



African Alliance Kenya Unit Trust Scheme

Annual financial statements  
for the year ended 31 December 2025



## African Alliance Kenya Unit Trust Scheme

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## African Alliance Kenya Unit Trust Scheme

### Management Company and Trustee's responsibilities and approval

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The Management Company and the Trustee are required by the Capital Markets (Collective Investment Schemes) Regulations, 2023 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Scheme as at 31 December 2025 and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards, the Trust Deeds and Capital Markets (Collective Investment Schemes) Regulations, 2023 and for such internal controls as the Management Company and Trustee determine as necessary to enable the preparation of the financial statements that are free from material misstatements whether due to fraud or error.

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

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

The external Trustee is responsible for independently reviewing and reporting on the Scheme's financial statements. The Unit Trust Funds report is on pages 8 - 12.

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

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

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

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

The financial statements set out on pages 14 - 132, which have been prepared on the going concern basis, were approved and authorised for issue by the Management Company and the Trustee on 17 March 2026:

*Fred Ouko*

Fred Ouko (Mar 25, 2026 08:37:44 GMT+3)

Stanbic Bank Kenya Limited  
(Trustee)

DocuSigned by:  
*[Signature]*  
B38F5687A507488

African Alliance Kenya Asset Management Limited  
(Management Company)

Date: 17 March 2026



**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF AFRICAN ALLIANCE UNIT TRUST SCHEME**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of African Alliance Kenya Unit Trust Scheme (the "Funds") set out on pages 14 to 132 comprising:

- i) African Alliance Kenya Equity Fund
- ii) African Alliance Fixed Income Fund
- iii) African Alliance Kenya Balanced Fund (Formerly African Alliance Kenya Managed Fund)
- iv) African Alliance Kenya Money Market Fund
- v) African Alliance Kenya Special Fund (Formerly African Alliance Kenya Enhanced Yield Fund)

The financial statements comprise of the respective Fund's statement of financial position as at 31 December 2025, statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of African Alliance Kenya Unit Trust Scheme Funds as at 31 December 2025, and of their financial performance and cash flows for the year then ended in accordance with IFRS<sup>®</sup> Accounting Standards and the Capital Markets (Collective Investment 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 Scheme in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountant (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 judgement, 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.



**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF AFRICAN ALLIANCE UNIT TRUST SCHEME (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Other information**

The trustee is responsible for the other information. The other information comprises the Trustee's Report, the statement of the Trustee's responsibilities, the Fund managers' Report and the Custodian's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Responsibilities of the management company and the trustee for the financial statements**

The management company and the trustee are responsible for the preparation of the financial statements that give a true and fair view in accordance with the IFRS<sup>®</sup> Accounting Standards and the Capital Markets (Collective Investment Schemes) regulations, 2023, and for such internal control as the management company and the trustee determine 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 management company and the trustee are responsible for assessing the Funds' 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 management company and the trustee either intends to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

The management company and the trustees are responsible for overseeing the Funds' 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF AFRICAN ALLIANCE UNIT TRUST SCHEME (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- 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 trustees.
- Conclude on the appropriateness of director'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 management company and 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 management company and the trustee 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 those charged with governance, 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 OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF AFRICAN ALLIANCE UNIT TRUST SCHEME (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Report on Other Legal and Regulatory Requirements**

We confirm that the financial statements have been properly prepared in accordance with the Capital Markets Authority (Collective Investment Schemes) Regulations, 2023.

We also report to you on the following matters:

- If we are 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 we have not been given all the information and explanation which, to the best of his knowledge and belief, are necessary for the purpose of our audit; or
- If we are 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.

**The engagement partner responsible for the audit resulting in this independent auditor's report is FCPA Chaudhry Mohamed Asif, Practicing certificate P/No. 2059.**

Signed by Asif Chaudhry  
Date: 2026.03.26 14:44:23

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**For and on behalf of PKF Kenya LLP  
Certified Public Accountants  
Nairobi, Kenya**

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**2026**

**225/26**



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## African Alliance Kenya Unit Trust Scheme

### Unit Trust Funds report

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The Trustee has the pleasure in presenting its report for African Alliance Kenya Unit Trust Scheme for the year ended 31 December 2025.

#### The unit portfolios

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

##### **African Alliance Kenya Equity Fund**

Date of establishment: 03 January 2007

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

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

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

##### **African Alliance Kenya Fixed Income Fund**

Date of establishment: 14 January 2003

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

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

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

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

Date of establishment: 14 January 2003

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

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

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

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



## African Alliance Kenya Unit Trust Scheme

### Unit Trust Funds report

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#### The unit portfolios (continued)

##### **African Alliance Kenya Money Market Fund**

Date of establishment: 14 January 2003

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

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

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

##### **African Alliance Kenya Enhanced Yield Fund**

Date of establishment: 4 January 2017

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

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

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

The Fund became operational in September 2018.

The Fund Manager, having obtained the requisite approvals from both the Scheme Trustees and the Capital Markets Authority, has amended the incorporating documents to rename the Fund and revise its investment objectives, thereby designating it as a Special Fund. In line with this re designation, the supplemental deeds were further modified to adjust the fund's risk appetite parameters, aligning them with the statutory investment restrictions and the approved investment objectives of the Fund.

The Capital Markets Authority granted formal approval on 9<sup>th</sup> March 2026, following which the Fund Manager issued notices to all affected unit holders and stakeholders advising them of the change.

#### **1. Trustee and custodian**

The Trustee and Custodian in office as at 31 December 2025 and throughout the period, in compliance with the Capital Markets Act Chapter 485A, is as follows:

Name: Stanbic Bank Kenya Limited

Business Address: Stanbic Centre  
Chiromo Road  
Nairobi  
Kenya

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



## African Alliance Kenya Unit Trust Scheme

### Unit Trust Funds report

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#### 2. Management company

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

The address of the Management Company is as follows:

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

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

#### 3. Portfolio Managers, investment administrators and advisors

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

#### 4. Review of activities

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

	<u>African Alliance Kenya Equity Fund</u>	<u>African Alliance Kenya Fixed Income Fund</u>	<u>African Alliance Kenya Balanced Fund</u>	<u>African Alliance Kenya Money Market Fund</u>	<u>African Alliance Kenya Enhanced Yield Fund</u>
<b>31 December 2025</b>					
Income	19 293 577	40 046 769	55 536 414	42 949 234	15 987 102
Expenditure	5 695 019	10 280 202	10 547 580	11 267 882	4 252 339
Operating profit excluding fair value adjustments	13 598 558	29 766 567	44 988 834	31 681 352	11 734 763
<b>31 December 2024</b>					
Income	20 060 503	47 467 562	56 364 882	49 374 599	17 434 779
Expenditure	5 100 443	9 799 871	10 048 722	8 662 302	3 448 110
Operating profit excluding fair value adjustments	14 960 060	37 667 691	46 316 160	40 712 297	13 986 669



## African Alliance Kenya Unit Trust Scheme

### Unit Trust Funds report

#### 4. Review of activities (continued)

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

#### Fund distributions

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

	African Alliance Kenya Equity Fund	African Alliance Kenya Fixed Income Fund	African Alliance Kenya Balanced Fund	African Alliance Kenya Money Market Fund	African Alliance Kenya Enhanced Yield Fund
31 December 2025	13 717 786	29 766 569	44 988 854	31 681 352	11 734 763
31 December 2024	15 034 199	37 667 692	46 316 160	40 712 298	13 986 670
31 December 2023	10 551 153	33 249 392	40 679 344	21 598 416	7 194 060
31 December 2022	11 233 183	40 596 673	47 479 219	13 352 712	4 495 611
31 December 2021	5 139 461	40 205 723	41 066 642	10 968 249	1 571 105

#### Open derivative positions

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

#### Stock lending

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



## African Alliance Kenya Unit Trust Scheme

### Unit Trust Funds report

#### 4. Review of activities (continued)

##### Net asset values

	African Alliance Kenya Equity Fund	African Alliance Kenya Fixed Income Fund	African Alliance Kenya Balanced Fund	African Alliance Kenya Money Market Fund	African Alliance Kenya Enhanced Yield Fund
<b>31 December 2025</b>					
Net asset value for fund pricing	148 958 959	312 601 065	608 654 663	396 666 867	139 961 869
Units in issue	744 422	27 652 298	28 169 661	396 666 868	1 399 619
Net asset value per unit	200,10	11,30	21,61	1,00	100,00
<b>31 December 2024</b>					
Net asset value for fund pricing	184 361 285	333 909 025	520 039 469	368 427 011	145 526 008
Units in issue	1 220 436	30 958 360	27 189 170	368 427 012	1 455 260
Net asset value per unit	151,06	10,79	19,13	1,00	100,00
<b>31 December 2023</b>					
Net asset value for fund pricing	139 228 265	323 957 376	497 344 631	233 609 593	81 634 539
Units in issue	1 178 635	32 836 491	29 006 046	233 609 594	813 645
Net asset value per unit	118,13	9,87	17,15	1,00	100,00
<b>31 December 2022</b>					
Net asset value for fund pricing	232 566 548	403 363 786	647 671 486	187 347 121	53 347 954
Units in issue	1 648 313	38 352 337	35 261 099	187 347 122	533 479
Net asset value per unit	141,09	10,52	18,37	1,00	100,00
<b>31 December 2021</b>					
Net asset value for fund pricing	342 541 614	475 319 617	817 646 025	167 960 335	36 615 307
Units in issue	2 079 600	43 545 910	40 725 716	167 960 336	366 153
Net asset value per unit	164,72	10,92	20,08	1,00	100,00

##### Unit prices

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

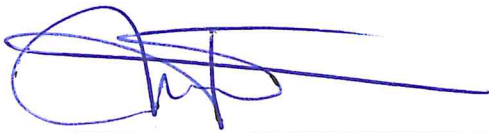
<b>31 December 2025</b>					
Highest unit price	212,42	11,81	21,61	1,00	100,00
Lowest unit price	149,33	10,80	19,22	1,00	100,00
<b>31 December 2024</b>					
Highest unit price	156,24	11,36	20,08	1,00	100,00
Lowest unit price	117,73	9,85	17,12	1,00	100,00
<b>31 December 2023</b>					
Highest unit price	144,24	10,82	18,71	1,00	100,00
Lowest unit price	113,02	9,87	17,15	1,00	100,00
<b>31 December 2022</b>					
Highest unit price	167,06	11,14	20,27	1,00	100,00
Lowest unit price	133,03	10,52	18,37	1,00	100,00
<b>31 December 2021</b>					
Highest unit price	178,31	11,47	21,05	1,00	100,00
Lowest unit price	146,25	10,92	19,39	1,00	100,00

# Custodian's report

**African Alliance Kenya Unit Trust Scheme**  
**Report of the Custodian**  
**For the year ended 31 December 2025**

a) In accordance with the Capital Markets (Collective Investments Schemes) Regulations, 2023 (the regulations) and the Custody Agreement between **Stanbic Bank Kenya Limited** as the custodians and **African Alliance Kenya Asset Management Limited** as the Fund manager, we confirm that we have discharged the duties prescribed for a Custodian under Regulation 68 of the regulations, to **African Alliance Kenya Unit Trust Scheme**;

b) for the period 1 January 2025 to 31 December 2025, we have held the assets for the **African Alliance Kenya Unit Trust Scheme**; including securities and income that accrue thereof, to the order of the Trustees and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund manager.



