



ANNUAL REPORT

& FINANCIAL STATEMENTS

2021





Sanlam Money Market Fund

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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Corporate Trustee

Stanbic Bank Kenya Limited

Stanbic Centre
1st Floor 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
2nd Floor Chiromo Road, Westlands
P O Box 72833-00200
Nairobi, Kenya

Independent Auditor

PricewaterhouseCoopers LLP

PwC Tower, Waiyaki Way/Chiromo Road
Westlands
P O Box 43963 - 00100
Nairobi, Kenya



The Trustee has the pleasure in submitting the Sanlam Money Market Fund (the “Fund”) report together with the audited financial statements for the year ended 31 December 2021.

ESTABLISHMENT, NATURE AND STATUS OF THE FUND

The Fund was established by a Trust Deed dated 11 September 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 and dividends distributed to the unit holders.

The primary objective of the Fund is to provide a superior return while maintaining capital preservation.

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 an approved 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	2021	2020	2019	2018	2017
Highest yield (%)	9.62	9.56	9.82	8.62	12.12
Lowest yield (%)	9.08	8.23	6.97	5.32	6.92

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	2021	2020	2019	2018	2017
Amount (Shs)	646,364,000	383,842,000	154,133,000	132,007,000	217,000,000



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	2021	2020	2019
Total Fund value (Shs)	8,435,249,000	6,155,680,000	2,653,720,000
Number of units in issue	8,435,249,000	6,155,680,000	2,653,720,000
Closing unit price (Shs)	1.00	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.

TERMS OF APPOINTMENT OF THE AUDITOR

PricewaterhouseCoopers LLP continue in office in accordance with the Fund's Trust Deed and Section 55(A) of the Capital Markets (Licensing Requirements) (General) Regulations, 2002.

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.

Signed on behalf of the Trustee

24 MARCH 2022



The Kenyan 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 prescribed financial reporting standards and the requirements of the Kenyan Capital Markets Act. They are 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 International Financial Reporting Standards and in the manner required by the Kenyan Capital Markets Act. 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.

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

Approved by the Trustee on 24 MARCH 2022 and signed on its behalf by:

Representing Trustee



Dear Unit Holder,

The Sanlam Money Market Fund aims to deliver a competitive rate of return relative to average banks' fixed deposits. The fund is conservative in nature and seeks capital preservation while offering ease of access to liquidity.

In 2021, the Fund recorded a return of 11.2% over 12 months. This was supported by an increase in allocation to treasury securities and corporate debt, which offer a higher return relative to fixed deposits. This return was competitive despite the upward trend on interest rates for most of the year.

Review of Operating Environment and Outlook

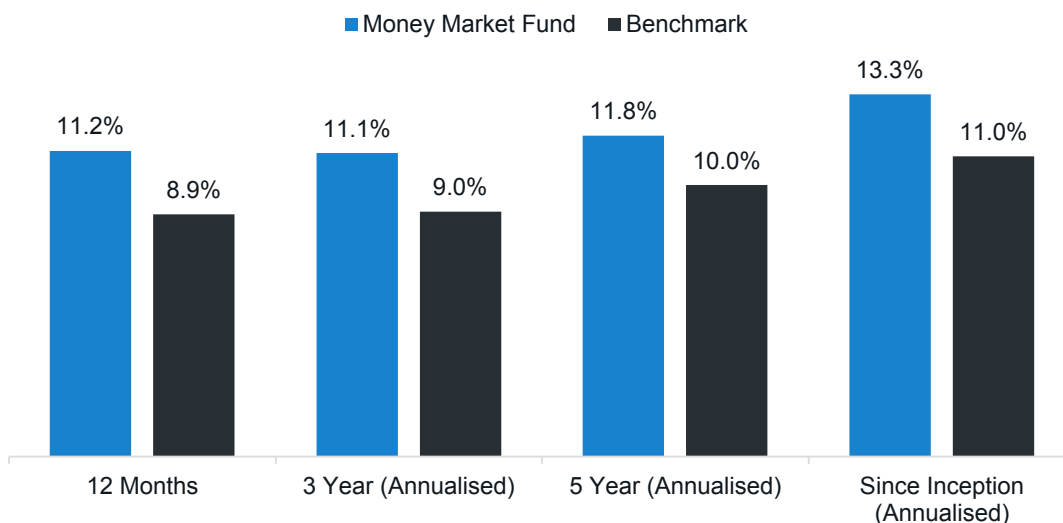
Kenya's economy grew by 9.9% year on year (y/y) in 3Q 21 compared to a contraction of 2.1% y/y contraction in 3Q 20 according to the Kenya National Bureau of Statistics (KNBS). This followed another impressive growth of 10.1% in 2Q 21 coming off a contraction of 4.7% in 2Q 20. The Central Bank of Kenya (CBK) projects the economy to have grown by 6.4% in 2021 and expects a growth of 6.0% in 2022 supported by manufacturing, transport and accommodation sectors.

Headline inflation slowed 5.7% in December 2021 having peaked at 6.9% in September 2021 due to the high base in December 2020 and impact of fuel subsidy by the government. Core inflation (which excludes food) remained subdued at 2.0%. Inflation should remain well anchored below the CBK upper limit of 7.5% due to benign demand side pressure in 2022.

