisors

African Alliance Kenya Asset Management Limited, the Management Company, acted as portfolio managers, investment administrators and advisors to the Unit Trust Scheme during the entire financial period.

4. Review of activities

The Unit Trust Scheme generated income and incurred expenses during the period, excluding fair value gains/(losses), as set out in the following table:

	<u>African Alliance Kenya Equity Fund</u>	<u>African Alliance Kenya Fixed Income Fund</u>	<u>African Alliance Kenya Balanced Fund</u>	<u>African Alliance Kenya Money Market Fund</u>	<u>African Alliance Kenya Enhanced Yield Fund</u>
30 June 2025					
Income	10 914 176	21 810 427	25 476 201	22 595 080	8 538 572
Expenditure	2 803 078	5 279 434	5 000 862	5 451 292	2 164 103
Operating profit excluding fair value adjustments	8 111 098	16 530 993	20 475 339	17 143 788	6 374 469
31 December 2024					
Income	20 060 503	47 467 562	56 364 882	49 374 599	17 434 779
Expenditure	5 100 443	9 799 871	10 048 722	8 662 302	3 448 110
Operating profit excluding fair value adjustments	14 960 060	37 667 691	46 316 160	40 712 297	13 986 669

African Alliance Kenya Unit Trust Scheme

Unit Trust Funds report

4. Review of activities (continued)

	African Alliance Kenya Equity Fund	African Alliance Kenya Fixed Income Fund	African Alliance Kenya Balanced Fund	African Alliance Kenya Money Market Fund	African Alliance Kenya Enhanced Yield Fund
31 December 2023					
Income	15 194 891	44 184 752	49 989 436	25 348 605	8 274 103
Expenditure	5 476 626	10 935 360	9 310 090	3 750 189	1 080 043
Operating profit excluding fair value adjustments	9 718 265	33 249 392	40 679 346	21 598 416	4 495 611
31 December 2022					
Income	20 673 166	54 068 743	57 023 127	16 552 280	4 955 611
Expenditure	8 523 868	13 472 085	9 543 910	3 199 568	460 000
Operating profit excluding fair value adjustments	12 149 298	40 183 164	47 479 217	13 352 712	4 495 611
31 December 2021					
Income	14 596 970	53 579 178	53 381 638	14 327 203	1 740 687
Expenditure	9 474 296	13 396 014	12 411 807	3 358 954	169 582
Operating profit excluding fair value adjustments	5 122 674	40 183 164	40 969 831	10 968 249	1 571 105

Fund distributions

Total distributions to unit holders of the Unit Trust Scheme during the period are set out below:

	African Alliance Kenya Equity Fund	African Alliance Kenya Fixed Income Fund	African Alliance Kenya Balanced Fund	African Alliance Kenya Money Market Fund	African Alliance Kenya Enhanced Yield Fund
30 June 2025	8 111 100	16 530 992	20 475 340	17 143 788	6 374 469
31 December 2024	15 034 199	37 667 692	46 316 160	40 712 298	13 986 670
31 December 2023	10 551 153	33 249 392	40 679 344	21 598 416	7 194 060
31 December 2022	11 233 183	40 596 673	47 479 219	13 352 712	4 495 611
31 December 2021	5 139 461	40 205 723	41 066 642	10 968 249	1 571 105

Open derivative positions

None of the unit portfolios had any open derivative positions at the reporting date.

Stock lending

None of the unit portfolios engaged in any stock lending activities during the period under review.

African Alliance Kenya Unit Trust Scheme

Unit Trust Funds report

4. Review of activities (continued)

Net asset values

	African Alliance Kenya Equity Fund	African Alliance Kenya Fixed Income Fund	African Alliance Kenya Balanced Fund	African Alliance Kenya Money Market Fund	African Alliance Kenya Enhanced Yield Fund
30 June 2025					
Net asset value for fund pricing	217 339 394	369 588 714	581 460 108	393 101 813	136 080 504
Units in issue	1 273 784	32 740 112	28 002 499	393 101 814	1 360 805
Net asset value per unit	170,62	11,29	20,76	1,00	100,00
31 December 2024					
Net asset value for fund pricing	184 361 285	333 909 025	520 039 469	368 427 011	145 526 008
Units in issue	1 220 436	30 958 360	27 189 170	368 427 012	1 455 260
Net asset value per unit	151,06	10,79	19,13	1,00	100,00
31 December 2023					
Net asset value for fund pricing	139 228 265	323 957 376	497 344 631	233 609 593	81 634 539
Units in issue	1 178 635	32 836 491	29 006 046	233 609 594	813 645
Net asset value per unit	118,13	9,87	17,15	1,00	100,00
31 December 2022					
Net asset value for fund pricing	232 566 548	403 363 786	647 671 486	187 347 121	53 347 954
Units in issue	1 648 313	38 352 337	35 261 099	187 347 122	533 479
Net asset value per unit	141,09	10,52	18,37	1,00	100,00
31 December 2021					
Net asset value for fund pricing	342 541 614	475 319 617	817 646 025	167 960 335	36 615 307
Units in issue	2 079 600	43 545 910	40 725 716	167 960 336	366 153
Net asset value per unit	164,72	10,92	20,08	1,00	100,00

Unit prices

The highest and lowest unit prices during the reporting periods are set out below:

30 June 2025					
Highest unit price	177,00	11,79	21,50	1,00	100,00
Lowest unit price	149,33	10,80	19,22	1,00	100,00
31 December 2024					
Highest unit price	156,24	11,36	20,08	1,00	100,00
Lowest unit price	117,73	9,85	17,12	1,00	100,00
31 December 2023					
Highest unit price	144,24	10,82	18,71	1,00	100,00
Lowest unit price	113,02	9,87	17,15	1,00	100,00
31 December 2022					
Highest unit price	167,06	11,14	20,27	1,00	100,00
Lowest unit price	133,03	10,52	18,37	1,00	100,00
31 December 2021					
Highest unit price	178,31	11,47	21,05	1,00	100,00
Lowest unit price	146,25	10,92	19,39	1,00	100,00

African Alliance Kenya Unit Trust Scheme

Accounting policies

1. Basis of accounting

The annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by International Accounting Standard Board (IASB), and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC).

The annual financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss.

The annual financial statements are presented in Kenyan Shilling, which is the Scheme's functional currency. All values are rounded to the nearest Kenyan Shilling, except where otherwise indicated.

Summary of significant accounting policies

The Scheme has consistently applied the following accounting policies to all periods presented in these financial statements.

1.1 Significant accounting judgments, estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of the assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgments

In the process of applying the Scheme's accounting policies, the following judgments, having the most significant effect on the amounts recognised in the financial statements, have been made.

Going concern

The Scheme's management has made an assessment of the Scheme's ability to continue as a going concern and is satisfied that the Scheme has the resources to continue in business for the foreseeable future. The financial position of the Scheme is set out in the statement of financial position. Disclosure in respect of risk management and capital management are set out in the notes in the individual Funds' financial statements. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Scheme's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates and assumptions

The Scheme did not apply any estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Scheme. Such changes will be reflected in those assumptions when they occur.

The Scheme has applied IFRS 9 ECL assessment on all financial assets held at amortised cost. No expected credit loss adjustment has been made to the financial statements since same was not material.

African Alliance Kenya Unit Trust Scheme

Accounting policies

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Statement of financial position cannot be derived from active markets, their fair values are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs, such as credit risks (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of financial position and the level where the instruments are disclosed in the fair value hierarchy.

1.2 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Scheme becomes a party to the contractual provisions of the instruments.

The Scheme classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value. On initial recognition, financial asset is classified as amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVPL). The classification is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Impairment of financial assets

Debt instruments that are subsequently measured at amortised cost or at FVOCI are subject to impairment assessment. No impairment loss is recognised on investments measured at FVTPL.

The Scheme recognises a loss allowance for expected credit losses on all other financial assets. The amount of expected credit losses is updated at each reporting date.

Loss allowance for all receivables is determined as lifetime expected credit losses (simplified approach). Loss allowance for receivables is determined in the same manner as prescribed for all financial assets at amortised cost.

Measurement and recognition of expected credit losses

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumption about future economic conditions and credit behaviour.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

African Alliance Kenya Unit Trust Scheme

Accounting policies

1.2 Financial instruments (continued)

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

The measurement of ECLs are based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD), and Exposure At Default (EAD).

The ECL model applied for financial assets, other than trade receivables, contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

- Stage 1 - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.
- Stage 2 - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.
- Stage 3 - When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

Assessment of significant increase in credit risk: The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit or PD at the date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments that are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The group uses these guidelines in determining the staging of its financial assets unless there is persuasive evidence available to rebut these presumptions.

The Scheme makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The investment base is widespread and does not show significantly different loss patterns for different investment segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Scheme's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

The carrying amounts of the Scheme's financial assets that are subject to impairment assessment are disclosed in notes 11, 12 and 13 in the individual Funds' financials.

African Alliance Kenya Unit Trust Scheme

Accounting policies

1.2 Financial instruments (continued)

Write off policy

The Scheme writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Scheme recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Accounts and other receivables

Accounts receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. The Scheme recognises loss allowances for Expected Credit Losses (ECLs) on accounts receivable. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- the credit risk has increased significantly since initial recognition; or
- there is observable evidence of impairment (a credit - impaired financial asset).

Accounts and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. They are measured at amortised cost.

Bank overdraft and other financial liabilities

Bank overdrafts, borrowings and trade and other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Scheme's accounting policy for borrowing costs.

Other financial liabilities are measured initially at fair value and subsequently at amortised cost, using the effective interest method.

African Alliance Kenya Unit Trust Scheme

Accounting policies

1.2 Financial instruments (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when :

- the rights to receive cash flows from the asset have expired; and
- the Scheme has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Scheme has transferred substantially all the risks and rewards of the asset, or (b) the Scheme had neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Scheme has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Scheme's continuing involvement in the asset. In that case, the Scheme also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Scheme has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Scheme could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When the existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if :

- there is a currently enforceable legal right to offset the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.3 Functional and presentation currency

The Scheme's functional currency is the Kenyan Shilling, which is the currency of the primary economic environment in which it operates. The Scheme's performance is evaluated and its liquidity is managed in Kenyan Shilling. Therefore, the Kenyan Shilling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Scheme's presentation currency is also the Kenyan Shilling.

1.4 Foreign currency

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognised in profit or loss as net foreign exchange gain/(loss), except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net gain from financial instruments at fair value through profit or loss.

1.5 Net gain/(loss) from the financial assets at fair value through profit or loss

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

African Alliance Kenya Unit Trust Scheme

Accounting policies

1.6 Redeemable participating units

Redeemable participating units are redeemable at the unit holders' option and are classified as financial liabilities. The liabilities arising from the redeemable units are carried at the redemption amount, being the net asset value calculated in accordance with the Trust Deed.

The Scheme issues units at the net asset value of the existing units. The holder of participating units can redeem at any time during the year for cash equal to a proportionate unit of the Scheme's net asset value (calculated in accordance with redemption requirements). The Scheme's net asset value per unit is calculated by dividing the net assets attributable to unit holders (calculated in accordance with redemption requirements) by the number of units in issue.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Scheme in the management of short-term commitments, other than cash collateral provided in respect of derivatives and securities borrowing transactions.

1.8 Distributions to unit holders

In accordance with the Scheme's constitution, the Scheme fully distributes its distributable income to unit holders.

Proposed distributions to unit holders are recognised in profit or loss on the Scheme's ex-date. The distribution expense is recognised in profit or loss.

Distributable income excludes capital gains arising from the disposal of investments and unrealised gains or losses on revaluation of investments.

1.9 Interest income

Interest income is recognised in the profit or loss for all interest-earning financial instruments using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable are recognised in profit or loss as interest income.

1.10 Dividend income

Dividend income is recognised in profit or loss on the date that the right to receive payment is established. For quoted equity securities this is usually the ex-dividend date. For unquoted securities, this is usually the date when the shareholders have approved the payment of a dividend.

Dividend income from equity securities designated as at fair value through profit or loss is recognised in the profit or loss as a separate line item.

1.11 Fees

Unless included in the effective interest calculation, fees are recognised on an accrual basis.

African Alliance Kenya Unit Trust Scheme

Accounting policies

1.12 Income taxes

The Scheme is exempt from all forms of taxation in the Republic of Kenya, provided the unit holders are currently entitled to the income of the Scheme and the Scheme fully distributes its net taxable income. However, in some instances, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Scheme presents the withholding tax separately from the gross investment income in the Statement of profit or loss and other comprehensive income. For the purpose of the Statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

1.13 Changes in accounting policies and disclosures

The Scheme has consistently applied the accounting policies as set out in Note 1.1 to 1.12 to all periods presented in these financial statements.

The unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), on a basis consistent with the prior period except for the adoption of the following new or revised standards.

1.14 New and amended standards and interpretations adopted by the Scheme

Amendments mandatorily effective for the year ended 30 June 2025

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Scheme.

- Amendments to IAS 1 and IFRS Practice Statement 2- 'Disclosure of Accounting Policies'
- Amendments to IAS 8 'Definition of accounting Estimates'

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policy information and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Scheme's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Scheme's financial statements.

Amendments to IAS 8 'Definition of Accounting Estimates'

The amendments introduce a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Scheme's financial statements.

African Alliance Kenya Unit Trust Scheme

Accounting policies

1.14 New and amended standards and interpretations (continued)

Not yet mandatorily effective for the year ending 30 June 2025

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025, and have not been applied in preparing the financial statements. Those which may be relevant to the Scheme are set out below. The Scheme does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Amendments to IAS 1 'Classification of Liabilities as Current or Non-current' and 'Non-current Liabilities with Covenant'

Amendments to IAS 1 'Classification of Liabilities as Current or Non-current' and 'Non-current Liabilities with Covenants' (issued in January 2020 and October 2022), effective for annual periods beginning or after 1 January 2025, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date. In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

It is unlikely that the amendment will have a material impact on the Scheme's annual financial statements.



African Alliance Kenya Equity Fund
Unaudited Financial Statements
for the period ended 30 June 2025

African Alliance Kenya Equity Fund

Statement of Financial Position as at 30 June 2025

Figures in Shillings	Note(s)	30 June 2025	31 December 2024	30 June 2024
Assets				
Financial assets at fair value through profit or loss	1	177 156 249	149 421 184	126 436 251
Other receivables		167 102	1 458 812	851 218
Dividend receivable		-	286 214	1 211 490
Cash and cash equivalents	2	57 837 387	41 018 983	41 705 571
Total Assets		235 160 738	192 185 193	170 204 530
Liabilities				
Management fees	11	411 824	366 255	329 804
Other payables		235 250	364 189	344 836
Custody fees	11	41 379	42 147	20 728
Due to broker		8 760 599	-	-
Distribution payable	7	8 111 100	6 316 488	8 717 711
Audit fees		232 107	696 741	414 548
Trustee fees	11	29 080	38 087	18 731
Total Liabilities		17 821 339	7 823 907	9 846 358
Net assets attributable to unit holders		217 339 399	184 361 286	160 358 172
Represented by:				
Net assets attributable to unit holders		217 339 399	184 361 286	160 358 172

The notes on pages 22 to 40 form an integral part of the unaudited financial statements.

African Alliance Kenya Equity Fund

Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2025

Figures in Shillings	Note(s)	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Income				
Dividend income		8 959 291	14 778 409	8 573 918
Interest income	4	1 948 724	5 331 146	2 544 472
Fair value adjustments	1	24 596 640	39 653 850	16 668 917
Income equalisation	5	6 161	(49 052)	1 702
Total income		35 510 816	59 714 353	27 789 009
Expenses				
Management fees	11	(2 214 881)	(3 699 372)	(1 739 450)
Custody fees	11	(290 969)	(388 375)	(187 071)
Trustee fees	11	(173 693)	(315 809)	(165 953)
Audit fees		(104 497)	(561 320)	(279 126)
Sundry expenses		(19 038)	(135 567)	(90 115)
Total expenses		(2 803 078)	(5 100 443)	(2 461 715)
Operating profit before distribution		32 707 738	54 613 910	25 327 294
Distribution to unit holders	6	(8 111 100)	(15 034 199)	(8 717 711)
Increase in net assets attributable to unit holders		24 596 638	39 579 711	16 609 583

The notes on pages 22 to 40 form an integral part of the unaudited financial statements.

African Alliance Kenya Equity Fund

Statement of changes in net assets attributable to unit holders for the period ended 30 June 2025

	notes	Net assets attributable to unit holders	Number of units	Net asset value per unit
Figures in Shillings				
Balance at 01 January 2024		139 228 265	1 178 635	118.13
Contributions and redemptions by unit holders				
Issue of units during the period		4 745 998	38 443	
Redemption of units during the period		(225 674)	(1 708)	
Increase in net assets attributable to unit holders		16 609 583	-	
Balance at 30 June 2024		160 358 172	1 215 370	131.94
Balance at 01 January 2024		139 228 265	1 178 635	118.13
Contributions and redemptions by unit holders				
Issue of units during the year	8	15 364 531	117 760	-
Redemption of units during the year	8	(9 811 222)	(75 959)	
Increase in net assets attributable to unit holders		39 579 711		
Balance at 31 December 2024	9	184 361 285	1 220 436	151.06
Balance at 01 January 2025		184 361 285	1 220 436	151.06
Contributions and redemptions by unit holders				
Issue of units during the period	8	8 521 686	54 213	-
Redemption of units during the period	8	(140 215)	(865)	
Increase in net assets attributable to unit holders		24 596 638	-	
Balance at 30 June 2025	9	217 339 394	1 273 784	170.62

The notes on pages 22 to 40 form an integral part of the unaudited financial statements.

African Alliance Kenya Equity Fund

Statement of Cash Flows for the period ended 30 June 2025

Figures in Shillings	Note(s)	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Cash flows from operating activities				
Proceeds from sale of financial assets at fair value through profit or loss		5 622 175	10 000 000	10 000 000
Payments for acquisition of financial assets at fair value through profit or loss	1	-	(10 000 000)	(10 000 000)
Interest received		3 240 435	4 412 205	2 233 126
Dividend received		9 245 505	14 624 294	7 494 527
Custody fees paid		(291 737)	(376 238)	(196 353)
Trustee fees paid		(182 700)	(287 100)	(156 600)
Management fees paid		(2 169 312)	(3 614 948)	(1 691 477)
Audit fees paid		(569 132)	(581 018)	(581 018)
Other operating expenses paid		(147 976)	(94 640)	(68 541)
Net cash generated from investing activities		14 747 258	14 082 555	7 033 664
Cash flows from financing activities				
Proceeds on issue of units	8	2 239 948	3 696 280	1 726 172
Payment on redemption of units	8	(140 254)	(9 899 262)	(230 035)
Distributions paid to unit holders	7	(28 549)	(50 998)	(14 637)
Net cash generated from / (used in) financing activities		2 071 145	(6 253 980)	1 481 500
Net increase in cash and cash equivalents		16 818 403	7 828 575	8 515 164
Cash and cash equivalents at the beginning of the period / year		41 018 984	33 190 408	33 190 407
Cash and cash equivalents at the end of the period / year	2	57 837 387	41 018 983	41 705 571

The notes on pages 22 to 40 form an integral part of the unaudited financial statements.

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

1. Financial assets at fair value through profit or loss

Listed equities	177 156 249	149 421 184	126 436 251
	177 156 249	149 421 184	126 436 251
Opening balance	149 421 184	109 767 334	109 767 334
Additions	8 760 599	10 000 000	10 000 000
Disposal	(14 482 446)	(10 000 000)	(10 000 000)
Unrealised fair value movement	33 456 912	39 653 850	16 668 917
Closing balance	177 156 249	149 421 184	126 436 251

Net change in fair value of financial assets at fair value through profit or loss is analysed as follows:

Unrealised	33 456 912	39 653 850	16 668 917
Realised	(8 860 272)	-	-
	24 596 640	39 653 850	16 668 917

Refer to Note 3 , Fair value of financial instruments, for details of the financial assets and Note 14, Analysis of total assets, for terms and conditions of the above securities.

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and liquid investments	57 837 387	41 018 983	41 705 571
Analysed as:			
Money market investments	19 549 841	18 501 149	17 211 332
Cash at bank	38 287 546	22 517 834	24 494 239
	57 837 387	41 018 983	41 705 571

Money market investments are highly liquid investments and are subject to insignificant risks of changes in value.

Refer to Note 14, analysis of total assets, for further details.

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

3. Fair value of financial instruments

The following table refers to financial instruments recognised at fair value, analysed between those whose fair value is based on:

- quoted prices in active markets for identical assets or liabilities (Level 1),
- those involving inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) - Level 2, and
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) - Level 3

	Level 1	Level 2	Level 3	Total
30 June 2025				
Listed equities				
Bank of Baroda Uganda Limited	12 621 084	-	-	12 621 084
British American Tobacco Kenya Limited	8 855 330	-	-	8 855 330
Liberty Kenya Holdings Limited	1 024 381	-	-	1 024 381
Development Finance Company of Uganda Limited	2 215 232	-	-	2 215 232
Equity Group Holdings Limited	22 483 878	-	-	22 483 878
Flame Tree Group Holdings Limited	1 117 898	-	-	1 117 898
Kengen Company Limited	3 284 854	-	-	3 284 854
Kenya Commercial Bank Limited	30 278 769	-	-	30 278 769
Safaricom Limited	23 041 400	-	-	23 041 400
Stanbic Bank Uganda Limited	13 711 907	-	-	13 711 907
The Co-Operative Bank of Kenya Limited	28 325 837	-	-	28 325 837
The Standard Chartered Bank of Kenya Limited	24 105 895	-	-	24 105 895
UMEME Limited (Kenya)	1 554 575	-	-	1 554 575
UMEME Limited (Uganda)	4 535 209	-	-	4 535 209
	177 156 249	-	-	177 156 249

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

3. Fair value of financial instruments (continued)

	Level 1	Level 2	Level 3	Total
31 December 2024				
Listed equities				
Bamburi Cement Limited	4 757 225	-	-	4 757 225
Bank of Baroda Uganda Limited	8 076 604	-	-	8 076 604
British American Tobacco Kenya Limited	9 223 280	-	-	9 223 280
Liberty Kenya Holdings Limited	661 146	-	-	661 146
Development Finance Company of Uganda Limited	1 926 470	-	-	1 926 470
Equity Bank Limited	22 208 002	-	-	22 208 002
Flame Tree Group Holdings Limited	939 410	-	-	939 410
Kengen Company Limited	1 602 798	-	-	1 602 798
Kenya Commercial Bank Limited	27 029 974	-	-	27 029 974
Safaricom Limited	15 714 235	-	-	15 714 235
Stanbic Bank Uganda Limited	11 084 290	-	-	11 084 290
The Co-Operative Bank of Kenya Limited	26 031 286	-	-	26 031 286
The Standard Chartered Bank of Kenya Limited	14 272 845	-	-	14 272 845
UMEME Limited (Kenya)	1 458 775	-	-	1 458 775
UMEME Limited (Uganda)	4 434 844	-	-	4 434 844
	149 421 184	-	-	149 421 184
30 June 2024				
Listed equities				
Bamburi Cement Ltd	3 615 491	-	-	3 615 491
Bank of Baroda Uganda Limited	7 199 697	-	-	7 199 697
British American Tobacco Kenya Limited	8 677 488	-	-	8 677 488
CFC Liberty Holding Ltd	524 562	-	-	524 562
Development Finance Company of Uganda Limited	1 910 503	-	-	1 910 503
Equity Group Holdings Limited	19 426 254	-	-	19 426 254
Flame Tree Group Holdings Limited	1 202 445	-	-	1 202 445
Kengen Company Limited	1 052 386	-	-	1 052 386
Kenya Commercial Bank Limited	20 304 969	-	-	20 304 969
Safaricom Limited	15 944 649	-	-	15 944 649
Stanbic Bank Uganda Limited	10 362 281	-	-	10 362 281
The Co-Operative Bank of Kenya Limited	20 097 102	-	-	20 097 102
The Standard Chartered Bank of Kenya Limited	9 897 880	-	-	9 897 880
UMEME Limited (Kenya)	1 345 556	-	-	1 345 556
UMEME Limited (Uganda)	4 874 988	-	-	4 874 988
	126 436 251	-	-	126 436 251

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Figures in Shillings			
4. Interest income			
Cash at bank	1 066 623	2 876 664	1 263 418
Money market investments	882 101	2 454 482	1 281 054
	1 948 724	5 331 146	2 544 472
5. Income equalisation			
Income equalisation on issue of units	6 200	38 988	6 063
Income equalisation on redemption of units	(39)	(88 040)	(4 361)
Net income / (expense) for the period / year	6 161	(49 052)	1 702
Income equalisation is accrued income / (expense) included in the price of units created and redeemed by the Fund during the accounting period. The subscription price of the units is deemed to include a deemed income payment calculated by reference to the accrued income of the units. The redemption price of each unit will also include a payment in respect of the accrued income of the unit up to the date of the redemption.			
6. Distribution to unit holders			
Distributions declared at:	30 June 2025	31 December 2024	30 June 2024
June	6.37	7.17	7.17
December	-	5.18	-
	8 111 100	8 717 711	8 717 711
	-	6 316 488	-
	8 111 100	15 034 199	8 717 711
7. Distribution paid to unit holders			
Opening balance	(6 316 488)	(3 040 526)	(3 040 526)
Distribution for the period / year (Note 6)	(8 111 100)	(15 034 199)	(8 717 711)
Closing balance	8 111 100	6 316 488	8 717 711
	(6 316 488)	(11 758 237)	(3 040 526)
Distribution re-invested	6 287 939	11 707 239	3 025 889
Distribution paid	28 549	50 998	14 637
	6 316 488	11 758 237	3 040 526

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Figures in Shillings			
8. Issue and redemption of unit during the period / year			
Units created during the period / year	8 521 686	15 364 531	4 745 998
Income equalisation adjustment (Note 5)	6 200	38 988	6 063
Distribution reinvested (Note 7)	(6 287 939)	(11 707 239)	(3 025 889)
Proceeds from issue of units	2 239 947	3 696 280	1 726 172
Units redeemed during the period / year	(140 215)	(9 811 222)	(225 674)
Income equalisation adjustment (Note 5)	(39)	(88 040)	(4 361)
Payment on redemption of units	(140 254)	(9 899 262)	(230 035)

9. Redeemable participating units

The Fund's capital is represented by these redeemable participating units. Quantitative information about the Fund's capital is provided in the Statement of changes in net assets attributable to unit holders.

