ANNUAL REPORT

& FINANCIAL STATEMENTS

2024

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SANLAM
INCOME FUND

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

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Financial Statements:

Corporate Trustee	Standard Chartered Bank Uganda Limited Standard Chartered House Plot 5 Speke Road P.O. Box 7111 Kampala, Uganda
Registered Office	Sanlam Investments East Africa Limited Workers House Plot 1 Pilkington Road P.O. Box 9831 Kampala, Uganda
Fund Manager	Sanlam Investments East Africa Limited Workers House Plot 1 Pilkington Road P.O. Box 9831 Kampala, Uganda
Custodian	Standard Chartered Bank Uganda Limited Standard Chartered House Plot 5 Speke Road P.O. Box 7111 Kampala, Uganda
Auditor	KPMG Certified Public Accountants 3rd Floor, Rwenzori Courts Plot 2 & 4A, Nakasero Road P.O. Box 3509 Kampala, Uganda

The Fund Manager has the pleasure in submitting the Sanlam Income Fund (the "Fund") report together with the audited financial statements for the year ended 31 December 2024.

The Fund is part of the Sanlam Umbrella Unit Trust Scheme which is governed by a Trust Deed dated 17 November 2020. The Fund was licenced by the Capital Markets Authority in Uganda on 15 October 2020 and commenced operations in the subsequent year. The Fund's licence was subsequently renewed on 17 October 2024.

INVESTMENT OBJECTIVES

The primary objective of the Fund is to seek capital preservation and an attractive level of current income. This is achieved by aiming to deliver a competitive rate of return relative to average commercial banks' fixed deposits. The Fund is a conservative investment portfolio consisting of treasury bills, treasury bonds, commercial papers, and fixed deposits.

In 2024, the Fund recorded a return of 16% as of 31 December 2024 (2023: 15.7%) against its benchmark of 10.0%. Yields remained consistently healthy across all asset classes, allowing maintenance of a consistent and competitive return.

CHANGES TO INCORPORATION DOCUMENTS

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

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 period were as per the table below:

	2024	2023	2022
Highest yield (%)	13.06	13.24	13.26
Lowest yield (%)	12.00	12.32	10.42

b) Income distribution

The profit realised by the Fund for the year is Ushs 28,040,924,000 (2023: Ushs 10,827,374,000). This profit has been distributed to the unitholders.

c) Fund value

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

	2024	2023
Total Fund value (Ushs)	343,477,106,000	137,743,529,000
Number of units in issue	343,477,106,000	137,743,529,000
Closing unit price (Ushs)	1.00	1.00

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

Terms of appointment of the auditor

KPMG was appointed during the year and continues in office in accordance with Section 88 of the Collective Investment Schemes (Unit Trusts) Regulations, 2003.

Signed on behalf of the Fund Manager

24 March 2025

Signed on behalf of the Fund Manager

24 March 2025

The Capital Markets Act requires the Fund Manager to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the Fund as at the end of the year and of the results of its operations. It also requires the Fund Manager to keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Fund.

The Fund Manager accepts responsibility for the annual financial statements, which have been prepared in accordance with IFRS Accounting Standards and in the manner required by the Collective Investment Schemes (Financial and Accounting) Regulations, 2003. The Fund Manager is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Fund and of its operating results. The Fund Manager further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement

Declaration statement

- The Fund is an approved Unit Trust within the meaning of the Capital Markets Authority Act;
- Unitholders are not liable for the debts of the Fund; and
- The Fund is an umbrella fund investing in income securities at attractive yields to ensure the return of the Fund is maximised.

Having made an assessment of the Fund's ability to continue as a going concern, the Fund Manager 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.

Approved by the Fund Manager on 24 March 2025 and signed on its behalf by:

Signed on behalf of the Fund Manager	Signed on behalf of the Fund Manager
24 March 2025	24 March 2025

We, Standard Chartered Bank Uganda Limited, in our capacity as the Trustee of the Sanlam Income Fund, hereby confirm that as required in terms of section 121(1) and (2) of the Collective Investment Schemes (Unit Trusts) Regulations, 2003:

a) to the best of our knowledge, Sanlam Investments East Africa Limited has managed the Fund in accordance with the limitations imposed on the investment and borrowing powers of the Fund Manager and Trustee by the Capital Markets Authority Act, the Collective Investment Schemes (Unit Trusts) Regulations, 2003 and the Trust Deed; and

b) there are no deviations from any of the provisions of the Trust Deed and the above Regulations.

We confirm that as required by the Collective Investment Schemes (Unit Trusts) Regulations, 2003 Section 92 (2), we are satisfied that the Fund has maintained sufficient records, of which these financial statements are part.