Interest rates rose gradually in 2021. The increase was higher in short term rates compared to long term rates. The upward movement was caused by an increase in domestic borrowing to bridge shortfalls in tax revenue collection. The 364-day Treasury Bills as at December 2021 was 9.4% relative to 8.3% in December 2020.

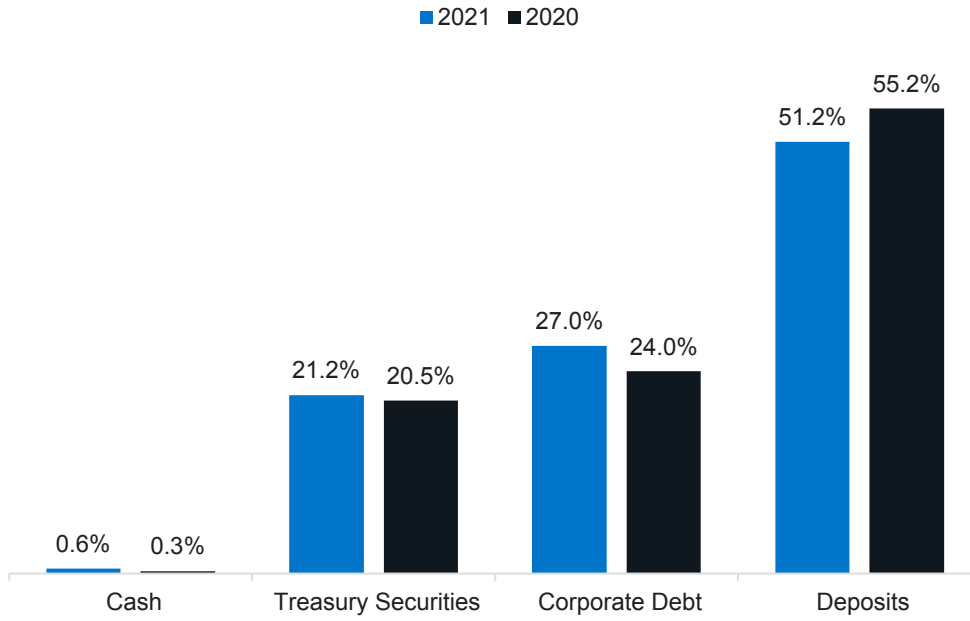
Fund Performance & Asset Allocation as at 31 December 2021

Fund Performance





Asset Allocation



Signed on behalf of the Fund Manager

24 MARCH 2022



In accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2001 (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 35 of the Regulations, to the Sanlam Money Market Fund;
- b) for the period 1 January 2021 to 31 December 2021, 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

23 MARCH 2022



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

Report on the financial statements

Opinion

We have audited the accompanying financial statements of Sanlam Money Market Fund (the "Fund") set out on pages 11 to 28 which comprise the statement of financial position at 31 December 2021 and the statements of profit or loss and other comprehensive income, changes in unit holders' balances and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sanlam Money Market Fund at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Capital Markets (Collective Investments Schemes) Regulations, 2001.

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 (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with 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.

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

Other information

The other information comprises Trustee and professional advisors, Report of the Trustee, Statement of Trustee's Responsibilities, Fund manager's report and the Report of the Custodian which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which are expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The Trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.



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

Other information (continued)

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 on the other information we have received prior to the date of this auditor's report 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.

When we read the rest of the other information in the Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 International Financial Reporting Standards and the requirements of Capital Markets Authority (Collective Investments Schemes) Regulations 2001, 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.



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

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

- 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.
- 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.

From the matters communicated with the trustees, 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 requirements

We confirm that the financial statements have been properly prepared in accordance with the Capital Markets Authority (Collective Investment Schemes) Regulations, 2001.

The Capital Markets Authority (Collective Investment Schemes) Regulations, 2001 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 explanations which, to the best of his knowledge and belief, are necessary for the purpose of his audit, or
- If the auditor is of the opinion that the information given in the report of the Fund Manager for that period is inconsistent with the accounts.

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

CPA Kang'e Saiti, Practising Certificate No.1652
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi

2022



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021 Shs'000	2020 Shs'000
Interest income	695,084	468,023
Amortised discount/ (premium) on bonds	99,532	(7,246)
Realised (loss) /gain on investments	(9,437)	5,096
	<hr/>	<hr/>
Total income	785,179	465,873
	<hr/>	<hr/>
Operating expenses	(128,670)	(73,846)
Increase in allowance for expected credit losses	(10,145)	(8,185)
	<hr/>	<hr/>
Profit before income tax	646,364	383,842
Income tax expense	-	-
	<hr/>	<hr/>
Profit for the year	646,364	383,842
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	646,364	383,842
	<hr/> <hr/>	<hr/> <hr/>



STATEMENT OF FINANCIAL POSITION

	2021 Shs'000	2020 Shs'000
ASSETS		
Deposits with financial institutions	4,361,994	3,430,419
Government securities	1,807,575	1,271,540
Commercial paper	116,354	253,183
Corporate bonds	2,176,694	1,235,413
Bank balances	52,222	20,957
	<hr/>	<hr/>
Total assets	8,514,839	6,211,512
	<hr/>	<hr/>
Liabilities		
Current liabilities		
Accrued expenses	5,136	3,824
Distribution payable	64,551	44,833
Due to related parties	9,903	7,175
	<hr/>	<hr/>
Liabilities (excluding unit holders' balances)	79,590	55,832
	<hr/>	<hr/>
Unit holders' balances	8,435,249	6,155,680
	<hr/>	<hr/>
Total liabilities	8,514,839	6,211,512
	<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 11 to 28 were approved for issue by the Trustee on 24 MARCH 2022 and signed on its behalf by:

Representing Trustee

JOE ALARO

Name



STATEMENT OF CHANGES IN UNIT HOLDERS' BALANCES

	2021	2020
	Shs'000	Shs'000
At start of year	6,155,680	2,653,720
Total comprehensive income for the year	646,364	383,842
<i><u>Transactions with unit holders:</u></i>		
Additional units purchased	7,593,589	5,955,456
Units liquidated	(5,960,384)	(2,837,338)
	<hr/>	<hr/>
Net balances of transactions with unit holders	1,633,205	3,118,118
	<hr/>	<hr/>
At end of year	8,435,249	6,155,680
	<hr/> <hr/>	<hr/> <hr/>



STATEMENT OF CASH FLOWS

	2021	2020
	Shs'000	Shs'000
Cash flows from operating activities		
Profit before income tax	646,364	383,842
<i>Changes in working capital:</i>		
- Accrued expenses	4,040	4,767
- Distribution payable	19,718	23,883
- Deposits with financial institutions	40,627	(1,183,216)
- Commercial paper	136,830	(134,043)
- Government securities	(536,035)	(674,959)
- Corporate bonds	(941,283)	(443,263)
Cash used in operations	(629,739)	(2,022,989)
Income tax paid	-	-
Net cash used in operating activities	(629,739)	(2,022,989)
Cash flows from financing activities		
Net contribution from unit holders	7,593,589	5,955,456
Liquidations by unit holders	(5,960,384)	(2,837,338)
Net cash generated from financing activities	1,633,205	3,118,118
Net increase in cash and cash equivalents	1,003,466	1,095,129
Cash and cash equivalents at start of year	1,922,952	827,823
Cash and cash equivalents at end of year	2,926,418	1,922,952

The full set of 2021 Audited Annual Report and Financial Statements is available on the Sanlam Investments East Africa Limited's website.



**Sanlam Fixed Income Fund (Formerly
Sanlam Dividend Plus Fund)**

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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Corporate Trustee

Stanbic Bank Kenya Limited

Stanbic Centre

1st Floor Chiromo Road, Westlands

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Nairobi, Kenya

Registered Office

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Nairobi, Kenya

Fund Manager

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P O Box 67262-00200

Nairobi, Kenya

Custodian

Stanbic Bank Kenya Limited

Stanbic Centre

2nd Floor Chiromo Road, Westlands

P O Box 72833-00200

Nairobi, Kenya

Independent Auditor

PricewaterhouseCoopers LLP

PwC Tower, Waiyaki Way/Chiromo Road

Westlands

P O Box 43963 - 00100

Nairobi, Kenya



The Trustee has the pleasure in submitting the Sanlam Fixed Income Fund (the “Fund”) report together with the audited financial statements for the year ended 31 December 2021.

ESTABLISHMENT, NATURE AND STATUS OF THE FUND

The Fund was established by a Trust Deed dated 11 September 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.

The primary objective of the Fund is to create long term wealth for investors with reinvestment of income cash flows.

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 an approved 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

The Fund's incorporation documents including the trust deed were amended during the year and approved by the Sanlam Unit Trust unitholders on 10 June 2021 at the Annual General Meeting.

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	2021 Shs	2020 Shs	2019 Shs	2018 Shs	2017 Shs
Highest bid price	8.58	8.74	8.93	10.55	10.57
Lowest bid price	8.16	8.44	8.59	8.76	9.62

b) Income distribution

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

Year	2021	2020	2019	2018	2017
Amount (Shs)	4,895,000	1,966,000	1,862,000	1,025,000	69,980,000



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	2021	2020	2019
Total Fund value (Shs)	47,533,000	35,443,000	15,506,000
Number of units in issue	6,100,229	4,265,981	1,860,829
Closing unit price (Shs)	8.16	8.49	8.68

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.

TERMS OF APPOINTMENT OF THE AUDITOR

PricewaterhouseCoopers LLP continues in office in accordance with the Fund's Trust Deed and Section 55(A) of the Capital Markets (Licensing Requirements) (General) Regulations, 2002.

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.

Signed on behalf of the Trustee

24 MARCH 2022



The Kenyan 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 prescribed financial reporting standards and the requirements of the Kenyan Capital Markets Act. They are 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 International Financial Reporting Standards and in the manner required by the Kenyan Capital Markets Act. 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.

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

Approved by the Trustee on 24 MARCH 2022 and signed on its behalf by:

Signed on behalf of the Trustee



Dear Unit Holder,

The Sanlam Fixed Income Fund's objective is to provide periodic cash flows while providing moderate capital growth. The fund's risk profile is higher than that of the Money Market Fund.

The Fund generated a return of 11.4% during the year supported by bond market performance and a higher allocation to corporate debt.

