



ANNUAL REPORT

& FINANCIAL STATEMENTS

2024

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Investments

SANLAM

MONEY MARKET FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



Table of Contents:

Trustee and professional advisors	Pg 01
Report of the Trustee	Pg 02-03
Statement of Trustee's responsibilities	Pg 04
Fund manager's report	Pg 05-06
Report of the Custodian	Pg 07
Independent auditors' report	Pg 08-10

Financial Statements:

Statement of profit or loss and other comprehensive income	Pg 11
Statement of financial position	Pg 12
Statement of changes in unit holders' balances	Pg 13
Statement of cash flows	Pg 14



CORPORATE TRUSTEE

Stanbic Bank Kenya Limited
Stanbic Centre
Chiromo Road, Westlands
P O Box 72833 – 00200
Nairobi, Kenya

REGISTERED OFFICE

Sanlam Investments East Africa Limited
5th Floor, Africa Re Centre, Hospital Road
Upper Hill
P O Box 67262 – 00200
Nairobi, Kenya

FUND MANAGER

Sanlam Investments East Africa Limited
5th Floor, Africa Re Centre, Hospital Road
Upper Hill
P O Box 67262 – 00200
Nairobi, Kenya

CUSTODIAN

Stanbic Bank Kenya Limited
Stanbic Centre
Chiromo Road, Westlands
P O Box 72833 – 00200
Nairobi, Kenya

AUDITOR

KPMG Kenya
Certified Public Accountants
8th Floor, ABC Towers
Waiyaki Way, Westlands
P O Box 40612 – 00100
Nairobi, Kenya



Establishment, nature and status of the Fund

The Fund was established by a Trust Deed dated 8 January 2014 and is governed by a revised Trust Deed dated 10 December 2020 as a Money Market Fund. The Fund is registered with the Capital Markets Authority and approved under the Income Tax Act. The Fund is tax exempt and only withholds and pays to Kenya Revenue Authority applicable tax on interest distributed to the unit holders.

Investment objective

The primary objective of the Fund is to obtain a competitive level of current income while aiming to preserve investor's capital and liquidity. The Fund is a unit trust and the interest of the individual members is determined by the value of their units. It is administered by the Trustee who is responsible for its affairs.

It is a collective investment scheme within the meaning of the Capital Markets Act; and the holders are not liable for the debts of the Fund.

Changes to incorporation documents

There were no changes made to the incorporation documents (Prospectus, Trust deed and Rules of the Fund) during the year.

Investment

Under the terms of their appointment Sanlam Investments East Africa Limited is the Fund Manager and supports the Trustee in the investment decisions. The overall responsibility for investment and performance lies with the Trustee.

Fund performance

The performance record of the Fund is as shown below:

(a) Maximum and minimum yield

The highest and lowest absolute yields for the last 5 years were as per the table below:

Year	2024	2023	2022	2021	2020
Highest yield (%)	15.77	14.90	9.92	9.62	9.56
Lowest yield (%)	13.65	9.56	9.16	9.08	8.23

(b) Income distribution

The profit realised by the Fund for the last 5 years has been distributed to unit holders as per the table below:

Year	2024	2023	2022	2021	2020
Amount (KShs)	<u>4,428,682,000</u>	<u>1,978,751,000</u>	<u>1,114,058,000</u>	<u>646,364,000</u>	<u>383,842,000</u>



(c) Fund value

The total value of the Fund, number of units and unit price at the end of the year for the last 3 years is as shown below:

Year	2024	2023	2022
Total Fund value (KShs)	50,435,294,000	21,945,520,000	15,706,872,000
Number of units in issue	50,435,294,000	21,945,520,000	15,706,872,000
Closing unit price (KShs)	1.0	1.00	1.00

There has not been any amalgamation or reconstruction of the current units in the Fund that have had a material effect on the size of the Fund.

Total Expense Ratio (TER)

The Total Expense Ratio of the Fund provides a measure of the total costs incurred to manage and operate the Fund.

Year	2024	2023
Total expenses charged	603,037,000	315,643,000
Management fees charged	497,250,000	257,084,000
Percentage management fee	1.50%	1.20%
Total Expense Ratio (TER)	1.82%	1.47%

Terms of appointment of the auditor

The auditor, KPMG Kenya has expressed willingness to continue in office in accordance with the Fund's Trust Deed and Section 55(A) of the Capital Markets (Licensing Requirements) (General) Regulations, 2023.

The Trustee monitors the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the unit holders.

The financial statements are approved and authorised for issue by the Trustee on *27 March 2025*

Joe Alaro

Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Signed on behalf of the Trustee



The Trustee is responsible for the preparation of the financial statements of Sanlam Money Market Fund (the 'Fund') set out on pages 11 to 31 which comprise the statement of financial position at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in unit holders' balances and statement of cash flows for the year then ended, and the notes to the financial statements, which include material accounting policies.

The Capital Markets Act requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the financial position of the Fund at the end of the financial year and its financial performance for the year then ended. The Trustee is responsible for ensuring that the Fund keeps proper accounting records that are sufficient to show and explain the transactions of the Fund; disclose with reasonable accuracy at any time the financial position of the Fund; and that enables them to prepare financial statements of the Fund that comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Capital Markets Act and Capital Markets (Collective Investment Schemes) Regulations, 2023 (the 'Regulations'). The Trustee is also responsible for safeguarding the assets of the Fund and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee accepts responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Capital Markets Act and Regulations. They also accept responsibility for:

- (i) Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- (ii) Selecting suitable accounting policies and then apply them consistently; and
- (iii) Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of the Fund's ability to continue as a going concern, the Trustee is not aware of any material uncertainties related to events or conditions that may cast doubt upon the Fund's ability to continue as a going concern for at least the next twelve months from the date of this statement.

The Trustee acknowledges that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the Trustee on 27 March 2025 and signed on its behalf by:

Joe Alaro
Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Representing Trustee



Dear Unit Holder,

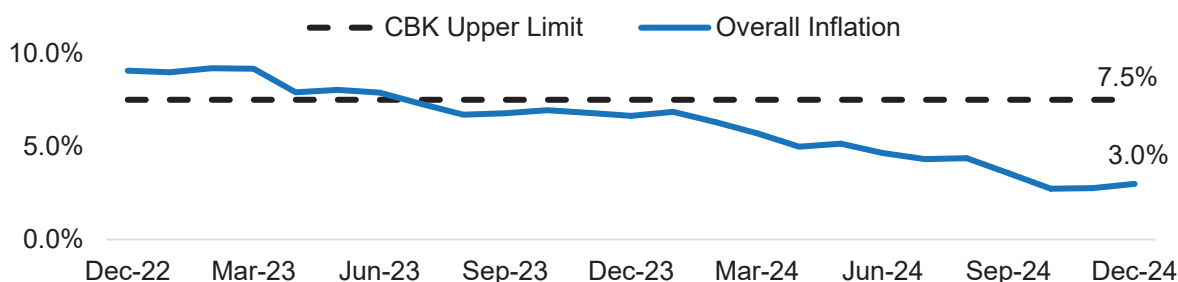
The Sanlam Money Market Fund aims to provide high liquidity, generate steady income, and maintain a low-risk profile by investing in short to medium-term debt securities, while offering ease of access to liquidity.

In 2024, the Fund recorded a return of 16.8% over 12 months relative to 13.0% in the previous year. This was supported by an increase in interest rates during the period under review. The fund favoured treasury securities over deposits in the year owing to their higher yields.

Review of Operating Environment and Outlook

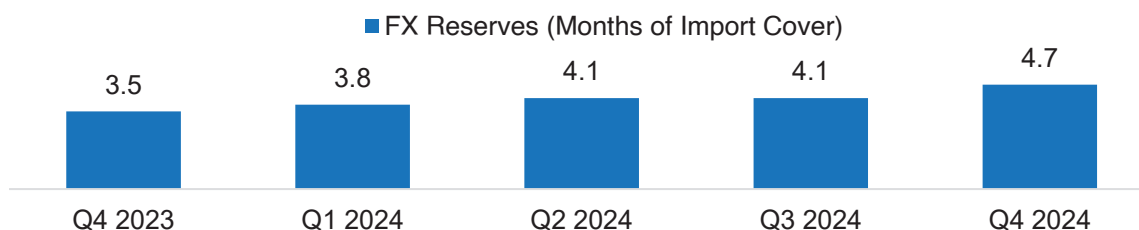
Economic Performance: Kenya's economy demonstrated resilience in 2024 despite global headwinds, growing by an estimated 5.1% according to Central Bank of Kenya (CBK) data. The International Monetary Fund (IMF) projects a slight moderation to 5.0% in 2025 due to public debt vulnerabilities and increased taxation measures which could depress consumer spending.

Inflation: The macroeconomic environment has notably stabilized, with headline inflation declining to 3.0% in December 2024 from 6.6% a year earlier. This has been driven by moderating food and energy prices alongside currency strength. We expect inflation to remain within the CBK's target band through 2025, supporting economic stability.