Signed on behalf of the Trustee

24-MARCH-2025

In accordance with the Collective Investment Schemes (Unit Trusts) Regulations 2003 (the Regulations) and the Custody Agreement between Standard Chartered Bank Uganda 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 the Regulations and the Fund Trust Deed;

b) for the year ended 31 December 2024, we have held the assets for the 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

24-MARCH-2025

KPMG, Certified Public Accountant of Uganda
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Independent auditor's report

TO THE UNITHOLDERS OF SANLAM INCOME FUND

Report on the financial statements

Opinion

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

In our opinion, the 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 in the manner required by the Collective Investment Schemes (Financial and Accounting) Regulations, 2003.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("the IESBA Code") together with the ethical requirements that are relevant to our audit of financial statements in Uganda, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Fund Manager is responsible for the other information. The other information comprises the Sanlam 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.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

Independent auditor's report

TO THE UNITHOLDERS OF SANLAM INCOME FUND

Report on the financial statements

Responsibilities of the Fund Manager for the financial statements

The Fund Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards (IFRS) and in the manner required by the Collective Investment Schemes (Financial and Accounting) Regulations, 2003, and for such internal control as the Fund Manager 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 Fund Manager 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 Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund Manager responsible for overseeing the financial reporting process.

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 management.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report

TO THE UNITHOLDERS OF SANLAM INCOME FUND

Report on the financial statements

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

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

We also provide Fund Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

The Collective Investment Schemes (Financial and Accounting) Regulations, 2003 require that in carrying out our audit, we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; and

ii) in our opinion, proper books of account have been kept by the Fund Manager, so far as appears from our examination of those books and are in agreement with the Fund Manager's accounting records for the Fund.

The engagement Partner responsible for the audit resulting in this independent auditor's report is CPA Stephen Ineget –P0401.

KPMG
Certified Public Accountants
3rd Floor, Rwenzori Courts
Plot 2 & 4A, Nakasero Road
P.O. Box 3509
Kampala Uganda

CPA Stephen Ineget – P0401.

Date: 27 March **2025**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2024 Ushs'000	2023 Ushs'000
Investment income	32,447,644	12,508,420
Operating expenses	(4,387,724)	(1,674,353)
Allowance for expected credit losses	(18,996)	(6,693)
Profit before income tax	**28,040,924**	**10,827,374**
Income tax expense	-	-
Profit for the year	**28,040,924**	**10,827,374**
Other comprehensive income	-	-
Total comprehensive income for the year	**28,040,924**	**10,827,374**

STATEMENT OF FINANCIAL POSITION

	2024 Ushs'000	2023 Ushs'000
ASSETS		
Investment balance	342,086,929	137,348,573
Bank balances	2,027,200	822,354
Total assets	**344,114,129**	**138,170,927**
Liabilities		
Current liabilities		
Payables and accruals	637,023	427,398
Liabilities (excluding unitholders' balances)	**637,023**	**427,398**
Unitholders' balances	343,477,106	137,743,529
Total liabilities	**344,114,129**	**138,170,927**

The financial statements on pages 10 to 30 were approved for issue by the Fund Manager on 24 March 2025 and signed on its behalf by:

Signed on behalf of the Fund Manager

Signed on behalf of the Fund Manager

STATEMENT OF CHANGES IN UNITHOLDERS' BALANCES

	2024 Ushs'000	2023 Ushs'000
At start of year	137,743,529	49,964,949
Gross interest distributed to unitholders	28,040,924	10,827,374
Withholding tax on distributed interest	(1,380,138)	(1,290,442)
Net interest distributed to unitholders	26,660,786	9,536,932
Transactions with unitholders:		
Additional units purchased	361,770,497	125,366,189
Units liquidated	(182,697,706)	(47,124,541)
Net transactions with unitholders	179,072,791	78,241,648
At end of year	**343,477,106**	**137,743,529**

STATEMENT OF CASH FLOWS

	2024 Ushs'000	2023 Ushs'000
Cash flows from operating activities		
Profit before income tax	28,040,924	10,827,374
Changes in operating activities	(7,737,280)	(3,219,130)
Cash flows from operations	**20,303,644**	**7,608,244**
Purchase of financial assets	(535,733,061)	(283,570,738)
Proceeds from sale/ maturity of financial assets	344,460,786	206,227,000
Net cash used in operating activities	**(170,968,631)**	**(69,735,494)**
Cash flows from financing activities		
Net contribution from unitholders	361,770,497	125,366,189
Liquidations by unitholders	(182,697,706)	(47,124,541)
Withholding tax on interest distributed	(1,380,138)	(1,290,442)
Net cash generated from financing activities	**177,692,653**	**76,951,206**
Net increase in cash and cash equivalents	6,724,022	7,215,712
Cash and cash equivalents at start of year	9,831,897	2,616,185
Cash and cash equivalents at end of year	**16,555,919**	**9,831,897**

Uganda Contact Information:

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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.