Each unit issued confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unit holders have various rights under the Fund's Trust Deed, including the right to

- have their units redeemed at a proportionate unit price, based on the Fund's net asset value per unit on the redemption date,
- receive income distributions, and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

For the purpose of issue and redemption of units, the net assets attributable to unit holders are calculated in accordance with the Fund's Trust Deed.

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

10. Capital management

As a result of the ability to issue and redeem units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable units beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

- to invest in instruments meeting the description, risk exposure and expected return indicated in its Trust Deed
- to achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in other capital markets and by using various investment strategies,
- to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise, and
- to maintain sufficient size to make the operation of the Fund cost-efficient

Refer to Note 12, financial risk management objectives and policies, for the policies and processes applied by the Fund in managing its capital.

11. Related parties

Relationships

Relationship - Trustee and Custodian

Stanbic Bank Kenya Limited, a company incorporated in the Republic of Kenya, provides trustee and custodian services to the Fund and receives, in return, a monthly fee.

Custodian fees payable	41 379	42 147	20 728
Trustee fees payable	29 080	38 087	18 731
Custody fees charged for the period / year	290 969	388 375	187 071
Trustee fees charged for the period / year	173 693	315 809	165 953
Investments held with Stanbic Bank Kenya Limited:			
Cash at bank	3 287 546	2 517 834	4 494 238
Call deposit	-	-	17 000 000



African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

11. Related parties (continued)

Relationship - Management Company

The Fund is managed by African Alliance Kenya Asset Management Limited, a company incorporated in the Republic of Kenya. African Alliance Kenya Asset Management Limited provides management services to the Fund and receives in return, an annual fee, collected monthly, based on the total asset value of the Fund at a rate not exceeding 2%.

Management fees payable	411 824	366 255	329 804
Management fees charged for the period / year	2 214 881	3 699 372	1 739 450

Investment in the Fund made by the Fund Investment Manager:

	Number of units held	Value of units held	% of units held	Distribution to unit holders	Distribution payable
<u>African Alliance Kenya Asset Management Limited</u>					
Opening balance - 01 January 2024	2 329	280 969	0.20	-	5 414
Units acquired	45	5 500			
Units disposed	(37)	(4 943)			
	-	-			
Closing balance 30 June 2024	2 337	287 596	0.19	5 500	15 527
Opening balance - 01 January 2024	2 329	280 969	0.20	-	5 414
Units acquired	162	21 026			
Units disposed	(1 732)	(228 662)			
Closing balance 31 December 2024	759	118 439	0.06	21 026	3 611
Opening balance - 01 January 2025	759	118 439	0.06	-	3 611
Units acquired	23	3 611			
Closing balance 30 June 2025	782	138 237	0.06	3 611	4 632

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

11. Related parties (continued)

Investments in the Fund made by other African Alliance Unit Trusts and Funds:

African Alliance Kenya Balanced Fund (formerly African Alliance Kenya Managed Fund)

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
Opening balance - 01 January 2024	814 630	98 330 914	69.12	-	2 101 499
Units acquired	26 435	3 268 587	-		
Closing balance 30 June 2024	841 065	117 017 770	69.20	2 101 499	6 032 854
Opening balance - 01 January 2024	814 630	98 330 914	69.12	-	2 101 499
Units acquired	81 446	10 650 638			
Units disposed	(69 398)	(9 000 000)			
Closing balance 31 December 2024	826 678	129 158 012	69.74	8 134 352	4 278 553
Opening balance - 01 January 2025	826 678	129 158 012	69.74		4 278 553
Units acquired	36 772	5 776 495			
Closing balance 30 June 2025	863 450	152 827 716	67.79	4 278 553	5 498 207

Investments made by the Fund in other African Alliance Unit Trusts:

African Alliance Kenya Money Market Fund

Opening balance - 01 January 2024	16 023 375	16 023 375	6.86	-	176 103
Units acquired	1 187 957	1 187 957			
Units disposed	-	-			
Closing balance 30 June 2024	17 211 332	17 211 332	5.82	1 093 467	195 901
Opening balance - 01 January 2024	16 023 375	16 023 375	6.86	-	176 103
Units acquired	2 477 774	2 477 774			
Closing balance 31 December 2024	18 501 149	18 501 149	5.02	2 281 750	181 113
Opening balance - 01 January 2025	18 501 149	18 501 149	5.02	-	181 113
Units acquired	1 048 692	1 048 692			
Closing balance 30 June 2025	19 549 841	19 549 841	4.97	940 351	122 890

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Figures in Shillings			

12. Financial risk management objectives and policies

Introduction

The Fund's objective in managing risk is the creation and protection of unit holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risks (which include interest rate risks), liquidity risks and credit risks arising from the financial instruments it holds.

Risk management structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The directors of the management company supervise the Investment Manager and are ultimately responsible for the overall risk management of the Fund.

Risk measurement and reporting system

Financial risk is managed through the regulatory framework under the Collective Investment Undertakings Regulation 2001, which imposes strict and specific regulations regarding the instruments that may be held by the scheme. The Scheme is additionally governed by a Trust Deed, which commits the funds to specific investment objectives and requires the investment manager to manage the Scheme in accordance therewith. Compliance limits are built into the daily pricing systems and processes. Independent checks are also carried out by the Trustee as well as the compliance functions of the Management Company to ensure compliance with limitations specified in the Trust Deed and the regulations determined under the Collective Investments Undertakings Regulation Act of 1999.

Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Excessive risk concentration

Concentration of risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities or reliance on a particular market to realise liquid assets.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Investment Manager is instructed to reduce exposure to manage excessive risk concentrations when they arise.

Market risk

Market risk is the risk that changes in the market prices, such as interest rates, equity prices and foreign exchange rates will affect the Fund's income or the fair value of its holdings of financial instruments.

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

12. Financial risk management objectives and policies (continued)

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The investment objective of the Fund is to enhance returns and control risks. The Fund's market risk is managed on a daily basis by the Investment Manager, in accordance with policies and procedures put in place. Details of the Fund's investment portfolio at the reporting date are disclosed in Note 14.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of financial instruments.

The interest rate exposure arises on loans and receivables, money market investments and cash at bank.

The following table demonstrates the sensitivity of the Fund's profit or loss for the period to a reasonably possible change in interest rate, with all other variables held constant. The sensitivity of the change in net assets attributable to unit holders is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets held at the end of the reporting period.

In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be significant.

	Change in basis points	Sensitivity of interest income
30 June 2024	+/- 10	+/- 41 706
31 December 2024	+/- 10	+/- 41 019
30 June 2025	+/- 10	+/- 57 837

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Consequently, the Fund is exposed to risks that the exchange rate of its currency, relative to other currencies, may change in a manner that has an adverse effect on the fair value or future cash flows of the portion of the Fund's assets and liabilities denominated in currencies other than the Kenyan Shilling.

The Fund invest in securities and other investments that are denominated in currencies other than the Kenyan Shilling.

	Change in currency rate (%)	Effect on the change in net assets attributable to unit holders		
Assets				
Uganda Shilling	10	3 308 343	2 552 221	2 434 747

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

12. Financial risk management objectives and policies (continued)

Concentration of foreign currency exposure

The following table sets out the Fund's exposure to foreign currency exchange rates on monetary financial assets and liabilities and total financial assets and liabilities at the reporting date.

	% of total assets		
Assets			
Uganda Shilling	20.25	13.28	14.30

Price risk

Price risk is the risk of unfavourable changes in the fair values of equities and Fund value as a result of changes in the levels of equity indices and the value of individual securities and fund prices.

Price risk is managed by the Investment Manager by diversifying the portfolio as set out by the Trust Deed.

Considering the reasonably possible increase of 10% in equity and security prices, the effect on the Fund's net assets attributable to unit holders is as follows:

Effect of a 10% change in equity prices	17 715 625	14 942 118	12 643 625
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A weakening of equity prices would result in an equal but opposite effect to the amounts shown.

Concentration of equity price risk

The following table contains an analysis of the Fund's concentration of equity price risk by geographical distribution, based on counterparties' place of primary listing or place of domicile, if not listed.

The following table contains an analysis of the Fund's concentration of equity price risk by geographical distribution.

	% of equity securities		
Republic of Kenya	73.12	82.92	80.74
Outside the Republic of Kenya	26.88	17.08	19.26

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

12. Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holders' option, based on the Fund's Net Asset Value (NAV) per unit at the time of the redemption, calculated in accordance with the Fund's Trust Deed.

The Fund manages its obligation to repurchase the units when required to do so and its overall liquidity risk by:

- allowing for the redemptions, payments to be made within 14 days of the redemption instructions being received,
- searching for new investors
- withdrawal of cash deposits,
- disposal of highly liquid assets, and
- disposal of other assets.

It is the Fund's policy that the Investment Manager monitors the Fund's liquidity position on a daily basis and that the directors of the management company review it on a quarterly basis.

The following table summarises the maturity profile of the Fund's financial liabilities based on the contractual undiscounted cash flows.

Based on the nature of the business of the Trust Scheme, the realisation of the assets will depend on the redemption requirements of the investors, as well as the investment strategy.

For financial liabilities, the maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to pay.

30 June 2025

Financial liabilities

	On demand	Less 1 year	Total
Net assets attributable to unit holders	217 339 399	-	217 339 399
Management fees	-	411 824	411 824
Custody fees	-	41 379	41 379
Trustee fees	-	29 080	29 080
Audit fees	-	232 107	232 107
Distribution	-	8 111 100	8 111 100
	217 339 399	8 825 490	226 164 889

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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Figures in Shillings

12. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

31 December 2024

Financial liabilities

	On demand	Less 1 year	Total
Net assets attributable to unit holders	184 361 286	-	184 361 286
Management fees	-	366 255	366 255
Custody fees	-	42 147	42 147
Trustee fees	-	38 087	38 087
Audit fees	-	696 741	696 741
Distributions	-	6 316 488	6 316 488
	<u>184 361 286</u>	<u>7 459 718</u>	<u>191 821 004</u>

30 June 2024

Financial liabilities

Management fees	-	329 804	329 804
Custody fees	-	20 728	20 728
Trustee fees	-	18 731	18 731
Audit fees	-	414 548	414 548
Other payable	-	344 836	344 836
Distribution	-	8 717 711	8 717 711
Net assets attributable to unit holders	<u>160 358 172</u>	<u>-</u>	<u>160 358 172</u>
	<u>160 358 172</u>	<u>9 846 358</u>	<u>170 204 530</u>

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation.

The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships and other transactions.

It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Manager Company closely monitors the creditworthiness of the Fund's counterparties (for example, brokers, custodians, managers and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The following table contains an analysis of the Fund's maximum exposure to credit risks, which are the instruments' carrying amounts in the financial statements.

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

12. Financial risk management objectives and policies (continued)

Credit risk (continued)

Financial instruments

Interest receivable	167 102	1 458 812	851 218
Cash and cash equivalents	57 837 387	41 018 983	41 705 571
Dividend receivable	-	286 214	1 211 490
Total credit risk exposure	58 004 489	42 764 009	43 768 279

IFRS 9 requires expected credit loss to be assessed on financial assets at amortized cost. The Fund Manager has a policy under which it places its cash with reputable commercial banks and investments with Government of Kenya and reputable corporate institutions with sound credit ratings. The assessed credit for financial assets was deemed to be low with immaterial impact to the financial statements hence no expected credit loss adjustment has been made to the financial statements.

13. Financial assets and liabilities by category

The following table analyses the carrying amounts of the financial assets and financial liabilities by category as defined in IFRS 9.

Financial assets at fair value through profit or loss

Held for trading	177 156 249	149 421 184	126 436 251
Financial assets at amortised cost			
Dividend receivable	-	286 214	1 211 490
Interest receivable	167 102	1 458 812	851 218
Cash and cash equivalents	57 837 387	41 018 983	41 705 571
Total financial assets	235 160 738	192 185 193	170 204 530

Financial liabilities measured at amortised cost

Net assets attributable to unit holders	217 339 399	184 361 286	160 358 172
Management fees	411 824	366 255	329 804
Custody fees	41 379	42 147	20 728
Trustee fees	29 080	38 087	18 731
Audit fees	232 107	696 741	414 548
Distribution	8 111 100	6 316 488	8 717 711
Other payables	235 250	364 189	344 836
Due to broker	8 760 599	-	-
Total financial liabilities	235 160 738	192 185 193	170 204 530

Fair value

The fair values of the Fund's financial assets and liabilities approximate their carrying amounts due to their short term nature.

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

14. Analysis of total assets

	Currency	Country	Maturity date	Price per unit Interest rate	Holdings	Fair value	% of Gross assets
30 June 2025							
Financial assets at fair value through profit or loss							
Listed equities							
Bank of Baroda Uganda Limited	UGX	Uganda		1.22	10 330 620	12 621 084	5.37
British American Tobacco Kenya Limited	KES	Kenya		361.00	24 530	8 855 330	3.77
Liberty Kenya Holdings Limited	KES	Kenya		10.35	98 974	1 024 381	0.44
Development Finance Company of Uganda Limited	KES	Kenya		9.09	243 673	2 215 232	0.94
Equity Group Holdings Limited	KES	Kenya		48.90	459 793	22 483 878	9.56
Flame Tree Group Holdings Limited	KES	Kenya		1.19	939 410	1 117 898	0.48
Kengen Company Limited	KES	Kenya		7.46	440 329	3 284 854	1.40
Kenya Commercial Bank Limited	KES	Kenya		46.60	649 759	30 278 769	12.88
Safaricom Limited	KES	Kenya		25.00	921 656	23 041 400	9.80
Stanbic Bank Uganda Limited	UGX	Uganda		1.71	8 037 034	13 711 907	5.83
The Co-Operative Bank of Kenya Limited	KES	Kenya		17.90	1 582 449	28 325 837	12.05
The Standard Chartered Bank of Kenya Limited	KES	Kenya		299.75	80 420	24 105 895	10.25
UMEME Limited (Kenya)	KES	Kenya		17.85	87 091	1 554 575	0.66
UMEME Limited (Uganda)	UGX	Uganda		14.91	304 129	4 535 209	1.93
						177 156 249	75.33
Financial assets at amortised costs							
Interest receivable						167 102	0.07
Cash and cash equivalents							
Money market investments							
African Alliance Kenya Money Market Fund	KES	Kenya		7.73 %	19 549 841	19 549 841	8.31
Bank							
Stanbic Bank Kenya Limited	KES	Kenya		0.75 %	3 287 546	3 287 546	1.40
Call Accounts							
The Co-Operative Bank of Kenya Limited	KES	Kenya		7.50 %	35 000 000	35 000 000	14.88
						57 837 387	24.59
Total						235 160 738	100.00
Financial assets at fair value through profit or loss denominated in:							
Kenyan Shilling	KES	Kenya				144 072 817	61.27
Uganda Shilling	KES	Kenya				33 083 432	14.07

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity	Price per unit/Int erest rate	Holdings	Fair value	% of Gross assets
31 December 2024							
Financial assets at fair value through profit or loss							
Current:							
Listed equities							
Bamburi Cement Limited	KES	Kenya		55.00	86 495	4 757 225	2.48
Bank of Baroda Uganda Limited	UGX	Uganda		0.78	10 330 620	8 076 604	4.20
British American Tobacco Kenya Limited	KES	Kenya		376.00	24 530	9 223 280	4.80
CFC Liberty Holding Ltd	KES	Kenya		6.68	98 974	661 146	0.34
Development Finance Company of Uganda Limited	UGX	Uganda		7.91	243 673	1 926 470	1.00
Equity Bank Limited	KES	Kenya		48.30	459 793	22 208 002	11.56
Flame Tree Group Holdings Limited	KES	Kenya		1.00	939 410	939 410	0.49
Kengen Company Limited	KES	Kenya		3.64	440 329	1 602 798	0.83
Kenya Commercial Bank Limited	KES	Kenya		41.60	649 759	27 029 974	14.06
Safaricom Limited	KES	Kenya		17.05	921 656	15 714 235	8.18
Stanbic Bank Uganda Limited	UGX	Uganda		1.38	8 037 034	11 084 290	5.77
The Co-Operative Bank of Kenya Limited	KES	Kenya		16.45	1 582 449	26 031 286	13.54
The Standard Chartered Bank of Kenya Limited	KES	Kenya		279.75	51 020	14 272 845	7.43
UMEME Limited (Kenya)	KES	Kenya		16.75	87 091	1 458 775	0.76
UMEME Limited (Uganda)	UGX	Uganda		14.58	304 129	4 434 844	2.31
						149 421 184	77.75
Financial assets at amortised costs							
Other receivable						286 214	0.15
Interest receivable						1 458 812	0.76

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate	Holdings	Fair value	% of Gross assets
31 December 2024 (continued)							
Financial assets at amortised cost (continued)							
cash and cash equivalents							
Current:							
Money market investments							
African Alliance Kenya Money Market Fund	KES	Kenya		11.54 %	18 501 149	18 501 149	9.63
Call Accounts							
The Co-operative Bank of Kenya Limited	KES	Kenya		17.00 %	13 000 000	13 000 000	6.76
The Co-operative Bank of Kenya Limited	KES	Kenya		17.10 %	3 000 000	3 000 000	1.56
The Co-operative Bank of Kenya Limited	KES	Kenya		15.25 %	4 000 000	4 000 000	2.08
						38 501 149	20.03
Banks							
Stanbic Bank Kenya Limited	KES	Kenya		0.75 %	2 517 834	2 517 834	1.31
Total						192 185 193	100.00
Financial assets at fair value through profit or loss							
denominated in:							
Kenyan Shilling						123 898 976	64.47
Uganda Shilling						25 522 208	13.28

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity date	Price per Holdings unit		Fair value	% of Gross assets
30 June 2024							
Financial assets at fair value through profit or loss							
Listed equity and unitised investments							
Current							
Bamburi Cement Ltd	KES	Kenya		41.80	86 495	3 615 491	2.12
Bank of Baroda Uganda Limited	UGX	Uganda		0.70	10 330 620	7 199 697	4.23
British American Tobacco Kenya Limited	KES	Kenya		353.75	24 530	8 677 488	5.10
CFC Liberty Holding Ltd	KES	Kenya		5.30	98 974	524 562	0.31
Development Finance Company of Uganda Limited	UGX	Uganda		7.84	243 673	1 910 503	1.12
Equity Group Holdings Limited	KES	Kenya		42.25	459 793	19 426 254	11.41
Flame Tree Group Holdings Limited	KES	Kenya		1.28	939 410	1 202 445	0.71
Kengen Company Limited	KES	Kenya		2.39	440 329	1 052 386	0.62
Kenya Commercial Bank Limited	KES	Kenya		31.25	649 759	20 304 969	11.93
Safaricom Limited	KES	Kenya		17.30	921 656	15 944 649	9.37
Stanbic Bank Uganda Limited	UGX	Uganda		1.29	8 037 034	10 362 281	6.09
The Co-Operative Bank of Kenya Limited	KES	Kenya		12.70	1 582 449	20 097 102	11.81
The Standard Chartered Bank of Kenya Limited	KES	Kenya		194.00	51 020	9 897 880	5.82
UMEME Limited (Kenya)	KES	Kenya		15.45	87 091	1 345 556	0.79
UMEME Limited (Uganda)	UGX	Uganda		16.03	304 129	4 874 988	2.86
						126 436 251	74.28
Financial assets at amortised costs							
Dividend receivable						1 211 490	0.71
Interest receivable						851 218	0.50

African Alliance Kenya Equity Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity date	Price per Holdings unit		Amortised costs	% of Gross assets
30 June 2024(continued)							
<u>Cash and cash equivalents</u>							
<u>Current:</u>							
Money market investments							
African Alliance Kenya Money Market Fund				13.20 %	17 211 332	17 211 332	10.11
Current Account							
Stanbic Bank Kenya Limited				- %	4 494 239	4 494 239	2.64
Call Accounts							
Stanbic Bank Kenya Limited	KES	Kenya		17.50 %	7 000 000	7 000 000	4.11
The Co-operative Bank of Kenya Limited	KES	Kenya		17.00 %	10 000 000	10 000 000	5.88
Standard Chartered Bank Kenya Limited	KES	Kenya		17.10 %	3 000 000	3 000 000	1.76
						37 211 332	21.86
Total						170 204 530	100.00
Financial assets at fair value through profit or loss denominated in:							
Kenyan Shilling						102 088 782	59.98
Uganda Shilling						24 347 469	14.30

15. Reconciliation of Net Asset Value per unit

Published price (calculated in accordance with redemption requirements)	177.00	156.24	139.13
Adjusted for:			
-Distribution payable	(6.37)	(5.18)	(7.19)
Net asset value as per IFRS	170.63	151.06	131.94

16. Events after the reporting period

There are no significant events that occurred in respect of the Fund and the management company, subsequent to the period end, that may be relevant to the accuracy of these financial statements.



African Alliance Kenya Fixed Income Fund
Unaudited Financial Statements
for the period ended 30 June 2025

African Alliance Kenya Fixed Income Fund

Statement of Financial Position as at 30 June 2025

Figures in Shillings	Note(s)	30 June 2025	31 December 2024	30 June 2024
Assets				
Financial assets at fair value through profit or loss	1	293 284 604	274 005 495	251 961 615
Interest receivable		9 495 957	10 865 466	11 641 606
Cash and cash equivalents	2	84 896 616	69 231 063	103 813 460
Total Assets		387 677 177	354 102 024	367 416 681
Liabilities				
Management fees	11	736 277	688 134	690 042
Publication costs		274 291	415 611	370 141
Custody fees	11	74 367	102 080	50 203
Distribution payable	7	16 530 992	17 925 230	19 742 462
Audit fees		440 879	1 017 862	609 509
Trustee fees	11	31 654	44 080	21 679
Total Liabilities		18 088 460	20 192 997	21 484 036
Net assets attributable to unit holders		369 588 717	333 909 027	345 932 645
Represented by:				
Net assets attributable to unit holders		369 588 717	333 909 027	345 932 645

The notes on pages 46 to 66 form an integral part of the unaudited financial statements.