Source: Central Bank of Kenya

Exchange Rate: The Kenyan Shilling strengthened by 20.7% against the US Dollar in 2024, closing at KShs.129. Foreign exchange reserves rose to 4.7 months of import cover, driven by CBK interventions and IMF support. In 2025, stability is expected, supported by strong diaspora remittances and improving global sentiment, though risks include a widening fiscal deficit, higher debt servicing, and rising import demand.



Source: Central Bank of Kenya



Review of Operating Environment and Outlook (continued)

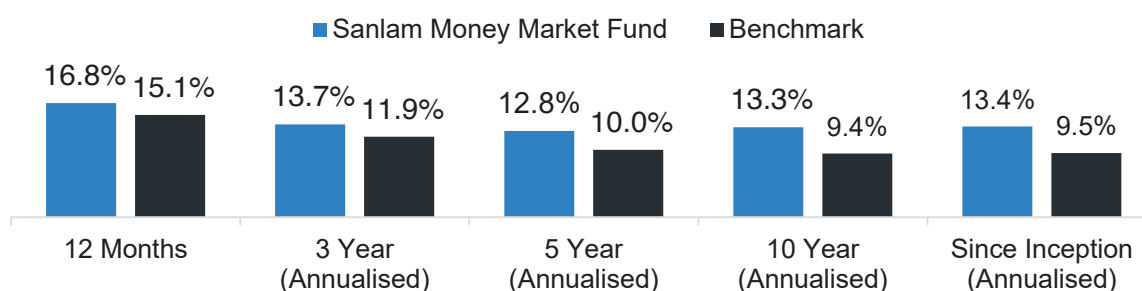
Monetary Policy: The monetary policy stance turned decisively accommodative in Q4 2024, with the CBK reducing the Central Bank Rate from 12.75% to 11.25%. This shift was warranted by the substantial decline in inflation, currency stability, and moderating economic growth. This has created a supportive environment for fixed income investors.

Interest Rates: Driven by monetary policy easing, improved forex liquidity, and enhanced market liquidity, interest rates on Kenyan Treasury securities declined significantly by an average of 2.5% in 2024.

Key Interest Rates			
Tenor	31-Dec-2024	31-Dec-2023	Year Change
91-day Treasury bill	9.9%	16.0%	-6.1%
182-day Treasury bill	10.0%	16.0%	-6.0%
364-day Treasury bill	11.4%	16.1%	-4.7%

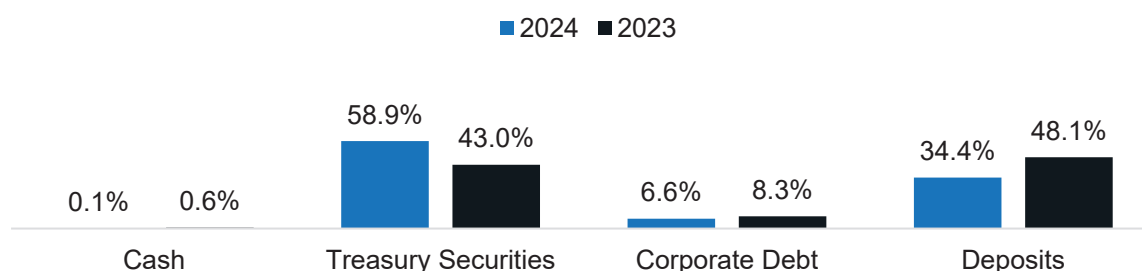
Fund Performance & Asset Allocation as at 31 December 2024

Fund Performance



Benchmark: NASI Index(50%), 182 Day Treasury Bill(20%) and S&P Kenya Sovereign Bond Index(30%)

Asset Allocation



Signed on behalf of the Fund Manager

Date: 27 March 2025



In accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2023 (the 'Regulations') and the Custody Agreement between Stanbic Bank Kenya Limited as the Custodian and Sanlam Investments East Africa Limited as the Fund Manager, we confirm:

- (a) we have discharged the duties prescribed for a Custodian under Regulation 68 of the Regulations, to the Sanlam Money Market Fund;
- (b) for the period 1 January 2024 to 31 December 2024, we have held the assets for the Sanlam Money Market Fund; including securities and income that accrue thereof, to the order of the Trustee and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager.



Signed on behalf of the Custodian

Date: 27 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF SANLAM MONEY MARKET FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sanlam Money Market Fund (the "Fund") set out on pages 11 to 31, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in unit holders' balances and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Capital Markets (Collective Investments Schemes) Regulations, 2023.

Basis for opinion

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

Key audit matters

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

Other information

The Trustee is responsible for the other information. The other information comprises information included in the Sanlam Money Market Fund Annual Report and Financial Statements for the year ended 31 December 2024 but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Capital Markets (Collective Investments Schemes) Regulations, 2023 as set out below.

KPMG Kenya, is a registered partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Partners

AM Mbai	JM Gathecha	PI Kinuthia
BM Ndung'u	JM Ndunyu	S Obock
BO Amukah	JM Ngonga	W Genga
GM Kasimu	MM Gachuhi	
JI Kariuki	M Muthusi	

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF SANLAM MONEY MARKET FUND (CONTINUED)

Report on the audit of the financial statements (Continued)

Other information (continued)

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

Responsibilities of the Trustee for the financial statements

The Trustee is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Capital Markets (Collective Investments Schemes) Regulations, 2023 and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustee is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee;
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;

**INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF SANLAM MONEY MARKET FUND (CONTINUED)**

Report on the audit of the financial statements (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

We also provide the Trustee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

The Capital Markets (Collective Investments Schemes) Regulations, 2023 also requires that in carrying out our audit we consider and report to you on the following matters:

- If the auditor is of the opinion that proper accounting records for the collective investment scheme have not been kept or that the accounts are not in agreement with those records;
- If the auditor has not been given all the information and explanation which, to the best of his knowledge and belief are necessary for the purpose of his audit; and
- If the auditor is of the opinion that the information given in the report of the Trustee for that period is inconsistent with the accounts.

We confirm that there are no matters to report in respect of the foregoing requirements.

The engagement leader responsible for the audit resulting in this independent auditor's report is CPA Brian Muitherero – Practicing certificate No. PI2937.

For and on behalf



**KPMG Kenya
Certified Public Accountants
PO Box 40612 – 00100
Nairobi**

Date:

28 March 2025



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 DECEMBER 2024**

	2024 KShs'000	2023 KShs'000
Investment income	5,038,412	2,282,273
Operating expenses	(603,037)	(315,643)
Allowance for expected credit losses	(6,693)	12,121
Profit before income tax	4,428,682	1,978,751
Income tax expense	-	-
Profit for the year	4,428,682	1,978,751
Other comprehensive income	-	-
Total comprehensive income for the year	4,428,682	1,978,751



STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

	2024	2023
	KShs'000	KShs'000
ASSETS		
Investment balances	50,489,556	21,880,152
Bank balances	<u>28,587</u>	<u>132,106</u>
TOTAL ASSETS	<u>50,518,143</u>	<u>22,012,258</u>
LIABILITIES		
Current liabilities		
Payables and accruals	<u>82,849</u>	<u>66,738</u>
Liabilities (excluding unit holders' balances)	<u>82,849</u>	<u>66,738</u>
Unit holders' balances	<u>50,435,294</u>	<u>21,945,520</u>
Total liabilities	<u>50,518,143</u>	<u>22,012,258</u>

The financial statements on pages 11 to 31 were approved for issue by the Trustee on and signed on its behalf by:

27 March 2025

Joe Alaro

Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Representing Trustee



STATEMENT OF CHANGES IN UNIT HOLDERS' BALANCES
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	KShs'000	KShs'000
At 1 January	21,945,520	15,706,872
Gross interest distributed to unitholders	4,428,682	1,978,751
Withholding tax on distributed interest	(632,875)	(276,473)
Transactions with unit holders:		
Additional units purchased	52,068,041	21,726,460
Units liquidated	<u>(27,374,074)</u>	<u>(17,190,090)</u>
OBNet balances of transactions with unit holders	<u>24,693,967</u>	<u>4,536,370</u>
At 31 December	<u>50,435,294</u>	<u>21,945,520</u>



STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	KShs'000	KShs'000
Cash flows from operating activities		
Profit before income tax	4,428,682	1,978,751
Changes in operating activities	<u>(24,827,618)</u>	<u>(5,006,129)</u>
Net cash used in operating activities	<u>(20,398,936)</u>	<u>(3,027,378)</u>
Cash flows from financing activities		
Net contribution from unit holders	52,068,041	21,726,460
Liquidations by unit holders	(27,374,074)	(17,190,090)
Withholding tax on distributed interest for the year	<u>(632,875)</u>	<u>(276,473)</u>
Net cash from financing activities	<u>24,061,092</u>	<u>4,259,897</u>
Net increase in cash and cash equivalents	3,662,156	1,232,519
Cash and cash equivalents at start of year	<u>4,684,587</u>	<u>3,452,068</u>
Cash and cash equivalents at end of year	<u><u>8,346,743</u></u>	<u><u>4,684,587</u></u>

SANLAM

FIXED INCOME FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



Table of Contents:

Trustee and professional advisors	Pg 01
Report of the Trustee	Pg 02-03
Statement of Trustee's responsibilities	Pg 04
Fund manager's report	Pg 05-07
Report of the Custodian	Pg 08
Independent auditors' report	Pg 09-11

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Statement of profit or loss and other comprehensive income	Pg 12
Statement of financial position	Pg 13
Statement of changes in unit holders' balances	Pg 14
Statement of cash flows	Pg 15



Corporate Trustee

Stanbic Bank Kenya Limited
Stanbic Centre
Chiromo Road, Westlands
P.O. Box 72833 – 00200
Nairobi, Kenya

Registered Office

Sanlam Investments East Africa Limited
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Fund Manager

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Nairobi, Kenya

Custodian

Stanbic Bank Kenya Limited
Stanbic Centre
Chiromo Road, Westlands
P.O. Box 72833 – 00200
Nairobi, Kenya

Auditor

KPMG Kenya
Certified Public Accountants
8th Floor, ABC Towers
Waiyaki Way
P.O. Box 40612 – 00100
Nairobi, Kenya



Establishment, nature and status of the Fund

The Fund was established by a Trust Deed dated 8 January 2014 and is governed by a revised Trust Deed dated 10 December 2020 as a Fixed Income Fund. The Fund is registered with the Capital Markets Authority and approved under the Income Tax Act. The Fund is exempt from tax and only withholds tax on interest and dividend income distributed to the unit holders.

Investment objective

The primary objective of the Fund is to seek a reasonable level of interest income while attaining medium-term capital stability with moderate investment risk.

The Fund is a unit trust and the interest of the individual members is determined by the value of their units. It is administered by the Trustee who is responsible for its affairs.

It is a collective investment scheme within the meaning of the Capital Markets Act; and the holders are not liable for the debts of the Fund.

Changes to incorporation documents

There were no changes made to the incorporation documents (Prospectus, Trust deed and Rules of the Fund) during the year.

Investment

Under the terms of their appointment Sanlam Investments East Africa Limited is the Fund Manager and support the Trustee in the investment decisions. The overall responsibility for investment and performance lies with the Trustee.

Fund performance

The performance record of the Fund is as shown below:

(a) Maximum and minimum prices

The highest and lowest absolute yields were as per the table below:

Year	2024 KShs	2023 KShs	2022 KShs	2021 KShs	2020 KShs
Highest bid price	7.16	7.74	8.16	8.58	8.74
Lowest bid price	6.65	6.92	7.73	8.16	8.44



Fund performance (Continued)

(b) Income distribution

The income generated by the Fund for the last 5 years has been distributed to unit holders as per the table below:

Year	2024	2023	2022	2021	2020
Amount (KShs)	4,660,000	5,928,000	5,964,000	4,895,000	1,966,000

(c) Fund value

The total value of the Fund, number of units and unit price at the end of the year for the last 3 years is as shown below:

Year	2024	2023	2022
Total Fund value (KShs)	35,471,000	41,426,000	44,685,000
Number of units in issue	4,813,000	5,866,000	5,734,000
Closing unit price (KShs)	7.15	6.92	7.74

There has not been any amalgamation or reconstruction of the current units in the Fund that have had a material effect on the size of the Fund.

Total Expense Ratio

The Total Expense Ratio of the Fund provides a measure of the total costs incurred to manage and operate the Fund.

Year	2024	2023
Total expenses charged	1,108,000	1,428,000
Management fees charged	755,000	1,020,000
Percentage management fee	2.0%	2.0%
Total Expense Ratio (TER)	2.9%	2.8%

Terms of appointment of the auditor

The auditor, KPMG Kenya, has expressed willingness to continue in office in accordance with the Fund's Trust Deed and Section 55(A) of the Capital Markets (Licensing Requirements) (General) Regulations, 2023. The Trustee monitors the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the unit holders.

The financial statements were approved and authorised for issue by the Trustee on *27 March 2025*

Joe Alaro

Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Signed on behalf of the Trustee

Date: *27 March 2025*



The Trustee is responsible for the preparation of the financial statements of Sanlam Fixed Income Fund (the 'Fund') set out on pages 12 to 33 which comprise the statement of financial position at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in unit holders' balances and statement of cash flows for the year then ended, and the notes to the financial statements, which include material accounting policies.

The Capital Markets Act requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the financial position of the Fund at the end of the financial year and its financial performance for the year then ended. The Trustee is responsible for ensuring that the Fund keeps proper accounting records that are sufficient to show and explain the transactions of the Fund; disclose with reasonable accuracy at any time the financial position of the Fund; and that enables them to prepare financial statements of the Fund that comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Capital Markets Act and Capital Markets (Collective Investment Schemes) Regulations, 2023 (the 'Regulations'). The Trustee is also responsible for safeguarding the assets of the Fund and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee accepts responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Capital Markets Act and Regulations. They also accept responsibility for:

- (i) Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- (ii) Selecting suitable accounting policies and then apply them consistently; and
- (iii) Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of the Fund's ability to continue as a going concern, the Trustee is not aware of any material uncertainties related to events or conditions that may cast doubt upon the Fund's ability to continue as a going concern for at least the next twelve months from the date of this statement.

The Trustee acknowledges that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the Trustee on 27 March 2025 and signed on its behalf by:

Joe Alaro

Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Signed on behalf of the Trustee



Dear Unit Holder,

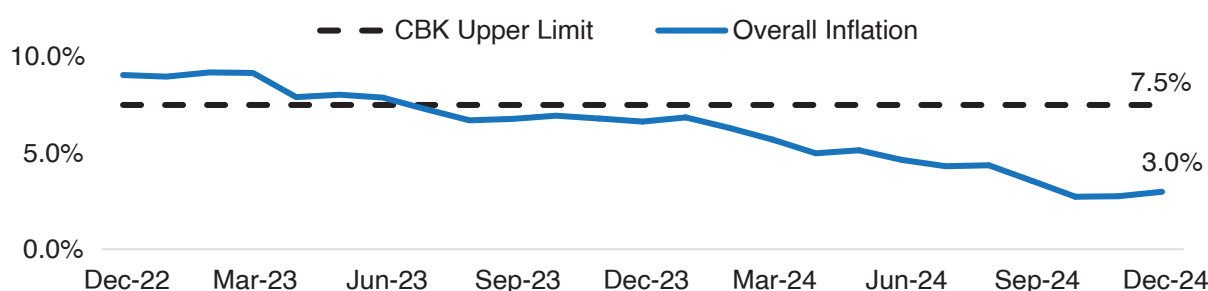
The Sanlam Fixed Income Fund's objective is to provide periodic cash flow income while ensuring moderate capital growth. Its risk profile is higher than the Money Market Fund.

The Fund generated a return of 24.5% during the year relative to 6.8% in the previous year. This was owing to bond prices rising as interest rates declined during the year.

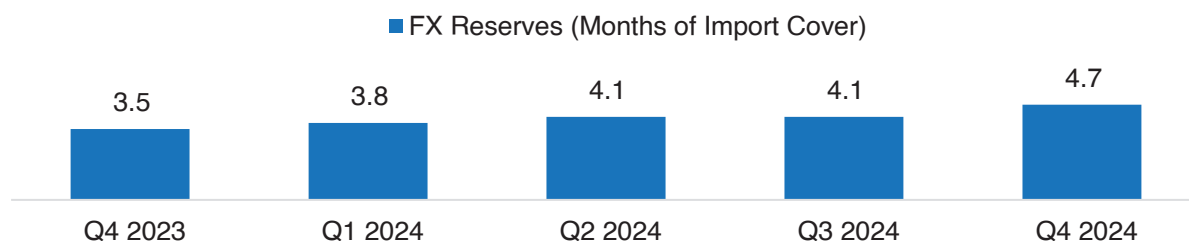
Review of Operating Environment

Economic Growth: Kenya's economy demonstrated resilience in 2024 despite global headwinds, growing by an estimated 5.1% according to Central Bank of Kenya (CBK) data. The International Monetary Fund (IMF) projects a slight moderation to 5.0% in 2025 due to public debt vulnerabilities and increased taxation measures which could depress consumer spending.

Inflation: The macroeconomic environment has notably stabilized, with headline inflation declining to 3.0% in December 2024 from 6.6% a year earlier. This has been driven by moderating food and energy prices alongside currency strength. We expect inflation to remain within the CBK's target band through 2025, supporting economic stability.



Exchange Rate: The Kenyan shilling strengthened by 20.7% against the US Dollar in 2024, closing at KShs.129. Foreign exchange reserves rose to 4.7 months of import cover, driven by CBK interventions and IMF support. In 2025, stability is expected, supported by strong diaspora remittances and improving global sentiment, though risks include a widening fiscal deficit, higher debt servicing, and rising import demand.