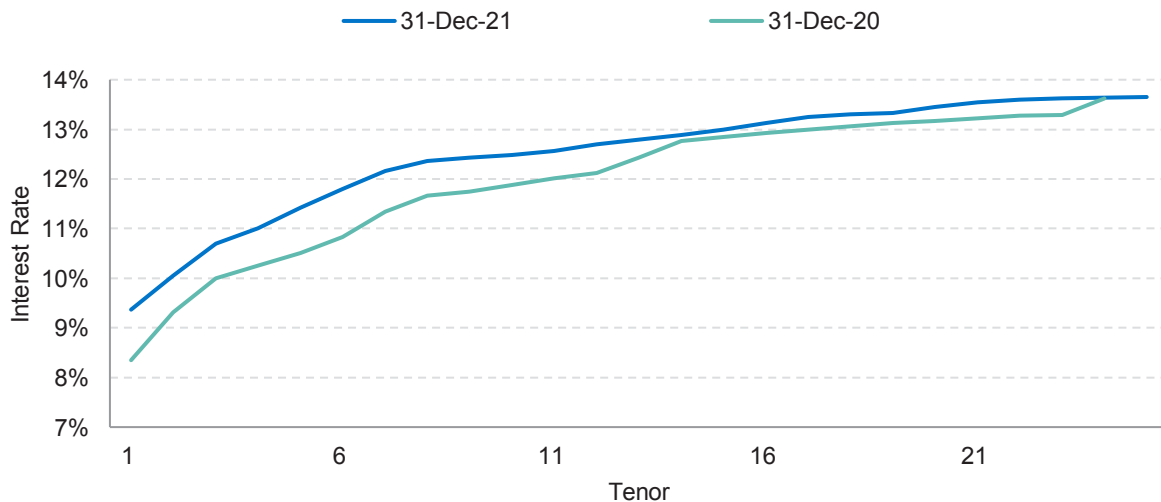
Review of Operating Environment and Outlook

Kenya's economy grew by 9.9% year on year (y/y) in 3Q 21 compared to a contraction of 2.1% y/y contraction in 3Q 20 according to the Kenya National Bureau of Statistics (KNBS). This followed another impressive growth of 10.1% in 2Q 21 coming off a contraction of 4.7% in 2Q 20. The Central Bank of Kenya (CBK) projects the economy to have grown by 6.4% in 2021 and expects a growth of 6.0% in 2022 supported by manufacturing, transport and accommodation sectors.

Headline inflation slowed 5.7% in December 2021 having peaked at 6.9% in September 2021 due to the high base in December 2020 and impact of fuel subsidy by the government. Core inflation (which excludes food) remained subdued at 2.0%. Inflation should remain well anchored below the CBK upper limit of 7.5% due to benign demand side pressure in 2022.

Interest rates rose gradually in 2021. The increase was higher in short term rates compared to long term rates. The upward movement was caused by an increase in domestic borrowing to bridge shortfalls in tax revenue collection. This led to a decline in bond prices during the year. The S&P Bond Index performance was up 9.8% in 2021 compared to 14.7% in 2020.