African Alliance Kenya Fixed Income Fund

Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2025

Figures in Shillings	Note(s)	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Income				
Interest income	4	21 762 135	48 155 590	24 747 644
Fair value adjustments	1	16 260 839	27 497 849	10 003 969
Income equalisation	5	48 292	(688 028)	(44 384)
Total income		38 071 266	74 965 411	34 707 229
Expenses				
Management fees	11	(4 313 133)	(7 735 976)	(3 922 098)
Custody fees	11	(509 782)	(816 938)	(413 739)
Trustee fees	11	(209 111)	(343 761)	(175 588)
Audit fees		(219 858)	(812 267)	(403 914)
Other expenses		(27 550)	(90 929)	(45 459)
Total expenses		(5 279 434)	(9 799 871)	(4 960 798)
Operating profit before distribution		32 791 832	65 165 540	29 746 431
Distribution to unit holders	6	(16 530 992)	(37 667 692)	(19 742 462)
Increase in net assets attributable to unit holders		16 260 840	27 497 848	10 003 969

The notes on pages 46 to 66 form an integral part of the unaudited financial statements.

African Alliance Kenya Fixed Income Fund

Statement of changes in net assets attributable to unit holders for the period 30 June 2025

	notes	Net assets attributable to unit holders	Number of units	Net asset value per unit
Figures in Shillings				
Balance at 01 January 2024		323 957 376	32 836 491	9.87
Issue of units during the period		21 541 715	2 167 706	
Redemption of units during the period		(9 570 415)	(974 993)	
Increase in net assets attributable to unit holders		10 003 969	-	
Balance at 30 June 2024		345 932 645	34 029 204	10.17
Balance at 01 January 2024		323 957 376	32 836 491	9.87
Contributions and redemptions by unit holders				
Issue of units during the year	8	45 177 402	4 479 287	-
Redemption of units during the year	8	(62 723 601)	(6 357 418)	
Increase in net assets attributable to unit holders		27 497 848		
Balance at 31 December 2024	9	333 909 025	30 958 360	10.79
Balance at 01 January 2025		333 909 025	30 958 360	10.79
Contributions and redemptions by unit holders				
Issue of units during the period	8	21 827 340	1 997 960	-
Redemption of units during the period	8	(2 408 491)	(216 208)	-
Increase in net assets attributable to unit holders		16 260 840	-	-
Balance at 30 June 2025	9	369 588 714	32 740 112	11.29

The notes on pages 46 to 66 form an integral part of the unaudited financial statements.

African Alliance Kenya Fixed Income Fund

Statement of Cash Flows for the period ended 30 June 2025

Figures in Shillings	Note(s)	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Cash flows from operating activities				
Proceeds from sale of investments		15 209 410	28 930 587	23 480 587
Purchase of investments		(18 227 680)	(10 000 000)	-
Interest received		23 131 644	48 028 327	23 844 241
Custodian fees paid		(491 414)	(788 250)	(436 930)
Trustee fees paid		(267 617)	(325 395)	(179 612)
Management fees paid		(4 264 990)	(7 720 361)	(3 904 575)
Audit fees paid		(796 841)	(731 766)	(731 766)
Other operating expenses paid		(168 870)	(31 700)	(31 711)
Net cash generated from investing activities		14 123 642	57 361 442	42 040 234
Cash flows from financing activities				
Proceeds on issue of units	8	4 040 443	7 919 556	3 886 379
Payment on redemption of units	8	(2 445 803)	(63 586 157)	(9 702 060)
Distributions paid to unit holders	7	(52 729)	(117 929)	(65 244)
Net cash generated from /(used in) financing activities		1 541 911	(55 784 530)	(5 880 925)
Net movement in cash and cash equivalents during the period / year		15 665 553	1 576 912	36 159 309
Cash and cash equivalents at the beginning of the period /year		69 231 063	67 654 151	67 654 151
Cash and cash equivalents at the end of the period / year	2	84 896 616	69 231 063	103 813 460

The notes on pages 46 to 66 form an integral part of the unaudited financial statements.

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

Figures in Shillings	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
1. Investments			
Corporate bonds	4 151 467	4 189 320	4 276 012
Treasury bills	18 227 680	10 000 000	-
Fixed rate government bonds	270 905 457	259 816 175	247 685 603
	293 284 604	274 005 495	251 961 615
Opening balance	274 005 495	265 438 233	265 438 233
Additions	18 227 680	10 000 000	-
Disposal	(15 201 445)	(28 930 257)	(23 433 805)
Unrealised fair value adjustment	16 252 874	27 497 519	9 957 187
	293 284 604	274 005 495	251 961 615

Net change in fair value of investments analysed as follows:

Unrealised	16 252 874	27 497 519	9 957 187
Realised	7 965	330	46 782
	16 260 839	27 497 849	10 003 969

Refer to Note 3 , Fair value of financial instruments, for details of the financial assets and Note 14, Analysis of total assets, for terms and conditions of the above securities.

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and liquid investments	84 896 616	69 231 063	103 813 460
Analysed as:			
Money market investments	44 507 837	47 275 923	99 546 011
Current account	3 388 779	1 955 140	2 267 449
Call deposit	37 000 000	20 000 000	2 000 000
	84 896 616	69 231 063	103 813 460

Money market investments are highly liquid investments and are subject to insignificant risks of changes in value.

Refer to Note 14, analysis of total assets, for further details.

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

3. Fair value of financial instruments

The following table refers to financial instruments recognised at fair value, analysed between those whose fair value is based on:

- quoted prices in active markets for identical assets or liabilities (Level 1),
- those involving inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) - Level 2, and
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) - Level 3

30 June 2025

	Level 1	Level 2	Level 3	Total
Government of Kenya -fixed rate bonds	270 905 457	-	-	270 905 457
Fixed deposit	18 227 680	-	-	18 227 680
Corporate bonds	-	4 151 467	-	4 151 467
	289 133 137	4 151 467	-	293 284 604

31 December 2024

Government of Kenya -fixed rate bonds	259 816 175	-	-	259 816 175
Fixed deposit	10 000 000	-	-	10 000 000
Corporate bonds	-	4 189 320	-	4 189 320
	269 816 175	4 189 320	-	274 005 495

30 June 2024

Government of Kenya -fixed rate bonds	247 685 603	-	-	247 685 603
Fixed deposit	5 000 000	-	-	5 000 000
Corporate bonds	-	4 276 012	-	4 276 012
	247 685 603	4 276 012	-	251 961 615

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

3. Fair value of financial instruments (continued)

Financial instruments not measured at fair value

Type

Corporate bonds

Valuation technique

Discounted cash flows: The valuation model considers the present value of expected receipt, discounted using yield rates derived from active markets.

4. Interest income

Cash at bank	1 660 452	4 497 516	1 326 499
Fixed income investments	17 587 233	37 021 172	18 687 142
Money market investments	2 514 450	6 636 902	4 734 003
	21 762 135	48 155 590	24 747 644

5. Income equalisation

Income equalisation on issue of units	85 604	174 528	87 261
Income equalisation on redemption of units	(37 312)	(862 556)	(131 645)
Net Income / expense for the period / year	48 292	(688 028)	(44 384)

Income equalisation is accrued income / (expense) included in the price of units created and redeemed by the Fund during the accounting period. The subscription price of the units is deemed to include a deemed income payment calculated by reference to the accrued income of the units. The redemption price of each unit will also include a payment in respect of the accrued income of the unit up to the date of the redemption.

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

				6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Figures in Shillings						
6. Distribution to unit holders						
Distributions declared at:	30 June 2025	31 December 2024	30 June 2024	30 June 2025	31 December 2024	30 June 2024
June	0.51	0.58	0.50	16 530 992	19 742 462	19 742 462
December	-	0.58	-	-	17 925 230	-
				16 530 992	37 667 692	19 742 462
7. Distribution paid to unit holders						
Opening balance				(17 925 230)	(17 807 841)	(17 807 841)
Distribution for the period/ year (Note 6)				(16 530 992)	(37 667 692)	(19 742 462)
Closing balance				16 530 992	17 925 230	19 742 462
				(17 925 230)	(37 550 303)	(17 807 841)
Distribution re-invested				17 872 501	37 432 374	17 742 597
Distribution paid				52 729	117 929	65 244
				17 925 230	37 550 303	17 807 841
8. Issue and redemption of unit during the period / year						
Units created during the period / year				21 827 340	45 177 402	21 541 715
Income equalisation adjustment (Note 5)				85 604	174 528	87 261
Distribution reinvested (Note 7)				(17 872 501)	(37 432 374)	(17 742 597)
Proceeds from issue of units				4 040 443	7 919 556	3 886 379
Units redeemed during the period / year				(2 408 491)	(62 723 601)	(9 570 415)
Income equalisation adjustment (Note 5)				(37 312)	(862 556)	(131 645)
Payment on redemption of units				(2 445 803)	(63 586 157)	(9 702 060)

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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9. Redeemable participating units

The Fund's capital is represented by these redeemable participating units. Quantitative information about the Fund's capital is provided in the Statement of changes in net assets attributable to unit holders.

Each unit issued confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unit holders have various rights under the Fund's Trust Deed, including the right to:

- have their units redeemed at a proportionate unit price, based on the Fund's net asset value per unit on the redemption date,
- receive income distributions, and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

For the purpose of issue and redemption of units, the net assets attributable to unit holders are calculated in accordance with the Fund's Trust Deed.

10. Capital management

As a result of the ability to issue and redeem units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable units beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

- to invest in instruments meeting the description, risk exposure and expected return indicated in its Trust Deed
- to achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in other capital markets and by using various investment strategies,
- to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise, and
- to maintain sufficient size to make the operation of the Fund cost-efficient

Refer to Note 12, financial risk management objectives and policies, for the policies and processes applied by the Fund in managing its capital.

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

11. Related parties

Relationships

Relationship - Trustee and Custodian

Stanbic Bank Kenya Limited, a company incorporated in the Republic of Kenya, provides trustee and custodian services to the Fund and receives, in return, a fee collected monthly.

Custody fees payable	74 367	102 080	50 203
Trustee fees payable	31 654	44 080	21 679
Custody fees charged for the period / year	509 782	816 938	413 739
Trustee fees charged for the period / year	209 111	343 761	175 588

Investments held with Stanbic Bank Kenya Limited:

Current account	3 388 779	1 955 140	2 267 449
Fixed deposit	-	-	55 000 000

Relationship - Investment Manager

The Fund is managed by African Alliance Kenya Asset Management Limited, a company incorporated in the Republic of Kenya. African Alliance Kenya Asset Management Limited provides management services to the Fund and receives in return, an annual fee, collected monthly, based on the total asset value of the Fund at a rate not exceeding 2%.

Management fees payable	736 277	688 134	690 042
Management fees charged for the period / year	4 313 133	7 735 976	3 922 098

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

11. Related parties (continued)

Investment in the Fund made by the Fund Investment Manager:

	Number of units held	Value of units held	% of units held	Distribution to unit holders	Distribution payable
<u>African Alliance Kenya Asset Management Limited</u>					
Opening balance - 01 January 2024	42 839	445 877	0.13	-	34 026
Units acquired	1 983	19 748			
Units disposed	(1 372)	(14 516)			
Closing balance 30 June 2024	43 450	466 914	0.13	19 748	21 427
Opening balance - 01 January 2024	42 839	445 877	0.13	-	34 026
Units acquired	4 072	41 174			
Units disposed	(35 564)	(358 235)			
Closing balance 31 December 2024	11 347	128 957	0.04	41 174	5 584
Opening balance - 01 Jan 2025	11 347	128 957	0.04	-	5 584
Units acquired	512	5 585			
Closing balance 30 June 2025	11 859	139 858	0.04	5 585	5 090

Investments in the Fund by other African Alliance Unit Trust and Funds :

<u>African Alliance Kenya Balanced Fund (formerly African Alliance Kenya Managed Fund)</u>					
Opening balance - 01 January 2024	13 926 319	144 946 410	42.41	-	7 552 502
Units acquired	926 959	9 249 210			
Closing balance 30 June 2024	14 853 278	159 612 138	43.65	7 552 502	8 617 312
Opening balance - 01 January 2024	13 926 319	144 946 410	42.41	-	7 552 502
Units acquired	1 929 042	19 532 062			
Units disposed	(5 295 710)	(53 000 000)			
Closing balance 31 December 2024	10 559 651	120 007 863	34.11	16 169 814	6 114 153
Opening balance - 01 January 2024	10 559 651	120 007 863	34.11	-	6 114 153
Units acquired	684 012	7 501 492			
Closing balance 30 June 2025	11 243 663	132 601 850	34.34	6 114 153	5 677 100

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

11. Related parties (continued)

Investments by the Fund in other African Alliance Unit Trust and Funds :

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<u>African Alliance Kenya Money Market Fund</u>					
Opening balance - 01 January 2024	18 330 661	18 330 661	7.85	-	201 461
Units acquired	1 359 018	1 359 018			
Closing balance 30 June 2024	19 689 679	19 689 679	6.66	1 250 921	224 109
Opening balance - 01 January 2024	18 330 661	18 330 661	7.85	-	201 461
Units acquired	2 834 561	2 834 561			
Closing balance 31 December 2024	21 165 222	21 165 222	5.74	2 610 310	207 193
Opening balance - 01 January 2025	21 165 222	21 165 222	5.74	-	207 193
Units acquired	1 199 698	1 199 698			
Closing balance 30 June 2025	22 364 920	22 364 920	5.69	1 075 757	140 586
<u>African Alliance Kenya Enhanced Yield Fund</u>					
Opening balance - 01 January 2024	187 089	18 708 857	22.99	-	191 086
Units acquired	11 475	1 147 475			
Closing balance 30 June 2024	198 564	19 856 332	16.34	1 147 475	203 514
Opening balance - 01 January 2024	187 089	18 708 857	22.99	-	191 086
Units acquired	24 018	2 401 844			
Closing balance 31 December 2024	211 107	21 110 701	14.51	2 401 843	193 039
Opening balance - 01 January 2025	211 107	21 110 701	14.51	-	193 039
Units acquired	10 322	1 032 216			
Closing balance 30 June 2025	221 429	22 142 917	16.27	1 032 216	147 707

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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12. Financial risk management objectives and policies

Introduction

The Fund's objective in managing risk is the creation and protection of unit holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risks (which include interest rate risks), liquidity risks and credit risks arising from the financial instruments it holds.

Risk management structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The directors of the management company supervise the Investment Manager and are ultimately responsible for the overall risk management of the Fund.

Risk measurement and reporting system

Financial risk is managed through the regulatory framework under the Collective Investment Undertakings Regulation 2001, which imposes strict and specific regulations regarding the instruments that may be held by the scheme. The Scheme is additionally governed by a Trust Deed, which commits the funds to specific investment objectives and requires the investment manager to manage the Scheme in accordance therewith. Compliance limits are built into the daily pricing systems and processes. Independent checks are also carried out by the Trustee as well as the compliance functions of the Management Company to ensure compliance with limitations specified in the Trust Deed and the regulations determined under the Collective Investments Undertakings Regulation Act of 1999.

Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Excessive risk concentration

Concentration of risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities or reliance on a particular market to realise liquid assets.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Investment Manager is instructed to reduce exposure to manage excessive risk concentrations when they arise.

Market risk

Market risk is the risk that changes in the market prices, such as interest rates, equity prices and foreign exchange rates will affect the Fund's income or the fair value of its holdings of financial instruments.

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

12. Financial risk management objectives and policies (continued)

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The investment objective of the Fund is to enhance returns and control risks. The Fund's market risk is managed on a daily basis by the Investment Manager, in accordance with policies and procedures put in place. Details of the Fund's investment portfolio at the reporting date are disclosed in Note 14.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of financial instruments.

The interest rate exposure arises on loans and receivables, money market investments and cash at bank.

The following table demonstrates the sensitivity of the Fund's profit or loss for the period to a reasonably possible change in interest rate, with all other variables held constant. The sensitivity of the change in net assets attributable to unit holders is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets held at the end of the reporting period.

	Change in basis points	Sensitivity of interest income
30 June 2024	+/- 10	+/- 98 813
31 December 2024	+/- 10	+/- 64 231
30 June 2025	+/- 10	+/- 84 897

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Consequently, the Fund is exposed to risks that the exchange rate of its currency, relative to other currencies, may change in a manner that has an adverse effect on the fair value or future cash flows of the portion of the Fund's assets and liabilities denominated in currencies other than the Kenyan Shilling.

The Fund is currently not exposed to currency risk since all assets and liabilities are denominated in Kenyan Shilling.

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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Figures in Shillings

12. Financial risk management objectives and policies (continued)

Price risk

Price risk is the risk of unfavourable changes in the fair values of equities and Fund value as a result of changes in the levels of equity indices and the value of individual securities and fund prices.

Price risk is managed by the Investment Manager by diversifying the portfolio as set out by the Trust Deed.

Considering the reasonably possible increase of 10% in individual security prices, the effect on the Fund's net assets attributable to unit holders is as follows:

Effect of a 10% change in prices	29 328 460	27 400 550	25 196 162
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A weakening of bond prices would result in an equal but opposite effect to the amounts shown above.

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holders' option, based on the Fund's Net Asset Value (NAV) per unit at the time of the redemption, calculated in accordance with the Fund's Trust Deed.

The Fund manages its obligation to repurchase the units when required to do so and its overall liquidity risk by:

- allowing for the redemptions, payments to be made within 14 days of the redemption instructions being received,
- searching for new investors
- withdrawal of cash deposits,
- disposal of highly liquid assets, and
- disposal of other assets.

It is the Fund's policy that the Investment Manager monitors the Fund's liquidity position on a daily basis and that the directors of the management company review it on a quarterly basis.

The following table summarises the maturity profile of the Fund's financial liabilities based on the contractual undiscounted cash flows.

Based on the nature of the business of the Trust Scheme, the realisation of the assets will depend on the redemption requirements of the investors, as well as the investment strategy.

For financial liabilities, the maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to pay.

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

12. Financial risk management objectives and policies (continued)

Liquidity risk (continued) 30 June 2025

	On demand	Less 1 year	Total
Financial liabilities			
Net assets attributable to unit holders	369 588 717	-	369 588 717
Management fees	-	736 277	736 277
Custody fees	-	74 367	74 367
Trustee fees	-	31 654	31 654
Audit fees	-	440 879	440 879
Distribution	-	16 530 992	16 530 992
Publication cost	-	274 291	274 291
	369 588 717	18 088 460	387 677 177

31 December 2024

Financial liabilities

	On demand	Less 1 year	Total
Net assets attributable to unit holders	333 909 027	-	333 909 027
Management fees	-	688 134	688 134
Custody fees	-	102 080	102 080
Trustee fees	-	44 080	44 080
Publication costs	-	415 611	415 611
Audit fees	-	1 017 862	1 017 862
Distributions	-	17 925 230	17 925 230
	333 909 027	20 192 997	354 102 024

30 June 2024

Financial liabilities

Management fees	-	690 042	690 042
Custody fees	-	50 203	50 203
Trustee fees	-	21 679	21 679
Audit fees	-	609 509	609 509
Publication costs	-	370 141	370 141
Distribution	-	19 742 462	19 742 462
Net assets attributable to unit holders	345 932 645	-	345 932 645
	345 932 645	21 484 036	367 416 681

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

12. Financial risk management objectives and policies (continued)

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation.

The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships and other transactions. It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Manager Company closely monitors the creditworthiness of the Fund's counterparties (for example, brokers, custodians, managers and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The following table contains an analysis of the Fund's maximum exposure to credit risks, which are the instruments' carrying amounts in the financial statements.

Financial instruments

Interest receivable	9 495 957	10 865 466	11 641 606
Cash and cash equivalents	84 896 616	69 231 063	103 813 460
Total credit risk exposure	94 392 573	80 096 529	115 455 066

IFRS 9 requires expected credit loss to be assessed on financial assets at amortized cost. The Fund Manager has a policy under which it places its cash with reputable commercial banks and investments with Government of Kenya and reputable corporate institutions with sound credit ratings. The assessed credit for financial assets was deemed to be low with immaterial impact to the financial statements hence no expected credit loss adjustment has been made to the financial statements.

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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Figures in Shillings

13. Financial assets and liabilities by category

The following table analyses the carrying amounts of the financial assets and financial liabilities by category as defined in IFRS 9.

Financial assets at fair value through profit or loss

Held for trading	293 284 604	274 005 495	251 961 615
Financial assets at amortised cost			
Interest receivable	9 495 957	10 865 466	11 641 606
Cash and cash equivalents	84 896 616	69 231 063	103 813 460
Total financial assets	387 677 177	354 102 024	367 416 681

Financial liabilities measured at amortised cost

Net assets attributable to unit holders	369 588 717	333 909 027	345 932 645
Management fees	736 277	688 134	690 042
Custody fees	74 367	102 080	50 203
Trustee fees	31 654	44 080	21 679
Audit fees	440 879	1 017 862	609 509
Distribution	16 530 992	17 925 230	19 742 462
Other payables	274 291	415 611	370 141
Total financial liabilities	387 677 177	354 102 024	367 416 681

Fair value

The fair values of the Fund's financial assets and liabilities approximate their carrying amounts due to their short term nature.