Source: Central Bank of Kenya



Review of Operating Environment (Continued)

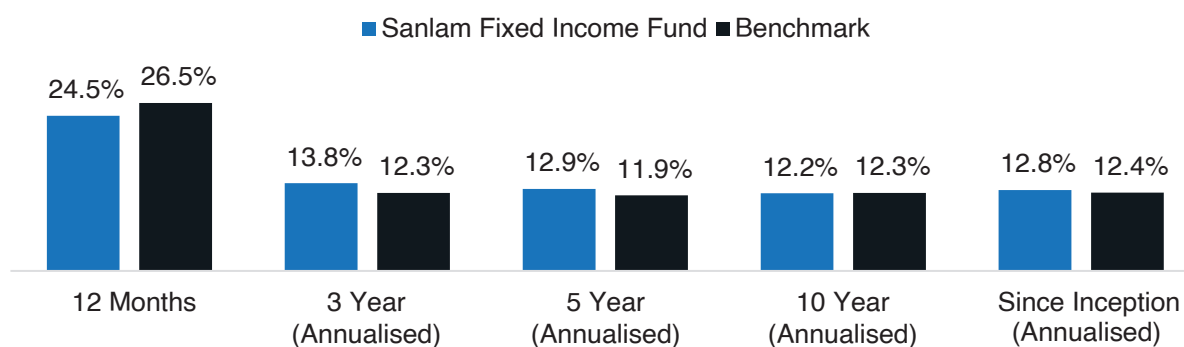
Monetary Policy: The monetary policy stance turned decisively accommodative in Q4 2024, with the CBK reducing the Central Bank Rate from 12.75% to 11.25%. This shift was warranted by the substantial decline in inflation, currency stability, and moderating economic growth. This has created a supportive environment for fixed income investors.

Interest Rates: Driven by monetary policy easing, improved forex liquidity, and enhanced market liquidity, interest rates on Kenyan Treasury securities declined significantly by an average of 2.5% in 2024. This led to strong performance of treasury bonds, which generated a return of 29.3% in the year.

Key Interest Rates			
Tenor	31-Dec-2024	31-Dec-2023	Year Change
364-day Treasury bill	11.4%	16.1%	-4.7%
2-year Treasury bond	12.3%	17.9%	-5.6%
5-year Treasury bond	14.1%	17.5%	-3.4%
10-year Treasury bond	13.6%	15.7%	-2.1%
20-year Treasury bond	14.8%	15.9%	-1.1%

Fund Performance & Asset Allocation as at 31 December 2024

Fund performance



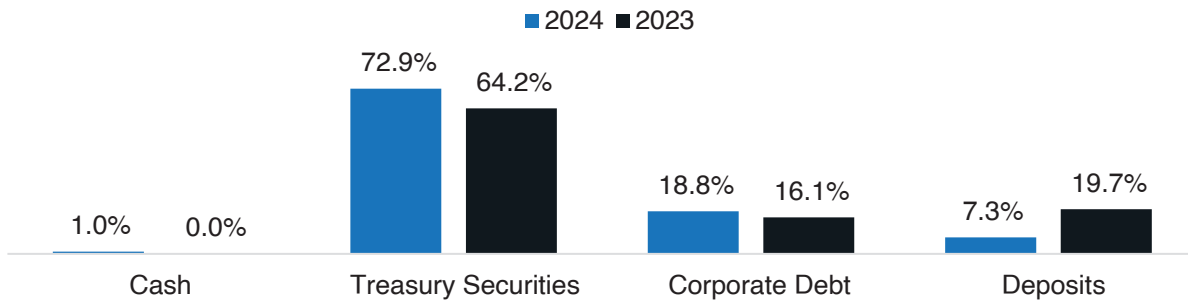
Benchmark: NASI Index(50%), 182 Day Treasury Bill(20%) and S&P Kenya Sovereign Bond Index(30%)



Review of Operating Environment (Continued)

Fund Performance & Asset Allocation as at 31 December 2024 (Continued)

Asset Allocation



Signed on behalf of the Fund Manager

Date: 27 March 2025



In accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2023 (the 'Regulations') and the Custody Agreement between Stanbic Bank Kenya Limited as the Custodian and Sanlam Investments East Africa Limited as the Fund Manager, we confirm:

- (a) we have discharged the duties prescribed for a Custodian under Regulation 68 of the Regulations, to the Sanlam Fixed Income Fund;
- (b) for the period 1 January 2024 to 31 December 2024, we have held the assets for the Sanlam Fixed Income Fund; including securities and income that accrue thereof, to the order of the Trustee and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager.



Signed on behalf of the Custodian

Date: 27 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF SANLAM FIXED INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sanlam Fixed Income Fund (the "Fund") set out on pages 12 to 33, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in unit holders' balances and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Capital Markets (Collective Investments Schemes) Regulations, 2023.

Basis for opinion

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

Key audit matters

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

Other information

The Trustee is responsible for the other information. The other information comprises information included in the Sanlam Fixed Income Fund Annual Report and Financial Statements for the year ended 31 December 2024 but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Capital Markets (Collective Investments Schemes) Regulations, 2023 as set out below.

KPMG Kenya, is a registered partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Partners

AM Mbai	JM Gathecha	PI Kinuthia
BM Ndung'u	JM Ndunyu	S Obock
BO Amukah	JM Ngonga	W Genga
GM Kasimu	MM Gachuhi	
JI Kariuki	M Muthusi	

**INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF SANLAM FIXED INCOME FUND (CONTINUED)**

Report on the audit of the financial statements (Continued)

Other information (continued)

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

Responsibilities of the Trustee for the financial statements

The Trustee is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Capital Markets (Collective Investments Schemes) Regulations, 2023 and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee;
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;

**INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF SANLAM FIXED INCOME FUND (CONTINUED)**

Report on the audit of the financial statements (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

We also provide the Trustee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

The Capital Markets (Collective Investments Schemes) Regulations, 2023 also requires that in carrying out our audit we consider and report to you on the following matters:

- If the auditor is of the opinion that proper accounting records for the collective investment scheme have not been kept or that the accounts are not in agreement with those records;
- If the auditor has not been given all the information and explanation which, to the best of his knowledge and belief are necessary for the purpose of his audit; and
- If the auditor is of the opinion that the information given in the report of the Trustee for that period is inconsistent with the accounts.

We confirm that there are no matters to report in respect of the foregoing requirements.

The engagement leader responsible for the audit resulting in this independent auditor's report is CPA Brian Muitherero – Practicing certificate No. P/2937.

For and on behalf of:



**KPMG Kenya
Certified Public Accountants
PO Box 40612 - 00100
Nairobi**

Date:

28 March 2025



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 KShs'000	2023 KShs'000
Investment income	4,596	5,101
Fair value gain/(loss) on financial assets at fair value through profit or loss	<u>2,406</u>	<u>(2,226)</u>
Total income	<u>7,002</u>	<u>2,875</u>
Operating expenses	(1,108)	(1,428)
Allowance for expected credit losses	<u>2</u>	<u>10</u>
Profit before taxation	5,896	1,457
Income tax expense	<u>-</u>	<u>-</u>
Profit for the year	5,896	1,457
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>5,896</u>	<u>1,457</u>



STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	2024	2023
	KShs'000	KShs'000
ASSETS		
Investment balances	35,454	42,049
Bank balances	373	38
Total assets	35,827	42,087
LIABILITIES		
Current liabilities		
Payables and accruals	356	661
Current liabilities (excluding unit holder balances)	356	661
Unit holder balances	35,471	41,426
Total liabilities	35,827	42,087

The financial statements on pages 12 to 33 were approved for issue by the Trustee on and signed on its behalf by:

27 March 2025

Joe Alaro

Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Representing Trustee



STATEMENT OF CHANGES IN UNIT HOLDERS' BALANCES
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 KShs'000	2023 KShs'000
At 1 January	41,426	44,685
Gross interest distributed to unitholders	5,896	1,457
Withholding tax on distributed interest	<u>(700)</u>	<u>(861)</u>
	<u>5,196</u>	<u>596</u>
Transactions with unit holders:		
Additional units purchased	19,866	3,118
Units liquidated	<u>(31,017)</u>	<u>(6,973)</u>
Net balances of transactions with unit holders	<u>(11,151)</u>	<u>(3,855)</u>
At 31 December	<u>35,471</u>	<u>41,426</u>



STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	KShs'000	KShs'000
Profit before income tax	5,896	1,457
Changes in operating activities	<u>600</u>	<u>2,022</u>
Net cash from operating activities	<u>6,496</u>	<u>3,479</u>
Cash flows from financing activities		
Net contribution from unit holders	19,866	3,118
Liquidations by unit holders	(31,017)	(6,973)
Withholding tax on distributed interest	<u>(700)</u>	<u>(861)</u>
Net cash used in financing activities	<u>(11,851)</u>	<u>(4,716)</u>
Net decrease in cash and cash equivalents	(5,355)	(1,237)
Cash and cash equivalents at start of year	<u>8,339</u>	<u>9,576</u>
Cash and cash equivalents at end of year	<u><u>2,984</u></u>	<u><u>8,339</u></u>

SANLAM

BALANCED FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



Table of Contents:

Trustee and professional advisors	Pg 01
Report of the Trustee	Pg 02-03
Statement of Trustee's responsibilities	Pg 04
Fund manager's report	Pg 05-07
Report of the Custodian	Pg 08
Independent auditors' report	Pg 09-11

Financial Statements:

Statement of profit or loss and other comprehensive income	Pg 12
Statement of financial position	Pg 13
Statement of changes in unit holders' balances	Pg 14
Statement of cash flows	Pg 15



CORPORATE TRUSTEE

Stanbic Bank Kenya Limited
Stanbic Centre
Chiromo Road, Westlands
P O Box 72833 – 00200
Nairobi, Kenya

REGISTERED OFFICE

Sanlam Investments East Africa Limited
5th Floor, Africa Re Centre, Hospital Road, Upper Hill
P O Box 67262 – 00200
Nairobi, Kenya

FUND MANAGER

Sanlam Investments East Africa Limited
5th Floor, Africa Re Centre, Hospital Road, Upper Hill
P O Box 67262 – 00200
Nairobi, Kenya

CUSTODIAN

Stanbic Bank Kenya Limited
Stanbic Centre
Chiromo Road, Westlands
P O Box 72833 – 00200
Nairobi, Kenya

AUDITOR

KPMG Kenya
Certified Public Accountants
8th Floor, ABC Towers
Waiyaki Way
P.O Box 40612 – 00100
Nairobi, Kenya



The Trustee has the pleasure of submitting the Sanlam Balanced Fund (the “Fund”) report together with the audited financial statements for the year ended 31 December 2024 .