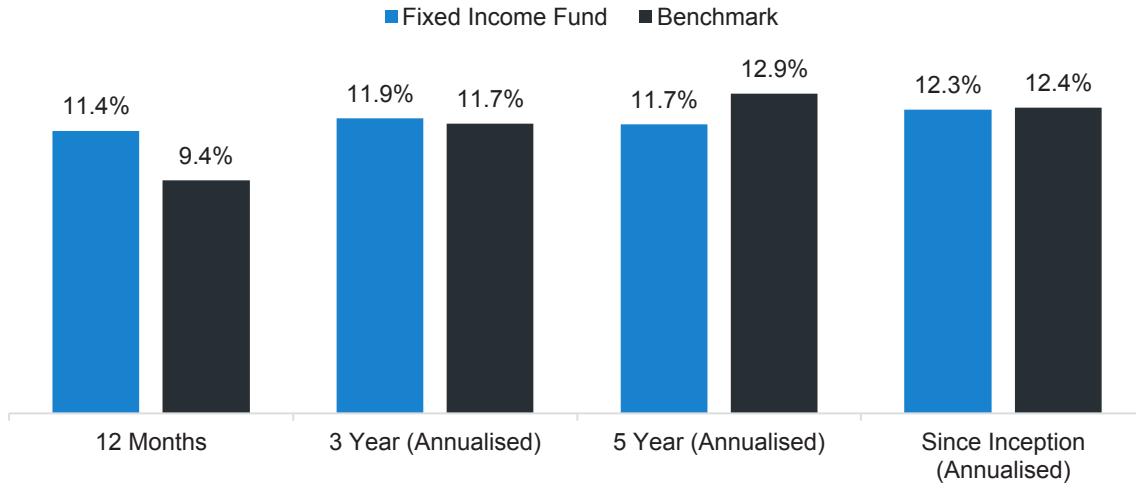
Nairobi Stock Exchange Yield Curve



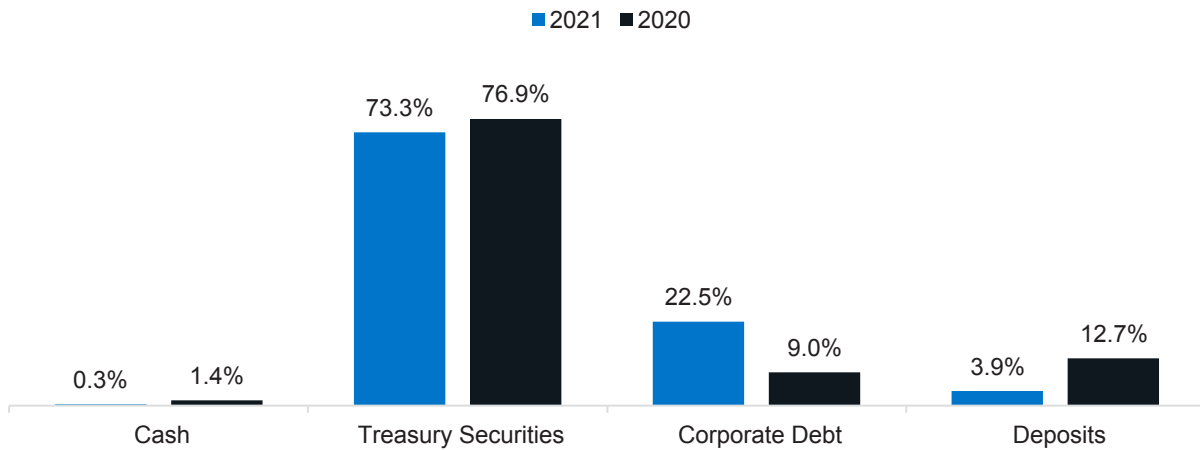


Fund Performance and Asset Allocation as at 31 December 2021

Fund Performance



Asset Allocation



Signed on behalf of the Fund Manager

24 MARCH 2022



In accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2001 (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 35 of the Regulations, to the Sanlam Fixed Income Fund;
- b) for the period 1 January 2021 to 31 December 2021, 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.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

Signed on behalf of the Custodian

23 MARCH 2022



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

Report on the financial statements

Opinion

We have audited the accompanying financial statements of Sanlam Fixed Income Fund (the "Fund") set out on pages 11 to 31 which comprise the statement of financial position at 31 December 2021 and the statements of profit or loss and other comprehensive income, changes in unit holders' balances and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sanlam Fixed Income Fund at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Capital Markets (Collective Investments Schemes) Regulations, 2001.

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 (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with 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.

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

Other information

The other information comprises Trustee and professional advisors, Report of the Trustee, Statement of Trustee's Responsibilities, Fund manager's report and the Report of the Custodian which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which are expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

Other information (continued)

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 on the other information we have received prior to the date of this auditor's report 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.

When we read the rest of the other information in the Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 International Financial Reporting Standards and the requirements of Capital Markets Authority (Collective Investments Schemes) Regulations 2001, 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.



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

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

- 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.
- 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.

From the matters communicated with the trustees, 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 requirements

We confirm that the financial statements have been properly prepared in accordance with the Capital Markets Authority (Collective Investment Schemes) Regulations, 2001.

The Capital Markets Authority (Collective Investment Schemes) Regulations, 2001 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 explanations which, to the best of his knowledge and belief, are necessary for the purpose of his audit, or
- If the auditor is of the opinion that the information given in the report of the Fund Manager for that period is inconsistent with the accounts.

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

CPA Kang'e Saiti, Practising Certificate No.1652
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi

25 March 2022



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021 Shs'000	2020 Shs'000
Interest income	4,895	2,738
Realised gain on investments	472	-
Unrealised loss on investments	(749)	(772)
Total income	4,618	1,966
Operating expenses	(1,331)	(470)
Increase in allowance for expected credit losses	(626)	(266)
Profit before taxation	2,661	1,230
Income tax expense	-	-
Profit for the year	2,661	1,230
Other comprehensive income	-	-
Total comprehensive income for the year	2,661	1,230



STATEMENT OF FINANCIAL POSITION

	2021 Shs'000	2020 Shs'000
ASSETS		
Government securities	36,973	28,197
Deposits with financial institutions	1,986	5,044
Corporate bonds	10,199	2,792
Bank balances	151	123
Due from related party	-	8
	<hr/>	<hr/>
Total assets	49,309	36,164
Liabilities		
Current liabilities		
Accrued expenses	325	86
Distribution payable	1,451	635
	<hr/>	<hr/>
Current liabilities (excluding unit holder balances)	1,776	721
	<hr/>	<hr/>
Unit holder balances	47,533	35,443
	<hr/>	<hr/>
Total liabilities	49,309	36,164

The financial statements on pages 11 to 31 were approved for issue by the Trustee on
24 MARCH 2022 and signed on its behalf by:

Representing Trustee

JOE ALARO

Name



STATEMENT OF CHANGES IN UNIT HOLDERS' BALANCES

	2021	2020
	Shs'000	Shs'000
Balance at 1 January	35,443	15,506
Total comprehensive income for the year	2,661	1,230
<i><u>Transactions with unit holders:</u></i>		
Additional units purchased	15,398	34,511
Units liquidated	(5,969)	(15,804)
Net balances of transactions with unit holders	9,429	18,707
Balance at 31 December	47,533	35,443