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

Figures in Shillings

6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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14. Analysis of total assets

	Currency	Country	Maturity	Price per unit(%)	Holdings	Fair value	% of Gross assets
30 June 2025							
Financial assets at fair value through profit or loss							
Non - Current							
Corporate bonds							
East African Breweries Limited	KES	Kenya	29 Aug 26	12.25 %	2 670 000	2 686 125	0.69
Kenya Mortgage Refin Co Limited	KES	Kenya	23 Feb 29	12.50 %	1 405 035	1 465 343	0.38
Government bonds-fixed rate							
Government of Kenya	KES	Kenya	17 Aug 26	15.04 %	5 000 000	5 260 590	1.36
Government of Kenya	KES	Kenya	12 Oct 28	11.00 %	5 910 243	5 803 478	1.50
Government of Kenya	KES	Kenya	19 Jul 27	12.97 %	16 600 000	17 216 433	4.44
Government of Kenya	KES	Kenya	06 Sept 27	11.00 %	7 000 000	7 011 441	1.81
Government of Kenya	KES	Kenya	10 Apr 28	12.00 %	14 750 000	15 135 321	3.90
Government of Kenya	KES	Kenya	10 Jul 28	16.84 %	5 000 000	5 762 385	1.49
Government of Kenya	KES	Kenya	14 Aug 28	12.69 %	18 750 000	19 668 424	5.07
Government of Kenya	KES	Kenya	27 Nov 28	13.22 %	4 150 000	4 226 678	1.09
Government of Kenya	KES	Kenya	04 Dec 28	12.50 %	16 900 000	17 690 870	4.56
Government of Kenya	KES	Kenya	12 Feb 29	12.44 %	27 400 000	28 663 892	7.39
Government of Kenya	KES	Kenya	02 Apr 29	12.30 %	4 700 000	4 867 876	1.26
Government of Kenya	KES	Kenya	02 Apr 29	10.85 %	950 000	907 941	0.23
Government of Kenya	KES	Kenya	06 Aug 29	11.52 %	2 800 000	2 853 289	0.74
Government of Kenya	KES	Kenya	12 Nov 29	12.28 %	9 700 000	10 133 843	2.61
Government of Kenya	KES	Kenya	06 May 30	17.93 %	20 000 000	23 094 363	5.96
Government of Kenya	KES	Kenya	03 May 32	13.49 %	12 000 000	12 459 778	3.21
Government of Kenya	KES	Kenya	01 Nov 32	12.00 %	10 000 000	9 533 079	2.46
Government of Kenya	KES	Kenya	09 May 33	12.65 %	11 250 000	11 325 385	2.92
Government of Kenya	KES	Kenya	03 Oct 33	12.75 %	28 750 000	28 678 595	7.40
Government of Kenya	KES	Kenya	09 Jan 34	12.86 %	9 400 000	9 338 391	2.41
Government of Kenya	KES	Kenya	24 Apr 34	12.73 %	2 450 000	2 432 787	0.63
Government of Kenya	KES	Kenya	10 Jul 34	12.34 %	14 000 000	13 935 738	3.59
Government of Kenya	KES	Kenya	21 Mar 39	12.87 %	3 750 000	3 797 335	0.98
Government of Kenya	KES	Kenya	28 Jan 41	12.97 %	11 000 000	11 107 544	2.87
						275 056 924	70.95
Current							
Treasury Bill							
Government of Kenya	KES	Kenya	15 Jun 26	9.72 %	18 227 680	18 227 680	4.70
						18 227 680	4.70
						293 284 604	75.65

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate per annum (%)	Holdings	Fair value	% of Gross Assets
30 June 2025 (continued)							
Financial assets at amortised costs							
Interest receivable						9 495 957	2.45
Cash and cash equivalents							
Money market investments							
African Alliance Kenya Enhanced Yield Fund	KES	Kenya		7.73 %	22 364 920	22 364 920	5.77
African Alliance Kenya Money Market Fund	KES	Kenya		8.23 %	22 142 917	22 142 917	5.71
						44 507 837	11.48
Banks							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	3 388 779	3 388 779	0.87
Call accounts							
The Cooperative Bank of Kenya Limited	KES	Kenya		7.50 %	30 000 000	30 000 000	7.74
Kenya Commercial Bank Kenya Limited	KES	Kenya		7.50 %	7 000 000	7 000 000	1.81
						37 000 000	9.54
						84 896 616	21.90
Total						387 677 177	100.00

African Alliance Kenya Fixed Income Fund

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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate	Holdings	Fair value	% of Gross assets
31 December 2024							
Financial assets at fair value through profit or loss							
Non - Current							
Government bonds-fixed rate							
East African Breweries Limited	KES	Kenya	29 Oct 26	10.87 %	2 670 000	2 618 202	0.74
Kenya Mortgage Refin Co Limited	KES	Kenya	23 Feb 29	11.00 %	1 664 445	1 571 118	0.44
Government bonds-fixed rate							
Government of Kenya	KES	Kenya	17 Aug 26	15.04 %	5 000 000	5 219 021	1.47
Government of Kenya	KES	Kenya	12 Oct 26	11.00 %	5 910 243	5 767 974	1.63
Government of Kenya	KES	Kenya	19 Jul 27	12.97 %	16 600 000	16 606 276	4.69
Government of Kenya	KES	Kenya	06 Sep 27	11.00 %	7 000 000	6 673 931	1.88
Government of Kenya	KES	Kenya	10 Apr 28	12.00 %	14 750 000	14 058 697	3.97
Government of Kenya	KES	Kenya	10 Jul 28	16.84 %	5 000 000	5 368 719	1.52
Government of Kenya	KES	Kenya	14 Aug 28	12.69 %	18 750 000	17 994 866	5.08
Government of Kenya	KES	Kenya	27 Nov 28	13.22 %	4 150 000	3 962 800	1.12
Government of Kenya	KES	Kenya	04 Dec 28	12.50 %	16 900 000	16 067 776	4.54
Government of Kenya	KES	Kenya	12 Feb 29	12.44 %	27 400 000	25 922 028	7.32
Government of Kenya	KES	Kenya	02 Apr 29	12.30 %	4 700 000	4 417 091	1.25
Government of Kenya	KES	Kenya	02 Apr 29	10.85 %	1 900 000	1 730 583	0.49
Government of Kenya	KES	Kenya	06 Aug 29	11.52 %	2 800 000	2 545 727	0.72
Government of Kenya	KES	Kenya	12 Nov 29	12.28 %	9 700 000	9 060 882	2.56
Government of Kenya	KES	Kenya	06 May 30	17.93 %	20 000 000	22 406 010	6.33
Government of Kenya	KES	Kenya	03 May 32	13.49 %	12 000 000	11 984 820	3.38
Government of Kenya	KES	Kenya	01 Nov 32	12.00 %	10 000 000	9 291 594	2.62
Government of Kenya	KES	Kenya	09 May 33	12.65 %	11 250 000	10 767 539	3.04
Government of Kenya	KES	Kenya	03 Oct 33	12.75 %	28 750 000	27 530 035	7.77
Government of Kenya	KES	Kenya	09 Jan 34	12.86 %	9 400 000	9 027 687	2.55
Government of Kenya	KES	Kenya	24 Apr 34	12.73 %	2 450 000	2 332 403	0.66
Government of Kenya	KES	Kenya	10 Jul 34	12.34 %	14 000 000	13 043 808	3.68
Government of Kenya	KES	Kenya	21 Mar 39	12.87 %	3 750 000	3 579 982	1.01
Government of Kenya	KES	Kenya	28 Jan 41	12.97 %	11 000 000	10 435 695	2.95
						259 985 264	73.42

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

						6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Figures in Shillings								
14. Analysis of total assets (continued)								
<u>Current</u>								
<u>Fixed deposits</u>								
Family Bank Kenya Limited	KES	Kenya	05 May 25	15.50 %	10 000 000	10 000 000		2.82
<u>Government bonds-fixed rate</u>								
Government of Kenya	KES	Kenya	05 May 25	11.67 %	4 000 000	4 020 231		1.14
							14 020 231	3.96
							274 005 495	77.38
<u>Financial assets at amortised costs</u>								
Interest receivable							10 865 466	3.07
<u>Cash and cash equivalents</u>								
<u>Money market investments</u>								
African Alliance Kenya Enhanced Yield Fund	KES	Kenya		10.44 %	21 110 701	21 110 701		5.96
African Alliance Kenya Money Market Fund	KES	Kenya		11.50 %	21 165 222	21 165 222		5.98
							42 275 923	11.94
<u>Banks</u>								
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	1 955 140	1 955 140		0.55
<u>Fixed deposit</u>								
Family Bank Kenya Limited	KES	Kenya		11.00 %	5 000 000	5 000 000		1.41
<u>Call account</u>								
The Cooperative Bank of Kenya Limited	KES	Kenya		16.00 %	5 000 000	5 000 000		1.41
The Cooperative Bank of Kenya Limited	KES	Kenya		10.00 %	5 000 000	5 000 000		1.41
The Cooperative Bank of Kenya Limited	KES	Kenya		17.00 %	5 000 000	5 000 000		1.41
The Cooperative Bank of Kenya Limited	KES	Kenya		15.25 %	5 000 000	5 000 000		1.41
							20 000 000	5.65
							69 231 063	19.55
Total							354 102 024	100.00

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity date	Interest rate / Price per unit	Holdings	Fair value	% of Gross assets
30 June 2024							
Financial assets at fair value through profit or loss							
Government bonds - fixed rate							
Current							
Government of Kenya	KES	Kenya	07 Oct 24	12.50 %	4 150 000	4 108 880	1.12
Government of Kenya	KES	Kenya	02 Dec 24	11.00 %	1 300 000	1 289 840	0.35
Government of Kenya	KES	Kenya	05 May 25	11.67 %	4 000 000	3 840 837	1.05
Non-current:							
Government of Kenya	KES	Kenya	17 Aug 26	15.04 %	5 000 000	4 799 700	1.31
Government of Kenya	KES	Kenya	12 Oct 26	11.00 %	5 910 243	5 655 315	1.54
Government of Kenya	KES	Kenya	19 July 27	12.97 %	16 600 000	14 864 013	4.05
Government of Kenya	KES	Kenya	06 Sept 27	11.00 %	7 000 000	5 914 247	1.61
Government of Kenya	KES	Kenya	10 Apr 28	12.00 %	14 750 000	12 533 681	3.41
Government of Kenya	KES	Kenya	10 Jul 28	16.84 %	5 000 000	4 853 664	1.32
Government of Kenya	KES	Kenya	14 Aug 28	12.69 %	18 750 000	16 089 776	4.38
Government of Kenya	KES	Kenya	27 Nov 28	13.22 %	4 150 000	4 102 751	1.12
Government of Kenya	KES	Kenya	04 Dec 28	12.50 %	16 900 000	14 634 381	3.98
Government of Kenya	KES	Kenya	12 Feb 29	12.44 %	27 400 000	23 907 769	6.51
Government of Kenya	KES	Kenya	02 Apr 29	12.30 %	4 700 000	4 110 268	1.12
Government of Kenya	KES	Kenya	02 Apr 29	10.85 %	1 900 000	1 797 540	0.49
Government of Kenya	KES	Kenya	06 Aug 29	11.52 %	2 800 000	2 423 747	0.66
Government of Kenya	KES	Kenya	12 Nov 29	11.52 %	9 700 000	8 629 013	2.35
Government of Kenya	KES	Kenya	06 May 30	17.93 %	20 000 000	20 713 057	5.64
Government of Kenya	KES	Kenya	03 May 32	13.49 %	12 000 000	11 178 059	3.04
Government of Kenya	KES	Kenya	01 Nov 32	12.00 %	10 000 000	8 572 580	2.33
Government of Kenya	KES	Kenya	09 May 33	12.65 %	11 250 000	9 964 002	2.71
Government of Kenya	KES	Kenya	03 Oct 33	12.75 %	28 750 000	25 543 072	6.95
Government of Kenya	KES	Kenya	09 Jan 34	12.86 %	9 400 000	8 393 569	2.28
Government of Kenya	KES	Kenya	24 Apr 34	12.73 %	2 450 000	2 169 127	0.59
Government of Kenya	KES	Kenya	10 Jul 34	12.34 %	14 000 000	12 104 696	3.29
Government of Kenya	KES	Kenya	21 Mar 39	12.87 %	3 750 000	3 284 827	0.89
Government of Kenya	KES	Kenya	28 Jan 41	12.97 %	11 000 000	12 207 192	3.32
						247 685 603	67.41

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

					6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Figures in Shillings							
14. Analysis of total assets (continued)							
	Currency	Country	Maturity date	Interest rate / Price per unit	Holdings	Fair value	% of Gross assets
30 June 2024 (continued)							
Financial assets at fair value through profit or loss (continued)							
Non-current							
Corporate bonds - fixed rate							
East African Breweries Limited	KES	Kenya	29 Oct 26	12.00 %	2 670 000	2 638 056	0.72
Kenya Mortgage Refin Co Ltd	KES	Kenya	23 Feb 29	12.50 %	1 664 445	1 637 956	0.45
						4 276 012	1.16
						251 961 615	68.58
Financial assets at amortised costs							
Interest receivable							
						11 641 606	3.17
Money market investments							
African Alliance Kenya Enhanced Yield Fund	KES	Kenya		12.85 %	19 856 332	19 856 332	5.40
African Alliance Kenya Money Market Fund	KES	Kenya		14.18 %	19 689 679	19 689 679	5.36
						39 546 011	10.76
Bank							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	2 267 449	2 267 449	0.62
The Cooperative Bank of Kenya Limited	KES	Kenya		17.00 %	2 000 000	2 000 000	0.54
Stanbic Bank Kenya Limited	KES	Kenya		17.25 %	14 000 000	14 000 000	3.81
Stanbic Bank Kenya Limited	KES	Kenya		17.50 %	21 000 000	21 000 000	5.72
Stanbic Bank Kenya Limited	KES	Kenya		17.00 %	20 000 000	20 000 000	5.44
						59 267 449	16.13
The Family Bank Kenya Limited	KES	Kenya	22 Jul 24	18.00 %	5 000 000	5 000 000	1.36
Cash and cash equivalents							
						103 813 460	28.25
Total						367 416 681	100.00

African Alliance Kenya Fixed Income Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Figures in Shillings			
15. Reconciliation of Net Asset Value per unit			
Published price (calculated in accordance with redemption requirements)	11.79	11.36	10.67
Adjusted for:			
-Distribution payable	(0.50)	(0.58)	(0.50)
Net asset value as per IFRS	11.29	10.78	10.17

16. Events after the reporting period

There are no significant events that occurred in respect of the Fund and the management company, subsequent to the period end, that may be relevant to the accuracy of these financial statements.



African Alliance Kenya Balanced Fund
Formerly African Alliance Kenya Managed Fund
Unaudited Financial Statements
for the period ended 30 June 2025

African Alliance Kenya Balanced Fund

Statement of Financial Position as at 30 June 2025

Figures in Shillings	Note(s)	30 June 2025 Unaudited	31 December 2024 Audited	30 June 2024 Unaudited
Assets				
Investments	1	553 459 451	499 591 572	516 535 920
Interest receivables		7 103 086	9 852 371	7 346 028
Cash and cash equivalents	2	43 548 884	40 086 006	19 214 837
Total Assets		604 111 421	549 529 949	543 096 785
Liabilities				
Management fees	11	1 127 388	1 073 483	1 052 244
Other payables		262 430	442 038	394 593
Custody fees	11	30 585	148 093	72 833
Distributions	7	20 475 340	26 049 094	20 267 066
Audit fees		702 653	1 713 587	1 021 793
Trustee fees	11	52 915	64 187	31 567
Total Liabilities		22 651 311	29 490 482	22 840 096
Net assets attributable to unit holders		581 460 110	520 039 467	520 256 689
Represented by:				
Net assets attributable to unit holders		581 460 110	520 039 467	520 256 689

The notes on pages 72 to 93 form an integral part of the unaudited financial statements.

African Alliance Kenya Balanced Fund

Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2025

Figures in Shillings	Note(s)	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Income				
Dividend income		10 872 768	25 259 604	10 065 876
Interest income	4	14 254 907	33 366 948	15 490 682
Fair value adjustments	1	45 554 855	57 310 483	24 772 888
Income equalisation	5	348 526	(2 261 670)	(318 215)
Total income		71 031 056	113 675 365	50 011 231
Expenses				
Management fees	11	(3 668 602)	(6 685 617)	(3 293 021)
Custody fees	11	(674 051)	(1 258 720)	(625 507)
Trustee fees	11	(327 648)	(547 179)	(279 294)
Audit fees		(330 561)	(1 376 069)	(684 275)
Other operating expenses		-	(181 137)	(89 180)
Total expenses		(5 000 862)	(10 048 722)	(4 971 277)
Operating profit before distributions		66 030 194	103 626 643	45 039 954
Distribution to unit holders	6	(20 475 340)	(46 316 160)	(20 267 066)
Increase in net assets attributable to unit holders		45 554 854	57 310 483	24 772 888

The notes on pages 72 to 93 form an integral part of the unaudited financial statements.

African Alliance Kenya Balanced Fund

Statement of changes in net assets attributable to unit holders for the period ended 30 June 2025

	notes	Net assets attributable to unit holders	Number of units	Net asset value per unit
Figures in Shillings				
Balance at 01 January 2024		497 344 631	29 006 046	17.15
Contributions and redemptions by unit holders				
Issue of units during the period		32 574 926	1 906 668	
Redemption of units during the period		(34 435 756)	(1 979 511)	
Increase in net assets attributable to unit holders		24 772 888	-	
Balance at 30 June 2024		520 256 689	28 933 203	17.98
Balance at 01 January 2024		497 344 631	29 006 046	17.15
Contributions and redemptions by unit holders				
Issue of units during the year	8	76 215 076	4 375 881	-
Redemption of units during the year	8	(110 830 721)	(6 192 757)	
Decrease in net assets attributable to unit holders		57 310 483		
Balance at 31 December 2024	9	520 039 469	27 189 170	19.13
Balance at 01 January 2025		520 039 469	27 189 170	19.13
Contributions and redemptions by unit holders				
Issue of units during the period	8	51 557 908	2 640 833	-
Redemption of units during the period	8	(35 692 123)	(1 827 504)	-
Increase in net assets attributable to unit holders		45 554 854	-	-
Balance at 30 June 2025	9	581 460 108	28 002 499	20.76

The notes on pages 72 to 93 form an integral part of the unaudited financial statements.

African Alliance Kenya Balanced Fund

Statement of Cash Flows for the period ended 30 June 2025

Figures in Shillings	Note(s)	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Cash flows from operating activities				
Proceeds from sale of investments		5 072 339	72 897 944	5 648 266
Purchase of investments	1	(13 385 362)	(30 325 374)	(12 557 638)
Interest received		17 004 192	31 053 879	15 683 956
Dividend received		10 872 768	25 259 604	10 065 876
Custodian fees paid		(791 560)	(1 202 686)	(644 734)
Trustee fees paid		(338 920)	(510 610)	(275 344)
Management fees paid		(3 614 696)	(6 640 361)	(3 269 004)
Audit fees paid		(1 341 494)	(1 233 354)	(1 233 354)
Other operating expenses paid		(179 606)	(80 803)	(36 290)
Net cash generated from investing activities		13 297 661	89 218 239	13 381 734
Cash flows from financing activities				
Proceeds on issue of units	8	27 016 077	34 798 511	9 772 688
Payment on redemption of units	8	(36 730 192)	(115 438 360)	(35 541 431)
Distributions paid to unit holders	7	(120 668)	(203 391)	(109 161)
Net cash used in financing activities		(9 834 783)	(80 843 240)	(25 877 904)
Net increase / (decrease) in cash and cash equivalents		3 462 878	8 374 999	(12 496 170)
Cash and cash equivalents at the beginning of the period / year		40 086 006	31 711 007	31 711 007
Cash and cash equivalents at the end of the period / year	2	43 548 884	40 086 006	19 214 837

The notes on pages 72 to 93 form an integral part of the unaudited financial statements.

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

Figures in Shillings	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
1. Investments			
Corporate bonds	4 223 824	4 239 443	4 318 669
Equity investments	16 939 500	11 552 739	11 722 134
Fixed rate government bonds	200 143 231	191 514 764	182 133 754
Unit Trust investments	332 152 896	292 284 626	318 361 363
	553 459 451	499 591 572	516 535 920
Opening balance	499 591 572	484 853 660	484 853 660
Additions	13 385 362	30 325 373	12 557 638
Disposal	(4 806 409)	(76 788 174)	(5 647 646)
Unrealised fair value movement	45 288 926	61 200 713	24 772 268
	553 459 451	499 591 572	516 535 920

Net change in fair value of investments is analysed as follows:

Unrealised	45 288 926	61 200 713	24 772 268
Realised	265 929	(3 890 230)	620
	45 554 855	57 310 483	24 772 888

Refer to Note 3 , Fair value of financial instruments, for details of the financial assets and Note 14, Analysis of total assets, for terms and conditions of the above securities.

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and liquid investments	43 548 884	40 086 006	19 214 837
Analysed as:			
Money market investments	2 679	2 535	2 358
Cash at bank	43 546 205	40 083 471	19 212 479
	43 548 884	40 086 006	19 214 837

Money market investments are highly liquid investments and are subject to insignificant risks of changes in value.

Refer to Note 14, analysis of total assets, for further details.

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

3. Fair value of financial instruments

The following table refers to financial instruments recognised at fair value, analysed between those whose fair value is based on:

- quoted prices in active markets for identical assets or liabilities (Level 1),
- those involving inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) - Level 2, and
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) - Level 3

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
30 June 2025				
Unit trust investments				
Hausmann Rech Global Managed Fund	-	46 723 330	-	46 723 330
African Alliance Kenya Equity Fund	-	152 827 716	-	152 827 716
African Alliance Kenya Fixed Income Fund	-	132 601 850	-	132 601 850
Government of Kenya				
Fixed rate bonds	200 143 231	-	-	200 143 231
Equity investments				
Safaricom Limited	16 939 500	-	-	16 939 500
Corporate bonds	-	4 223 824	-	4 223 824
	217 082 731	336 376 720	-	553 459 451
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 December 2024				
Unit trust investments				
Hausmann Rech Global Managed Fund	-	43 118 751	-	43 118 751
African Alliance Kenya Equity Fund	-	129 158 012	-	129 158 012
African Alliance Kenya Fixed Income Fund	-	120 007 863	-	120 007 863
Government of Kenya				
Fixed rate bonds	191 514 764	-	-	191 514 764
Equity investments				
Safaricom Limited	11 552 739	-	-	11 552 739
Corporate bonds	-	4 239 443	-	4 239 443
	203 067 503	296 524 069	-	499 591 572

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

3. Fair value of financial instruments (continued)

	Level 1	Level 2	Level 3	Total
30 June 2024				
Unit trust investments				
Hausmann Rech Global Managed Fund	-	41 741 455	-	41 741 455
African Alliance Kenya Equity Fund	-	117 007 770	-	117 007 770
African Alliance Kenya Fixed Income Fund	-	159 612 138	-	159 612 138
Government of Kenya				
Fixed rate bonds	182 133 754	-	-	182 133 754
Equity investments				
Safaricom Limited	11 722 134	-	-	11 722 134
Corporate bonds	-	4 318 669	-	4 318 669
	193 855 888	322 680 032	-	516 535 920

Financial instruments not measured at fair value

Type	Valuation technique
Corporate bonds	Discounted cash flows: The valuation model considers the present value of expected receipt, discounted using yield rates derived from active markets.
Unit trust investments	Net asset value price per unit calculated on daily basis.

4. Interest income

Cash at bank	1 567 473	6 636 095	2 041 625
Debt instruments	12 687 313	26 673 926	13 392 291
Money market investments	122	56 928	56 766
	14 254 908	33 366 949	15 490 682

5. Income equalisation

Income equalisation on issue of units	1 386 595	2 345 969	787 460
Income equalisation on redemption of units	(1 038 069)	(4 607 639)	(1 105 675)
Net loss for the period / year	348 526	(2 261 670)	(318 215)

Income equalisation is accrued income / (expense) included in the price of units created and redeemed by the Fund during the accounting period. The subscription price of the units is deemed to include a deemed income payment calculated by reference to the accrued income of the units. The redemption price of each unit will also include a payment in respect of the accrued income of the unit up to the date of the redemption.

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

				6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Figures in Shillings						
6. Distribution to unit holders						
Distributions declared at:	30 June 2025	31 December 2024	30 June 2024			
June	0.73	0.70	0.70	20 475 340	20 267 066	20 267 066
December	-	0.96	-	-	26 049 094	-
				20 475 340	46 316 160	20 267 066
7. Distribution paid to unit holders						
Opening balance				(26 049 094)	(23 698 859)	(23 698 859)
Distribution for the period / year (Note 6)				(20 475 340)	(46 316 160)	(20 267 066)
Closing balance				20 475 340	26 049 094	20 267 066
				(26 049 094)	(43 965 925)	(23 698 859)
Distribution re-invested				25 928 426	43 762 534	23 589 698
Distribution paid				120 668	203 391	109 161
				26 049 094	43 965 925	23 698 859
8. Issue and redemption of unit during the period / year						
Units created during the period / year				51 557 908	76 215 076	32 574 926
Income equalisation adjustment (Note 5)				1 386 595	2 345 969	787 460
Distribution reinvested (Note 7)				(25 928 426)	(43 762 534)	(23 589 698)
Capitalisation dividends				27 016 077	34 798 511	9 772 688
Units redeemed during the period / year				(35 692 123)	(110 830 721)	(34 435 756)
Income equalisation adjustment (Note 5)				(1 038 069)	(4 607 639)	(1 105 675)
Payment on redemption of units				(36 730 192)	(115 438 360)	(35 541 431)

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

9. Redeemable participating units

The Fund's capital is represented by these redeemable participating units. Quantitative information about the Fund's capital is provided in the Statement of changes in net assets attributable to unit holders.

Each unit issued confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unit holders have various rights under the Fund's Trust Deed, including the right to:

- have their units redeemed at a proportionate unit price, based on the Fund's net asset value per unit on the redemption date,
- receive income distributions, and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

For the purpose of issue and redemption of units, the net assets attributable to unit holders are calculated in accordance with the Fund's Trust Deed.