Establishment, nature and status of the Fund

The Fund was established by a Trust Deed dated 8 January 2014 and is governed by a revised Trust Deed dated 10 December 2020 as a Balanced Fund. The Fund is registered with the Capital Markets Authority and approved under the Income Tax Act. The Fund is exempt from tax.

Investment objective

The primary objective of the Fund is to deliver medium to long term capital growth with lower volatility relative to an equity fund.

The Fund is a unit trust and the interest of the individual members is determined by the value of their units. It is administered by the Trustee who is responsible for its affairs.

It is a collective investment scheme within the meaning of the Capital Markets Act; and the holders are not liable for the debts of the Fund.

Changes to incorporation documents

There were no changes made to the incorporation documents (Prospectus, Trust deed and Rules of the Fund) during the year.

Investment

Under the terms of their appointment Sanlam Investments East Africa Limited is the Fund Manager and support the Trustee in the investment decisions. The overall responsibility for investment and performance lies with the Trustee.

Fund performance

The performance record of the Fund is as shown below:

(a) Maximum and minimum unit prices

The highest and lowest unit prices of the units of the Fund for the last 5 years were as per the table below:

Year	2024 KShs	2023 KShs	2022 KShs	2021 KShs	2020 KShs
Highest bid price	21.39	17.92	17.38	17.08	15.37
Lowest bid price	17.93	17.24	16.67	15.34	14.18

(b) Income distribution

The profit realised by the Fund for the last 5 years has been credited to unit holders’ accounts as per the table below:

Year	2024 KShs	2023 KShs	2022 KShs	2021 KShs	2020 KShs
Amount (KShs)	4,625,000	1,204,000	742,000	2,414,000	421,000



Fund performance (Continued)

(c) Fund value

The total value of the Fund, number of units and unit price at the end of the year for the last 3 years is as shown below:

Year	2024	2023	2022	2021
Total Fund Value (KShs)	28,682,000	26,674,000	29,546,000	24,449,000
Number of units in issue	1,310,000	1,459,000	1,691,000	1,430,000
Closing unit price (KShs)	21.39	17.92	17.36	16.96

There has not been any amalgamation or reconstruction of the current units in the Fund that have had a material effect on the size of the Fund.

Total Expense Ratio

The Total Expense Ratio of the Fund provides a measure of the total costs incurred to manage and operate the Fund.

Year	2024	2023
Total expenses charged	923,000	1,019,000
Management fees charged	603,000	667,000
Percentage management fee	2.0%	2.0%
Total Expense Ratio (TER)	3.1%	3.1%

Terms of appointment of the auditor

The auditor, KPMG Kenya has expressed willingness to continue in office in accordance with the Fund's Trust Deed and Section 55(A) of the Capital Markets (Licensing Requirements) (General) Regulations, 2023.

The Trustee monitors the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the unit holders.

The financial statements are approved and authorised for issue by the Trustee on

27 March 2025

Joe Alaro

Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Signed on behalf of the Trustee

Date: *27 March 2025*



The Trustee is responsible for the preparation of the financial statements of Sanlam Balanced Fund (the 'Fund') set out on pages 12 to 33 which comprise the statement of financial position at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in unit holders' balances and statement of cash flows for the year then ended, and the notes to the financial statements, which include material accounting policies.

The Capital Markets Act requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the financial position of the Fund at the end of the financial year and its financial performance for the year then ended. The Trustee is responsible for ensuring that the Fund keeps proper accounting records that are sufficient to show and explain the transactions of the Fund; disclose with reasonable accuracy at any time the financial position of the Fund; and that enables them to prepare financial statements of the Fund that comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Capital Markets Act and Capital Markets (Collective Investment Schemes) Regulations, 2023 ("the Regulations"). The Trustee is also responsible for safeguarding the assets of the Fund and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee accepts responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Capital Markets Act and Regulations. They also accept responsibility for:

- (i) Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- (ii) Selecting suitable accounting policies and then apply them consistently; and
- (iii) Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of the Fund's ability to continue as a going concern, the Trustee is not aware of any material uncertainties related to events or conditions that may cast doubt upon the Fund's ability to continue as a going concern for at least the next twelve months from the date of this statement.

The Trustee acknowledges that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the Trustee on 27 March 2025 and signed on its behalf by:

Joe Alaro

Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Signed on behalf of the Trustee



Dear Unit Holder,

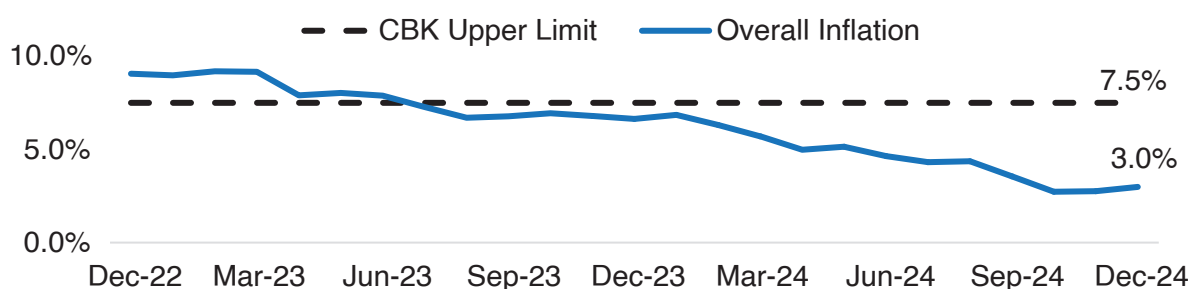
The Sanlam Balanced Fund aims to deliver medium to long term capital growth with lower volatility relative to an equity fund.

The Balanced Fund return was up 23.4% relative to 8.0% in the previous year. This was supported by strong performance in treasury bonds and domestic equities.

Review of Operating Environment and Outlook

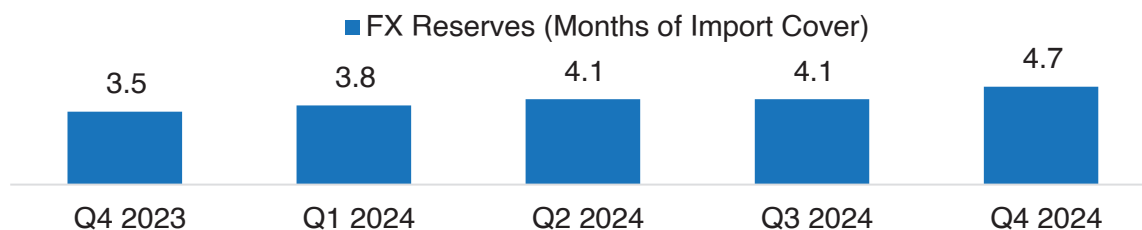
Economic Growth: Kenya's economy demonstrated resilience in 2024 despite global headwinds, growing by an estimated 5.1% according to Central Bank of Kenya (CBK) data. The International Monetary Fund (IMF) projects a slight moderation to 5.0% in 2025 due to public debt vulnerabilities and increased taxation measures which could depress consumer spending.

Inflation: The macroeconomic environment has notably stabilized, with headline inflation declining to 3.0% in December 2024 from 6.6% a year earlier. This has been driven by moderating food and energy prices alongside currency strength. We expect inflation to remain within the CBK's target band through 2025, supporting economic stability.



Source: Central Bank of Kenya

Exchange Rate: The Kenyan shilling strengthened by 20.7% against the US Dollar in 2024, closing at KShs.129. Foreign exchange reserves rose to 4.7 months of import cover, driven by CBK interventions and IMF support. In 2025, stability is expected, supported by strong diaspora remittances and improving global sentiment, though risks include a widening fiscal deficit, higher debt servicing, and rising import demand.