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**Stanbic Bank Kenya Limited**  
**(Custodian)**

Date:

24<sup>TH</sup> MARCH 2026

Stanbic Bank Kenya Ltd.  
Custody Dept.  
P. O. Box 30550 - 00100  
Nairobi



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**Stanbic Bank Kenya Limited**  
**(Custodian)**



## African Alliance Kenya Unit Trust Scheme

### Accounting policies

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#### 1. Basis of accounting

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

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

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

#### Summary of significant accounting policies

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

#### 1.1 Significant accounting judgments, estimates and assumptions

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

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

#### Judgments

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

#### Going concern

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

#### Estimates and assumptions

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

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



## African Alliance Kenya Unit Trust Scheme

### Accounting policies

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#### Fair value of financial instruments

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

#### 1.2 Financial instruments

##### Initial recognition and measurement

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

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

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

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

##### Impairment of financial assets

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

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

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

##### Measurement and recognition of expected credit losses

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

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

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



## African Alliance Kenya Unit Trust Scheme

### Accounting policies

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#### 1.2 Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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



## African Alliance Kenya Unit Trust Scheme

### Accounting policies

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#### 1.2 Financial instruments (continued)

##### Write off policy

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

##### Accounts and other receivables

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

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

##### Accounts and other payables

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

##### Cash and cash equivalents

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

##### Bank overdraft and other financial liabilities

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

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



## African Alliance Kenya Unit Trust Scheme

### Accounting policies

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#### 1.2 Financial instruments (continued)

##### Derecognition

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

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

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

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

##### Offsetting

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

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

#### 1.3 Functional and presentation currency

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

#### 1.4 Foreign currency

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

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

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

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



## African Alliance Kenya Unit Trust Scheme

### Accounting policies

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#### 1.6 Redeemable participating units

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

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

#### 1.7 Cash and cash equivalents

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

#### 1.8 Distributions to unit holders

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

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

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

#### 1.9 Interest income

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

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

#### 1.10 Dividend income

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

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

#### 1.11 Fees

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



## African Alliance Kenya Unit Trust Scheme

### Accounting policies

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#### 1.12 Income taxes

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

#### 1.13 Changes in accounting policies and disclosures

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

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

#### 1.14 New and amended standards and interpretations adopted by the Scheme

##### Amendments mandatorily effective for the year ended 31 December 2025

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

- Lack of exchangeability - amendments to IAS 21

##### **Lack of exchangeability - amendments to IAS 21**

The amendments to IAS 21 are effective for annual reporting periods beginning on or after 1 January 2025. The amendments clarify how an entity determines whether a currency is exchangeable into another currency and, when it is not exchangeable,

how to determine the spot exchange rate to use and the related disclosures required. The amendments introduce guidance on the definition of exchangeability, determining the appropriate spot exchange rate when a currency is not exchangeable and the

related qualitative and quantitative disclosures where exchangeability restrictions exist. The Scheme adopted the amendments on 1 January 2025.

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



## African Alliance Kenya Unit Trust Scheme

### Accounting policies

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#### 1.14 New and amended standards and interpretations (continued)

##### **Not yet mandatorily effective for the year ending 31 December 2025**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2026, and have not been applied in preparing the financial statements. Those which may be relevant to the Scheme are set out below. The Scheme does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

##### **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18, effective for annual reporting periods beginning on or after 1 January 2027, replaces IAS 1 Presentation of Financial Statements. The standard introduces defined categories and new subtotals in the statement of profit or loss, requires disclosures about management defined performance measures and provides enhanced guidance on aggregation and disaggregation of information in the financial statements.

The Scheme is assessing the detailed impact of IFRS 18 on the presentation and disclosure of its primary financial statements. The Scheme expects that IFRS 18 will affect the presentation and disclosure of its financial statements, including the introduction of new defined subtotals in the statement of profit or loss and additional disclosures regarding management defined performance measures.

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

##### **Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments**

The amendments, effective for annual reporting periods beginning on or after 1 January 2026, clarify certain aspects of the classification and measurement of financial instruments. In particular, the amendments provide additional guidance on the assessment of contractual cash flow characteristics, including the SPPI assessment, for financial assets with environmental, social and governance and similar features, and clarify the derecognition requirements for financial liabilities settled through electronic payment systems.

The Scheme expects to adopt these amendments for the first time in the financial statements for the year ending 31 December 2026.

Based on the Scheme's current portfolio of financial assets and financial liabilities, which does not include ESG linked features or settlement arrangements that defer derecognition, it is unlikely that the amendment will have a material impact on the Scheme's annual financial statements.



African Alliance Kenya Equity Fund  
Annual Financial Statements  
for the year ended 31 December 2025



## African Alliance Kenya Equity Fund

### Statement of Financial Position as at 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Assets</b>			
Financial assets at fair value through profit or loss	1	123 860 381	149 421 184
Other receivables		213 707	1 458 812
Dividend receivable		-	286 214
Trade settlement receivable		343 533	-
Cash and cash equivalents	2	31 084 993	41 018 983
<b>Total Assets</b>		<b>155 502 614</b>	<b>192 185 193</b>
<b>Liabilities</b>			
Management fees	11	299 130	366 255
Other payables		254 603	364 189
Custody fees	11	42 758	42 147
Distribution payable	7	5 606 686	6 316 488
Audit fees		310 429	696 741
Trustee fees	11	30 049	38 087
<b>Total Liabilities</b>		<b>6 543 655</b>	<b>7 823 907</b>
<b>Net assets attributable to unit holders</b>		<b>148 958 959</b>	<b>184 361 286</b>
<b>Represented by:</b>			
<b>Net assets attributable to unit holders</b>		<b>148 958 959</b>	<b>184 361 286</b>

The notes on pages 27 to 42 form an integral part of the annual financial statements.



## African Alliance Kenya Equity Fund

### Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Income</b>			
Dividend income		19 596 459	14 778 409
Interest income	4	3 332 239	5 331 146
Fair value adjustments	1	56 933 693	39 653 850
Income equalisation	5	(3 635 121)	(49 052)
<b>Total income</b>		<b>76 227 270</b>	<b>59 714 353</b>
<b>Expenses</b>			
Management fees	11	(4 470 636)	(3 699 372)
Custody fees	11	(552 683)	(388 375)
Trustee fees	11	(331 262)	(315 809)
Audit fees		(182 819)	(561 320)
Sundry expenses		(157 619)	(135 567)
<b>Total expenses</b>		<b>(5 695 019)</b>	<b>(5 100 443)</b>
Operating profit before distribution		70 532 251	54 613 910
Distribution to unit holders	6	(13 717 786)	(15 034 199)
<b>Increase in net assets attributable to unit holders</b>		<b>56 814 465</b>	<b>39 579 711</b>

The notes on pages 27 to 42 form an integral part of the annual financial statements.



## African Alliance Kenya Equity Fund

### Statement of changes in net assets attributable to unit holders for the year ended 31 December 2025

	notes	Net assets attributable to unit holders	Number of units	Net asset value per unit
Figures in Shillings				
Balance at 01 January 2024		139 228 265	1 178 635	118.13
<b>Contributions and redemptions by unit holders</b>				
Issue of units during the year	8	15 364 531	117 760	-
Redemption of units during the year	8	(9 811 222)	(75 959)	
Increase in net assets attributable to unit holders		39 579 711		
<b>Balance at 31 December 2024</b>	9	<b>184 361 285</b>	<b>1 220 436</b>	<b>151.06</b>
<b>Balance at 01 January 2025</b>				
<b>Contributions and redemptions by unit holders</b>				
Issue of units during the year	8	<b>19 421 013</b>	<b>115 693</b>	-
Redemption of units during the year	8	<b>(111 637 804)</b>	<b>(591 707)</b>	
Increase in net assets attributable to unit holders		<b>56 814 465</b>	-	
<b>Balance at 31 December 2025</b>	9	<b>148 958 959</b>	<b>744 422</b>	<b>200.10</b>

The notes on pages 27 to 42 form an integral part of the annual financial statements.



## African Alliance Kenya Equity Fund

### Statement of Cash Flows for the year ended 31 December 2025

Figures in Shillings	Note(s)	2025 Unaudited	2024 Audited
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial assets at fair value through profit or loss		<b>91 255 094</b>	10 000 000
Payments for acquisition of financial assets at fair value through profit or loss	1	<b>(9 104 131)</b>	(10 000 000)
Interest received		<b>4 577 343</b>	4 412 205
Dividend received		<b>19 882 672</b>	14 624 294
Custody fees paid		<b>(552 071)</b>	(376 238)
Trustee fees paid		<b>(339 300)</b>	(287 100)
Management fees paid		<b>(4 537 761)</b>	(3 614 948)
Audit fees paid		<b>(569 132)</b>	(581 018)
Other operating expenses paid		<b>(267 205)</b>	(94 640)
<b>Net cash generated from investing activities</b>		<b>100 345 509</b>	14 082 555
<b>Cash flows from financing activities</b>			
Proceeds on issue of units	8	<b>5 100 372</b>	3 696 280
Payment on redemption of units	8	<b>(115 319 743)</b>	(9 899 262)
Distributions paid to unit holders	7	<b>(60 129)</b>	(50 998)
<b>Net cash used in financing activities</b>		<b>(110 279 500)</b>	(6 253 980)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(9 933 991)</b>	7 828 575
Cash and cash equivalents at the beginning of the year		<b>41 018 984</b>	33 190 408
<b>Cash and cash equivalents at the end of the year</b>	2	<b>31 084 993</b>	<b>41 018 983</b>

The notes on pages 27 to 42 form an integral part of the annual financial statements.



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>1. Financial assets at fair value through profit or loss</b>		
Listed equities	123 860 381	149 421 184
	<b>123 860 381</b>	<b>149 421 184</b>
Opening balance	149 421 184	109 767 334
Additions	8 760 598	10 000 000
Disposal	(79 864 145)	(10 000 000)
Unrealised fair value movement	45 542 744	39 653 850
<b>Closing balance</b>	<b>123 860 381</b>	<b>149 421 184</b>

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

Unrealised	45 542 744	39 653 850
Realised	11 390 949	-
	<b>56 933 693</b>	<b>39 653 850</b>

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

## 2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and liquid investments	31 084 993	41 018 983
Analysed as:		
Money market investments	20 392 481	18 501 149
Cash at bank	10 692 512	22 517 834
	<b>31 084 993</b>	<b>41 018 983</b>

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

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



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 3. Fair value of financial instruments

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

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

	Level 1	Level 2	Level 3	Total
<b>2025</b>				
<b>Listed equities</b>				
Bank of Baroda Uganda Limited	17 316 844	-	-	17 316 844
British American Tobacco Kenya Limited	5 066 442	-	-	5 066 442
Liberty Kenya Holdings Limited	608 293	-	-	608 293
Development Finance Company of Uganda Limited	2 615 883	-	-	2 615 883
Equity Group Holdings Limited	13 811 042	-	-	13 811 042
Flame Tree Group Holdings Limited	663 692	-	-	663 692
Kengen Company Limited	3 504 033	-	-	3 504 033
Kenya Commercial Bank Limited	19 224 774	-	-	19 224 774
Safaricom Limited	11 758 022	-	-	11 758 022
Stanbic Bank Uganda Limited	17 290 264	-	-	17 290 264
The Co-Operative Bank of Kenya Limited	17 054 843	-	-	17 054 843
The Standard Chartered Bank of Kenya Limited	12 014 845	-	-	12 014 845
UMEME Limited (Kenya)	306 474	-	-	306 474
UMEME Limited (Uganda)	2 624 930	-	-	2 624 930
	<b>123 860 381</b>	-	-	<b>123 860 381</b>



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 3. Fair value of financial instruments (continued)