10. Capital management

As a result of the ability to issue and redeem units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable units beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

- to invest in instruments meeting the description, risk exposure and expected return indicated in its Trust Deed
- to achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in other capital markets and by using various investment strategies,
- to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise, and
- to maintain sufficient size to make the operation of the Fund cost-efficient

Refer to Note 12, financial risk management objectives and policies, for the policies and processes applied by the Fund in managing its capital.

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

11. Related parties

Relationships

Relationship - Trustee and Custodian

Stanbic Bank Kenya Limited, a company incorporated in the Republic of Kenya, provides trustee and custodian services to the Fund and receives, in return, a monthly fee.

Custodian fees payable	30 585	148 093	72 833
Trustee fees payable	52 915	64 187	31 567
Custody fees charged for the period / year	674 051	1 258 720	625 507
Trustee fees charged for the period / year	327 648	547 179	279 294

Investments held with Stanbic Bank Kenya Limited:

Current account	2 546 205	83 470	2 212 479
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Relationship - Investment Manager

The Fund is managed by African Alliance Kenya Asset Management Limited, a company incorporated in the Republic of Kenya. African Alliance Kenya Asset Management Limited provides management services to the Fund and receives in return, an annual fee, collected monthly, based on the total asset value of the Fund at a rate not exceeding 2%.

Management fees payable	1 127 388	1 073 483	1 052 244
Management fees charged for the period / year	3 668 602	6 685 617	3 293 021

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

11. Related parties (continued)

Investment in the Fund made by the Fund Investment Manager:

	Number of units held	Value of units held	% of units held	Distribution to unit holders	Distribution payable
<u>African Alliance Kenya Asset Management Limited</u>					
Opening balance - 01 January 2024	25 706	461 800	0.09	-	18 692
Units acquired	1 936	34 222			
Units disposed	(759)	(14 127)			
Closing balance 30 June 2024	26 883	502 334	0.09	18 692	16 172
Opening balance - 01 January 2024	25 706	461 800	0.09	-	18 692
Units acquired	2 825	50 394			
Units disposed	(21 516)	(384 203)			
Closing balance 31 December 2024	7 015	140 898	0.03	34 864	5 796
Opening balance - 01 Jan 2025	7 015	140 898	0.03	-	5 796
Units acquired	296	5 796			
Units disposed	(929)	(18 836)			
Closing balance 30 June 2025	6 382	137 186	0.02	5 796	4 022

Investments by the Fund in other African Alliance Unit Trusts and Funds:

<u>African Alliance Kenya Equity Fund</u>					
Opening balance - 01 January 2024	814 630	98 330 914	69.12	-	2 101 499
Units acquired	26 435	3 268 587			
Closing balance 30 June 2024	841 065	117 017 770	69.20	2 101 499	6 032 854
Opening balance - 01 Jan 2024	814 630	98 330 914	69.12	-	2 101 499
Units acquired	81 446	10 650 638			
Units disposed	(69 398)	(9 000 000)			
Closing balance 31 December 2024	826 678	129 158 012	69.74	8 134 352	4 278 553
Opening balance - 01 January 2025	826 678	129 158 012	69.74		4 278 553
Units acquired	36 772	5 776 495			
Closing balance 30 June 2025	863 450	152 827 716	67.79	4 278 553	5 498 207

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

11. Related parties (continued)

Investments by the Fund in other African Alliance Unit Trust and Funds (continued):

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<u>African Alliance Kenya Fixed Income Fund</u>					
Opening balance - 01 January 2024	13 926 319	144 946 410	42.41	-	7 552 502
Units acquired	926 959	9 249 210			
Closing balance 30 June 2024	14 853 278	159 612 138	43.65	7 552 502	8 617 312
Opening balance - 01 January 2024	13 926 319	144 946 410	42.41	-	7 552 502
Units acquired	1 929 042	19 532 062			
Units disposed	(5 295 710)	(53 000 000)			
Closing balance 31 December 2024	10 559 651	120 007 863	34.11	16 169 814	6 114 153
Opening balance - 01 January 2025	10 559 651	120 007 863	34.11	-	6 114 153
Units acquired	684 012	7 501 492			
Closing balance 30 June 2025	11 243 663	132 601 850	34.34	6 114 153	5 677 100
<u>African Alliance Kenya Money Market Fund</u>					
Opening balance - 01 January 2024	2 196	2 196	0.001	-	24.13
Units acquired	162	162			
Closing balance 30 June 2024	2 358	2 358	0.001	150	26.84
Opening balance - 01 January 2024	2 196	2 196	0.001	-	24.13
Units acquired	339	339			
Closing balance 31 December 2024	2 535	2 535	0.001	312	24.81
Opening balance - 01 January 2025	2 535	2 535	0.001	-	24.81
Units acquired	144	144			
Closing balance 30 June 2025	2 679	2 679	0.001	129	16.84

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

11. Related parties (continued)

Investments by the Fund in other African Alliance Unit Trust and Funds (continued):

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<u>Haussmann Rech Global Managed Fund</u>					
Opening balance - 01 January 2024	245 240	47 274 642	2.16	-	-
Units acquired	206	25 797			
Closing balance 30 June 2024	245 446	41 741 455	2.18	25 797	81 866
Opening balance - 01 January 2024	245 240	47 274 642	2.16	-	-
Units acquired	807	107 664			
Closing balance 31 December 2024	246 047	43 118 751	2.17	136 066	107 389
Opening balance - 01 January 2025	246 047	43 118 751	2.17	-	107 389
Units acquired	609	107 376			
Closing balance 30 June 2025	246 656	46 723 330	2.18	107 294	112 184

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements

12. Financial instruments and risk management

Introduction

The Fund's objective in managing risk is the creation and protection of unit holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risks (which include interest rate risks), liquidity risks and credit risks arising from the financial instruments it holds.

Risk management structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The directors of the management company supervise the Investment Manager and are ultimately responsible for the overall risk management of the Fund.

Risk measurement and reporting system

Financial risk is managed through the regulatory framework under the Collective Investment Undertakings Regulation 2001, which imposes strict and specific regulations regarding the instruments that may be held by the scheme. The Scheme is additionally governed by a Trust Deed, which commits the funds to specific investment objectives and requires the investment manager to manage the Scheme in accordance therewith. Compliance limits are built into the daily pricing systems and processes. Independent checks are also carried out by the Trustee as well as the compliance functions of the Management Company to ensure compliance with limitations specified in the Trust Deed and the regulations determined under the Collective Investments Undertakings Regulation, 2001.

Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Excessive risk concentration

Concentration of risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities or reliance on a particular market to realise liquid assets.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Investment Manager is instructed to reduce exposure to manage excessive risk concentrations when they arise.

Market risk

Market risk is the risk that changes in the market prices, such as interest rates, equity prices and foreign exchange rates will affect the Fund's income or the fair value of its holdings of financial instruments.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The investment objective of the Fund is to enhance returns and control risks. The Fund's market risk is managed on a daily basis by the Investment Manager, in accordance with policies and procedures put in place. Details of the Fund's investment portfolio at the reporting date are disclosed in Note 14.

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

12. Financial instruments and risk management (continued)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of financial instruments.

The interest rate exposure arises on loans and receivables, money market investments and cash at bank.

The following table demonstrates the sensitivity of the Fund's profit or loss for the period to a reasonably possible change in interest rate, with all other variables held constant. The sensitivity of the change in net assets attributable to unit holders is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets held at the end of the reporting period.

	Change in basis points	Sensitivity of interest income
30 June 2024	+/- 10	+/- 19 215
31 December 2024	+/- 10	+/- 40 086
30 June 2025	+/- 10	+/- 43 549

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Consequently, the Fund is exposed to risks that the exchange rate of its currency, relative to other currencies, may change in a manner that has an adverse effect on the fair value or future cash flows of the portion of the Fund's assets and liabilities denominated in currencies other than the Kenyan Shilling.

The Fund invest in securities and other investments that are denominated in currencies other than the Kenyan Shilling

Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Fund may be subject to foreign exchange risks.

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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Figures in Shillings

12. Financial instruments and risk management (continued)

	Change in currency rate (%)	Effect on the change in net assets attributable to unit holders		
Assets				
US Dollar	10	4 672 333	4 311 875	4 174 146

Concentration of foreign currency exposure

The following table sets out the Fund's exposure to foreign currency exchange rates on monetary financial assets and liabilities and total financial assets and liabilities at the reporting date.

	% of total assets		
Assets			
US Dollar	7.73	7.85	7.69

Price risk

Price risk is the risk of unfavourable changes in the fair values of equities and Fund value as a result of changes in the levels of equity indices and the value of individual securities and fund prices.

Price risk is managed by the Investment Manager by diversifying the portfolio as set out by the Trust Deed.

Considering the reasonably possible increase of 10% in equity and security prices, the effect on the Fund's net assets attributable to unit holders is as follows:

Effect of a 10% change in equity and bond prices	55 345 945	49 959 157	51 653 592
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Concentration of equity price risk

The following table contains an analysis of the Fund's concentration of equity price risk by geographical distribution, based on counterparties' place of primary listing or place of domicile, if not listed.

The following table contains an analysis of the Fund's concentration of equity price risk by geographical distribution.

	% of equity securities		
Republic of Kenya	91.56	91.37	87.3
Outside the Republic of Kenya	8.44	8.63	12.6

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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Figures in Shillings

12. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holders' option, based on the Fund's Net Asset Value (NAV) per unit at the time of the redemption, calculated in accordance with the Fund's Trust Deed.

The Fund manages its obligation to repurchase the units when required to do so and its overall liquidity risk by:

- allowing for the redemptions, payments to be made within 14 days of the redemption instructions being received,
- searching for new investors
- withdrawal of cash deposits,
- disposal of highly liquid assets, and
- disposal of other assets.

It is the Fund's policy that the Investment Manager monitors the Fund's liquidity position on a daily basis and that the directors of the management company review it on a quarterly basis.

The following table summarises the maturity profile of the Fund's financial liabilities based on the contractual undiscounted cash flows.

Based on the nature of the business of the Trust Scheme, the realisation of the assets will depend on the redemption requirements of the investors, as well as the investment strategy.

For financial liabilities, the maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to pay.

30 June 2025

Financial liabilities

	On demand	Less 1 year	Total
Net assets attributable to unit holders	581 460 110	-	581 460 110
Management fees	-	1 127 388	1 127 388
Custody fees	-	30 585	30 585
Trustee fees	-	52 915	52 915
Audit fees	-	702 653	702 653
Publication costs	-	262 430	262 430
Distribution	-	20 475 340	20 475 340
	581 460 110	22 651 311	604 111 421

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

12. Financial instruments and risk management (continued)

31 December 2024

Financial liabilities

Net assets attributable to unit holders	520 039 467	-	520 039 467
Management fees	-	1 073 483	1 073 483
Custody fees	-	148 093	148 093
Trustee fees	-	64 187	64 187
Publication costs	-	442 038	442 038
Audit fees	-	1 713 587	1 713 587
Distributions	-	26 049 094	26 049 094
	520 039 467	29 490 482	549 529 949

30 June 2024

Financial liabilities

Net assets attributable to unit holders	520 256 689	-	520 256 689
Management fees	-	1 052 244	1 052 244
Custody fees	-	72 833	72 833
Trustee fees	-	31 567	31 567
Audit fees	-	1 021 793	1 021 793
Publication costs	-	394 593	394 593
Distribution	-	20 267 066	20 267 066
	520 256 689	22 840 096	543 096 785

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation.

The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships and other transactions.

It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Manager Company closely monitors the creditworthiness of the Fund's counterparties (for example, brokers, custodians, managers and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The following table contains an analysis of the Fund's maximum exposure to credit risks, which are the instruments' carrying amounts in the financial statements.

Financial instruments

Interest receivable	7 103 086	9 852 371	7 346 028
Cash and cash equivalents	43 548 884	40 086 006	19 214 837
Total credit risk exposure	50 651 970	49 938 377	26 560 865

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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Figures in Shillings

12. Financial instruments and risk management (continued)

IFRS 9 requires expected credit loss to be assessed on financial assets at amortized cost. The Fund Manager has a policy under which it places its cash with reputable commercial banks and investments with Government of Kenya and reputable corporate institutions with sound credit ratings. The assessed credit for financial assets was deemed to be low with immaterial impact on the financial statements hence no expected credit loss adjustment has been made to the financial statements.

13. Financial assets and liabilities by category

The following table analyses the carrying amounts of the financial assets and financial liabilities by category as defined in IFRS 9.

Financial assets at fair value through profit or loss

Held for trading	553 459 451	499 591 572	516 535 920
Financial assets at amortised cost			
Interest receivable	7 103 086	9 852 371	7 346 028
Cash and cash equivalents	43 548 884	40 086 006	19 214 837
Total financial assets	604 111 421	549 529 949	543 096 785

Financial liabilities measured at amortised cost

Net assets attributable to unit holders	581 460 110	520 039 467	520 256 689
Management fees	1 127 388	1 073 483	1 052 244
Custody fees	30 585	148 093	72 833
Trustee fees	52 915	64 187	31 567
Audit fees	702 653	1 713 587	1 021 793
Distribution	20 475 340	26 049 094	20 267 066
Publication costs	262 430	442 038	394 593
Total financial liabilities	604 111 421	549 529 949	543 096 785

Fair value

The fair values of the Fund's financial assets and liabilities approximate their carrying amounts due to their short term nature.

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements

14. Analysis of total assets

	Currency	Country	Maturity	Interest rate Price per unit	Holdings	Fair value	% of Gross assets
30 June 2025							
Financial assets at fair value through profit or loss							
Current							
Unit trust & equity investments							
Hausmann Rech Global Managed Fund	USD	Mauritius		189.43	246 656	46 723 330	7.73
African Alliance Kenya Equity Fund	KES	Kenya		177.00	863 450	152 827 716	25.30
African Alliance Kenya Fixed Income Fund	KES	Kenya		11.79	11 243 663	132 601 850	21.95
Safaricom Limited	KES	Kenya		25.00	677 580	16 939 500	2.80
						349 092 396	57.79
Non- Current							
Government bonds - fixed rate							
Government of Kenya	KES	Kenya	09 Nov 26	11.28 %	10 000 000	10 093 849	1.67
Government of Kenya	KES	Kenya	06 Sept 27	11.00 %	9 700 000	9 715 854	1.61
Government of Kenya	KES	Kenya	07 Feb 28	11.25 %	15 000 000	15 108 217	2.50
Government of Kenya	KES	Kenya	10 Apr 28	12.00 %	5 000 000	5 130 617	0.85
Government of Kenya	KES	Kenya	10 Jul 28	16.84 %	10 000 000	11 524 770	1.91
Government of Kenya	KES	Kenya	14 Aug 28	12.69 %	29 650 000	31 102 334	5.15
Government of Kenya	KES	Kenya	04 Dec 28	12.50 %	17 750 000	18 580 648	3.08
Government of Kenya	KES	Kenya	12 Feb 29	12.44 %	12 300 000	12 867 367	2.13
Government of Kenya	KES	Kenya	02 Apr 29	12.30 %	5 750 000	5 955 380	0.99
Government of Kenya	KES	Kenya	12 Nov 29	12.28 %	14 300 000	14 939 583	2.47
Government of Kenya	KES	Kenya	06 May 30	17.93 %	10 000 000	11 547 182	1.91
Government of Kenya	KES	Kenya	01 Nov 32	12.00 %	7 000 000	6 673 155	1.10
Government of Kenya	KES	Kenya	03 Mar 33	12.75 %	12 750 000	12 718 333	2.11
Government of Kenya	KES	Kenya	09 Jan 34	12.86 %	6 750 000	6 705 759	1.11
Government of Kenya	KES	Kenya	10 July 38	12.34 %	14 000 000	13 935 738	2.31
Government of Kenya	KES	Kenya	01 Mar 39	13.20 %	1 700 000	1 770 158	0.29
Government of Kenya	KES	Kenya	21 Mar 39	12.87 %	3 650 000	3 696 073	0.61
Government of Kenya	KES	Kenya	28 Jan 41	12.97 %	8 000 000	8 078 214	1.34
						200 143 231	33.13
Non-current:							
Corporate bond -fixed rate							
East African Breweries Plc	KES	Kenya	29 Oct 29	12.25 %	2 950 000	2 967 815	0.49
Kenya Mortgage Refin. Co Ltd	KES	Kenya	23 Feb 29	12.50 %	1 204 316	1 256 009	0.21
						4 223 824	0.70

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Currency	Currency	Interest rate per annum (%)	Holdings	Fair value	% of Gross Assets
30 June 2025 (continued)							
Financial assets at fair value through profit or loss (continued)							
						553 459 451	91.62
Financial assets at amortised costs							
Interest receivable						7 103 086	1.18
Cash and cash equivalents							
Money market investments							
African Alliance Kenya Money Market Fund	KES	Kenya		7.73 %	2 679	2 679	-
Bank							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	2 546 205	2 546 205	0.42
Call account							
The Cooperative Bank of Kenya Limited	KES	Kenya		7.50 %	41 000 000	41 000 000	6.79
						43 548 884	7.21
Total						604 111 421	100.00

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate (%) Price per unit	Holdings	Fair value	% of Gross assets
31 December 2024							
Financial assets at fair value through profit or loss							
Current							
Government bonds - fixed rate							
Government of Kenya	KES	Kenya	10 Mar 25	10.25 %	2 850 000	2 850 223	0.52
Government of Kenya	KES	Kenya	05 May 25	11.67 %	2 000 000	2 010 115	0.37
						4 860 338	0.88
Unit Trust & Equity investments							
African Alliance Kenya Equity Fund	KES	Kenya		156.24	826 678	129 158 012	23.50
African Alliance Kenya Fixed Income Fund	KES	Kenya		11.36	10 559 651	120 007 863	21.84
Safaricom Limited	KES	Kenya		17.05	677 580	11 552 739	2.10
Haussmann Rech Global Managed Fund	USD	Mauritius		175.25	246 047	43 118 751	7.85
						303 837 365	55.29
Non - current							
Government bonds - fixed rate							
Government of Kenya	KES	Kenya	09 Nov 26	11.28 %	10 000 000	9 851 881	1.79
Government of Kenya	KES	Kenya	06 Sep 27	11.00 %	9 700 000	9 248 161	1.68
Government of Kenya	KES	Kenya	07 Feb 28	11.25 %	15 000 000	14 126 912	2.57
Government of Kenya	KES	Kenya	10 Apr 28	12.00 %	5 000 000	4 765 660	0.87
Government of Kenya	KES	Kenya	10 Jul 28	16.84 %	10 000 000	10 737 438	1.95
Government of Kenya	KES	Kenya	14 Aug 28	12.69 %	29 650 000	28 455 881	5.18
Government of Kenya	KES	Kenya	04 Dec 28	12.50 %	17 750 000	16 875 919	3.07
Government of Kenya	KES	Kenya	12 Feb 29	12.44 %	12 300 000	11 636 531	2.12
Government of Kenya	KES	Kenya	02 Apr 29	12.30 %	5 750 000	5 403 888	0.98
Government of Kenya	KES	Kenya	12 Nov 29	12.28 %	14 300 000	13 357 794	2.43
Government of Kenya	KES	Kenya	06 May 30	17.93 %	10 000 000	11 203 005	2.04
Government of Kenya	KES	Kenya	01 Nov 32	12.00 %	7 000 000	6 504 116	1.18
Government of Kenya	KES	Kenya	03 Oct 33	12.75 %	12 750 000	12 208 972	2.22
Government of Kenya	KES	Kenya	09 Jan 34	12.86 %	6 750 000	6 482 647	1.18
Government of Kenya	KES	Kenya	10 Jul 34	12.34 %	14 000 000	13 043 808	2.37
Government of Kenya	KES	Kenya	01 Mar 38	13.20 %	1 700 000	1 677 702	0.31
Government of Kenya	KES	Kenya	21 Mar 39	12.87 %	3 650 000	3 484 516	0.63
Government of Kenya	KES	Kenya	28 Jan 41	12.97 %	8 000 000	7 589 596	1.38

African Alliance Kenya Balanced Fund

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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity date	Maturity date	Holding	Fair value	% of Gross assets
31 December 2024							
Financial assets at fair value through profit or loss (continued)							
Non - current (continued)							
Government bonds -fixed rated (continued)							
						186 654 427	33.97
Corporate bond -fixed rate							
East African Breweries Plc	KES	Kenya	29 Oct 26	12.25 %	2 950 000	2 892 770	0.53
Kenya Mortgage Refin.Co Ltd	KES	Kenya	23 Feb 29	12.50 %	1 426 668	1 346 673	0.25
						4 239 443	0.77
						499 591 573	90.91
Financial assets at amortised costs							
Interest receivable						9 852 371	1.79
cash and cash equivalents							
Money market investments							
African Alliance Kenya Money Market Fund	KES	Kenya		11.54 %	2 535	2 535	0.001
Banks							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	83 470	83 470	0.02
Fixed deposit							
Call account							
The Cooperative Bank of Kenya Limited	KES	Kenya		17.00	40 000 000	40 000 000	7.28
						40 086 005	7.29
Total						549 529 949	100.00

African Alliance Kenya Balanced Fund

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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity date	Interest rate / price per unit	Holdings	Fair value	% of Gross assets
30 June 2024							
Financial assets at fair value through profit or loss							
Current:							
Government bonds - fixed rate							
Government of Kenya	KES	Kenya	02 Dec 24	11.00 %	5 250 000	5 208 968	0.96
Government of Kenya	KES	Kenya	10 Mar 25	10.25 %	2 850 000	2 730 378	0.50
Government of Kenya	KES	Kenya	05 May 25	11.67 %	2 000 000	1 920 418	0.35
						9 859 764	1.82
Unit Trust & Equity investments							
African Alliance Kenya Equity Fund	KES	Kenya		139.12	841 065	117 007 770	21.54
African Alliance Kenya Fixed Income Fund	KES	Kenya		10.75	14 853 278	159 612 138	29.39
Safaricom Limited	KES	Kenya		17.30	677 580	11 722 134	2.16
Hausmann Rech Global Managed Fund	USD	Mauritius		170.21	245 240	41 741 455	7.69
						330 083 497	60.78
Non-current							
Government of Kenya	KES	Kenya	09 Nov 26	11.28 %	10 000 000	8 871 039	1.63
Government of Kenya	KES	Kenya	06 Sep 27	11.00 %	9 700 000	8 195 456	1.51
Government of Kenya	KES	Kenya	07 Feb 28	11.25 %	15 000 000	12 536 311	2.31
Government of Kenya	KES	Kenya	10 Apr 28	12.00 %	5 000 000	4 248 705	0.78
Government of Kenya	KES	Kenya	10 Jul 28	16.84 %	10 000 000	9 707 327	1.79
Government of Kenya	KES	Kenya	14 Aug 28	12.69 %	29 650 000	25 443 300	4.68
Government of Kenya	KES	Kenya	04 Dec 28	12.50 %	17 750 000	15 370 430	2.83
Government of Kenya	KES	Kenya	12 Feb 29	12.44 %	12 300 000	10 732 320	1.98
Government of Kenya	KES	Kenya	02 Apr 29	12.30 %	5 750 000	5 028 520	0.93
Government of Kenya	KES	Kenya	12 Nov 29	12.28 %	14 300 000	12 721 122	2.34
Government of Kenya	KES	Kenya	06 May 30	17.93 %	10 000 000	10 356 528	1.91
Government of Kenya	KES	Kenya	01 Nov 32	12.00 %	7 000 000	6 000 806	1.10
Government of Kenya	KES	Kenya	03 Oct 33	12.75 %	12 750 000	11 327 797	2.09
Government of Kenya	KES	Kenya	09 Jan 34	12.86 %	6 750 000	6 027 298	1.11
Government of Kenya	KES	Kenya	10 Jul 34	12.34 %	14 000 000	12 104 696	2.23
Government of Kenya	KES	Kenya	01 Mar 38	13.20 %	1 700 000	1 527 143	0.28
Government of Kenya	KES	Kenya	21 Mar 39	12.87 %	3 650 000	3 197 232	0.59
Government of Kenya	KES	Kenya	28 Jan 41	12.97 %	8 000 000	8 877 960	1.63
						172 273 990	31.72

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
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Figures in Shillings

14. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate (%) Price per unit	Holdings	Fair Value	% of Gross assets
30 June 2024 (continued)							
Financial assets at fair value through profit or loss (continued)							
Non-current							
Corporate bond - fixed rate							
East African Breweries Plc			29 Oct 26	12.25	2 950 000	2 914 706	0.54
Kenya Mortgage Refin. Co			23 Feb 29	12.50	1 426 668	1 403 963	0.26
						4 318 669	0.80
						516 535 920	95.11
Financial assets at amortised costs							
Interest receivable							
						7 346 028	1.35
Cash and cash equivalents							
Money market investments							
African Alliance Kenya Money Market Fund	KES	Kenya		13.20 %	2 358	2 358	-
Bank							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	2 212 479	2 212 479	0.41
Call account							
The Cooperative Bank of Kenya Limited	KES	Kenya		17.50	12 000 000	12 000 000	2.21
Stanbic Bank Kenya Limited	KES	Kenya		17.25	5 000 000	5 000 000	0.92
Cash and cash equivalent						19 214 837	3.54
Total						543 096 785	100.00

African Alliance Kenya Balanced Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Figures in Shillings			
15. Reconciliation of Net Asset Value per unit			
Published price (calculated in accordance with redemption requirements)	21.49	20.08	18.68
Adjusted for:			
-Distribution payable	(0.73)	(0.96)	(0.70)
Net asset value as per IFRS	20.76	19.12	17.98

16. Events after the reporting period

There are no significant events that occurred in respect of the Fund and the management company, subsequent to the period end, that may be relevant to the accuracy of these financial statements.