Source: Central Bank of Kenya

Monetary policy: The monetary policy stance turned decisively accommodative in Q4 2024, with the CBK reducing the Central Bank Rate from 12.75% to 11.25%. This shift was warranted by the substantial decline in inflation, currency stability, and moderating economic growth. This has created a supportive environment for fixed income investors.

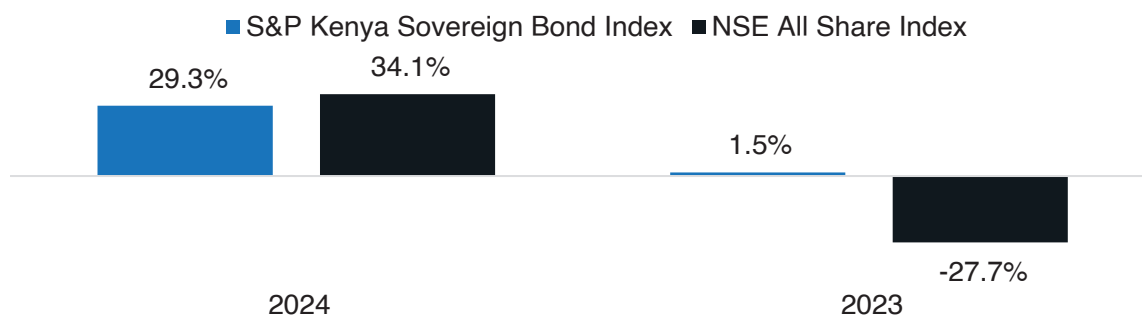


Review of Operating Environment and Outlook (Continued)

Interest Rates: Driven by monetary policy easing, improved forex liquidity, and enhanced market liquidity, interest rates on Kenyan Treasury securities declined significantly by an average of 2.5% in 2024. This led to strong performance of treasury bonds, which generated a return of 29.3% in the year.

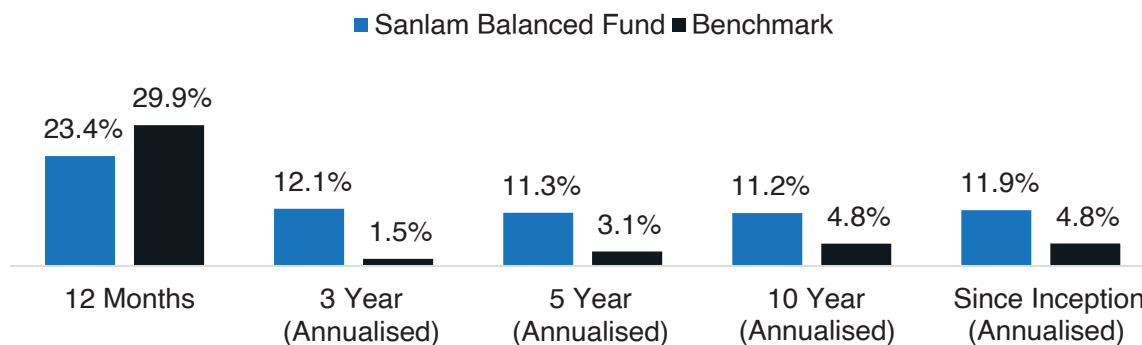
Key interest rates			
Tenor	31-Dec-2024	31-Dec-2023	Year change
364-day Treasury bill	11.4%	16.1%	(4.7%)
2-year Treasury bond	12.3%	17.9%	(5.6%)
5-year Treasury bond	14.1%	17.5%	(3.4%)
10-year Treasury bond	13.6%	15.7%	(2.1%)
20-year Treasury bond	14.8%	15.9%	(1.1%)

Market Performance: The Kenyan equity market delivered exceptional performance in 2024, returning 34.1% on the back of improved foreign exchange liquidity and renewed investor confidence. The strong momentum 2024, reflected both improved fundamentals and attractive valuations.



Fund Performance and Asset Allocation as at 31 December 2024

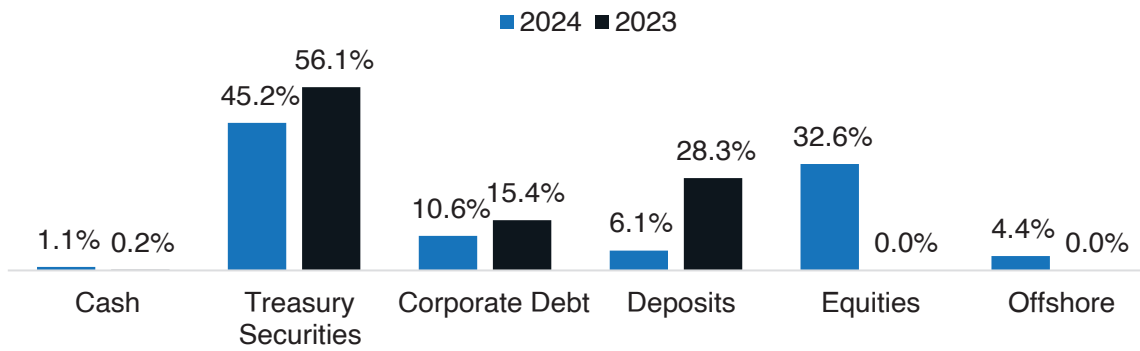
Fund Performance



Benchmark: NASI Index(50%), 182 Day Treasury Bill(20%) and S&P Kenya Sovereign Bond Index(30%)



Asset Allocation



Signed on behalf of the Fund Manager

Date: 27 March 2025



In accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2023 (the "Regulations") and the Custody Agreement between Stanbic Bank Kenya Limited as the Custodian and Sanlam Investments East Africa Limited as the Fund Manager, we confirm:

- (a) we have discharged the duties prescribed for a Custodian under Regulation 68 of the Regulations, to the Sanlam Balanced Fund;
- (b) for the period 1 January 2024 to 31 December 2024, we have held the assets for the Sanlam Balanced Fund; including securities and income that accrue thereof, to the order of the Trustee and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager.

Signed on behalf of the Custodian

Date: 27 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF SANLAM BALANCED FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sanlam Balanced Fund (the "Fund") set out on pages 12 to 33, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in unit holders' balances and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Capital Markets (Collective Investments Schemes) Regulations, 2023.

Basis for opinion

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

Key audit matters

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

Other information

The Trustee is responsible for the other information. The other information comprises information included in the Sanlam Balanced Fund Annual Report and Financial Statements for the year ended 31 December 2024 but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Capital Markets (Collective Investments Schemes) Regulations, 2023 as set out below.

KPMG Kenya, is a registered partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Partners

AM Mbai
BM Ndung'u
BO Amukah
GM Kasimu
JI Kariuki

JM Gathecha
JM Ndunyu
JM Ngonga
MM Gachuhi
M Muthusi

PI Kinuthia
S Obock
W Genga

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF SANLAM BALANCED FUND (CONTINUED)

Report on the audit of the financial statements (Continued)

Other information (continued)

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

Responsibilities of the Trustee for the financial statements

The Trustee is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Capital Markets (Collective Investments Schemes) Regulations, 2023 and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee;
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;

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

Report on the audit of the financial statements (Continued)

Other information (continued)

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

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

We also provide the Trustee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

The Capital Markets (Collective Investments Schemes) Regulations, 2023 also requires that in carrying out our audit we consider and report to you on the following matters:

- If the auditor is of the opinion that proper accounting records for the collective investment scheme have not been kept or that the accounts are not in agreement with those records;
- If the auditor has not been given all the information and explanation which, to the best of his knowledge and belief are necessary for the purpose of his audit; and
- If the auditor is of the opinion that the information given in the report of the Trustee for that period is inconsistent with the accounts.

We confirm that there are no matters to report in respect of the foregoing requirements.

The engagement leader responsible for the audit resulting in this independent auditor's report is CPA Brian Muitherero – Practicing certificate No. P/2937.



For and on behalf of:

**KPMG Kenya
Certified Public Accountants
PO Box 40612 – 00100
Nairobi**

Date: *28 March 2025*



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 KShs'000	2023 KShs'000
Investment income	3,441	3,276
Fair value gain/(loss) on financial assets at fair value through profit or loss	<u>2,103</u>	<u>(1,093)</u>
Total income	5,544	2,183
Operating expenses	(922)	(1,019)
Allowance for expected credit losses	<u>3</u>	<u>40</u>
Profit before income tax	4,625	1,204
Income tax expense	<u>-</u>	<u>-</u>
Profit for the year	4,625	1,204
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>4,625</u>	<u>1,204</u>



STATEMENT OF FINANCIAL POSITION **FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023
	KShs'000	KShs'000
ASSETS		
Investment balances	28,684	26,928
Bank balances	310	43
Total assets	28,994	26,971
LIABILITIES		
Current liabilities		
Payables and accruals	312	297
Liabilities (excluding unit holder balances)	312	297
Unit Holder Balances	28,682	26,674
Total liabilities	28,994	26,971

The financial statements on pages 12 to 33 were approved for issue by the Trustee on *27 March 2025* and signed on its behalf by:

Joe Alaro
Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Representing Trustee