	Level 1	Level 2	Level 3	Total
<b>2024</b>				
Listed equities				
Bamburi Cement Limited	4 757 225	-	-	4 757 225
Bank of Baroda Uganda Limited	8 076 604	-	-	8 076 604
British American Tobacco Kenya Limited	9 223 280	-	-	9 223 280
Liberty Kenya Holdings Limited	661 146	-	-	661 146
Development Finance Company of Uganda Limited	1 926 470	-	-	1 926 470
Equity Bank Limited	22 208 002	-	-	22 208 002
Flame Tree Group Holdings Limited	939 410	-	-	939 410
Kengen Company Limited	1 602 798	-	-	1 602 798
Kenya Commercial Bank Limited	27 029 974	-	-	27 029 974
Safaricom Limited	15 714 235	-	-	15 714 235
Stanbic Bank Uganda Limited	11 084 290	-	-	11 084 290
The Co-Operative Bank of Kenya Limited	26 031 286	-	-	26 031 286
The Standard Chartered Bank of Kenya Limited	14 272 845	-	-	14 272 845
UMEME Limited (Kenya)	1 458 775	-	-	1 458 775
UMEME Limited (Uganda)	4 434 844	-	-	4 434 844
	<b>149 421 184</b>	-	-	<b>149 421 184</b>

#### 4. Interest income

Cash at bank	<b>1 734 251</b>	2 876 664
Money market investments	<b>1 597 988</b>	2 454 482
	<b>3 332 239</b>	5 331 146

#### 5. Income equalisation

Income equalisation on issue of units	<b>46 818</b>	38 988
Income equalisation on redemption of units	<b>(3 681 939)</b>	(88 040)
<b>Net expense for the year</b>	<b>(3 635 121)</b>	(49 052)

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



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings			2025	2024
<b>6. Distribution to unit holders</b>				
Distributions declared at:	2025	2024		
June	<b>6.37</b>	7.17	<b>8 111 100</b>	8 717 711
December	<b>7.53</b>	5.18	<b>5 606 686</b>	6 316 488
			<b>13 717 786</b>	15 034 199
<b>7. Distribution paid to unit holders</b>				
Opening balance			<b>(6 316 488)</b>	(3 040 526)
Distribution for the year (Note 6)			<b>(13 717 786)</b>	(15 034 199)
Closing balance			<b>5 606 686</b>	6 316 488
			<b>(14 427 588)</b>	(11 758 237)
Distribution re-invested			<b>14 367 459</b>	11 707 239
Distribution paid			<b>60 129</b>	50 998
			<b>14 427 588</b>	11 758 237
<b>8. Issue and redemption of unit during the year</b>				
Units created during the year			<b>19 421 013</b>	15 364 531
Income equalisation adjustment (Note 5)			<b>46 818</b>	38 988
Distribution reinvested (Note 7)			<b>(14 367 459)</b>	(11 707 239)
<b>Proceeds from issue of units</b>			<b>5 100 372</b>	3 696 280
Units redeemed during the year			<b>(111 637 804)</b>	(9 811 222)
Income equalisation adjustment (Note 5)			<b>(3 681 939)</b>	(88 040)
<b>Payment on redemption of units</b>			<b>(115 319 743)</b>	(9 899 262)
<b>9. Redeemable participating units</b>				
The Fund's capital is represented by these redeemable participating units. Quantitative information about the Fund's capital is provided in the Statement of changes in net assets attributable to unit holders.				
Each unit issued confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unit holders have various rights under the Fund's Trust Deed, including the right to				
•• have their units redeemed at a proportionate unit price, based on the Fund's net asset value per unit on the redemption date,				



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>9. Redeemable participating units (continued)</b>		
<ul style="list-style-type: none"> <li>• receive income distributions, and</li> <li>• participate in the termination and winding up of the Fund.</li> </ul>		
The rights, obligations and restrictions attached to each unit are identical in all respects.		
For the purpose of issue and redemption of units, the net assets attributable to unit holders are calculated in accordance with the Fund's Trust Deed.		
<b>10. Capital management</b>		
As a result of the ability to issue and redeem units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable units beyond those included in the Fund's constitution.		
The Fund's objectives for managing capital are:		
<ul style="list-style-type: none"> <li>• to invest in instruments meeting the description, risk exposure and expected return indicated in its Trust Deed</li> <li>• to achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in other capital markets and by using various investment strategies,</li> <li>• to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise, and</li> <li>• to maintain sufficient size to make the operation of the Fund cost-efficient</li> </ul>		
Refer to Note 12, financial risk management objectives and policies, for the policies and processes applied by the Fund in managing its capital.		
<b>11. Related parties</b>		
Relationships		
<b>Relationship - Trustee and Custodian</b>		
Stanbic Bank Kenya Limited, a company incorporated in the Republic of Kenya, provides trustee and custodian services to the Fund and receives, in return, a monthly fee.		
Custodian fees payable	42 758	42 147
Trustee fees payable	30 049	38 087
Custody fees charged for the year	552 683	388 375
Trustee fees charged for the year	331 262	315 809
<b>Investments held with Stanbic Bank Kenya Limited:</b>		
Cash at bank	2 692 511	2 517 834
Call deposit	-	-



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 11. Related parties (continued)

##### Relationship - Management Company

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

Management fees payable	299 130	366 255
Management fees charged for the year	<b>4 470 636</b>	3 699 372

##### Investment in the Fund made by the Fund Investment Manager:

	Number of units held	Value of units held	% of units held	Distribution to unit holders	Distribution payable
<b><u>African Alliance Kenya Asset Management Limited</u></b>					
Opening balance - 01 January 2024	2 329	280 969	0.20	-	5 414
Units acquired	162	21 026			
Units disposed	(1 732)	(228 662)			
Closing balance 31 December 2024	<u>759</u>	<u>118 439</u>	0.06	21 026	3 611
Opening balance - 01 January 2025	<b>759</b>	<b>118 439</b>	<b>0.06</b>	-	<b>3 611</b>
Units acquired	<b>49</b>	<b>8 242</b>			
<b>Closing balance 31 December 2025</b>	<b><u>808</u></b>	<b><u>167 651</u></b>	<b>0.11</b>	<b>8 242</b>	<b>5 678</b>



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 11. Related parties (continued)

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

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

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
Opening balance - 01 January 2024	814 630	98 330 914	69.12	-	2 101 499
Units acquired	81 446	10 650 638			
Units disposed	(69 398)	(9 000 000)			
Closing balance 31 December 2024	826 678	129 158 012	69.74	8 134 352	4 278 553
Opening balance - 01 January 2025	<b>826 678</b>	<b>129 158 012</b>	<b>69.74</b>		<b>4 278 553</b>
Units acquired	<b>77 328</b>	<b>12 967 742</b>			
Units disposed	<b>(589 850)</b>	<b>(115 000 000)</b>			
<b>Closing balance 31 December 2025</b>	<b>314 156</b>	<b>65 229 022</b>	<b>42.20</b>	<b>9 776 761</b>	<b>2 366 105</b>

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

##### African Alliance Kenya Money Market Fund

Opening balance - 01 January 2024	16 023 375	16 023 375	6.86	-	176 103
Units acquired	2 477 774	2 477 774			
Closing balance 31 December 2024	18 501 149	18 501 149	5.02	2 281 750	181 113
Opening balance - 01 January 2025	<b>18 501 149</b>	<b>18 501 149</b>	<b>5.02</b>		<b>181 113</b>
Units acquired	<b>1 891 332</b>	<b>1 891 332</b>			
<b>Closing balance 31 December 2025</b>	<b>20 392 481</b>	<b>20 392 481</b>	<b>5.14</b>	<b>1 668 014</b>	<b>111 137</b>



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 12. Financial risk management objectives and policies

##### Introduction

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

##### Risk management structure

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

##### Risk measurement and reporting system

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

##### Risk mitigation

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

##### Excessive risk concentration

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

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

##### Market risk

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

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



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 12. Financial risk management objectives and policies (continued)

##### Interest rate risk

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

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

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

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

	Change in basis points	Sensitivity of interest income
31 December 2024	+/- 10	+/- 41 019
<b>31 December 2025</b>	<b>+/- 10</b>	<b>+/- 23 736</b>

##### Currency risk

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

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

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

	Change in currency rate (%)	Effect on the change in net assets attributable to unit holders	
<b>Assets</b>			
Uganda Shilling	10	<b>3 984 792</b>	2 552 221



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

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Figures in Shillings 2025 2024

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#### 12. Financial risk management objectives and policies (continued)

##### Concentration of foreign currency exposure

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

<u>Assets</u>	<b>% of total assets</b>	
Uganda Shilling	<b>25.68</b>	13.28

##### Price risk

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

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

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

<b>Effect of a 10% change in equity prices</b>	<b>12 386 038</b>	14 942 118
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A weakening of equity prices would result in an equal but opposite effect to the amounts shown.

##### Concentration of equity price risk

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

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

	<b>% of equity securities</b>	
Republic of Kenya	<b>67.87</b>	82.92
Outside the Republic of Kenya	<b>32.17</b>	17.08



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 12. Financial risk management objectives and policies (continued)

##### Liquidity risk

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

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

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

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

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

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

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

#### 2025

	On demand	Less 1 year	Total
<b>Financial liabilities</b>			
Net assets attributable to unit holders	148 958 959	-	148 958 959
Management fees	-	299 130	299 130
Custody fees	-	42 758	42 758
Trustee fees	-	30 049	30 049
Audit fees	-	310 429	310 429
Distribution	-	5 606 686	5 606 686
	<b>148 958 959</b>	<b>6 289 052</b>	<b>155 248 011</b>



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 12. Financial risk management objectives and policies (continued)

##### Liquidity risk (continued)

<u>2024</u>	On demand	Less 1 year	Total
<b>Financial liabilities</b>			
Net assets attributable to unit holders	184 361 286	-	184 361 286
Management fees	-	366 255	366 255
Custody fees	-	42 147	42 147
Trustee fees	-	38 087	38 087
Audit fees	-	696 741	696 741
Distributions	-	6 316 488	6 316 488
	<b>184 361 286</b>	<b>7 459 718</b>	<b>191 821 004</b>

##### Credit risk

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

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

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

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

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



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>12. Financial risk management objectives and policies (continued)</b>		
<b>Credit risk (continued)</b>		
<b>Financial instruments</b>		
Interest receivable	213 707	1 458 812
Cash and cash equivalents	31 084 993	41 018 983
Dividend receivable	-	286 214
Trade settlement receivable	343 533	-
<b>Total credit risk exposure</b>	<b>31 298 700</b>	<b>42 764 009</b>

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

### 13. Financial assets and liabilities by category

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

<b>Financial assets at fair value through profit or loss</b>		
Held for trading	123 860 381	149 421 184
<b>Financial assets at amortised cost</b>		
Dividend receivable	-	286 214
Interest receivable	213 707	1 458 812
Cash and cash equivalents	31 084 993	41 018 983
Trade settlement receivable	343 533	-
<b>Total financial assets</b>	<b>155 502 614</b>	<b>192 185 193</b>
<b>Financial liabilities measured at amortised cost</b>		
Net assets attributable to unit holders	148 958 959	184 361 286
Management fees	299 130	366 255
Custody fees	42 758	42 147
Trustee fees	30 049	38 087
Audit fees	310 429	696 741
Distribution	5 606 686	6 316 488
Other payables	254 603	364 189
<b>Total financial liabilities</b>	<b>155 502 614</b>	<b>192 185 193</b>

### Fair value

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



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 14. Analysis of total assets