STATEMENT OF CASH FLOWS

	2021	2020
	Shs'000	Shs'000
Profit before income tax	2,661	1,230
<i>Changes in working capital</i>		
– Accrued expenses	239	3
– Distribution payable	816	203
– Government securities	(8,776)	(15,590)
– Corporate bonds	(7,407)	(2,019)
– Deposits with financial institutions	1,278	(2,061)
– Due from related party	8	(8)
	<hr/>	<hr/>
Cash used in operations	(11,181)	(18,242)
Income tax paid	-	-
	<hr/>	<hr/>
Net cash used in operating activities	(11,181)	(18,242)
	<hr/>	<hr/>
Cash flows from financing activities		
Net contribution from unit holders	15,398	34,511
Liquidations by unit holders	(5,969)	(15,804)
	<hr/>	<hr/>
Net cash generated from financing activities	9,429	18,707
	<hr/>	<hr/>
Net (decrease)/ increase in cash and cash equivalents	(1,752)	465
Cash and cash equivalents at start of year	3,106	2,641
	<hr/>	<hr/>
Cash and cash equivalents at end of year	1,354	3,106
	<hr/> <hr/>	<hr/> <hr/>

The full set of 2021 Audited Annual Report and Financial Statements is available on the Sanlam Investments East Africa Limited's website.



Sanlam Balanced Fund

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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Corporate Trustee

Stanbic Bank Kenya Limited

Stanbic Centre
1st Floor 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
2nd Floor Chiromo Road, Westlands
P O Box 72833-00200
Nairobi, Kenya

Independent Auditor

PricewaterhouseCoopers LLP

PwC Tower, Waiyaki Way/Chiromo Road
Westlands
P O Box 43963 - 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 2021.

ESTABLISHMENT, NATURE AND STATUS OF THE FUND

The Fund was established by a Trust Deed dated 11 September 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.

The primary objective of the Fund is to create long term wealth for investors with reinvestment of income cash flows.

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 an approved 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	2021 Shs	2020 Shs	2019 Shs	2018 Shs	2017 Shs
Highest bid price	17.08	15.37	15.08	15.03	14.22
Lowest bid price	15.34	14.18	13.40	13.30	12.77

b) 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	2021	2020	2019
Total Fund Value (Shs)	24,449,000	21,160,000	18,864,000
Number of units in issue	1,430,000	1,365,000	1,252,000
Closing unit price (Shs)	16.96	15.37	15.08

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.



INCOME DISTRIBUTION

The profit for the year of Shs 2,414,000 (2020: Shs 421,000) has been credited to the unitholders' accounts.

TERMS OF APPOINTMENT OF THE AUDITOR

PricewaterhouseCoopers LLP continues in office in accordance with the Fund's Trust Deed and Section 55(A) of the Capital Markets (Licensing Requirements) (General) Regulations, 2002.

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.

Signed on behalf of the Trustee

24 MARCH 2022



The Kenyan 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 prescribed financial reporting standards and the requirements of the Kenyan Capital Markets Act. They are 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 International Financial Reporting Standards and in the manner required by the Kenyan Capital Markets Act. 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.

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

Approved by the Trustee on 24 MARCH 2022 and signed on its behalf by:

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 15.4% supported by a strong rally of the domestic equity market and an increase in allocation to corporate debt that offer higher returns relative to fixed deposits.

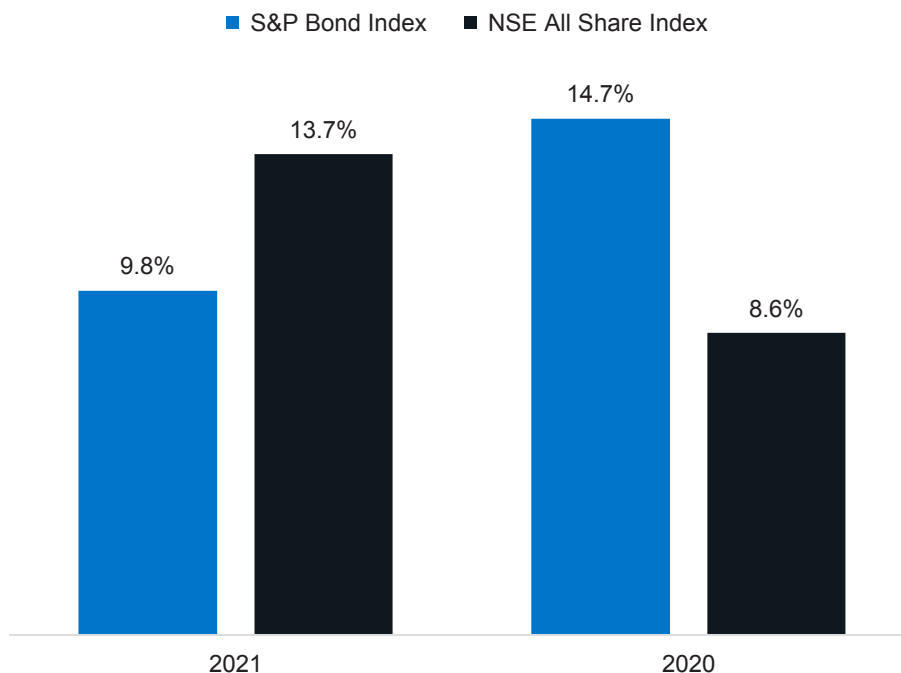
Review of Operating Environment and Outlook

Kenya's economy grew by 9.9% year on year (y/y) in 3Q 21 compared to a contraction of 2.1% y/y contraction in 3Q 20 according to the Kenya National Bureau of Statistics (KNBS). This followed another impressive growth of 10.1% in 2Q 21 coming off a contraction of 4.7% in 2Q 20. The Central Bank of Kenya (CBK) projects the economy to have grown by 6.4% in 2021 and expects a growth of 6.0% in 2022 supported by manufacturing, transport and accommodation sectors.