African Alliance Kenya Money Market Fund
Unaudited Financial Statements
for the period ended 30 June 2025

African Alliance Kenya Money Market Fund

Statement of Financial Position as at 30 June 2025

Figures in Shillings	Note(s)	30 June 2025 Unaudited	31 December 2024 Audited	30 June 2024 Unaudited
Assets				
Investments	1	392 399 210	355 449 253	146 403 835
Interest receivable		154 858	191 439	4 798 274
Cash and cash equivalents	2	4 540 811	17 829 250	148 970 041
Total Assets		397 094 879	373 469 942	300 172 150
Liabilities				
Current Liabilities				
Management fees	10	781 586	728 746	570 199
Custody fees	10	90 641	72 114	35 466
Publication costs		160 683	254 839	245 293
Distributions	6	2 560 223	3 600 986	3 383 144
Audit fees		366 344	348 162	208 990
Trustee fees	10	33 589	38 086	18 731
Total Liabilities excluding net assets attributable to unit holders		3 993 066	5 042 933	4 461 823
Net assets attributable to unit holders		393 101 813	368 427 009	295 710 327
Represented by:				
Net assets attributable to unit holders		393 101 813	368 427 009	295 710 327

The notes on pages 99 to 116 form an integral part of the unaudited financial statements.

African Alliance Kenya Money Market Fund

Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2025

Figures in Shillings	Note(s)	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Income				
Interest income	4	22 595 080	49 374 599	21 896 724
Expenses				
Management fees	10	(4 330 583)	(7 238 560)	(3 148 735)
Custody fees	10	(600 421)	(748 145)	(355 779)
Trustee fees	10	(220 157)	(320 576)	(158 124)
Audit fees		(290 742)	(276 831)	(137 659)
Other operating expenses		(9 389)	(78 190)	(36 687)
Total operating expenses		(5 451 292)	(8 662 302)	(3 836 984)
Operating profit for the year		17 143 788	40 712 298	18 059 740
Distribution to unit holders	5	(17 143 788)	(40 712 298)	(18 059 740)
Increase in net assets attributable to unit holders		-	-	-

The notes on pages 99 to 116 form an integral part of the unaudited financial statements.

African Alliance Kenya Money Market Fund

Statement of changes in net assets attributable to unit holders for the period ended 30 June 2025

	notes	Net assets attributable to unit holders	Number of units	Net asset value per unit
Figures in Shillings				
Balance at 01 January 2024		233 609 593	233 609 594	1.00
Issue of units during the period		136 030 242	136 030 242	
Redemption of units during the period		(73 929 508)	(73 929 508)	
Increase in net assets attributable to unit holders		-	-	-
Balance at 30 June 2024		295 710 327	295 710 328	1.00
Balance at 01 January 2024		233 609 593	233 609 594	1.00
Contributions and redemptions by unit holders				
Issue of units during the year	7	278 063 738	278 063 738	-
Redemption of units during the year	7	(143 246 320)	(143 246 320)	
Increase in net assets attributable to unit holders		-	-	
Balance at 31 December 2024	8	368 427 011	368 427 012	1.00
Balance at 01 January 2024		368 427 011	368 427 012	1.00
Contributions and redemptions by unit holders				
Issue of units during the period	7	125 825 082	125 825 082	-
Redemption of units during the period	7	(101 150 280)	(101 150 280)	-
Increase in net assets attributable to unit holders		-	-	-
Balance at 30 June 2025	8	393 101 813	393 101 814	1.00

The notes on pages 99 to 116 form an integral part of the unaudited financial statements.

African Alliance Kenya Money Market Fund

Statement of Cash Flows for the period ended 30 June 2025

Figures in Shillings	Note(s)	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Cash flows from operating activities				
Net movement in investments		(36 949 957)	(251 730 093)	(42 684 676)
Interest received		22 631 662	51 893 579	19 808 871
Custodian fees paid		(581 894)	(744 862)	(389 143)
Trustee fees paid		(224 653)	(299 697)	(156 600)
Other expenses paid		(103 545)	(58 002)	(26 046)
Management fees paid		(4 277 743)	(6 739 247)	(2 807 969)
Audit fees paid		(272 560)	(253 879)	(253 879)
Net cash used in investing activities		(19 778 690)	(207 932 201)	(26 509 442)
Cash flows from financing activities				
Proceeds on issue of units	7	110 180 633	243 520 419	121 100 320
Payment on redemption of units	7	(101 150 280)	(143 246 320)	(73 929 508)
Distributions paid to unit holders	6	(2 540 102)	(5 105 261)	(2 283 942)
Net cash from financing activities		6 490 251	95 168 838	44 886 870
Net movement in cash and cash equivalents during the period / year		(13 288 439)	(112 763 363)	18 377 428
Cash and cash equivalents at the beginning of the period / year		17 829 250	130 592 613	130 592 613
Cash and cash equivalents at the end of the period / year	2	4 540 811	17 829 250	148 970 041

The notes on pages 99 to 116 form an integral part of the unaudited financial statements.

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			
1. Investments			
Fixed rate government bonds	46 379 532	49 939 291	49 874 693
Treasury bills	47 502 635	39 155 810	-
Fixed deposits	297 610 521	265 279 904	95 455 602
Variable rate corporate bonds	906 522	1 074 248	1 073 540
	392 399 210	355 449 253	146 403 835
Opening balance	355 449 253	103 719 160	103 719 160
Additions	209 756 688	294 097 379	92 012 992
Maturities	(174 732 989)	(50 992 744)	(50 992 744)
Movement in interest received	1 926 258	8 625 458	1 664 427
	392 399 210	355 449 253	146 403 835

Refer to Note 13, analysis of total assets, for terms and conditions of the above securities.

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and liquid investments	4 540 811	17 829 250	148 970 041
Analysed as:			
Fixed deposits	-	12 000 000	67 000 000
Call account	-	-	79 500 000
Current account	4 540 811	5 829 250	2 470 041
	4 540 811	17 829 250	148 970 041

Money market investments are highly liquid investments and are subject to insignificant risks of changes in value.

Refer to Note , analysis of total assets, for further details.

3. Fair value of financial instruments

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 directly (that is, as prices) or indirectly (that is, derived from prices). This category includes instruments using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

3. Fair value of financial instruments (continued)

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are 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.

Financial instruments not measured at fair value

The carrying amount of the financial instruments that are not measured at fair value approximate their fair value and the fair value hierarchy of those financial assets is summarised below:

- Debt instruments, interest receivable and cash and cash equivalents are classified as level 2.
- Net assets attributable to unit holders are classified as level 2.
- Payables are measured at amortised costs.

4. Interest income

Cash at bank	1 600 493	11 487 930	7 074 358
Financial assets at amortised costs	15 172 276	18 190 124	7 421 838
Fixed deposits and treasury bills	5 822 311	19 696 545	7 400 528
	22 595 080	49 374 599	21 896 724

5. Distribution to unit holders

Distributions declared at:

January	3 227 436	2 452 077	2 452 077
February	2 735 111	2 442 555	2 442 555
March	3 030 342	3 139 348	3 139 348
April	2 958 439	3 172 206	3 172 206
May	2 632 237	3 470 416	3 470 416
June	2 560 223	3 383 138	3 383 138
July	-	3 789 893	-
August	-	4 043 656	-
September	-	3 832 486	-
October	-	3 920 055	-
November	-	3 465 489	-
December	-	3 600 979	-
	17 143 788	40 712 298	18 059 740

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			
6. Distribution paid to unit holders			
Opening balance	(3 600 986)	(2 537 268)	(2 537 268)
Distribution for the period / year (Note 5)	(17 143 788)	(40 712 298)	(18 059 740)
Closing balance	2 560 223	3 600 986	3 383 144
	(18 184 551)	(39 648 580)	(17 213 864)
Distribution re-invested	15 644 449	34 543 319	14 929 922
Distribution paid	2 540 102	5 105 261	2 283 942
	18 184 551	39 648 580	17 213 864
7. Issue and redemption of unit during the period / year			
Units created during the period / year	125 825 082	278 063 738	136 030 242
Amounts of units re-invested (Note 6)	(15 644 449)	(34 543 319)	(14 929 922)
Proceeds from issue of units	110 180 633	243 520 419	121 100 320
Redemption of units during the period / year	(101 150 280)	(143 246 320)	(73 929 508)

8. Redeemable participating units

The Fund's capital is represented by these redeemable participating units. Quantitative information about the Fund's capital is provided in the Statement of changes in net assets attributable to unit holders.

Each unit issued confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unit holders have various rights under the Fund's Trust Deed, including the right to:

- have their units redeemed at a proportionate unit price, based on the Fund's net asset value per unit on the redemption date,
- receive income distributions, and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

For the purpose of issue and redemption of units, the net assets attributable to unit holders are calculated in accordance with the Fund's Trust Deed.

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

9. Capital management

As a result of the ability to issue and redeem units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable units beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

- to invest in instruments meeting the description, risk exposure and expected return indicated in its Trust Deed,
- to achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in other capital markets and by using various investment strategies,
- to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise, and
- to maintain sufficient size to make the operation of the Fund cost-efficient

Refer to Note 11, financial risk management objectives and policies, for the policies and processes applied by the Fund in managing its capital.

10. Related parties

Relationship - Trustee and Custodian

Stanbic Bank Kenya Limited, a company incorporated in the Republic of Kenya, provides trustee and custodian services to the Fund and receives, in return, a monthly fee.

Custodian fees payable	90 641	72 114	35 466
Trustee fees payable	33 589	38 086	18 731
Custody fees charged for the period / year	600 421	748 145	355 779
Trustee fees charged for the period / year	220 157	320 576	158 124
Investments held with Stanbic Bank Kenya Limited			
Curent account	4 540 811	5 829 250	2 470 041
Call deposit	-	-	31 000 000
Fixed deposit	77 000 000	-	37 000 000



African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

10. Related parties (continued)

Relationship- Investment Manager

The Fund is managed by African Alliance Kenya Asset Management Limited, a company incorporated in the Republic of Kenya. African Alliance Kenya Asset Management Limited provides management services to the Fund and receives, in return, an annual fee, collected monthly, based on the total asset value of the Fund at a rate not exceeding 1%.

Management fees payable	781 586	728 746	570 199
Management fees charged for the period / year	4 330 583	7 238 560	3 148 735

Investment in the Fund made by the Fund Investment Manager:

	Number of units held	Value of units held	% of units held	Distribution to unit holders	Distribution payable
African Alliance Kenya Asset Management Limited					
Opening balance - 01 January 2024	25 777 826	25 777 826	11.03	-	280 805
Units acquired	10 984 007	10 984 007			
Units disposed	(30 164 114)	(30 164 114)			
Closing balance 30 June 2024	6 597 719	6 597 719	2.23	834 766	63 829
Opening balance - 01 January 2024	25 777 826	25 777 826	11.03	-	280 805
Units acquired	26 468 821	26 468 821			
Units disposed	(48 279 507)	(48 279 507)			
Closing balance 31 December 2024	3 967 140	3 967 140	1.08	1 317 080	33 012
Opening balance - 01 January 2025	3 967 140	3 967 140	1.08	-	33 012
Units acquired	60 982 110	60 982 110			
Units disposed	(27 000 000)	(27 000 000)			
Closing balance 30 June 2025	37 949 250	37 949 250	9.65	407 396	22 107

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

10. Related parties (continued)

Investments in the Fund made by other African Alliance Unit Trusts and Funds:

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<u>African Alliance Kenya Equity Fund</u>					
Opening balance - 01 January 2024	16 023 375	16 023 375	6.86	-	176 103
Units acquired	1 187 957	1 187 957			
Closing balance 30 June 2024	17 211 332	17 211 332	5.82	1 093 467	195 901
Opening balance - 01 January 2024	16 023 375	16 023 375	6.86		176 103
Units acquired	2 477 774	2 477 774			
Closing balance 31 December 2024	18 501 149	18 501 149	5.02	2 281 750	181 113
Opening balance - 01 January 2025	18 501 149	18 501 149	5.02		181 113
Units acquired	1 048 692	1 048 692			
Closing balance 30 June 2025	19 549 841	19 549 841	4.97	940 351	122 890
<u>African Alliance Kenya Fixed Income Fund</u>					
Opening balance - 01 January 2024	18 330 661	18 330 661	7.85	-	201 461
Units acquired	1 359 018	1 359 018			
Closing balance 30 June 2024	19 689 679	19 689 679	6.66	1 250 921	224 109
Opening balance - 01 January 2024	18 330 661	18 330 661	7.85	-	201 461
Units acquired	2 834 561	2 834 561			
Closing balance 31 December 2024	21 165 222	21 165 222	5.74	2 610 310	207 193
Opening balance - 01 January 2025	21 165 222	21 165 222	5.74		207 193
Units acquired	1 199 698	1 199 698			
Closing balance 30 June 2025	22 364 920	22 364 920	5.69	1 075 757	140 586

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

10. Related parties (continued)

Investments in the Fund made by other African Alliance Unit Trust and Funds (continued):

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<u>African Alliance Kenya Balanced Fund (formerly African Alliance Kenya Managed Fund)</u>					
Opening balance - 01 January 2024	2 196	2 196	0.001	-	24.13
Units acquired	162	162			
Closing balance 30 June 2024	2 358	2 358	0.001	150	26.84
Opening balance - 01 January 2024	2 196	2 196	0.001	-	24.13
Units acquired	339	339			
Closing balance 31 December 2024	2 535	2 535	0.001	312	24.81
Opening balance - 01 January 2025	2 535	2 535	0.001		24.81
Units acquired	144	144	-		-
Closing balance 30 June 2025	2 679	2 679	0.001	129	16.84

11. Financial instruments and risk management

Introduction

The Fund's objective in managing risk is the creation and protection of unit holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risks (which include interest rate risks), liquidity risks and credit risks arising from the financial instruments it holds.

Risk management structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The directors of the management company supervise the Investment Manager and are ultimately responsible for the overall risk management of the Fund.

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

11. Financial instruments and risk management (continued)

Risk measurement and reporting system

Financial risk is managed through the regulatory framework under the Collective Investment Undertakings Regulation 2001, which imposes strict and specific regulations regarding the instruments that may be held by the scheme. The Scheme is additionally governed by a Trust Deed, which commits the funds to specific investment objectives and requires the investment manager to manage the Scheme in accordance therewith. Compliance limits are built into the daily pricing systems and processes. Independent checks are also carried out by the Trustee as well as the compliance functions of the Management Company to ensure compliance with limitations specified in the Trust Deed and the regulations determined under the Collective Investments Undertakings Regulation, 2001.

Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Excessive risk concentration

Concentration of risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities or reliance on a particular market to realise liquid assets.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Investment Manager is instructed to reduce exposure to manage excessive risk concentrations when they arise.

Market risk

Market risk is the risk that changes in the market prices, such as interest rates, equity prices and foreign exchange rates will affect the Fund's income or the fair value of its holdings of financial instruments.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The investment objective of the Fund is to enhance returns and control risks. The Fund's market risk is managed on a daily basis by the Investment Manager, in accordance with policies and procedures put in place. Details of the Fund's investment portfolio at the reporting date are disclosed in Note 13.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of financial instruments.

The interest rate exposure arises on loans and receivables, money market investments and cash at bank.

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

11. Financial instruments and risk management (continued)

The following table demonstrates the sensitivity of the Fund's profit or loss for the period to a reasonably possible change in interest rate, with all other variables held constant. The sensitivity of the change in net assets attributable to unit holders is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets held at the end of the reporting period.

	Change in basis points	Sensitivity of interest income
30 June 2024	+/- 10	+/- 81 970
31 December 2024	+/- 10	+/- 5 829
30 June 2025	+/- 10	+/- 4 541

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Consequently, the Fund is exposed to risks that the exchange rate of its currency, relative to other currencies, may change in a manner that has an adverse effect on the fair value or future cash flows of the portion of the Fund's assets and liabilities denominated in currencies other than Kenyan Shilling.

The Fund is currently not exposed to currency risk since all its assets and liabilities are denominated in Kenyan Shilling.

Price risk

Price risk is the risk of unfavourable changes in the fair values of investments and Fund value as a result of changes in the value of individual securities.

Price risk is managed by the Investment Manager by diversifying the portfolio as set out by the Trust Deed.

The Fund did not hold any listed security at the reporting date.

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

11. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holders' option, based on the Fund's Net Asset Value (NAV) per unit at the time of the redemption, calculated in accordance with the Fund's Trust Deed.

The Fund manages its obligation to repurchase the units when required to do so and its overall liquidity risk by:

- allowing for the redemptions, payments to be made within 14 days of the redemption instructions being received,
- searching for new investors
- withdrawal of cash deposits,
- disposal of highly liquid assets, and
- disposal of other assets.

It is the Fund's policy that the Investment Manager monitors the Fund's liquidity position on a daily basis and that the directors of the management company review it on a quarterly basis.

The following table summarises the maturity profile of the Fund's financial liabilities based on the contractual undiscounted cash flows.

Based on the nature of the business of the Trust Scheme, the realisation of the assets will depend on the redemption requirements of the investors, as well as the investment strategy.

For financial liabilities, the maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to pay.

30 June 2025

	On demand	Within 1 month	Total
Financial liabilities			
Net assets attributable to unit holders	393 101 813	-	393 101 813
Management fees	-	781 586	781 586
Custody fees	-	90 641	90 641
Trustee fees	-	33 589	33 589
Audit fees	-	366 344	366 344
Distribution	-	2 560 223	2 560 223
Publication costs	-	160 683	160 683
	393 101 813	3 993 066	397 094 879

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
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Figures in Shillings

11. Financial instruments and risk management (continued)

31 December 2024

Financial liabilities

Net assets attributable to unit holders	368 427 009	-	368 427 009
Management fees	-	728 746	728 746
Custody fees	-	72 114	72 114
Trustee fees	-	38 086	38 086
Audit fees	-	348 162	348 162
Distribution	-	3 600 986	3 600 986
Publication costs	-	254 839	254 839
	368 427 009	5 042 933	373 469 942

30 June 2024

Financial liabilities

Management fees	-	570 199	570 199
Custody fees	-	35 466	35 466
Trustee fees	-	18 731	18 731
Distributions	-	3 383 144	3 383 144
Audit fees	-	208 990	208 990
Publication costs	-	245 293	245 293
Net assets attributable to unit holders	295 710 327	-	295 710 327
	295 710 327	4 461 823	300 172 150

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation.

The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships and other transactions.

It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Investment Manager closely monitors the creditworthiness of the Fund's counterparties (for example, brokers, custodians, managers and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The following table contains an analysis of the Fund's maximum exposure to credit risks, which are the instruments carrying amounts in the financial statements.

Financial instruments

Investments	392 399 210	355 449 253	146 403 835
Interest receivable	154 858	191 439	4 798 274
Cash and cash equivalents	4 540 811	17 829 250	148 970 041
Total credit risk exposure	397 094 879	373 469 942	300 172 150

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

11. Financial instruments and risk management (continued)

IFRS 9 requires expected credit loss to be assessed on financial assets at amortized cost. The Fund Manager has a policy under which it places its cash with reputable commercial banks and investments with Government of Kenya and reputable corporate institutions with sound credit ratings. The assessed credit for financial assets was deemed to be low with immaterial impact to the financial statements hence no expected credit loss adjustment has been made to the financial statements.

Fair value

The fair values of the Fund's financial assets and liabilities not measured at fair value approximate their carrying values due to their short term nature.

12. Financial assets and liabilities by category

The following table analyses the carrying amounts of the financial assets and financial liabilities by category as defined in IFRS 9.