	Currency	Country	Maturity date	Price per unit Interest rate	Holdings	Fair value	% of Gross assets
<b>2025</b>							
<b>Financial assets at fair value through profit or loss</b>							
<b>Listed equities</b>							
Bank of Baroda Uganda Limited	UGX	Uganda		1.68	10 330 620	17 316 844	11.14
British American Tobacco Kenya Limited	KES	Kenya		459.00	11 038	5 066 442	3.26
Liberty Kenya Holdings Limited	KES	Kenya		10.10	60 227	608 293	0.39
Development Finance Company of Uganda Limited	KES	Kenya		10.74	243 673	2 615 883	1.68
Equity Group Holdings Limited	KES	Kenya		66.75	206 907	13 811 042	8.88
Flame Tree Group Holdings Limited	KES	Kenya		1.57	422 734	663 692	0.43
Kengen Company Limited	KES	Kenya		9.18	381 703	3 504 033	2.25
Kenya Commercial Bank Limited	KES	Kenya		65.75	292 392	19 224 774	12.36
Safaricom Limited	KES	Kenya		28.35	414 745	11 758 022	7.56
Stanbic Bank Uganda Limited	UGX	Uganda		2.15	8 037 034	17 290 264	11.12
The Co-Operative Bank of Kenya Limited	KES	Kenya		23.95	712 102	17 054 843	10.97
The Standard Chartered Bank of Kenya Limited	KES	Kenya		297.03	40 450	12 014 845	7.73
UMEME Limited (Kenya)	KES	Kenya		7.82	39 191	306 474	0.20
UMEME Limited (Uganda)	UGX	Uganda		8.63	304 129	2 624 930	1.69
						<b>123 860 381</b>	<b>79.65</b>
<b>Financial assets at amortised costs</b>							
Trade settlement receivable						<b>343 533</b>	<b>0.22</b>
Interest receivable						<b>213 707</b>	<b>0.14</b>
<b>Cash and cash equivalents</b>							
<b>Money market investments</b>							
African Alliance Kenya Money Market Fund	KES	Kenya		6.55 %	20 392 481	20 392 481	13.11
<b>Bank</b>							
Stanbic Bank Kenya Limited	KES	Kenya		0.75 %	2 692 512	2 692 512	1.73
<b>Call Accounts</b>							
Kenya Commercial Bank Limited	KES	Kenya		7.25 %	3 000 000	3 000 000	1.93
NCBA Kenya Bank Limited	KES	Kenya		7.00 %	5 000 000	5 000 000	3.22
						<b>31 084 993</b>	<b>19.99</b>
Total						<b>155 502 614</b>	<b>100.00</b>
<b>Financial assets at fair value through profit or loss denominated in:</b>							
Kenyan Shilling	KES	Kenya				<b>84 012 460</b>	<b>54.03</b>
Uganda Shilling	KES	Kenya				<b>39 847 921</b>	<b>25.63</b>



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 14. Analysis of total assets (continued)

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



## African Alliance Kenya Equity Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 14. Analysis of total assets (continued)

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

#### 15. Reconciliation of Net Asset Value per unit

Published price (calculated in accordance with redemption requirements)	207.63	156.24
Adjusted for:		
-Distribution payable	(7.53)	(5.18)
<b>Net asset value as per IFRS</b>	<b>200.10</b>	<b>151.06</b>

#### 16. Events after the reporting period

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



African Alliance Kenya Fixed Income Fund  
Annual Financial Statements  
for the year ended 31 December 2025



## African Alliance Kenya Fixed Income Fund

### Statement of Financial Position as at 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Assets</b>			
Financial assets at fair value through profit or loss	1	239 370 618	274 005 495
Interest receivable		9 234 381	10 865 466
Cash and cash equivalents	2	78 918 547	69 231 063
<b>Total Assets</b>		<b>327 523 546</b>	<b>354 102 024</b>
<b>Liabilities</b>			
Management fees	11	644 848	688 134
Publication costs		302 298	415 611
Custody fees	11	76 846	102 080
Distribution payable	7	13 235 576	17 925 230
Audit fees		630 199	1 017 862
Trustee fees	11	32 709	44 080
<b>Total Liabilities</b>		<b>14 922 476</b>	<b>20 192 997</b>
<b>Net assets attributable to unit holders</b>		<b>312 601 070</b>	<b>333 909 027</b>
<b>Represented by:</b>			
<b>Net assets attributable to unit holders</b>		<b>312 601 070</b>	<b>333 909 027</b>

The notes on pages 48 to 66 form an integral part of the annual financial statements.



## African Alliance Kenya Fixed Income Fund

### Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Income</b>			
Interest income	4	41 410 183	48 155 590
Fair value adjustments	1	17 062 898	27 497 849
Income equalisation	5	(1 363 414)	(688 028)
<b>Total income</b>		<b>57 109 667</b>	<b>74 965 411</b>
<b>Expenses</b>			
Management fees	11	(8 464 736)	(7 735 976)
Custody fees	11	(955 095)	(816 938)
Trustee fees	11	(395 636)	(343 761)
Audit fees		(409 178)	(812 267)
Other expenses		(55 557)	(90 929)
<b>Total expenses</b>		<b>(10 280 202)</b>	<b>(9 799 871)</b>
Operating profit before distribution		46 829 465	65 165 540
Distribution to unit holders	6	(29 766 569)	(37 667 692)
<b>Increase in net assets attributable to unit holders</b>		<b>17 062 896</b>	<b>27 497 848</b>

The notes on pages 48 to 66 form an integral part of the annual financial statements.



## African Alliance Kenya Fixed Income Fund

### Statement of changes in net assets attributable to unit holders for the year 31 December 2025

	notes	Net assets attributable to unit holders	Number of units	Net asset value per unit
Figures in Shillings				
Balance at 01 January 2024		323 957 376	32 836 491	9.87
<b>Contributions and redemptions by unit holders</b>				
Issue of units during the year	8	45 177 402	4 479 287	-
Redemption of units during the year	8	(62 723 601)	(6 357 418)	-
Increase in net assets attributable to unit holders		27 497 848		
<b>Balance at 31 December 2024</b>	9	<b>333 909 025</b>	<b>30 958 360</b>	<b>10.79</b>
<b>Balance at 01 January 2025</b>		<b>333 909 025</b>	<b>30 958 360</b>	<b>10.79</b>
<b>Contributions and redemptions by unit holders</b>				
Issue of units during the year	8	43 288 181	3 886 053	-
Redemption of units during the year	8	(81 659 037)	(7 192 115)	-
Increase in net assets attributable to unit holders		17 062 896	-	-
<b>Balance at 31 December 2025</b>	9	<b>312 601 065</b>	<b>27 652 298</b>	<b>11.30</b>

The notes on pages 48 to 66 form an integral part of the annual financial statements.



## African Alliance Kenya Fixed Income Fund

### Statement of Cash Flows for the year ended 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		69 925 455	28 930 587
Purchase of investments		(18 227 680)	(10 000 000)
Interest received		43 041 269	48 028 327
Custodian fees paid		(980 328)	(788 250)
Trustee fees paid		(407 007)	(325 395)
Management fees paid		(8 508 021)	(7 720 361)
Audit fees paid		(796 841)	(731 766)
Other operating expenses paid		(168 870)	(31 700)
<b>Net cash generated from investing activities</b>		<b>83 877 977</b>	<b>57 361 442</b>
<b>Cash flows from financing activities</b>			
Proceeds on issue of units	8	9 029 443	7 919 556
Payment on redemption of units	8	(83 130 581)	(63 586 157)
Distributions paid to unit holders	7	(89 355)	(117 929)
<b>Net cash used in financing activities</b>		<b>(74 190 493)</b>	<b>(55 784 530)</b>
<b>Net movement in cash and cash equivalents during the year</b>		<b>9 687 484</b>	<b>1 576 912</b>
Cash and cash equivalents at the beginning of the year		69 231 063	67 654 151
<b>Cash and cash equivalents at the end of the year</b>	2	<b>78 918 547</b>	<b>69 231 063</b>

The notes on pages 48 to 66 form an integral part of the annual financial statements.



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>1. Investments</b>		
Corporate bonds	1 465 930	4 189 320
Treasury bills	18 227 680	10 000 000
Fixed rate government bonds	219 677 008	259 816 175
	<b>239 370 618</b>	<b>274 005 495</b>
Opening balance	274 005 495	265 438 233
Additions	18 227 680	10 000 000
Disposal	(68 293 234)	(28 930 257)
Unrealised fair value adjustment	15 430 677	27 497 519
	<b>239 370 618</b>	<b>274 005 495</b>

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

Unrealised	15 430 677	27 497 519
Realised	1 632 221	330
	<b>17 062 898</b>	<b>27 497 849</b>

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

## 2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and liquid investments	78 918 547	69 231 063
Analysed as:		
Money market investments	56 637 509	47 275 923
Current account	5 281 038	1 955 140
Call deposit	17 000 000	20 000 000
	<b>78 918 547</b>	<b>69 231 063</b>

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

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



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 3. Fair value of financial instruments

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

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

#### 2025

	Level 1	Level 2	Level 3	Total
Government of Kenya -fixed rate bonds	219 677 008	-	-	219 677 008
Fixed deposit	18 227 680	-	-	18 227 680
Corporate bonds	-	1 465 930	-	1 465 930
	<b>237 904 688</b>	<b>1 465 930</b>	-	<b>239 370 618</b>

#### 2024

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



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025      2024

#### 3. Fair value of financial instruments (continued)

##### Financial instruments not measured at fair value

<u>Type</u>	<u>Valuation technique</u>
Corporate bonds	Discounted cash flows: The valuation model considers the present value of expected receipt, discounted using yield rates derived from active markets.

#### 4. Interest income

Cash at bank	<b>2 472 318</b>	4 497 516
Fixed income investments	<b>34 218 579</b>	37 021 172
Money market investments	<b>4 719 286</b>	6 636 902
	<b>41 410 183</b>	48 155 590

#### 5. Income equalisation

Income equalisation on issue of units	<b>108 130</b>	174 528
Income equalisation on redemption of units	<b>(1 471 544)</b>	(862 556)
<b>Net expense for the year</b>	<b>(1 363 414)</b>	(688 028)

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



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings			2025	2024
<b>6. Distribution to unit holders</b>				
Distributions declared at:	<b>2025</b>	2024	<b>2025</b>	2024
June	<b>0.51</b>	0.58	<b>16 530 993</b>	19 742 462
December	<b>0.48</b>	0.58	<b>13 235 576</b>	17 925 230
			<b>29 766 569</b>	37 667 692
<b>7. Distribution paid to unit holders</b>				
Opening balance			<b>(17 925 230)</b>	(17 807 841)
Distribution for the year (Note 6)			<b>(29 766 569)</b>	(37 667 692)
Closing balance			<b>13 235 576</b>	17 925 230
			<b>(34 456 223)</b>	(37 550 303)
Distribution re-invested			<b>34 366 868</b>	37 432 374
Distribution paid			<b>89 355</b>	117 929
			<b>34 456 223</b>	37 550 303
<b>8. Issue and redemption of unit during the year</b>				
Units created during the year			<b>43 288 181</b>	45 177 402
Income equalisation adjustment (Note 5)			<b>108 130</b>	174 528
Distribution reinvested (Note 7)			<b>(34 366 868)</b>	(37 432 374)
<b>Proceeds from issue of units</b>			<b>9 029 443</b>	7 919 556
Units redeemed during the year			<b>(81 659 037)</b>	(62 723 601)
Income equalisation adjustment (Note 5)			<b>(1 471 544)</b>	(862 556)
<b>Payment on redemption of units</b>			<b>(83 130 581)</b>	(63 586 157)