Headline inflation slowed 5.7% in December 2021 having peaked at 6.9% in September 2021 due to the high base in December 2020 and impact of fuel subsidy by the government. Core inflation (which excludes food) remained subdued at 2.0%. Inflation should remain well anchored below the CBK upper limit of 7.5% due to benign demand side pressure in 2022.

Interest rates rose gradually in 2021. The increase was higher in short term rates compared to long term rates. The upward movement was caused by an increase in domestic borrowing to bridge shortfalls in tax revenue collection. This led to a decline in bond prices during the year. The S&P Bond Index performance was up 9.8% in 2021 compared to 14.7% in 2020.

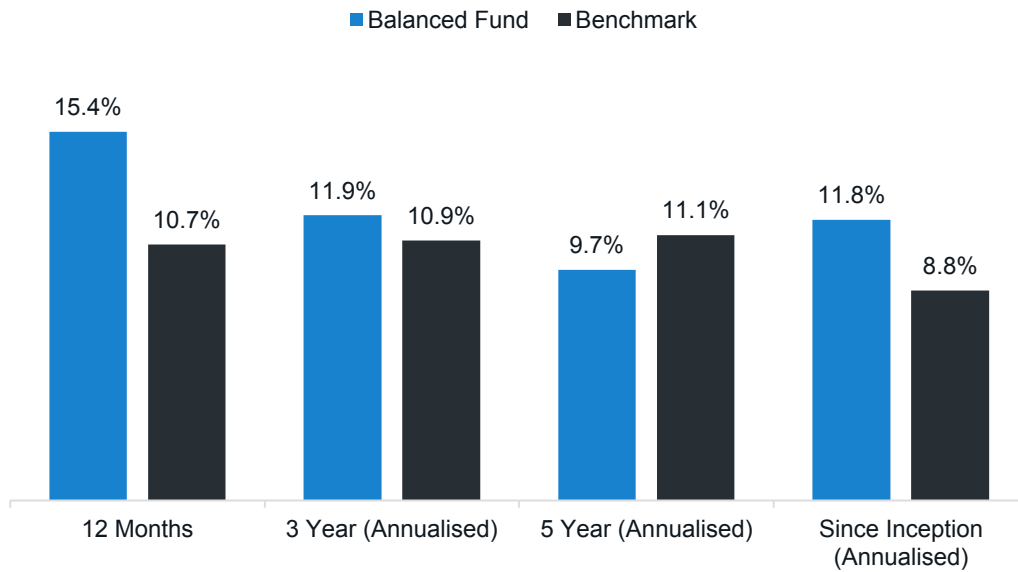
Kenyan equities had a total return of 13.7% (+9.4% price return and 4.3% dividend yield) supported by the improvement in business conditions in 2021. The equities market was however weaker by -6.6% in Q4 2021 on account of profit taking. Banking stocks across the investment universe registered strong earnings growth. As of September 2021, Equity Bank earnings grew +79% year on year, KCB earnings grew +131% and Absa Bank earnings were up +328%. This growth was supported by lower provisions for bad loans, revenue growth and increased operational efficiencies. We expect portfolio banks to sustain earnings growth and dividend payments to pick up.



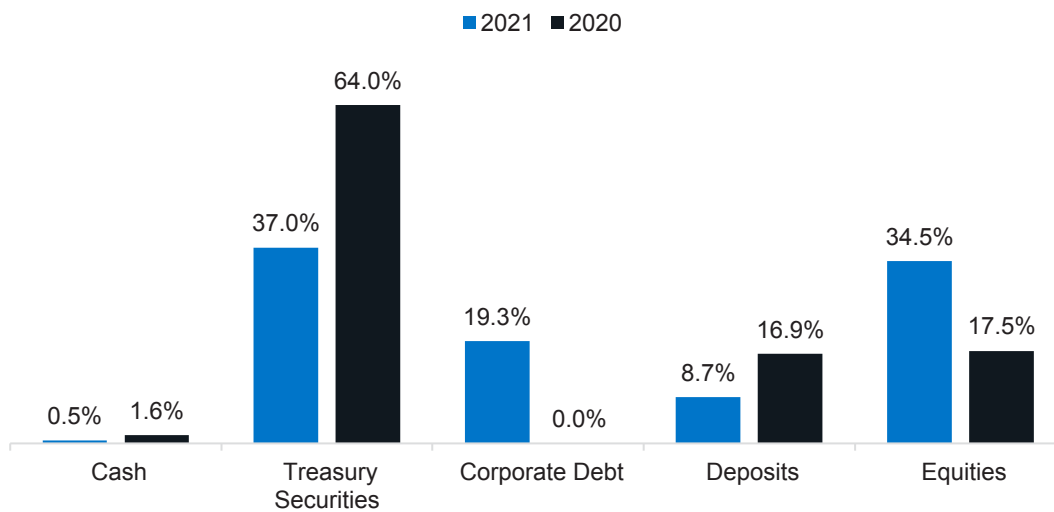


Fund Performance and Asset Allocation as at 31 December 2021

Fund Performance



Asset Allocation



Signed on behalf of the Fund Manager

24 MARCH

2022



In accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2001 (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 35 of the Regulations, to the Sanlam Balanced Fund;
- b) for the period 1 January 2021 to 31 December 2021, 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

23 MARCH 2022



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

Report on the financial statements

Opinion

We have audited the accompanying financial statements of Sanlam Balanced Fund (the "Fund") set out on pages 11 to 30 which comprise the statement of financial position at 31 December 2021 and the statements of profit or loss and other comprehensive income, changes in unit holders' balances and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sanlam Balanced Fund at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Capital Markets (Collective Investments Schemes) Regulations, 2001.