Financial assets at amortised cost

Debt instruments	392 399 210	355 449 253	146 403 835
Interest receivable	154 858	191 439	4 798 274
Cash and cash equivalents	4 540 811	17 829 250	148 970 041
Total financial assets	397 094 879	373 469 942	300 172 150

Financial liabilities measured at amortised cost

Net assets attributable to unit holders	393 101 813	368 427 009	295 710 327
Management fees	781 586	728 746	570 199
Custody fees	90 641	72 114	35 466
Trustee fees	33 589	38 086	18 731
Audit fees	366 344	348 162	208 990
Distribution	2 560 223	3 600 986	3 383 144
Publication costs	160 683	254 839	245 293
Total financial liabilities	397 094 879	373 469 942	300 172 150

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements

13. Analysis of total assets

	Currency	Country	Maturity	Interest rate	Holdings	Amortised cost	% of Gross assets
30 June 2025							
Financial assets at amortised cost							
Current							
Fixed deposit							
Equity Bank Kenya Limited	KES	Kenya	25 Aug 25	9.50 %	20 000 000	20 687 123	5.21
Kenya Commercial Bank Limited	KES	Kenya	22 Sep 25	8.00 %	18 000 000	18 074 959	4.55
Stanbic Bank Kenya Limited	KES	Kenya	06 Oct 25	8.60 %	10 000 000	10 146 082	2.56
Stanbic Bank Kenya Limited	KES	Kenya	13 Oct 25	8.60 %	10 000 000	10 146 082	2.56
Stanbic Bank Kenya Limited	KES	Kenya	27 Oct 25	8.60 %	10 000 000	10 146 082	2.56
Stanbic Bank Kenya Limited	KES	Kenya	03 Nov 25	8.60 %	10 000 000	10 146 082	2.56
The Cooperative Bank of Kenya Limited	KES	Kenya	10 Nov 25	8.50 %	20 000 000	20 260 822	5.10
Kenya Commercial Bank Limited	KES	Kenya	10 Nov 25	15.00 %	30 000 000	32 934 247	8.29
The Cooperative Bank of Kenya Limited	KES	Kenya	17 Nov 25	8.50 %	20 000 000	20 260 822	5.10
Equity Bank Kenya Limited	KES	Kenya	08 Dec 25	8.00 %	22 000 000	22 130 192	5.57
NCBA Kenya Limited	KES	Kenya	05 Jan 26	11.00 %	30 000 000	31 763 014	8.00
The Cooperative Bank of Kenya Limited	KES	Kenya	12 Jan 26	12.00 %	50 000 000	53 205 479	13.40
Stanbic Bank Kenya Limited	KES	Kenya	20 Apr 26	9.20 %	20 000 000	20 388 165	5.13
Stanbic Bank Kenya Limited	KES	Kenya	27 Apr 26	9.20 %	17 000 000	17 321 370	4.36
						297 610 521	74.95
Treasury bills							
Government of Kenya	KES	Kenya	27 Oct 25	15.47 %	12 995 265	14 350 113	3.61
Government of Kenya	KES	Kenya	04 May 26	10.01 %	6 364 890	6 464 344	1.63
Government of Kenya	KES	Kenya	11 May 26	10.01 %	15 457 029	15 668 977	3.95
Government of Kenya	KES	Kenya	25 May 26	10.00 %	10 911 552	11 019 201	2.77
						47 502 635	11.96
Government bonds- fixed rate							
Government of Kenya	KES	Kenya	18 Aug 25	16.97 %	5 000 000	5 312 401	1.34
						5 312 401	1.34

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
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Figures in Shillings

13. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate	Holdings	Amortised cost	% of Gross assets
30 June 2025 (continued)							
Financial assets at amortised costs (continued)							
Non current							
Government bonds- fixed rate							
Government of Kenya	KES	Kenya	17 Aug 26	16.03 %	2 000 000	2 048 380	0.52
Government of Kenya	KES	Kenya	17 Feb 26	11.76 %	1 000 000	1 012 137	0.25
Government of Kenya	KES	Kenya	07 Feb 28	11.79 %	2 000 000	2 026 848	0.51
Government of Kenya	KES	Kenya	05 Jun 28	12.75 %	400 000	430 978	0.11
Government of Kenya	KES	Kenya	10 Jul 28	16.85 %	7 000 000	7 546 606	1.90
Government of Kenya	KES	Kenya	12 Nov 29	12.45 %	3 000 000	3 003 117	0.76
Government of Kenya	KES	Kenya	06 May 30	17.93 %	7 000 000	7 172 430	1.81
Government of Kenya	KES	Kenya	06 May 30	17.94 %	10 000 000	10 400 534	2.62
Government of Kenya	KES	Kenya	05 May 31	11.25 %	1 000 000	896 392	0.23
Government of Kenya	KES	Kenya	03 May 32	13.49 %	800 000	814 824	0.21
Government of Kenya	KES	Kenya	03 May 32	13.55 %	1 000 000	1 012 692	0.26
Government of Kenya	KES	Kenya	01 Nov 32	12.26 %	600 000	592 960	0.15
Government of Kenya	KES	Kenya	01 Nov 32	11.95 %	1 000 000	1 021 590	0.26
Government of Kenya	KES	Kenya	10 Jul 34	12.57 %	2 000 000	2 053 779	0.52
Government of Kenya	KES	Kenya	28 Jan 41	13.04 %	1 000 000	1 033 864	0.26
						41 067 131	10.34
Non-current							
Kenya Mortgage Refin Co Limited	KES	Kenya	23 Feb 29	12.50 %	869 784	906 522	0.23
						392 399 210	98.82
Interest receivable						154 858	0.04
Cash and cash equivalents							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	4 540 811	4 540 811	1.14
						397 094 879	100.00

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

13. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate	Holdings	Amortised cost	% of Gross assets
31 December 2024							
Financial assets at amortised cost							
Current							
Fixed deposit							
Current							
Kenya Commercial Bank Limited	KES	Kenya	07 Jan 25	16.00 %	26 000 000	27 094 137	7.25
Kenya Commercial Bank Limited	KES	Kenya	07 Jan 25	16.00 %	10 000 000	10 407 671	2.79
The Cooperative Bank of Kenya Limited	KES	Kenya	14 Jan 25	16.50 %	10 000 000	10 433 973	2.79
Equity Bank Kenya Limited	KES	Kenya	20 Jan 25	14.50 %	23 000 000	23 712 685	6.35
Family Bank Limited	KES	Kenya	28 Apr 25	17.00 %	16 000 000	17 937 534	4.80
Family Bank Limited	KES	Kenya	05 May 25	15.50 %	40 000 000	41 087 123	11.00
Family Bank Limited	KES	Kenya	12 May 25	18.00 %	21 000 000	23 547 329	6.31
Kenya Commercial Bank Limited	KES	Kenya	10 Nov 25	15.00 %	30 000 000	30 702 740	8.22
						184 923 192	49.51
Treasury bills							
Government of Kenya	KES	Kenya	21 Apr 25	15.64 %	13 915 065	14 344 270	3.84
Government of Kenya	KES	Kenya	28 Apr 25	15.00 %	11 157 336	11 458 287	3.07
Government of Kenya	KES	Kenya	27 Oct 25	15.35 %	12 995 265	13 353 253	3.58
						39 155 810	10.48
Government bonds-fixed rate							
Government of Kenya	KES	Kenya	05 May 25	10.93 %	500 000	521 591	0.14
Government of Kenya	KES	Kenya	05 May 25	11.42 %	3 000 000	3 080 441	0.82
Government of Kenya	KES	Kenya	18 Aug 25	16.97 %	5 000 000	5 314 734	1.42
						8 916 766	2.39

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

						6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings								
13. Analysis of total assets (continued)								
	Currency	Country	Maturity	Interest rate	Holdings	Amortised cost	% of Gross Assets	
31 December 2024 (continued)								
Financial assets at amortised cost (continued)								
Fixed deposits								
NCBA Kenya Limited	KES	Kenya	05 Jan 26	11.00 %	30 000 000	30 126 575	8.07	
The Cooperative Bank of KenyaLimited	KES	Kenya	12 Jan 26	12.00 %	50 000 000	50 230 137	13.45	
						80 356 712	21.52	
Government bonds- fixed rate								
Government of Kenya	KES	Kenya	17 Aug 26	16.03 %	2 000 000	2 049 261	0.55	
Government of Kenya	KES	Kenya	07 Feb 28	11.76 %	1 000 000	1 012 460	0.27	
Government of Kenya	KES	Kenya	07 Feb 28	11.79 %	2 000 000	2 027 496	0.54	
Government of Kenya	KES	Kenya	05 Jun 28	12.75 %	400 000	431 118	0.12	
Government of Kenya	KES	Kenya	10 Jul 28	16.85 %	7 000 000	7 549 846	2.02	
Government of Kenya	KES	Kenya	12 Nov 29	12.45 %	3 000 000	3 004 143	0.80	
Government of Kenya	KES	Kenya	06 May 30	17.93 %	7 000 000	7 175 878	1.92	
Government of Kenya	KES	Kenya	06 May 30	17.94 %	10 000 000	10 343 516	2.77	
Government of Kenya	KES	Kenya	05 May 31	11.25 %	1 000 000	896 701	0.24	
Government of Kenya	KES	Kenya	03 May 32	13.49 %	800 000	815 121	0.22	
Government of Kenya	KES	Kenya	03 May 32	13.55 %	1 000 000	1 013 064	0.27	
Government of Kenya	KES	Kenya	01 Nov 32	12.26 %	600 000	593 219	0.16	
Government of Kenya	KES	Kenya	01 Nov 32	11.95 %	1 000 000	1 022 011	0.27	
Government of Kenya	KES	Kenya	10 Jul 34	12.57 %	2 000 000	2 054 469	0.55	
Government of Kenya	KES	Kenya	28 Jan 41	13.04 %	1 000 000	1 034 222	0.28	
						41 022 525	10.98	
Non-current								
Kenya Mortgage Refin Co Limited	KES	Kenya	23 Feb 29	12.50 %	1 030 372	1 074 248	0.29	
						355 449 253	95.17	
Interest receivable						191 439	0.05	
Cash and cash equivalents								
Fixed deposit								
Kenya Commercial Bank Limited	KES	Kenya	27 Jan 25	12.00 %	12 000 000	12 000 000	3.21	
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	5 829 250	5 829 250	1.56	
						17 829 250	4.77	
						373 469 942	100	

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

					6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings							
13. Analysis of total assets (continued)							
	Currency	Country	Maturity	Interest rate	Holdings	Amortised cost	% of Gross assets
30 June 2024							
Financial assets at amortised costs							
Fixed deposit							
Current							
Stanbic Bank Kenya Limited	KES	Kenya	21 Oct 24	18.00 %	15 000 000	15 562 192	5.18
Family Bank Limited	KES	Kenya	04 Nov 24	18.00 %	30 000 000	31 435 068	10.47
Family Bank Limited	KES	Kenya	18 Nov 24	18.00 %	10 000 000	10 197 260	3.40
Family Bank Limited	KES	Kenya	28 April 24	17.00 %	16 000 000	16 566 356	5.52
Equity Bank Kenya Limited	KES	Kenya	12 May 25	17.50 %	21 000 000	21 694 726	7.23
						95 455 602	31.80
Government of Kenya	KES	Kenya	05 May 25	10.93 %	500 000	521 291	0.17
Government of Kenya	KES	Kenya	05 May 25	11.42 %	3 000 000	3 078 558	1.03
						3 599 849	1.20
Non-current							
Corporate bond							
Kenya mortgage Refine Co Ltd	KES	Kenya	23 Feb 29	12.50 %	1 030 372	1 073 540	0.36
Government bonds - fixed rate							
Government of Kenya	KES	Kenya	18 Aug 25	16.97 %	5 000 000	5 310 071	1.77
Government of Kenya	KES	Kenya	17 Aug 26	16.03 %	2 000 000	2 047 499	0.68
Government of Kenya	KES	Kenya	07 Feb 28	11.76 %	1 000 000	1 011 814	0.34
Government of Kenya	KES	Kenya	07 Feb 28	11.79 %	2 000 000	2 026 201	0.68
Government of Kenya	KES	Kenya	05 Jun 28	12.75 %	400 000	430 837	0.14
Government of Kenya	KES	Kenya	10 Jul 28	16.85 %	7 000 000	7 543 367	2.51
Government of Kenya	KES	Kenya	12 Nov 29	12.45 %	3 000 000	3 002 091	1.00
Government of Kenya	KES	Kenya	06 May 30	17.93 %	7 000 000	7 168 981	2.39
Government of Kenya	KES	Kenya	06 May 30	17.94 %	10 000 000	10 310 442	3.43
Government of Kenya	KES	Kenya	05 May 31	11.25 %	1 000 000	896 082	0.30
Government of Kenya	KES	Kenya	03 May 32	13.49 %	800 000	814 528	0.27
Government of Kenya	KES	Kenya	03 May 32	13.55 %	1 000 000	1 012 319	0.34
Government of Kenya	KES	Kenya	01 Nov 32	11.26 %	600 000	592 758	0.20
Government of Kenya	KES	Kenya	01 Nov 32	11.95 %	1 000 000	1 021 261	0.34
Government of Kenya	KES	Kenya	10 July 34	12.57 %	2 000 000	2 053 088	0.68
Government of Kenya	KES	Kenya	28 Jan 41	13.04 %	1 000 000	1 033 505	0.34
						47 348 384	15.77
						146 403 835	48.77
Interest receivable						4 798 274	1.60

African Alliance Kenya Money Market Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
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Figures in Shillings

13. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate	Holdings	Amortised costs	% of Gross assets
30 June 2024 (continued)							
Cash and cash equivalents							
Fixed deposits							
Stanbic Bank Kenya Limited	KES	Kenya	08 Jul 24	17.10 %	22 000 000	22 000 000	7.33
Family Bank Limited	KES	Kenya	22 Jul 24	17.50 %	5 000 000	5 000 000	1.67
Family Bank Limited	KES	Kenya	20 Aug 24	18.00 %	10 000 000	10 000 000	3.33
The Cooperative Bank of Kenya Limited	KES	Kenya	26 Sept 24	17.85 %	30 000 000	30 000 000	9.99
						67 000 000	22.32
Current account							
Stanbic Bank Kenya Limited	KES	Kenya	Kenya	2.00	2 470 041	2 470 041	0.82
Call deposits							
The Cooperative Bank of Kenya Limited	KES	Kenya	Kenya	17.10 %	7 000 000	7 000 000	2.33
Equity Bank Kenya Limited	KES	Kenya	Kenya	17.50 %	41 500 000	41 500 000	13.83
Stanbic Bank Kenya Limited	KES	Kenya	Kenya	17.25 %	6 500 000	6 500 000	2.17
Stanbic Bank Kenya Limited	KES	Kenya	Kenya	17.50 %	24 500 000	24 500 000	8.16
						81 970 041	27.31
Total						300 172 150	100.00

14. Events after the reporting period

There are no significant events that occurred in respect of the Fund and the management company, subsequent to the period end, that may be relevant to the accuracy of these financial statements.



African Alliance Kenya Enhanced Yield Fund
Unaudited Financial Statements
for the 6 months ended 30 June 2025

African Alliance Kenya Enhanced Yield Fund

Statement of Financial Position as at 30 June 2025

Figures in Shillings	Note(s)	30 June 2025 Unaudited	31 December 2024 Audited	30 June 2024 Unaudited
Assets				
Investments	1	96 155 740	97 777 383	62 190 887
Trade and other receivables		4 734 404	4 331 012	5 113 820
Cash and cash equivalents	2	36 555 806	45 016 118	55 771 965
Total Assets		137 445 950	147 124 513	123 076 672
Liabilities				
Management fees	10	260 318	260 936	232 484
Custody fees	10	35 372	28 033	13 787
Distributions	6	905 168	1 200 308	1 244 397
Audit fees		135 413	71 141	42 103
Trustee fees	10	29 175	38 087	18 731
Total Liabilities		1 365 446	1 598 505	1 551 502
Net assets attributable to unit holders		136 080 504	145 526 008	121 525 170
Represented by:				
Net assets attributable to unit holders		136 080 504	145 526 008	121 525 170

The notes on pages 122 to 141 form an integral part of the unaudited financial statements.

African Alliance Kenya Enhanced Yield Fund

Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2025

Figures in Shillings	Note(s)	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Income				
Interest income	4	8 538 572	17 434 779	8 097 201
Expenses				
Management fees	10	(1 620 940)	(2 709 024)	(1 248 672)
Custody fees	10	(249 411)	(322 691)	(159 796)
Trustee fees	10	(173 788)	(298 586)	(148 730)
Audit fees		(119 964)	(57 762)	(28 723)
Other operating expenses		-	(59 000)	(26 498)
Bank charges		-	(1 047)	(1 047)
Total expenses		(2 164 103)	(3 448 110)	(1 613 466)
Operating profit before distribution		6 374 469	13 986 670	6 483 735
Distribution to unit holders	5	(6 374 469)	(13 986 670)	(6 483 735)
Increase in net assets attributable to unit holders		-	-	-

The notes on pages 122 to 141 form an integral part of the unaudited financial statements.

African Alliance Kenya Enhanced Yield Fund

Statement of changes in net assets attributable to unit holders for the period ended 30 June 2025

	notes	Net assets attributable to unit holders	Number of units	Net asset value per unit
Figures in Shillings				
Balance at 01 January 2024		81 364 539	813 645	100.00
Contributions and redemptions by unit holders				
Issue of units during the period		44 834 933	448 349	
Redemption of units during the period		(4 674 302)	(46 743)	
Increase in net assets attributable to unit holders		-	-	-
Balance at 30 June 2024		121 525 170	1 215 251	100.00
Balance at 01 January 2024		81 364 539	813 645	100.00
Contributions and redemptions by unit holders				
Issue of units during the year	7	97 777 362	977 774	-
Redemption of units during the year	7	(33 615 893)	(336 159)	
Increase in net assets attributable to unit holders		-	-	
Balance at 31 December 2024	8	145 526 008	1 455 260	100.00
Balance at 01 January 2025		145 526 008	1 455 260	100.00
Contributions and redemptions by unit holders				
Issue of units during the period	7	41 506 099	415 061	-
Redemption of units during the period	7	(50 951 603)	(509 516)	-
Increase in net assets attributable to unit holders		-	-	-
Balance at 30 June 2025	8	136 080 504	1 360 805	100.00

The notes on pages 122 to 141 form an integral part of the unaudited financial statements.

African Alliance Kenya Enhanced Yield Fund

Statement of Cash Flows for the period ended 30 June 2025

Figures in Shillings	Note(s)	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
Cash flows from operating activities				
Proceeds from sale of investments		32 034 970	13 954 457	9 535 596
Purchase of investments	1	(30 413 327)	(50 541 297)	(10 535 941)
Interest income		8 135 179	15 833 155	5 712 768
Custodian fees paid		(242 072)	(317 712)	(169 063)
Trustee fees paid		(182 700)	(287 100)	(156 600)
Management fees paid		(1 621 558)	(2 508 526)	(1 076 630)
Audit fees paid		(55 691)	(47 620)	(47 620)
Other expenses paid		-	(59 001)	(27 540)
Bank charges paid		-	(1 047)	-
Net cash generated from / (used in) operating activities		7 654 801	(23 974 691)	3 234 970
Cash flows from financing activities				
Proceeds on issue of units	7	35 196 901	84 719 993	38 994 314
Payment on redemption of units	7	(50 951 603)	(33 615 893)	(4 674 302)
Distributions paid to unit holders	6	(360 411)	(558 679)	(228 405)
Net cash (used in) / generated from financing activities		(16 115 113)	50 545 421	34 091 607
Net (decrease) / increase in cash and cash equivalents during the period / year		(8 460 312)	26 570 730	37 326 577
Cash and cash equivalents at the beginning of the period / year		45 016 118	18 445 388	18 445 388
Cash and cash equivalents at the end of the period / year	2	36 555 806	45 016 118	55 771 965

The notes on pages 122 to 141 form an integral part of the unaudited financial statements.

African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

Figures in Shillings	6 months ended 30 June 2025 Unaudited	12 months ended 31 December 2024 Audited	6 months ended 30 June 2024 Unaudited
1. Investments			
Government securities	44 067 107	47 041 693	47 016 278
Treasury bills	16 387 913	6 497 911	4 436 830
Fixed deposits	35 500 000	44 000 000	10 500 000
Corporate bonds	200 720	237 779	237 779
	96 155 740	97 777 383	62 190 887
Opening balance	97 777 383	61 190 543	61 190 543
Additions	30 413 327	50 541 297	10 535 940
Maturities	(32 034 970)	(13 954 457)	(9 535 596)
	96 155 740	97 777 383	62 190 887

Refer to Note 3, Fair value of financial instruments, for further details and Note 13 analysis of total assets, for terms and conditions of the above securities.

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and liquid investments	36 555 806	45 016 118	55 771 965
Analysed as:			
Money market investments	25 000 000	20 000 000	30 500 000
Call account	10 000 000	20 000 000	24 500 000
Current account	1 555 806	5 016 118	771 965
	36 555 806	45 016 118	55 771 965

Money market investments are highly liquid investments and are subject to insignificant risks of changes in value.

Refer to Note 13, analysis of total assets, for further details.

3. Fair value of financial instruments

The following table refers to financial instruments recognised at fair value, analysed between those whose fair value is based on:

- quoted prices in active markets for identical assets or liabilities (Level 1).
- those involving inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) -Level 2, and
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) - Level 3.

African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
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Figures in Shillings

3. Fair value of financial instruments (continued)

30 June 2025	Level 1	Level 2	Level 3	Total
Fixed deposits	35 500 000	-	-	35 500 000
Government securities	44 067 107	-	-	44 067 107
Corporate bonds	-	200 720	-	200 720
Treasury bills	16 387 913	-	-	16 387 913
	95 955 020	200 720	-	96 155 740

31 December 2024

Fixed deposits	44 000 000	-	-	44 000 000
Government securities	47 041 693	-	-	47 041 693
Corporate bonds	-	237 779	-	237 779
Treasury bills	6 497 911	-	-	6 497 911
	97 539 604	237 779	-	97 777 383

30 June 2024

Fixed deposits	10 500 000	-	-	10 500 000
Government securities	47 016 278	-	-	47 016 278
Corporate bonds	-	237 779	-	237 779
Treasury bills	4 436 830	-	-	4 436 830
	61 953 108	237 779	-	62 190 887

Financial instruments not measured at fair value

Type

Corporate bonds and treasury bills

Valuation technique

Discounted cash flows: The valuation model considers the present value of expected receipts, discounted using a yield rates derived from active markets.

4. Interest income

Cash at bank	717 774	3 255 121	1 957 761
Fixed income investments	5 601 250	8 591 732	3 750 546
Money market investments	2 219 548	5 587 927	2 388 894
	8 538 572	17 434 780	8 097 201

African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			
5. Distribution to unit holders			
Distributions declared at:			
January	1 213 159	760 458	760 458
February	1 059 471	758 569	758 569
March	1 164 949	1 205 628	1 205 628
April	1 073 627	1 215 532	1 215 532
May	958 095	1 299 153	1 299 153
June	905 168	1 244 395	1 244 395
July	-	1 309 805	-
August	-	1 342 701	-
September	-	1 287 051	-
October	-	1 251 410	-
November	-	1 111 660	-
December	-	1 200 308	-
	6 374 469	13 986 670	6 483 735
6. Distribution paid to unit holders			
Opening balance	(1 200 308)	(829 686)	(829 686)
Distribution for the period / year (Note 5)	(6 374 469)	(13 986 670)	(6 483 735)
Closing balance	905 168	1 200 308	1 244 397
	(6 669 609)	(13 616 048)	(6 069 024)
Distribution re-invested	6 309 198	13 057 369	5 840 619
Distribution paid	360 411	558 679	228 405
	6 669 609	13 616 048	6 069 024
7. Issue and redemption of unit during the period / year			
Units created during the period / year	41 506 099	97 777 362	44 834 933
Amounts of units re-invested (Note 6)	(6 309 198)	(13 057 369)	(5 840 619)
Proceeds from issue of units	35 196 901	84 719 993	38 994 314
Redemption of units during the period / year	(50 951 603)	(33 615 893)	(4 674 302)

African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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8. Redeemable participating units

The Fund's capital is represented by these redeemable participating units. Quantitative information about the Fund's capital is provided in the Statement of changes in net assets attributable to unit holders.

Each unit issued confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unit holders have various rights under the Fund's Trust Deed, including the right to:

- have their units redeemed at a proportionate unit price, based on the Fund's net asset value per unit on the redemption date,
- receive income distributions, and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

For the purpose of issue and redemption of units, the net assets attributable to unit holders are calculated in accordance with the Fund's Trust Deed.

9. Capital management

As a result of the ability to issue and redeem units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable units beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

- to invest in instruments meeting the description, risk exposure and expected return indicated in its Trust Deed,
- to achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in other capital markets and by using various investment strategies,
- to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise, and
- to maintain sufficient size to make the operation of the Fund cost-efficient

Refer to Note 11, financial risk management objectives and policies, for the policies and processes applied by the Fund in managing its capital.

African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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10. Related parties

Relationship - Trustee and Custodian

Stanbic Bank Kenya Limited, a company incorporated in the Republic of Kenya, provides trustee and custodian services to the Fund and receives in return an annual fee collected monthly

Custodian fees payable	35 372	28 033	13 787
Trustee fees payable	29 175	38 087	18 731
Custody fees charged for the period / year	249 411	322 691	159 796
Trustee fees charged for the period / year	173 788	298 586	148 730

Investments held with Stanbic Bank Kenya Limited

Call deposit	-	-	22 000 000
Fixed deposits	24 000 000	-	-
Current account	1 555 806	5 016 118	771 965

Relationship - Investment Manager

The Fund is managed by African Alliance Kenya Asset Management Limited, a company incorporated in the Republic of Kenya. African Alliance Kenya Asset Management Limited provides management services to the Fund and receives, in return, an annual fee, collected monthly, based on the total asset value of the Fund at a rate not exceeding 2%.

Management fees payable	260 318	260 936	232 484
Management fees charged for the period /year	1 620 940	2 709 024	1 248 672

Investments made by the Fund in other African Alliance Unit Trust and Funds:

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<u>African Alliance Kenya Fixed Income Fund</u>					
Opening balance - 01 January 2024	187 089	18 708 857	22.99	-	191 086
Units acquired	11 475	1 147 475			
Closing balance 30 June 2024	198 564	19 856 332	16.34	1 147 475	203 514
Opening balance - 01 January 2024	187 089	18 708 857	22.99	-	191 086
Units acquired	24 018	2 401 844			
Closing balance 31 December 2024	211 107	21 110 701	14.51	2 401 843	193 039
Opening balance - 01 January 2025	211 107	21 110 701	14.51	-	193 039
Units acquired	10 322	1 032 216			
Closing balance 30 June 2025	221 429	22 142 917	16.27	1 032 216	147 707

African Alliance Kenya Enhanced Yield Fund

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11. Financial instruments and risk management

Introduction

The Fund's objective in managing risk is the creation and protection of unit holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risks (which include interest rate risks), liquidity risks and credit risks arising from the financial instruments it holds.