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 9. Redeemable participating units

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

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

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

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

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

#### 10. Capital management

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

The Fund's objectives for managing capital are:

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

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



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>11. Related parties</b>		
Relationships		
<b>Relationship - Trustee and Custodian</b>		
Stanbic Bank Kenya Limited, a company incorporated in the Republic of Kenya, provides trustee and custodian services to the Fund and receives, in return, a fee collected monthly.		
Custody fees payable	76 846	102 080
Trustee fees payable	32 709	44 080
	<b>955 095</b>	816 938
Custody fees charged for the year	<b>395 636</b>	343 761
Trustee fees charged for the year		
	<b>5 281 038</b>	1 955 140
<b>Investments held with Stanbic Bank Kenya Limited:</b>		
Current account	-	-
Fixed deposit	-	-
<b>Relationship - Investment Manager</b>		
The Fund is managed by African Alliance Kenya Asset Management Limited, a company incorporated in the Republic of Kenya. African Alliance Kenya Asset Management Limited provides management services to the Fund and receives in return, an annual fee, collected monthly, based on the total asset value of the Fund at a rate not exceeding 2%.		
Management fees payable	644 848	688 134
Management fees charged for the year	8 464 736	7 735 976



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025      2024

#### 11. Related parties (continued)

##### Investment in the Fund made by the Fund Investment Manager:

	Number of units held	Value of units held	% of units held	Distribution to unit holders	Distribution payable
<b><u>African Alliance Kenya Asset Management Limited</u></b>					
Opening balance - 01 January 2024	42 839	445 877	0.13	-	34 026
Units acquired	4 072	41 174			
Units disposed	(35 564)	(358 235)			
Closing balance 31 December 2024	11 347	128 957	0.04	41 174	5 584
Opening balance - 01 Jan 2025	<b>11 347</b>	<b>128 957</b>	<b>0.04</b>	-	<b>5 584</b>
Units acquired	<b>960</b>	<b>10 674</b>			
<b>Closing balance 31 December 2025</b>	<b>12 307</b>	<b>145 017</b>	<b>0.04</b>	<b>10 674</b>	<b>5 007</b>

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

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

Opening balance - 01 January 2024	13 926 319	144 946 410	42.41	-	7 552 502
Units acquired	1 929 042	19 532 062			
Units disposed	(5 295 710)	(53 000 000)			
Closing balance 31 December 2024	10 559 651	120 007 863	34.11	16 169 814	6 114 153
Opening balance - 01 January 2024	<b>10 559 651</b>	<b>120 007 863</b>	<b>34.11</b>	-	<b>6 114 153</b>
Units acquired	<b>1 314 412</b>	<b>14 670 790</b>			
Units disposed	<b>(6 915 943)</b>	<b>(80 000 000)</b>			
<b>Closing balance 31 December 2025</b>	<b>4 958 120</b>	<b>58 423 244</b>	<b>17.93</b>	<b>11 791 253</b>	<b>2 373 169</b>



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 11. Related parties (continued)

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

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<b><u>African Alliance Kenya Money Market Fund</u></b>					
Opening balance - 01 January 2024	18 330 661	18 330 661	7.85	-	201 461
Units acquired	2 834 561	2 834 561			
Closing balance 31 December 2024	21 165 222	21 165 222	5.74	2 610 310	207 193
Opening balance - 01 January 2025	<b>21 165 222</b>	<b>21 165 222</b>	<b>5.74</b>	-	<b>207 193</b>
Units acquired	<b>12 440 290</b>	<b>12 440 290</b>			
<b>Closing balance 31 December 2025</b>	<b>33 605 512</b>	<b>33 605 512</b>	<b>8.47</b>	<b>2 162 965</b>	<b>183 148</b>
<b><u>African Alliance Kenya Enhanced Yield Fund</u></b>					
Opening balance - 01 January 2024	187 089	18 708 857	22.99	-	191 086
Units acquired	24 018	2 401 844			
Closing balance 31 December 2024	211 107	21 110 701	14.51	2 401 843	193 039
Opening balance - 01 January 2025	<b>211 107</b>	<b>21 110 701</b>	<b>14.51</b>	-	<b>193 039</b>
Units acquired	<b>19 213</b>	<b>1 921 296</b>			
<b>Closing balance 31 December 2025</b>	<b>230 320</b>	<b>23 031 997</b>	<b>16.46</b>	<b>1 921 296</b>	<b>140 188</b>



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 12. Financial risk management objectives and policies

##### Introduction

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

##### Risk management structure

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

##### Risk measurement and reporting system

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

##### Risk mitigation

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

##### Excessive risk concentration

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

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

##### Market risk

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

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



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	<b>2025</b>	2024
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#### 12. Financial risk management objectives and policies (continued)

##### Interest rate risk

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

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

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

	<b>Change in basis points</b>	<b>Sensitivity of interest income</b>
31 December 2024	+/- 10	+/- 64 231
<b>31 December 2025</b>	<b>+/- 10</b>	<b>+/- 78 918</b>

##### Currency risk

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

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

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



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
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#### 12. Financial risk management objectives and policies (continued)

##### Price risk

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

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

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

<b>Effect of a 10% change in prices</b>	<b>23 937 062</b>	<b>27 400 550</b>
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A weakening of bond prices would result in an equal but opposite effect to the amounts shown above.

##### Liquidity risk

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

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

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

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

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

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

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



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 12. Financial risk management objectives and policies (continued)

##### Liquidity risk (continued)

##### 2025

##### Financial liabilities

	On demand	Less 1 year	Total
Net assets attributable to unit holders	312 601 070	-	312 601 070
Management fees	-	644 848	644 848
Custody fees	-	76 846	76 846
Trustee fees	-	32 709	32 709
Audit fees	-	630 199	630 199
Distribution	-	13 235 576	13 235 576
Publication cost	-	302 298	302 298
	<b>312 601 070</b>	<b>14 922 476</b>	<b>327 523 546</b>

##### 2024

##### Financial liabilities

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



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025                      2024

#### 12. Financial risk management objectives and policies (continued)

##### Credit risk

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

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

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

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

##### Financial instruments

Interest receivable	<b>9 234 381</b>	10 865 466
Cash and cash equivalents	<b>78 918 547</b>	69 231 063
<b>Total credit risk exposure</b>	<b>88 152 928</b>	80 096 529

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



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025                      2024

#### 13. Financial assets and liabilities by category

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

##### Financial assets at fair value through profit or loss

Held for trading 239 370 618      274 005 495

##### Financial assets at amortised cost

Interest receivable 9 234 381      10 865 466

Cash and cash equivalents 78 918 547      69 231 063

**Total financial assets** **327 523 546      354 102 024**

##### Financial liabilities measured at amortised cost

Net assets attributable to unit holders 312 601 070      333 909 027

Management fees 644 848      688 134

Custody fees 76 846      102 080

Trustee fees 32 709      44 080

Audit fees 630 199      1 017 862

Distribution 13 235 576      17 925 230

Other payables 302 298      415 611

**Total financial liabilities** **327 523 546      354 102 024**

#### Fair value

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



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 14. Analysis of total assets

	Currency	Country	Maturity	Price per unit(%)	Holdings	Fair value	% of Gross assets
<b>2025</b>							
<b>Financial assets at fair value through profit or loss</b>							
<b>Non - Current</b>							
<b>Corporate bonds</b>							
Kenya Mortgage Refin Co Limited	KES	Kenya	23 Feb 29	12.50 %	1 405 035	1 465 930	0.45
<b>Government bonds-fixed rate</b>							
Government of Kenya	KES	Kenya	17 Aug 26	15.04 %	5 000 000	5 203 889	1.59
Government of Kenya	KES	Kenya	12 Oct 26	11.00 %	5 910 243	5 979 760	1.83
Government of Kenya	KES	Kenya	06 Sep 27	11.00 %	7 000 000	7 112 500	2.17
Government of Kenya	KES	Kenya	10 Jul 28	16.84 %	5 000 000	5 740 881	1.75
Government of Kenya	KES	Kenya	14 Aug 28	12.69 %	18 750 000	19 790 656	6.04
Government of Kenya	KES	Kenya	27 Nov 28	13.22 %	2 050 000	2 209 960	0.67
Government of Kenya	KES	Kenya	12 Feb 29	12.44 %	27 400 000	28 623 108	8.74
Government of Kenya	KES	Kenya	02 Apr 29	12.30 %	4 700 000	4 899 594	1.50
Government of Kenya	KES	Kenya	02 Apr 29	10.85 %	950 000	954 509	0.29
Government of Kenya	KES	Kenya	06 Aug 29	11.52 %	2 800 000	2 865 642	0.87
Government of Kenya	KES	Kenya	12 Nov 29	12.28 %	9 700 000	10 248 419	3.13
Government of Kenya	KES	Kenya	06 May 30	17.93 %	20 000 000	23 002 057	7.02
Government of Kenya	KES	Kenya	03 May 32	13.49 %	12 000 000	12 842 788	3.92
Government of Kenya	KES	Kenya	01 Nov 32	12.00 %	10 000 000	9 767 165	2.98
Government of Kenya	KES	Kenya	09 May 33	12.65 %	11 250 000	11 237 238	3.43
Government of Kenya	KES	Kenya	03 Oct 33	12.75 %	28 750 000	28 678 129	8.76
Government of Kenya	KES	Kenya	09 Jan 34	12.86 %	9 400 000	9 389 582	2.87
Government of Kenya	KES	Kenya	24 Apr 34	12.73 %	2 450 000	2 489 926	0.76
Government of Kenya	KES	Kenya	10 Jul 34	12.34 %	14 000 000	13 877 119	4.24
Government of Kenya	KES	Kenya	21 Mar 39	12.87 %	3 750 000	3 763 477	1.15
Government of Kenya	KES	Kenya	28 Jan 41	12.97 %	11 000 000	11 000 609	3.36
						<b>221 142 938</b>	<b>67.52</b>
<b>Current</b>							
<b>Treasury Bill</b>							
Government of Kenya	KES	Kenya	15 Jun 26	9.72 %	18 227 680	18 227 680	5.57
						<b>18 227 680</b>	<b>5.57</b>
						<b>239 370 618</b>	<b>73.09</b>



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 14. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate per annum (%)	Holdings	Fair value	% of Gross Assets
<b>2025 (continued)</b>							
<b><u>Financial assets at amortised costs</u></b>							
Interest receivable						<b>9 234 381</b>	<b>2.82</b>
<b>Cash and cash equivalents</b>							
<b>Money market investments</b>							
African Alliance Kenya Enhanced Yield Fund	KES	Kenya		7.20 %	23 031 997	23 031 997	7.03
African Alliance Kenya Money Market Fund	KES	Kenya		6.55 %	33 605 512	33 605 512	10.26
						<b>56 637 509</b>	<b>17.29</b>
<b>Banks</b>							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	5 281 038	<b>5 281 038</b>	<b>1.61</b>
<b>Call accounts</b>							
NCBA Bank Kenya Limited	KES	Kenya		7.00 %	5 000 000	5 000 000	1.53
Kenya Commercial Bank Kenya Limited	KES	Kenya		7.25 %	12 000 000	12 000 000	3.66
						<b>17 000 000</b>	<b>5.19</b>
						<b>78 918 547</b>	<b>24.10</b>
<b>Total</b>						<b>327 523 546</b>	<b>100.00</b>