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 (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with 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.

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

Other information

The other information comprises Trustee and professional advisors, Report of the Trustee, Statement of Trustee's Responsibilities, Fund manager's report and the Report of the Custodian which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which are expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The Trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.



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

Other information (continued)

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 on the other information we have received prior to the date of this auditor's report 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.

When we read the rest of the other information in the Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 International Financial Reporting Standards and the requirements of Capital Markets Authority (Collective Investments Schemes) Regulations 2001, 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.



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

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

- 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.
- 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.

From the matters communicated with the trustees, 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 requirements

We confirm that the financial statements have been properly prepared in accordance with the Capital Markets Authority (Collective Investment Schemes) Regulations, 2001.

The Capital Markets Authority (Collective Investment Schemes) Regulations, 2001 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 explanations which, to the best of his knowledge and belief, are necessary for the purpose of his audit, or
- If the auditor is of the opinion that the information given in the report of the Fund Manager for that period is inconsistent with the accounts.

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

CPA Kang'e Saiti, Practising Certificate No.1652
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi

2022



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021 Shs'000	2020 Shs'000
Interest and dividend income	1,763	1,868
Realised gain on investments	1,785	147
Unrealised loss on investments	(276)	(1,103)
	<hr/>	<hr/>
Total income	3,272	912
	<hr/>	<hr/>
Operating expenses	(781)	(491)
Impairment losses on financial assets	(77)	-
	<hr/>	<hr/>
Profit before tax	2,414	421
Income tax expense	-	-
	<hr/>	<hr/>
Profit for the year	2,414	421
	<hr/>	<hr/>
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	2,414	421
	<hr/> <hr/>	<hr/> <hr/>



STATEMENT OF FINANCIAL POSITION

	2021 Shs'000	2020 Shs'000
ASSETS		
Government securities	9,152	13,493
Quoted ordinary shares	8,558	3,680
Deposits with financial institutions	2,160	3,953
Corporate bonds	4,700	-
Due from related party	-	9
Bank balances	129	93
	<hr/>	<hr/>
Total assets	24,699	21,228
	<hr/>	<hr/>
Liabilities		
Current liabilities		
Accrued expenses	250	68
	<hr/>	<hr/>
Liabilities (excluding unit holder balances)	250	68
	<hr/>	<hr/>
Unit Holder Balances	24,449	21,160
	<hr/>	<hr/>
Total liabilities	24,699	21,228
	<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 11 to 30 were approved for issue by the Trustee on 24 MARCH 2022 and signed on its behalf by:



Representing Trustee

JOE AARO

Name



STATEMENT OF CHANGES IN UNIT HOLDERS' BALANCES

	2021	2020
	Shs'000	Shs'000
At start of year	21,160	18,864
Total comprehensive income for the year	2,414	421
<i><u>Transactions with unit holders:</u></i>		
Additional units purchased	5,482	18,098
Units liquidated	(4,607)	(16,223)
	<hr/>	<hr/>
Net balances of transactions with unit holders	875	1,875
	<hr/>	<hr/>
At end of year	24,449	21,160
	<hr/>	<hr/>



STATEMENT OF CASH FLOWS

	2021 Shs'000	2020 Shs'000
Profit before income tax	2,414	421
<i>Changes in working capital</i>		
- Accrued expenses	182	(20)
- Quoted ordinary shares	(4,878)	63
- Government securities	4,342	1,161
- Deposits with financial institutions	1,046	(1,043)
- Due from related party	9	(9)
- Corporate bonds	(4,700)	-
	<hr/>	<hr/>
Cash (used in) / generated from operations	(1,585)	573
Income tax paid	-	-
	<hr/>	<hr/>
Net cash (used in) / generated from operating activities	(1,585)	573
	<hr/>	<hr/>
Cash flows from financing activities		
Net contribution from unit holders	5,482	18,098
Liquidations by unit holders	(4,607)	(16,223)
	<hr/>	<hr/>
Net cash generated from financing activities	875	1,875
	<hr/>	<hr/>
Net (decrease)/ increase in cash and cash equivalents	(710)	2,448
Cash and cash equivalents at start of year	3,003	555
	<hr/>	<hr/>
Cash and cash equivalents at end of year	2,293	3,003
	<hr/> <hr/>	<hr/> <hr/>

The full set of 2021 Audited Annual Report and Financial Statements is available on the Sanlam Investments East Africa Limited's website.



Sanlam Investments East Africa Limited

5th Floor, Africa Re Centre, Hospital Road, Upper Hill

P O Box 67262-00200

Nairobi, Kenya