STATEMENT OF CHANGES IN UNIT HOLDERS' BALANCES
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	KShs'000	KShs'000
At 1 January	26,674	29,546
Total comprehensive income for the year	4,625	1,204
Transactions with unit holders:		
Additional units purchased	7,946	3,328
Units liquidated	<u>(10,563)</u>	<u>(7,404)</u>
Net balances of transactions with unit holders	<u>(2,617)</u>	<u>(4,076)</u>
At 31 December	<u>28,682</u>	<u>26,674</u>



STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	2024 KShs'000	2023 KShs'000
Profit before income tax	4,625	1,204
Changes in operating activities	<u>(6,581)</u>	<u>4,276</u>
Net cash (used in)/ from operating activities	<u>(1,956)</u>	<u>5,480</u>
Cash flows from financing activities		
Net contribution from unit holders	7,946	3,328
Liquidations by unit holders	<u>(10,563)</u>	<u>(7,404)</u>
Net cash used in financing activities	<u>(2,617)</u>	<u>(4,076)</u>
Net (decrease)/ increase in cash and cash equivalents	<u>(4,573)</u>	<u>1,404</u>
Cash and cash equivalents at start of year	<u>6,655</u>	<u>5,251</u>
Cash and cash equivalents at end of year	<u>2,082</u>	<u>6,655</u>

SANLAM

USD FIXED INCOME FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



Table of Contents:

Trustee and professional advisors	Pg 01
Report of the Trustee	Pg 02-03
Statement of Trustee's responsibilities	Pg 04
Fund manager's report	Pg 05-06
Report of the Custodian	Pg 07
Independent auditors' report	Pg 08-10

Financial Statements:

Statement of profit or loss and other comprehensive income	Pg 11
Statement of financial position	Pg 12
Statement of changes in unit holders' balances	Pg 13
Statement of cash flows	Pg 14



CORPORATE TRUSTEE

Stanbic Bank Kenya Limited
Stanbic Centre
Chiromo Road, Westlands
P.O. Box 72833 – 00200
Nairobi, Kenya

REGISTERED OFFICE

Sanlam Investments East Africa Limited
5th Floor, Africa Re Centre, Hospital Road, Upper Hill
P.O. Box 67262 – 00200
Nairobi, Kenya

FUND MANAGER

Sanlam Investments East Africa Limited
5th Floor, Africa Re Centre, Hospital Road, Upper Hill
P.O. Box 67262 – 00200
Nairobi, Kenya

CUSTODIANS

Stanbic Bank Kenya Limited
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P.O. Box 72833 – 00200
Nairobi, Kenya

Standard Chartered Bank
Chiromo, Level 4, 48 Westland's Road
P.O Box 30003-00100
Nairobi, Kenya

AUDITOR

KPMG Kenya
Certified Public Accountants
ABC Towers, 8th Floor
Waiyaki Way, Westlands
P.O. Box 40612 – 00100
Nairobi, Kenya



The Trustee has the pleasure in submitting the Sanlam USD Fixed Income Fund (the “Fund”) report together with the audited financial statements for the year ended 31 December 2024.

1. Establishment, nature and status of the Fund

The Fund was established by a Trust Deed dated 24 July 2023 as a Fixed Income Fund. The Fund is registered with the Capital Markets Authority and approved under the Income Tax Act. The Fund is tax exempt and only withholds and pays to Kenya Revenue Authority applicable tax on interest distributed to the unit holders.

2. Investment objective

The primary objective of the Fund is to generate a competitive and consistent attractive level of regular income while ensuring underlying risk in the assets is minimized.

The Fund is a unit trust and the interest of the individual members is determined by the value of their units. It is administered by the Trustee who is responsible for its affairs.

It is a collective investment scheme within the meaning of the Kenyan Capital Markets Act; and the holders are not liable for the debts of the Fund.

3. Changes to incorporation documents

There were no changes made to the incorporation documents (Prospectus, Trust deed and Rules of the Fund) during the year.

4. Investment

Under the terms of their appointment Sanlam Investments East Africa Limited is the Fund Manager and supports the Trustee in the investment decisions. The overall responsibility for investment and performance lies with the Trustee.

5. Fund performance

The performance record of the Fund is as shown below:

(a) Maximum and minimum yield

The highest and lowest absolute yields for the year was as below:

Year / Period	2024	2023
Highest yield (%)	6.60	7.44
Lowest yield (%)	5.11	5.18

(b) Income distribution

The profit realised by the Fund for the period has been distributed to unit holders as per the below:

Year / (Period)	2024	2023
Amount (USD)	2,693,000	199,000



5. Fund performance (Continued)

(c) Fund value

The total value of the Fund, number of units and unit price at the end of the year is as shown below:

Year / (Period)	2024	2023
Total Fund value (USD)	93,750,000	19,366,000
Number of units in issue	93,750,000	19,366,000
Closing unit price (USD)	1.0	1.0

There has not been any amalgamation or reconstruction of the current units in the Fund that have had a material effect on the size of the Fund.

6. Total Expense Ratio (TER)

The Total Expense Ratio of the Fund provides a measure of the total costs incurred to manage and operate the Fund.

Year	2024 USD'000	2023 USD'000
Total expenses charged	1,016	72
Management fees charged	865	60
Percentage management fee	1.5%	1.5%
Total Expense Ratio (TER)	1.4%	1.8%

7. Terms of appointment of the auditor

The auditor, KPMG Kenya, has expressed willingness to continue in office in accordance with the Fund's Trust Deed and Section 55(A) of the Capital Markets (Licensing Requirements) (General) Regulations, 2023.

The Trustee monitors the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the unit holders.

The financial statements were approved and authorised for issue by the Trustee on *27 March 2025*

Joe Alaro
Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Signed on behalf of the Trustee

Date: *27 March 2025*



The Trustee is responsible for the preparation of the financial statements of Sanlam USD Fixed Income Fund (the 'Fund') set out on pages 11 to 31 which comprise the statement of financial position at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in unit holders' balances and statement of cash flows for the year then ended, and the notes to the financial statements, which include material accounting policies.

The Capital Markets Act requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the financial position of the Fund at the end of the financial year and its financial performance for the year then ended. The Trustee is responsible for ensuring that the Fund keeps proper accounting records that are sufficient to show and explain the transactions of the Fund; disclose with reasonable accuracy at any time the financial position of the Fund; and that enables them to prepare financial statements of the Fund that comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Capital Markets Act and Regulations. The Trustee is also responsible for safeguarding the assets of the Fund and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee accepts responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Capital Markets (Collective Investment Schemes) Regulations, 2023 (the Regulations). They also accept responsibility for:

- (i) Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- (ii) Selecting suitable accounting policies and then apply them consistently; and
- (iii) Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of the Fund's ability to continue as a going concern, the Trustee is not aware of any material uncertainties related to events or conditions that may cast doubt upon the Fund's ability to continue as a going concern for at least the next twelve months from the date of this statement.

The Trustee acknowledges that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the Trustee on 27 March 2025 and signed on its behalf by:

Joe Alaro

Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Representing Trustee



Dear Unit Holder,

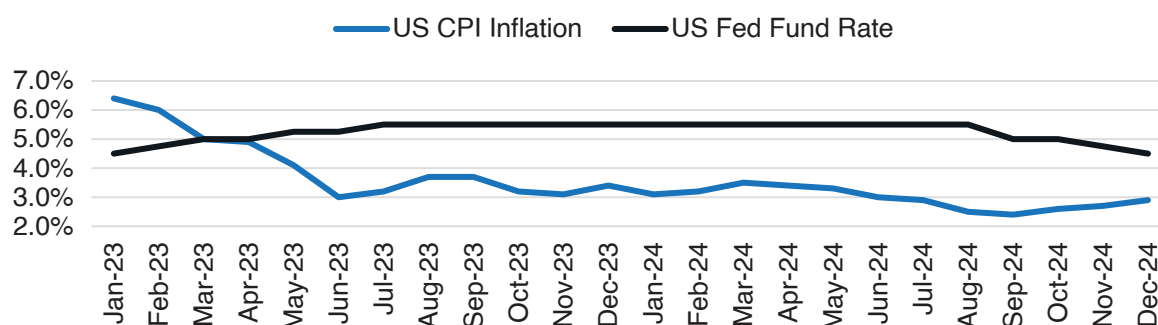
The Sanlam USD Fixed Income Fund (USD FIF) aims to generate a regular income stream over the medium term by investing in a diversified portfolio of USD-denominated fixed income securities.

The Fund performance over 12 months was 7.9% and 8.6% since inception annualised. The Fund increased allocation to Kenyan Eurobonds, corporate debt and mutual funds owing to their higher yield.

Review of Operating Environment

Economic Overview: The global macroeconomic environment remains constructive, with the International Monetary Fund (IMF) projecting a steady 3.2% growth in 2025 alongside moderating inflation to 4.3% from 5.8% in 2024. However, regional variations persist, with advanced economies showing resilience despite earlier easing cycles.

Monetary Policy & Inflation: Monetary policy is becoming more accommodative worldwide, with the Federal Reserve reducing rates by 100bps to 4.50-4.75% in 2024. Future easing should be monitored due to potential inflation risks from proposed U.S. tax cuts and trade measures. U.S. inflation rose to 2.9% in December 2024, highlighting these concerns. Meanwhile, China's ongoing monetary easing aims to support growth, potentially affecting emerging markets.