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 14. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate	Holdings	Fair value	% of Gross assets
<b>2024</b>							
<b>Financial assets at fair value through profit or loss</b>							
<b>Non - Current</b>							
<b>Corporate bonds</b>							
East African Breweries Limited	KES	Kenya	29 Oct 26	10.87 %	2 670 000	2 618 202	0.74
Kenya Mortgage Refin Co Limited	KES	Kenya	23 Feb 29	11.00 %	1 664 445	1 571 118	0.44
<b>Government bonds-fixed rate</b>							
Government of Kenya	KES	Kenya	17 Aug 26	15.04 %	5 000 000	5 219 021	1.47
Government of Kenya	KES	Kenya	12 Oct 26	11.00 %	5 910 243	5 767 974	1.63
Government of Kenya	KES	Kenya	19 Jul 27	12.97 %	16 600 000	16 606 276	4.69
Government of Kenya	KES	Kenya	06 Sep 27	11.00 %	7 000 000	6 673 931	1.88
Government of Kenya	KES	Kenya	10 Apr 28	12.00 %	14 750 000	14 058 697	3.97
Government of Kenya	KES	Kenya	10 Jul 28	16.84 %	5 000 000	5 368 719	1.52
Government of Kenya	KES	Kenya	14 Aug 28	12.69 %	18 750 000	17 994 866	5.08
Government of Kenya	KES	Kenya	27 Nov 28	13.22 %	4 150 000	3 962 800	1.12
Government of Kenya	KES	Kenya	04 Dec 28	12.50 %	16 900 000	16 067 776	4.54
Government of Kenya	KES	Kenya	12 Feb 29	12.44 %	27 400 000	25 922 028	7.32
Government of Kenya	KES	Kenya	02 Apr 29	12.30 %	4 700 000	4 417 091	1.25
Government of Kenya	KES	Kenya	02 Apr 29	10.85 %	1 900 000	1 730 583	0.49
Government of Kenya	KES	Kenya	06 Aug 29	11.52 %	2 800 000	2 545 727	0.72
Government of Kenya	KES	Kenya	12 Nov 29	12.28 %	9 700 000	9 060 882	2.56
Government of Kenya	KES	Kenya	06 May 30	17.93 %	20 000 000	22 406 010	6.33
Government of Kenya	KES	Kenya	03 May 32	13.49 %	12 000 000	11 984 820	3.38
Government of Kenya	KES	Kenya	01 Nov 32	12.00 %	10 000 000	9 291 594	2.62
Government of Kenya	KES	Kenya	09 May 33	12.65 %	11 250 000	10 767 539	3.04
Government of Kenya	KES	Kenya	03 Oct 33	12.75 %	28 750 000	27 530 035	7.77
Government of Kenya	KES	Kenya	09 Jan 34	12.86 %	9 400 000	9 027 687	2.55
Government of Kenya	KES	Kenya	24 Apr 34	12.73 %	2 450 000	2 332 403	0.66
Government of Kenya	KES	Kenya	10 Jul 34	12.34 %	14 000 000	13 043 808	3.68
Government of Kenya	KES	Kenya	21 Mar 39	12.87 %	3 750 000	3 579 982	1.01
Government of Kenya	KES	Kenya	28 Jan 41	12.97 %	11 000 000	10 435 695	2.95
						259 985 264	73.42
<b>Current</b>							
<b>Fixed deposits</b>							
Family Bank Kenya Limited	KES	Kenya	05 May 25	15.50 %	10 000 000	10 000 000	2.82
<b>Government bonds-fixed rate</b>							
Government of Kenya	KES	Kenya	05 May 25	11.67 %	4 000 000	4 020 231	1.14
						14 020 231	3.96
						274 005 495	77.38



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings						2025	2024
<b>14. Analysis of total assets (continued)</b>							
	Currency	Country	Maturity	Interest rate	Holdings	Amortised cost	% of Gross assets
<b>2024 (continued)</b>							
<b>Financial assets at amortised costs</b>							
Interest receivable						10 865 466	3.07
<b>Cash and cash equivalents</b>							
<b>Money market investments</b>							
African Alliance Kenya Enhanced Yield Fund	KES	Kenya		10.44 %	21 110 701	21 110 701	5.96
African Alliance Kenya Money Market Fund	KES	Kenya		11.50 %	21 165 222	21 165 222	5.98
						42 275 923	11.94
<b>Banks</b>							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	1 955 140	1 955 140	0.55
Fixed deposit							
Family Bank Kenya Limited	KES	Kenya		11.00 %	5 000 000	5 000 000	1.41
<b>Call account</b>							
The Cooperative Bank of Kenya Limited	KES	Kenya		16.00 %	5 000 000	5 000 000	1.41
The Cooperative Bank of Kenya Limited	KES	Kenya		10.00 %	5 000 000	5 000 000	1.41
The Cooperative Bank of Kenya Limited	KES	Kenya		17.00 %	5 000 000	5 000 000	1.41
The Cooperative Bank of Kenya Limited	KES	Kenya		15.25 %	5 000 000	5 000 000	1.41
						20 000 000	5.65
						69 231 063	19.55
<b>Total</b>						<b>354 102 024</b>	<b>100.00</b>



## African Alliance Kenya Fixed Income Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>15. Reconciliation of Net Asset Value per unit</b>		
Published price (calculated in accordance with redemption requirements)	11.78	11.36
Adjusted for:		
-Distribution payable	(0.48)	(0.58)
<b>Net asset value as per IFRS</b>	<b>11.30</b>	<b>10.78</b>

#### 16. Events after the reporting period

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



**African Alliance Kenya Balanced Fund**  
Formerly African Alliance Kenya Managed Fund  
Annual Financial Statements  
for the year ended 31 December 2025



## African Alliance Kenya Balanced Fund

### Statement of Financial Position as at 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Assets</b>			
Investments	1	498 954 087	499 591 572
Interest receivables		10 341 785	9 852 371
Cash and cash equivalents	2	126 471 613	40 086 006
<b>Total Assets</b>		<b>635 767 485</b>	<b>549 529 949</b>
<b>Liabilities</b>			
Management fees	11	1 248 162	1 073 483
Other payables		262 430	442 038
Custody fees	11	57 036	148 093
Distributions	7	24 513 514	26 049 094
Audit fees		976 999	1 713 587
Trustee fees	11	54 679	64 187
<b>Total Liabilities</b>		<b>27 112 820</b>	<b>29 490 482</b>
<b>Net assets attributable to unit holders</b>		<b>608 654 665</b>	<b>520 039 467</b>
<b>Represented by:</b>			
<b>Net assets attributable to unit holders</b>		<b>608 654 665</b>	<b>520 039 467</b>

The notes on pages 72 to 89 form an integral part of the annual financial statements.



## African Alliance Kenya Balanced Fund

### Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Income</b>			
Dividend income		22 600 851	25 259 604
Interest income	4	32 724 109	33 366 948
Fair value adjustments	1	69 828 509	57 310 483
Income equalisation	5	211 454	(2 261 670)
<b>Total income</b>		<b>125 364 923</b>	113 675 365
<b>Expenses</b>			
Management fees	11	(7 830 403)	(6 685 617)
Custody fees	11	(1 458 542)	(1 258 720)
Trustee fees	11	(653 729)	(547 179)
Audit fees		(604 906)	(1 376 069)
Other operating expenses		-	(181 137)
<b>Total expenses</b>		<b>(10 547 580)</b>	(10 048 722)
<b>Operating profit before distributions</b>		<b>114 817 343</b>	103 626 643
Distribution to unit holders	6	(44 988 854)	(46 316 160)
<b>Increase in net assets attributable to unit holders</b>		<b>69 828 489</b>	57 310 483

The notes on pages 72 to 89 form an integral part of the annual financial statements.



## African Alliance Kenya Balanced Fund

### Statement of changes in net assets attributable to unit holders for the year ended 31 December 2025

	notes	Net assets attributable to unit holders	Number of units	Net asset value per unit
Figures in Shillings				
Balance at 01 January 2024		497 344 631	29 006 046	17.15
<b>Contributions and redemptions by unit holders</b>				
Issue of units during the year	8	76 215 076	4 375 881	-
Redemption of units during the year	8	(110 830 721)	(6 192 757)	-
Decrease in net assets attributable to unit holders		57 310 483		
<b>Balance at 31 December 2024</b>	9	<b>520 039 469</b>	<b>27 189 170</b>	<b>19.13</b>
<b>Balance at 01 January 2025</b>				
		<b>520 039 469</b>	<b>27 189 170</b>	<b>19.13</b>
<b>Contributions and redemptions by unit holders</b>				
Issue of units during the period	8	<b>83 602 227</b>	<b>4 175 773</b>	-
Redemption of units during the period	8	<b>(64 815 522)</b>	<b>(3 195 282)</b>	-
Increase in net assets attributable to unit holders		<b>69 828 489</b>	-	-
<b>Balance at 31 December 2025</b>	9	<b>608 654 663</b>	<b>28 169 661</b>	<b>21.61</b>

The notes on pages 72 to 89 form an integral part of the annual financial statements.



## African Alliance Kenya Balanced Fund

### Statement of Cash Flows for the year ended 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		223 149 306	72 897 944
Purchase of investments	1	(152 683 309)	(30 325 374)
Interest received		32 234 695	31 053 879
Dividend received		22 600 851	25 259 604
Custodian fees paid		(1 549 600)	(1 202 686)
Trustee fees paid		(663 236)	(510 610)
Management fees paid		(7 655 724)	(6 640 361)
Audit fees paid		(1 341 494)	(1 233 354)
Other operating expenses paid		(179 607)	(80 803)
<b>Net cash generated from investing activities</b>		<b>113 911 882</b>	<b>89 218 239</b>
<b>Cash flows from financing activities</b>			
Proceeds on issue of units	8	39 354 782	34 798 511
Payment on redemption of units	8	(66 677 533)	(115 438 360)
Distributions paid to unit holders	7	(203 524)	(203 391)
<b>Net cash used in financing activities</b>		<b>(27 526 275)</b>	<b>(80 843 240)</b>
<b>Net increase in cash and cash equivalents</b>		<b>86 385 607</b>	<b>8 374 999</b>
Cash and cash equivalents at the beginning of the year		40 086 006	31 711 007
<b>Cash and cash equivalents at the end of the year</b>	2	<b>126 471 613</b>	<b>40 086 006</b>

The notes on pages 72 to 89 form an integral part of the annual financial statements.