Risk management structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The directors of the management company supervise the Investment Manager and are ultimately responsible for the overall risk management of the Fund.

Risk measurement and reporting system

Financial risk is managed through the regulatory framework under the Collective Investment Undertakings Regulation 2001, which imposes strict and specific regulations regarding the instruments that may be held by the scheme. The Scheme is additionally governed by a Trust Deed, which commits the funds to specific investment objectives and requires the investment manager to manage the Scheme in accordance therewith. Compliance limits are built into the daily pricing systems and processes. Independent checks are also carried out by the Trustee as well as the compliance functions of the Management Company to ensure compliance with limitations specified in the Trust Deed and the regulations determined under the Collective Investments Undertakings Regulation, 2001.

Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Excessive risk concentration

Concentration of risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities or reliance on a particular market to realise liquid assets.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Investment Manager is instructed to reduce exposure to manage excessive risk concentrations when they arise.

Market risk

Market risk is the risk that changes in the market prices, such as interest rates, equity prices and foreign exchange rates will affect the Fund's income or the fair value of its holdings of financial instruments.

African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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11. Financial instruments and risk management (continued)

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The investment objective of the Fund is to enhance returns and control risks. The Fund's market risk is managed on a daily basis by the Investment Manager, in accordance with policies and procedures put in place. Details of the Fund's investment portfolio at the reporting date are disclosed in Note 13.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of financial instruments.

The interest rate exposure arises on loans and receivables, money market investments and cash at bank.

The following table demonstrates the sensitivity of the Fund's profit or loss for the period to a reasonably possible change in interest rate, with all other variables held constant. The sensitivity of the change in net assets attributable to unit holders is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets held at the end of the reporting period.

In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be significant.

	Change in basis points	Sensitivity of interest income
30 June 2024	+/- 10	+/- 25 272
31 December 2024	+/- 10	+/-25 016
30 June 2025	+/- 10	+/-11 556

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Consequently, the Fund is exposed to risks that the exchange rate of its currency, relative to other currencies, may change in a manner that has an adverse effect on the fair value or future cash flows of the portion of the Fund's assets and liabilities denominated in currencies other than Kenyan Shilling.

The Fund is currently not exposed to currency risk since all its assets and liabilities are denominated in Kenyan Shilling.

Price risk

Price risk is the risk of unfavourable changes in the fair values of investments and Fund value as a result of changes in the value of individual securities.

Price risk is managed by the Investment Manager by diversifying the portfolio as set out by the Trust Deed.

Considering the reasonable possible increase of 10% in individual security prices, the effect on the Fund's net assets attributable to unit holders is as follows:

African Alliance Kenya Enhanced Yield Fund

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	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
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11. Financial instruments and risk management (continued)			
Effect of a 10% change in bond prices	9 615 574	9 777 738	6 219 089

A weakening of bond prices would result in an equal but opposite effect of the amounts shown above.

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holders' option, based on the Fund's Net Asset Value (NAV) per unit at the time of the redemption, calculated in accordance with the Fund's Trust Deed.

The Fund manages its obligation to repurchase the units when required to do so and its overall liquidity risk by:

- allowing for the redemptions, payments to be made within 14 days of the redemption instructions being received,
- searching for new investors
- withdrawal of cash deposits,
- disposal of highly liquid assets, and
- disposal of other assets.

It is the Fund's policy that the Investment Manager monitors the Fund's liquidity position on a daily basis and that the directors of the management company review it on a quarterly basis.

The following table summarises the maturity profile of the Fund's financial liabilities based on the contractual undiscounted cash flows.

African Alliance Kenya Enhanced Yield Fund

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	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
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Figures in Shillings

11. Financial instruments and risk management (continued)

Liquidity risk (continued)

Based on the nature of the business of the Trust Scheme, the realisation of the assets will depend on the redemption requirements of the investors, as well as the investment strategy.

For financial liabilities, the maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to pay.

30 June 2025

	On demand	Within 1 month	Total
Financial liabilities			
Net assets attributable to unit holders	136 080 504	-	136 080 504
Management fees	-	260 318	260 318
Custody fees	-	35 372	35 372
Trustee fees	-	29 175	29 175
Audit fees	-	135 413	135 413
Distribution	-	905 168	905 168
	136 080 504	1 365 446	137 445 950

31 December 2024

Financial liabilities			
Net assets attributable to unit holders	145 526 008	-	145 526 008
Management fees	-	260 936	260 936
Custody fees	-	28 033	28 033
Trustee fees	-	38 087	38 087
Audit fees	-	71 141	71 141
Distribution	-	1 200 308	1 200 308
	145 526 008	1 598 505	147 124 513

30 June 2024

Financial liabilities			
Net assets attributable to unit holders	121 525 170	-	121 525 170
Management fees	-	232 484	232 484
Custody fees	-	13 787	13 787
Trustee fees	-	18 731	18 731
Distributions	-	1 244 397	1 244 397
Audit fees	-	42 103	42 103
	121 525 170	1 551 502	123 076 672

African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

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11. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation.

The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships and other transactions.

It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Investment Manager closely monitors the creditworthiness of the Fund's counterparties (for example, brokers, custodians, managers and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The following table contains an analysis of the Fund's maximum exposure to credit risks, which are the instruments' carrying amounts in the financial statements.

Financial instruments

Interest receivable	4 734 404	4 331 012	5 113 820
Cash and cash equivalents	36 555 806	45 016 118	55 771 965
Total credit risk exposure	41 290 210	49 347 130	60 885 785

IFRS 9 requires expected credit loss to be assessed on financial assets at amortized cost. The Fund Manager has a policy under which it places its cash with reputable commercial banks and investments with Government of Kenya and reputable corporate institutions with sound credit ratings. The assessed credit for financial assets was deemed to be low with immaterial impact to the financial statements hence no expected credit loss adjustment has been made to the financial statements.

Fair value

The fair values of the Fund's financial assets and liabilities not measured at fair value approximate their carrying values due to their short term nature

12. Financial assets and liabilities by category

The following table analyses the carrying amounts of the financial assets and financial liabilities by category as defined in IFRS 9.

Financial assets at fair value through profit or loss

Held for trading	96 155 740	97 777 383	62 190 887
Financial assets at amortised cost			
Interest receivable	4 734 404	4 331 012	5 113 820
Cash and cash equivalents	36 555 806	45 016 118	55 771 965
Total financial assets	137 445 950	147 124 513	123 076 672

African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

12. Financial assets and liabilities by category (continued)

Financial liabilities

Net assets attributable to unit holders	136 080 504	145 526 008	121 525 170
Management fees	260 318	260 936	232 484
Custody fees	35 372	28 033	13 787
Trustee fees	29 175	38 087	18 731
Audit fees	135 413	71 141	42 103
Distribution	905 168	1 200 308	1 244 397
Total financial liabilities	137 445 950	147 124 513	123 076 672

Fair value

The fair values of the Fund's financial assets and liabilities approximate their carrying amounts due to their short term nature.

African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements

13. Analysis of total assets

	Currency	Country	Maturity	Interest rate per annum (%)	Holdings	Fair value	% of Gross assets
30 June 2025							
Financial assets at fair value through profit or loss							
Current							
Fixed deposits							
Kenya Commercial Bank Limited	KES	Kenya	10 Nov 25	15.00 %	11 500 000	11 500 000	8.37
NCBA Bank Kenya Limited	KES	Kenya	05 Jan 26	11.00 %	5 000 000	5 000 000	3.64
The Cooperative Bank Kenya Limited	KES	Kenya	12 Jan 26	12.00 %	5 000 000	5 000 000	3.64
Stanbic Bank Kenya Limited	KES	Kenya	23 Feb 26	10.40 %	14 000 000	14 000 000	10.19
						35 500 000	25.83
Government of Kenya	KES	Kenya	18 Aug 25	16.97 %	3 000 000	3 000 000	2.18
						3 000 000	2.18
Treasury bills -fixed rate							
Government of Kenya	KES	Kenya	11 May 26	10.01 %	4 546 185	4 546 185	3.31
Government of Kenya	KES	Kenya	25 May 26	10.00 %	2 727 888	2 727 888	1.98
Government of Kenya	KES	Kenya	15 Jun 26	9.72 %	9 113 840	9 113 840	6.63
						16 387 913	11.92
Non current							
Corporate bonds - fixed rate							
Kenya Mortgage Refinery Co Limited	KES	Kenya	23 Feb 29	12.50	200 720	200 720	0.15
						200 720	0.15

African Alliance Kenya Enhanced Yield Fund

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13. Analysis of total assets (continued)

	Currency	Currency	Maturity	Interest rate per annum (%)	Holdings	Fair value	% of Gross Assets
30 June 2025 (continued)							
Financial assets at fair value through profit or loss (continued)							
Non current (continued)							
Government bonds -fixed rate							
Government of Kenya	KES	Kenya	17 Aug 26	16.03 %	3 000 000	2 895 487	2.11
Government of Kenya	KES	Kenya	09 Nov 26	11.28 %	1 700 000	1 700 000	1.24
Government of Kenya	KES	Kenya	19 Jul 27	11.85 %	1 700 000	1 823 326	1.33
Government of Kenya	KES	Kenya	06 Sep 27	11.34 %	300 000	293 394	0.21
Government of Kenya	KES	Kenya	07 Feb 28	11.64 %	1 300 000	1 267 423	0.92
Government of Kenya	KES	Kenya	07 Feb 28	11.96 %	900 000	858 237	0.62
Government of Kenya	KES	Kenya	07 Feb 28	11.85 %	3 000 000	2 892 161	2.10
Government of Kenya	KES	Kenya	10 Jul 28	16.85 %	3 000 000	2 999 611	2.18
Government of Kenya	KES	Kenya	12 Nov 29	12.44 %	1 000 000	987 364	0.72
Government of Kenya	KES	Kenya	06 May 30	17.93 %	3 000 000	3 000 000	2.18
Government of Kenya	KES	Kenya	06 May 30	17.94 %	3 400 000	3 400 000	2.47
Government of Kenya	KES	Kenya	10 Jun 30	15.84 %	5 000 000	5 000 000	3.64
Government of Kenya	KES	Kenya	03 May 32	13.49 %	800 000	800 000	0.58
Government of Kenya	KES	Kenya	03 May 32	13.55 %	1 000 000	994 080	0.72
Government of Kenya	KES	Kenya	03 May 32	13.43 %	1 000 000	1 005 970	0.73
Government of Kenya	KES	Kenya	01 Nov 32	12.26 %	200 000	193 924	0.14
Government of Kenya	KES	Kenya	01 Nov 32	12.27 %	800 000	775 591	0.56
Government of Kenya	KES	Kenya	09 May 33	12.65 %	1 500 000	1 500 697	1.09
Government of Kenya	KES	Kenya	10 Jul 34	12.59 %	1 000 000	966 923	0.70
Government of Kenya	KES	Kenya	10 Jul 34	12.64 %	2 000 000	1 923 866	1.40
Government of Kenya	KES	Kenya	10 Jul 34	12.78 %	1 000 000	945 112	0.69
Government of Kenya	KES	Kenya	20 Feb 40	14.40 %	2 700 000	2 700 000	1.96
Government of Kenya	KES	Kenya	28 Jan 41	12.94 %	2 000 000	2 143 941	1.56
						41 067 107	29.88
						96 155 740	69.96
Financial assets at amortised costst							
Interest receivable						4 734 404	3.44

African Alliance Kenya Enhanced Yield Fund

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13. Analysis of total assets (continued)

	Currency	Country	Maturity date	Interest rate per annum (%)	Holdings	Fair value	% of Gross assets
30 June 2025 (continued)							
Financial assets at amortised cost (continued)							
Fixed deposits							
Equity Bank Kenya Limited	KES	Kenya	25 Aug 25	9.50 %	9 000 000	9 000 000	6.55
Stanbic Bank Kenya Limited	KES	Kenya	03 Nov 25	8.60 %	10 000 000	10 000 000	7.28
The Cooperative Bank of Kenya Limited	KES	Kenya	17 Nov 25	8.50 %	6 000 000	6 000 000	4.37
						19 000 000	13.82
Banks							
Stanbic Bank Kenya Limited	KES	Kenya		- %	1 555 806	1 555 806	1.13
The Cooperative Bank of Kenya Limited	KES	Kenya		7.50 %	4 000 000	4 000 000	2.91
Kenya Commercial Bank Limited	KES	Kenya		8.00 %	6 000 000	6 000 000	4.37
						11 555 806	8.41
						30 555 806	22.23
						131 445 950	95.63

African Alliance Kenya Enhanced Yield Fund

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13. Analysis of total assets (continued)							
	Currency	Country	Maturity	Interest rate per annum (%)	Holdings	Fair value	% of Gross assets
<u>31 December 2024</u>							
<u>Financial assets at fair value through profit or loss</u>							
<u>Current</u>							
Fixed deposits							
Family Bank Kenya Limited	KES	Kenya	23 Feb 29	17.00 %	5 000 000	5 000 000	3.40
Family Bank Kenya Limited	KES	Kenya	05 May 25	15.50 %	12 000 000	12 000 000	8.16
Family Bank Kenya Limited	KES	Kenya	12 May 25	17.50 %	5 500 000	5 500 000	3.74
Kenya Commercial Bank Limited	KES	Kenya	10 Nov 25	15.00 %	11 500 000	11 500 000	7.82
						34 000 000	23.11
Government bonds -fixed rate							
Government of Kenya	KES	Kenya	05 May 25	11.41 %	3 000 000	3 025 323	2.06
Government of Kenya	KES	Kenya	18 Aug 25	16.97 %	3 000 000	3 000 000	2.04
						6 025 323	4.10
Treasury bills -fixed rate							
Government of Kenya	KES	Kenya	21 Apr 25	15.64 %	4 638 355	4 638 355	3.15
Government of Kenya	KES	Kenya	28 Apr 25	15.15 %	1 859 556	1 859 556	1.26
						6 497 911	4.42
<u>Non current</u>							
Corporate bonds - fixed rate							
Kenya Mortgage Refinery Co Limited	KES	Kenya	23 Feb 29	12.50 %	237 779	237 779	0.16
						237 779	0.16
Fixed deposits							
NCBA Bank Kenya Limited	KES	Kenya	05 Jan 26	11.00	5 000 000	5 000 000	3.40
The Cooperative Bank Kenya Limited	KES	Kenya	12 Jan 26	12.00	5 000 000	5 000 000	3.40
						10 000 000	6.80

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13. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate	Holdings	Fair value	% of Gross assets
31 December 2024 (continued)							
Financial assets at fair value through profit or loss (continued)							
Non current (continued)							
Government bonds -fixed rate							
Government of Kenya	KES	Kenya	17 Aug 26	16.03 %	3 000 000	2 980 307	2.03
Government of Kenya	KES	Kenya	09 Nov 26	11.28 %	1 700 000	1 700 000	1.16
Government of Kenya	KES	Kenya	19 Jul 27	11.85 %	1 700 000	1 823 326	1.24
Government of Kenya	KES	Kenya	06 Sep 27	11.34 %	300 000	293 394	0.20
Government of Kenya	KES	Kenya	07 Feb 28	11.64 %	1 300 000	1 267 423	0.86
Government of Kenya	KES	Kenya	07 Feb 28	11.96 %	900 000	858 237	0.58
Government of Kenya	KES	Kenya	07 Feb 28	11.85 %	3 000 000	2 892 161	1.97
Government of Kenya	KES	Kenya	10 Jul 28	16.85 %	3 000 000	2 999 611	2.04
Government of Kenya	KES	Kenya	12 Nov 29	12.44 %	1 000 000	987 364	0.67
Government of Kenya	KES	Kenya	06 May 30	17.93 %	3 000 000	3 000 000	2.04
Government of Kenya	KES	Kenya	06 May 30	17.94 %	3 400 000	3 400 000	2.31
Government of Kenya	KES	Kenya	10 Jun 30	15.84 %	5 000 000	5 000 000	3.40
Government of Kenya	KES	Kenya	03 May 32	13.49 %	800 000	800 000	0.54
Government of Kenya	KES	Kenya	03 May 32	13.55 %	1 000 000	994 080	0.68
Government of Kenya	KES	Kenya	03 May 32	13.43 %	1 000 000	1 005 970	0.68
Government of Kenya	KES	Kenya	01 Nov 32	12.26 %	200 000	193 924	0.13
Government of Kenya	KES	Kenya	01 Nov 32	12.27 %	800 000	775 591	0.53
Government of Kenya	KES	Kenya	09 May 33	12.65 %	1 500 000	1 500 697	1.02
Government of Kenya	KES	Kenya	10 Jul 34	12.59 %	1 000 000	966 923	0.66
Government of Kenya	KES	Kenya	10 Jul 34	12.64 %	2 000 000	1 923 866	1.31
Government of Kenya	KES	Kenya	10 Jul 34	12.78 %	1 000 000	945 112	0.64
Government of Kenya	KES	Kenya	20 Feb 40	14.40 %	2 700 000	2 700 000	1.84
Government of Kenya	KES	Kenya	28 Jan 41	12.94 %	2 000 000	2 008 384	1.37
						41 016 370	27.88
						97 777 383	66.46
Financial assets at amortised cost (continued)							
Interest receivable						4 331 012	2.94

African Alliance Kenya Enhanced Yield Fund

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13. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate	Holdings	Fair value	% of Gross assets
31 December 2024 (continued)							
Financial assets at amortised cost (continued)							
Fixed deposits							
Kenya Commercial Bank Limited	KES	Kenya	27 Jan 25	11.50 %	10 000 000	10 000 000	6.80
Kenya Commercial Bank Limited	KES	Kenya	24 Feb 25	10.50 %	10 000 000	10 000 000	6.80
						20 000 000	13.59
Banks							
Stanbic Bank Kenya Limited	KES	Kenya		- %	5 016 118	5 016 118	3.41
The Cooperative Bank of Kenya Limited	KES	Kenya		10.00 %	10 000 000	10 000 000	6.80
The Cooperative Bank of Kenya Limited	KES	Kenya		15.00 %	10 000 000	10 000 000	6.80
						25 016 118	17.00
						45 016 118	30.60
						147 124 513	100.00

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13. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate per annum (%)	Holdings	Fair value	% of Gross assets
30 June 2024							
<u>Financial assets at fair value through profit or loss</u>							
<u>Non -current</u>							
<u>Corporate bonds -fixed rate</u>							
Kenya Mortgage Refin Limited	KES	Kenya	23 Feb 29	12.50	237 779	237 779	0.19
<u>Government bonds -fixed rate</u>							
Government of Kenya	KES	Kenya	18 Aug 25	16.97 %	3 000 000	3 000 000	2.44
Government of Kenya	KES	Kenya	17 Aug 26	16.03 %	3 000 000	2 895 487	2.35
Government of Kenya	KES	Kenya	09 Nov 26	11.28 %	1 700 000	1 700 000	1.38
Government of Kenya	KES	Kenya	19 Jul 27	11.85 %	1 700 000	1 823 326	1.48
Government of Kenya	KES	Kenya	06 Sep 27	11.34 %	300 000	293 394	0.24
Government of Kenya	KES	Kenya	07 Feb 28	11.64 %	1 300 000	1 267 423	1.03
Government of Kenya	KES	Kenya	07 Feb 28	11.96 %	900 000	858 237	0.70
Government of Kenya	KES	Kenya	07 Feb 28	11.85 %	3 000 000	2 892 161	2.35
Government of Kenya	KES	Kenya	10 Jul 28	16.85 %	3 000 000	2 999 611	2.44
Government of Kenya	KES	Kenya	12 Nov 29	12.44 %	1 000 000	987 364	0.80
Government of Kenya	KES	Kenya	06 May 30	17.93 %	3 000 000	3 000 000	2.44
Government of Kenya	KES	Kenya	06 May 30	17.94 %	3 400 000	3 400 000	2.76
Government of Kenya	KES	Kenya	10 Jun 30	15.84 %	5 000 000	4 969 544	4.04
Government of Kenya	KES	Kenya	03 May 32	13.49 %	800 000	800 000	0.65
Government of Kenya	KES	Kenya	03 May 32	13.55 %	1 000 000	994 080	0.81
Government of Kenya	KES	Kenya	03 May 32	13.43 %	1 000 000	1 005 970	0.82
Government of Kenya	KES	Kenya	01 Nov 32	12.26 %	200 000	193 923	0.16
Government of Kenya	KES	Kenya	01 Nov 32	12.27 %	800 000	775 591	0.63
Government of Kenya	KES	Kenya	09 May 33	12.65 %	1 500 000	1 500 697	1.22
Government of Kenya	KES	Kenya	10 Jul 34	12.59 %	1 000 000	966 923	0.79
Government of Kenya	KES	Kenya	10 Jul 34	12.64 %	2 000 000	1 979 055	1.61
Government of Kenya	KES	Kenya	10 Jul 34	12.78 %	1 000 000	945 112	0.77
Government of Kenya	KES	Kenya	20 Feb 40	14.40 %	2 700 000	2 700 000	2.19
Government of Kenya	KES	Kenya	28 Jan 41	12.94 %	2 000 000	2 043 057	1.66
						44 228 734	35.94

African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

					6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings							
13. Analysis of total assets (continued)							
	Currency	Country	Maturity	Interest rate per annum(%))	Holdings	Fair value	% of Gross assets
30 June 2024 (continued)							
<u>Financial assets at fair value through profit or loss (continued)</u>							
<u>Current</u>							
<u>Fixed deposits</u>							
Family Bank Kenya Limited	KES	Kenya	28 Apr 25	17.00	5 000 000	5 000 000	4.06
Family Bank Kenya Limited	KES	Kenya	12 May 25	17.50	5 500 000	5 500 000	4.47
<u>Government bonds - fixed rate</u>							
Government of Kenya	KES	Kenya	29 Jul 24	12.73	4 436 830	4 436 830	3.60
Government of Kenya	KES	Kenya	05 May 25	11.41	3 000 000	3 025 323	2.46
						17 962 153	14.59
						62 190 887	50.53
Interest receivable						5 113 820	4.15
<u>Financial assets at amortised cost</u>							
<u>Fixed deposits</u>							
The Cooperative Bank Kenya Limited	KES	Kenya	01 Jul 24	18.00 %	15 000 000	15 000 000	12.19
Family Bank Kenya Limited	KES	Kenya	26 Sep 24	18.00 %	5 500 000	5 500 000	4.47
Family Bank Kenya Limited	KES	Kenya	04 Nov 24	18.00 %	10 000 000	10 000 000	8.13
						30 500 000	24.78
<u>Banks</u>							
Stanbic Bank Kenya Limited	KES	Kenya		-	771 965	771 965	0.63
Kenya Commercial Bank Limited	KES	Kenya		17.00	2 500 000	2 500 000	2.03
Stanbic Bank Kenya Limited	KES	Kenya		17.50	21 500 000	21 500 000	17.47
Stanbic Bank Kenya Limited	KES	Kenya		17.00	500 000	500 000	0.41
						25 271 965	20.53
						55 771 965	45.31
Total						123 076 672	100.00



African Alliance Kenya Enhanced Yield Fund

Notes to the Unaudited Financial Statements for the period ended 30 June 2025

	6 months ended 30 June 2025	12 months ended 31 December 2024	6 months ended 30 June 2024
Figures in Shillings			

14. Reconciliation of net asset value per unit

Published price (calculated in accordance with redemption requirements.)	100.00	100.00	100.00
Net asset value as per IFRS	100.00	100.00	100.00

15. Events after the reporting period

There are no significant events that occurred in respect of the Fund and the management company, subsequent to the period end, that may be relevant to the accuracy of these financial statements.