Source: Bloomberg

Interest Rates: In 2024, interest rates on U.S. Treasury securities declined due to the Federal Reserve's rate cuts aimed at stimulating economic growth, concerns about a slowdown in the economy, and efforts to manage inflation. Increased demand for Treasuries as a safe investment, along with global monetary easing, also contributed to the lower yields.

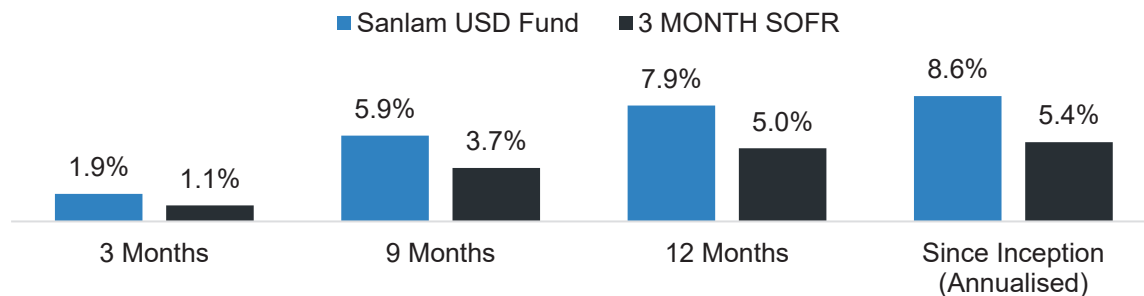
U.S. Treasury Yields			
Tenor	31-Dec-24	31-Dec-23	Change
3 Month	4.3%	5.3%	-1.0%
6 Month	4.3%	5.3%	-1.0%
12 Month	4.2%	4.8%	-0.6%
2 Year	4.3%	4.3%	0.0%

Source: Bloomberg



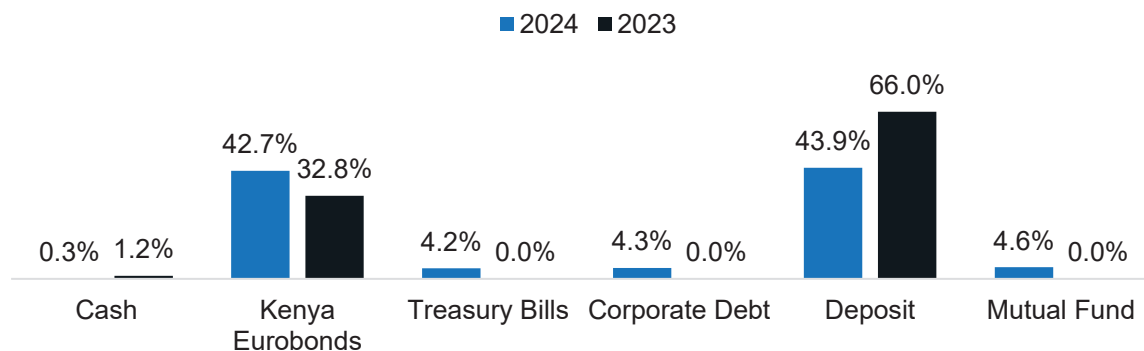
Fund Performance & Asset Allocation as at 31 December 2024

Fund Performance



Benchmark: NASI Index(50%), 182 Day Treasury Bill(20%) and S&P Kenya Sovereign Bond Index(30%)

Asset Allocation



Signed on behalf of the Fund Manager

Date: 27 March 2025



In accordance with the Kenyan Capital Markets (Collective Investment Schemes) Regulations, 2023 (the 'Regulations') and the Custody Agreement between Stanbic Bank Kenya Limited as the Custodian and Sanlam Investments East Africa Limited as the Fund Manager, we confirm:

- (a) we have discharged the duties prescribed for a Custodian under Regulation 68 of the Regulations, to the Sanlam USD Fixed Income Fund; and
- (b) for the year 1 January 2024 to 31 December 2024, we have held the assets for the Sanlam USD Fixed Income Fund; including securities and income that accrue thereof, to the order of the Trustee and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager.

Signed on behalf of the Custodian

Date: 27 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF SANLAM USD FIXED INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sanlam USD Fixed Income Fund (the "Fund") set out on pages 11 to 31, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in unit holders' balances and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Capital Markets (Collective Investments Schemes) Regulations 2023.

Basis for opinion

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

Key audit matters

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

Other information

The Trustee is responsible for the other information. The other information comprises information included in the Sanlam USD Fixed Income Fund Annual Report and Financial Statements for the year ended 31 December 2024 but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Capital Markets (Collective Investments Schemes) Regulations 2023 as set out below.

KPMG Kenya, is a registered partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Partners

AM Mbai	JM Gathecha	PI Kinuthia
BM Ndung'u	JM Ndunyu	S Obock
BO Amukah	JM Ngonga	W Genga
GM Kasimu	MM Gachuhi	
JI Kariuki	M Muthusi	

**INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF SANLAM USD FIXED INCOME FUND (CONTINUED)**

Report on the audit of the financial statements (Continued)

Other information – (continued)

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

Responsibilities of the Trustee for the financial statements

The Trustee is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Capital Markets (Collective Investments Schemes) Regulations 2023 and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee;
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern; and

TO THE UNIT HOLDERS OF SANLAM USD FIXED INCOME FUND (CONTINUED)

Report on the audit of the financial statements (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

We also provide the Trustee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

The Capital Markets (Collective Investments Schemes) Regulations, 2023 also requires that in carrying out our audit we consider and report to you on the following matters:

- If the auditor is of the opinion that proper accounting records for the collective investment scheme have not been kept or that the accounts are not in agreement with those records;
- If the auditor has not been given all the information and explanation which, to the best of his knowledge and belief are necessary for the purpose of his audit; and
- If the auditor is of the opinion that the information given in the report of the Trustee for that period is inconsistent with the accounts.

We confirm that there are no matters to report in respect of the foregoing requirements.

The engagement leader responsible for the audit resulting in this independent auditor's report is CPA Brian Muitherero – Practicing certificate No. P/2937.

For and on behalf of:



KPMG Kenya
Certified Public Accountants
PO Box 40612 - 00100
Nairobi

Date:

28 March 2025



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December 2024 USD'000	Six-month period ended 31 December 2023 USD'000
Investment income	3,638	277
Fair value gain on financial assets at fair value through profit or loss	125	-
Total income	3,763	277
Operating expenses	(1,016)	(72)
Allowance for expected credit losses	(54)	(6)
Profit before income tax	2,693	199
Income tax expense	-	-
Profit for the year	2,693	199
Other comprehensive income	-	-
Total comprehensive income for the year	2,693	199



STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024

	31 December 2024 USD'000	31 December 2023 USD'000
ASSETS		
Investment balances	93,638	19,184
Bank balances	303	232
Total assets	93,941	19,416
LIABILITIES		
Current liabilities		
Payables and accruals	191	50
Liabilities (excluding unit holders' balances)	191	50
Unit holders' balances	93,750	19,366
Total liabilities	93,941	19,416

The financial statements on pages 11 to 31 were approved for issue by the Trustee on *27 March 2025* and signed on its behalf by:

Joe Alaro
Joe Alaro (Mar 27, 2025 22:29 GMT+3)

Representing Trustee



STATEMENT OF CHANGES IN UNIT HOLDERS' BALANCES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December 2024 USD'000	Six-month period ended 31 December 2023 USD'000
At start of year/period	19,366	-
Gross interest distributed to unitholders	2,693	199
Withholding tax on distributed interest	(407)	(31)
Transactions with unit holders:		
Additional units purchased	109,006	22,531
Units liquidated	<u>(36,908)</u>	<u>(3,333)</u>
Net balances of transactions with unit holders	<u>72,098</u>	<u>19,198</u>
At end of year/period	<u>93,750</u>	<u>19,366</u>



STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December 2024 USD'000	Six-month period ended 31 December 2023 USD'000
Cash flows from operating activities		
Profit before income tax	2,693	199
Changes in operating activities	(64,574)	(11,009)
Net cash used in operating activities	(61,881)	(10,810)
Cash flows from financing activities		
Net contribution from unit holders	109,006	22,531
Liquidations by unit holders	(36,908)	(3,333)
Withholding tax on distributed interest for the year	(407)	(31)
Net cash generated from financing activities	71,691	19,167
Net increase in cash and cash equivalents	9,810	8,357
Cash and cash equivalents at start of year/period	8,357	-
Cash and cash equivalents at end of year/period	18,167	8,357



Kenya Contact Information:

Sanlam Investments East Africa Limited
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P.O Box 67262, 00200 Nairobi, Kenya
Telephone: +254 719 067 000

Website: www.sanlameastafrica.com

    @SanlaminvestmentsEA



Sanlam

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Investments

Past performance is not an indicator of future performance as price of units may rise or fall. The Capital Markets Authority does not take responsibility for the financial soundness of the scheme or for the correctness of any statements made or opinions expressed in this regard.