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>1. Investments</b>		
Corporate bonds	1 256 511	4 239 443
Equity investments	45 961 893	11 552 739
Fixed deposits	50 000 000	-
Terms and conditions		
Fixed rate government bonds	249 234 571	191 514 764
Unit Trust investments	152 501 112	292 284 626
	<b>498 954 087</b>	<b>499 591 572</b>
Opening balance	499 591 572	484 853 660
Additions	152 683 311	30 325 373
Disposal	(177 936 252)	(76 788 174)
Unrealised fair value movement	24 318 456	61 200 713
	<b>498 657 087</b>	<b>499 591 572</b>

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

Unrealised	24 318 456	61 200 713
Realised	45 510 053	(3 890 230)
	<b>69 828 509</b>	<b>57 310 483</b>

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

## 2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and liquid investments	126 471 613	40 086 006
Analysed as:		
Money market investments	100 002 794	2 535
Cash at bank	26 468 819	40 083 471
	<b>126 471 613</b>	<b>40 086 006</b>

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

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



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 3. Fair value of financial instruments

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>2025</b>				
<b>Unit trust investments</b>				
Hausmann Rech Global Managed Fund	-	28 848 846	-	28 848 846
African Alliance Kenya Equity Fund	-	65 229 022	-	65 229 022
African Alliance Kenya Fixed Income Fund	-	58 423 244	-	58 423 244
<b>Government of Kenya</b>				
Fixed rate bonds	249 234 571	-	-	249 234 571
<b>Equity investments</b>				
Standard Chartered Bank Kenya Ltd	26 752 500	-	-	26 752 500
Safaricom Limited	19 209 393	-	-	19 209 393
Corporate bonds	-	1 256 511	-	1 256 511
Fixed deposit	50 000 000	-	-	50 000 000
	<b>345 196 464</b>	<b>153 757 623</b>	-	<b>498 954 087</b>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>2024</b>				
<b>Unit trust investments</b>				
Hausmann Rech Global Managed Fund	-	43 118 751	-	43 118 751
African Alliance Kenya Equity Fund	-	129 158 012	-	129 158 012
African Alliance Kenya Fixed Income Fund	-	120 007 863	-	120 007 863
<b>Government of Kenya</b>				
Fixed rate bonds	191 514 764	-	-	191 514 764
<b>Equity investments</b>				
Safaricom Limited	11 552 739	-	-	11 552 739
<b>Corporate bonds</b>	-	4 239 443	-	4 239 443
	<b>203 067 503</b>	<b>296 524 069</b>	-	<b>499 591 572</b>

#### Financial instruments not measured at fair value

Type Valuation technique



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024	
<b>3. Fair value of financial instruments (continued)</b>			
Corporate bonds	Discounted cash flows: The valuation model considers the present value of expected receipt, discounted using yield rates derived from active markets.		
Unit trust investments	Net asset value price per unit calculated on daily basis.		
<b>4. Interest income</b>			
Cash at bank	4 212 345	6 636 095	
Debt instruments	27 670 723	26 673 926	
Money market investments	841 042	56 928	
	<b>32 724 110</b>	<b>33 366 949</b>	
<b>5. Income equalisation</b>			
Income equalisation on issue of units	2 073 465	2 345 969	
Income equalisation on redemption of units	(1 862 011)	(4 607 639)	
<b>Net income / (loss) for the year</b>	<b>211 454</b>	<b>(2 261 670)</b>	
Income equalisation is accrued income / (expense) included in the price of units created and redeemed by the Fund during the accounting period. The subscription price of the units is deemed to include a deemed income payment calculated by reference to the accrued income of the units. The redemption price of each unit will also include a payment in respect of the accrued income of the unit up to the date of the redemption.			
<b>6. Distribution to unit holders</b>			
Distributions declared at:	<b>2025</b>	2024	
June	<b>0.73</b>	0.70	<b>20 475 340</b>
December	<b>0.96</b>	0.96	<b>24 513 514</b>
			<b>44 988 854</b>
			<b>46 316 160</b>



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>7. Distribution paid to unit holders</b>		
Opening balance	(26 049 094)	(23 698 859)
Distribution for the year (Note 6)	(44 988 854)	(46 316 160)
Closing balance	24 513 514	26 049 094
	<b>(46 524 434)</b>	<b>(43 965 925)</b>
Distribution re-invested	46 320 910	43 762 534
Distribution paid	203 524	203 391
	<b>46 524 434</b>	<b>43 965 925</b>
<b>8. Issue and redemption of unit during the year</b>		
Units created during the year	83 602 227	76 215 076
Income equalisation adjustment (Note 5)	2 073 465	2 345 969
Distribution reinvested (Note 7)	(46 320 910)	(43 762 534)
Capitalisation dividends	39 354 782	34 798 511
Units redeemed during the year	(64 815 522)	(110 830 721)
Income equalisation adjustment (Note 5)	(1 862 011)	(4 607 639)
<b>Payment on redemption of units</b>	<b>(66 677 533)</b>	<b>(115 438 360)</b>



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 9. Redeemable participating units

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

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

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

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

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

#### 10. Capital management

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

The Fund's objectives for managing capital are:

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

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



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>11. Related parties</b>		
Relationships		
<b>Relationship - Trustee and Custodian</b>		
Stanbic Bank Kenya Limited, a company incorporated in the Republic of Kenya, provides trustee and custodian services to the Fund and receives, in return, a monthly fee.		
Custodian fees payable	57 036	148 093
Trustee fees payable	54 679	64 187
Custody fees charged for the year	<b>1 458 542</b>	1 258 720
Trustee fees charged for the year	<b>653 729</b>	547 179
<b>Investments held with Stanbic Bank Kenya Limited:</b>		
Current account	<b>2 546 205</b>	83 470
<b>Relationship - Investment Manager</b>		
The Fund is managed by African Alliance Kenya Asset Management Limited, a company incorporated in the Republic of Kenya. African Alliance Kenya Asset Management Limited provides management services to the Fund and receives in return, an annual fee, collected monthly, based on the total asset value of the Fund at a rate not exceeding 2%.		
Management fees payable	<b>1 248 162</b>	1 073 483
Management fees charged for the year	<b>7 830 403</b>	6 685 617



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 11. Related parties (continued)

##### Investment in the Fund made by the Fund Investment Manager:

	Number of units held	Value of units held	% of units held	Distribution to unit holders	Distribution payable
<b><u>African Alliance Kenya Asset Management Limited</u></b>					
Opening balance - 01 January 2024	25 706	461 800	0.09	-	18 692
Units acquired	2 825	50 394			
Units disposed	(21 516)	(384 203)			
Closing balance 31 December 2024	7 015	140 898	0.03	34 864	5 796
Opening balance - 01 Jan 2025	<b>7 015</b>	<b>140 898</b>	<b>0.03</b>	-	<b>5 796</b>
Units acquired	<b>487</b>	<b>9 818</b>			
Units disposed	<b>(929)</b>	<b>(18 836)</b>			
<b>Closing balance 31 December 2025</b>	<b>6 573</b>	<b>147 731</b>	<b>0.02</b>	<b>9 818</b>	<b>5 096</b>

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

##### **African Alliance Kenya Equity Fund**

Opening balance - 01 Jan 2024	814 630	98 330 914	69.12	-	2 101 499
Units acquired	81 446	10 650 638			
Units disposed	(69 398)	(9 000 000)			
Closing balance 31 December 2024	826 678	129 158 012	69.74	8 134 352	4 278 553
Opening balance - 01 January 2025	<b>826 678</b>	<b>129 158 012</b>	<b>69.74</b>		<b>4 278 553</b>
Units acquired	<b>77 328</b>	<b>12 967 742</b>			
Units disposed	<b>(589 850)</b>	<b>(115 000 000)</b>			
<b>Closing balance 31 December 2025</b>	<b>314 156</b>	<b>65 229 022</b>	<b>42.20</b>	<b>9 776 761</b>	<b>2 366 105</b>



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 11. Related parties (continued)

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

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<b><u>African Alliance Kenya Fixed Income Fund</u></b>					
Opening balance - 01 January 2024	13 926 319	144 946 410	42.41	-	7 552 502
Units acquired	1 929 042	19 532 062			
Units disposed	(5 295 710)	(53 000 000)			
Closing balance 31 December 2024	10 559 651	120 007 863	34.11	16 169 814	6 114 153
Opening balance - 01 January 2025	<b>10 559 651</b>	<b>120 007 863</b>	<b>34.11</b>	-	<b>6 114 153</b>
Units acquired	<b>1 314 412</b>	<b>14 670 790</b>			
Units disposed	<b>(6 915 943)</b>	<b>(80 000 000)</b>			
Closing balance 31 December 2025	<b>4 958 120</b>	<b>58 423 244</b>	<b>17.93</b>	<b>11 791 253</b>	<b>2 373 169</b>
<b><u>African Alliance Kenya Money Market Fund</u></b>					
Opening balance - 01 January 2024	2 196	2 196	0.001	-	24.13
Units acquired	339	339			
Closing balance 31 December 2024	2 535	2 535	0.001	312	24.81
Opening balance - 01 January 2025	<b>2 535</b>	<b>2 535</b>	<b>0.001</b>	-	<b>24.81</b>
Units acquired	<b>258</b>	<b>258</b>			
Closing balance 31 December 2025	<b>2 793</b>	<b>2 793</b>	<b>0.001</b>	<b>228</b>	<b>15.23</b>
<b><u>Haussmann Rech Global Managed Fund</u></b>					
Opening balance - 01 January 2024	245 240	47 274 642	2.16	-	-
Units acquired	807	107 664			
Closing balance 31 December 2024	246 047	43 118 751	2.17	136 066	107 389
Opening balance - 01 January 2025	<b>246 047</b>	<b>43 118 751</b>	<b>2.17</b>	-	<b>107 389</b>
Units acquired	<b>1 198</b>	<b>219 597</b>			
Units disposed	<b>(104 056)</b>	<b>(10 968 870)</b>			
Closing balance 31 December 2025	<b>143 189</b>	<b>28 848 846</b>	<b>1.37</b>	<b>219 198</b>	<b>66 012</b>



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements

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#### 12. Financial instruments and risk management

##### Introduction

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

##### Risk management structure

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

##### Risk measurement and reporting system

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

##### Risk mitigation

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

##### Excessive risk concentration

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

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

##### Market risk

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

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



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025      2024

#### 12. Financial instruments and risk management (continued)

##### Interest rate risk

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

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

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

	Change in basis points	Sensitivity of interest income
31 December 2024	+/- 10	+/- 40 086
<b>31 December 2025</b>	<b>+/- 10</b>	<b>+/- 26 472</b>

##### Currency risk

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

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

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

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



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 12. Financial instruments and risk management (continued)

	Change in currency rate (%)	Effect on the change in net assets attributable to unit holders	
<b>Assets</b>			
US Dollar	10	<b>2 884 885</b>	4 311 875

#### Concentration of foreign currency exposure

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

	% of total assets	
<b>Assets</b>		
US Dollar	<b>4.54</b>	7.85

#### Price risk

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

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

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

<b>Effect of a 10% change in equity and bond prices</b>	<b>49 895 409</b>	49 959 157
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#### Concentration of equity price risk

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

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

	% of equity securities	
Republic of Kenya	<b>94.20</b>	91.37
Outside the Republic of Kenya	<b>5.80</b>	8.63

#### Liquidity risk



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 12. Financial instruments and risk management (continued)

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

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

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

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

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

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

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

#### 2025

##### Financial liabilities

Net assets attributable to unit holders  
 Management fees  
 Custody fees  
 Trustee fees  
 Audit fees  
 Publication costs  
 Distribution

	On demand	Less 1 year	Total
Net assets attributable to unit holders	608 654 665	-	608 654 665
Management fees	-	1 248 162	1 248 162
Custody fees	-	57 036	57 036
Trustee fees	-	54 679	54 679
Audit fees	-	976 999	976 999
Publication costs	-	262 430	262 430
Distribution	-	24 513 514	24 513 514
	<b>608 654 665</b>	<b>27 112 820</b>	<b>635 767 485</b>



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 12. Financial instruments and risk management (continued)

##### Liquidity risk (continued)

<u>2024</u>	On demand	Less 1 year	Total
<b>Financial liabilities</b>			
Net assets attributable to unit holders	520 039 467	-	520 039 467
Management fees	-	1 073 483	1 073 483
Custody fees	-	148 093	148 093
Trustee fees	-	64 187	64 187
Publication costs	-	442 038	442 038
Audit fees	-	1 713 587	1 713 587
Distributions	-	26 049 094	26 049 094
	<u>520 039 467</u>	<u>29 490 482</u>	<u>549 529 949</u>

##### Credit risk

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

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

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

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

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

##### Financial instruments

Interest receivable	<b>10 341 785</b>	9 852 371
Cash and cash equivalents	<b>126 471 613</b>	40 086 006
<b>Total credit risk exposure</b>	<b><u>136 813 398</u></b>	<u>49 938 377</u>

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



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements

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#### 13. Financial assets and liabilities by category

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

#### Financial assets at fair value through profit or loss

Held for trading	<b>498 954 087</b>	499 591 572
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#### Financial assets at amortised cost

Interest receivable	<b>10 341 785</b>	9 852 371
Cash and cash equivalents	<b>126 471 613</b>	40 086 006

#### Total financial assets

<b>635 767 485</b>	<b>549 529 949</b>
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#### Financial liabilities measured at amortised cost

Net assets attributable to unit holders	<b>608 654 665</b>	520 039 467
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Management fees	<b>1 248 162</b>	1 073 483
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Custody fees	<b>57 036</b>	148 093
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Trustee fees	<b>54 679</b>	64 187
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Audit fees	<b>976 999</b>	1 713 587
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Distribution	<b>24 513 514</b>	26 049 094
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Publication costs	<b>262 430</b>	442 038
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#### Total financial liabilities

<b>635 767 485</b>	<b>549 529 949</b>
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#### Fair value

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



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements

#### 14. Analysis of total assets

	Currency	Country	Maturity	Interest rate Price per unit	Holdings	Fair value	% of Gross assets
<b>2025</b>							
<b>Financial assets at fair value through profit or loss</b>							
<b>Current</b>							
<b>Unit trust &amp; equity investments</b>							
Hausmann Rech Global Managed Fund	USD	Mauritius		201.47	143 189	28 848 846	4.54
African Alliance Kenya Equity Fund	KES	Kenya		207.63	314 156	65 229 022	10.26
African Alliance Kenya Fixed Income Fund	KES	Kenya		11.78	4 958 120	58 423 244	9.19
Standard Chartered Bank Kenya Ltd	KES	Kenya		297.25	90 000	26 752 500	4.21
Safaricom Limited	KES	Kenya		28.35	677 580	19 209 393	3.02
						<b>198 463 005</b>	<b>31.22</b>
<b>Current</b>							
<b>Government bonds - fixed rate</b>							
Government of Kenya	KES	Kenya	09 Nov 26	11.28 %	10 000 000	10 196 067	1.60
<b>Fixed deposits</b>							
Equity Bank Kenya Limited	KES	Kenya	16 Feb 26	8.00 %	50 000 000	50 000 000	7.86
<b>Non-current</b>							
Government of Kenya	KES	Kenya	06 Sep 27	11.00 %	14 700 000	14 936 251	2.35
Government of Kenya	KES	Kenya	07 Feb 28	11.25 %	15 000 000	15 348 167	2.41
Government of Kenya	KES	Kenya	10 Apr 28	12.00 %	5 000 000	5 195 920	0.82
Government of Kenya	KES	Kenya	05 Jun 28	13.75 %	1 000 000	1 078 138	0.17
Government of Kenya	KES	Kenya	10 Jul 28	16.84 %	11 950 000	13 720 704	2.16
Government of Kenya	KES	Kenya	14 Aug 28	12.69 %	29 650 000	31 295 624	4.92
Government of Kenya	KES	Kenya	04 Dec 28	12.50 %	17 750 000	18 530 594	2.91
Government of Kenya	KES	Kenya	12 Feb 29	12.44 %	16 800 000	17 549 935	2.76
Government of Kenya	KES	Kenya	02 Apr 29	12.30 %	5 750 000	5 994 185	0.94
Government of Kenya	KES	Kenya	12 Nov 29	12.28 %	14 300 000	15 108 493	2.38
Government of Kenya	KES	Kenya	06 May 30	17.93 %	10 000 000	11 501 029	1.81
Government of Kenya	KES	Kenya	10 Jun 30	15.84 %	1 400 000	1 562 271	0.25
Government of Kenya	KES	Kenya	09 Aug 32	18.46 %	10 000 000	12 197 950	1.92
Government of Kenya	KES	Kenya	01 Nov 32	12.00 %	7 000 000	6 837 015	1.08
Government of Kenya	KES	Kenya	31 Jan 33	14.15 %	20 000 000	21 436 799	3.37
Government of Kenya	KES	Kenya	03 Oct 33	12.75 %	12 750 000	12 718 127	2.00
Government of Kenya	KES	Kenya	09 Jan 34	12.86 %	6 750 000	6 742 518	1.06
Government of Kenya	KES	Kenya	10 July 34	12.34 %	14 000 000	13 877 119	2.18
Government of Kenya	KES	Kenya	01 Mar 38	13.20 %	1 700 000	1 744 104	0.27
Government of Kenya	KES	Kenya	21 Mar 39	12.87 %	3 650 000	3 663 117	0.58
Government of Kenya	KES	Kenya	28 Jan 41	12.97 %	8 000 000	8 000 443	1.26
						<b>299 234 570</b>	<b>47.07</b>
<b>Non-current:</b>							
<b>Corporate bond -fixed rate</b>							
Kenya Mortgage Refin. Co Ltd	KES	Kenya	23 Feb 29	12.50 %	1 204 316	1 256 512	0.20



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 14. Analysis of total assets (continued)

	Currency	Currency	Currency	Interest rate per annum (%)	Holdings	Fair value	% of Gross Assets
<b>2025 (continued)</b>							
<b>Financial assets at fair value through profit or loss (continued)</b>						<b>498 954 087</b>	<b>78.48</b>
<b>Financial assets at amortised costs</b>							
Interest receivable						<b>10 341 785</b>	<b>1.63</b>
<b>Cash and cash equivalents</b>							
<b>Money market investments</b>							
African Alliance Kenya Money Market Fund	KES	Kenya		6.55 %	2 793	2 793	-
<b>Bank</b>							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	6 468 820	6 468 820	1.02
<b>Call account</b>							
The Cooperative Bank of Kenya Limited	KES	Kenya		7.25 %	20 000 000	20 000 000	3.15
<b>Fixed deposits</b>							
The Cooperative Bank Kenya Limited	KES	Kenya	05 Jan 26	7.25	30 000 000	30 000 000	4.72
Kenya Commercial Bank Limited	KES	Kenya	12 Jan 26	8.25	20 000 000	20 000 000	3.146
NCBA Bank Limited	KES	Kenya	26 Jan 26	8.25	50 000 000	50 000 000	7.86
						<b>126 471 613</b>	<b>19.89</b>
<b>Total</b>						<b>635 767 485</b>	<b>100.00</b>



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

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#### 14. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate (%)	Holdings	Fair value	% of Gross assets
				Price per unit			
<b>2024</b>							
<b>Financial assets at fair value through profit or loss</b>							
<b>Current</b>							
<b>Government bonds - fixed rate</b>							
Government of Kenya	KES	Kenya	10 Mar 25	10.25 %	2 850 000	2 850 223	0.52
Government of Kenya	KES	Kenya	05 May 25	11.67 %	2 000 000	2 010 115	0.37
						<b>4 860 338</b>	<b>0.88</b>
<b>Unit Trust &amp; Equity investments</b>							
African Alliance Kenya Equity Fund	KES	Kenya		156.24	826 678	129 158 012	23.50
African Alliance Kenya Fixed Income Fund	KES	Kenya		11.36	10 559 651	120 007 863	21.84
Safaricom Limited	KES	Kenya		17.05	677 580	11 552 739	2.10
Hausmann Rech Global Managed Fund	USD	Mauritius		175.25	246 047	43 118 751	7.85
						<b>303 837 365</b>	<b>55.29</b>
<b>Non - current</b>							
<b>Government bonds - fixed rate</b>							
Government of Kenya	KES	Kenya	09 Nov 26	11.28 %	10 000 000	9 851 881	1.79
Government of Kenya	KES	Kenya	06 Sep 27	11.00 %	9 700 000	9 248 161	1.68
Government of Kenya	KES	Kenya	07 Feb 28	11.25 %	15 000 000	14 126 912	2.57
Government of Kenya	KES	Kenya	10 Apr 28	12.00 %	5 000 000	4 765 660	0.87
Government of Kenya	KES	Kenya	10 Jul 28	16.84 %	10 000 000	10 737 438	1.95
Government of Kenya	KES	Kenya	14 Aug 28	12.69 %	29 650 000	28 455 881	5.18
Government of Kenya	KES	Kenya	04 Dec 28	12.50 %	17 750 000	16 875 919	3.07
Government of Kenya	KES	Kenya	12 Feb 29	12.44 %	12 300 000	11 636 531	2.12
Government of Kenya	KES	Kenya	02 Apr 29	12.30 %	5 750 000	5 403 888	0.98
Government of Kenya	KES	Kenya	12 Nov 29	12.28 %	14 300 000	13 357 794	2.43
Government of Kenya	KES	Kenya	06 May 30	17.93 %	10 000 000	11 203 005	2.04
Government of Kenya	KES	Kenya	01 Nov 32	12.00 %	7 000 000	6 504 116	1.18
Government of Kenya	KES	Kenya	03 Oct 33	12.75 %	12 750 000	12 208 972	2.22
Government of Kenya	KES	Kenya	09 Jan 34	12.86 %	6 750 000	6 482 647	1.18
Government of Kenya	KES	Kenya	10 Jul 34	12.34 %	14 000 000	13 043 808	2.37
Government of Kenya	KES	Kenya	01 Mar 38	13.20 %	1 700 000	1 677 702	0.31
Government of Kenya	KES	Kenya	21 Mar 39	12.87 %	3 650 000	3 484 516	0.63
Government of Kenya	KES	Kenya	28 Jan 41	12.97 %	8 000 000	7 589 596	1.38
						<b>186 654 427</b>	<b>33.97</b>
						-	-



## African Alliance Kenya Balanced Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings						2025	2024
<b>14. Analysis of total assets (continued)</b>							
	Currency	Country	Maturity date	Maturity date	Holding	Fair value	% of Gross assets
<b>2024</b>							
<b>Financial assets at fair value through profit or loss (continued)</b>							
<b>Non - current (continued)</b>							
<b>Government bonds -fixed rated (continued)</b>							
<b>Corporate bond -fixed rate</b>							
East African Breweries Plc	KES	Kenya	29 Oct 26	12.25 %	2 950 000	2 892 770	0.53
Kenya Mortgage Refin.Co Ltd	KES	Kenya	23 Feb 29	12.50 %	1 426 668	1 346 673	0.25
						4 239 443	0.77
						312 937 146	56.95
<b>Financial assets at amortised costs</b>							
Interest receivable						9 852 371	1.79
<b>cash and cash equivalents</b>							
<b>Money market investments</b>							
African Alliance Kenya Money Market Fund	KES	Kenya		11.54 %	2 535	2 535	0.001
<b>Banks</b>							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	83 470	83 470	0.02
<b>Fixed deposit</b>							
<b>Call account</b>							
The Cooperative Bank of Kenya Limited	KES	Kenya		17.00	40 000 000	40 000 000	7.28
						40 086 005	7.29
<b>Total</b>						<b>362 875 522</b>	<b>66.03</b>
<b>15. Reconciliation of Net Asset Value per unit</b>							
Published price (calculated in accordance with redemption requirements)						22.48	20.08
Adjusted for:							
-Distribution payable						(0.87)	(0.96)
<b>Net asset value as per IFRS</b>						<b>21.61</b>	<b>19.12</b>
<b>16. Events after the reporting period</b>							
There are no significant events that occurred in respect of the Fund and the management company, subsequent to the year end, that may be relevant to the accuracy of these financial statements.							



African Alliance Kenya Money Market Fund  
Annual Financial Statements  
for the year ended 31 December 2025



## African Alliance Kenya Money Market Fund

### Statement of Financial Position as at 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Assets</b>			
Investments	1	300 932 698	355 449 253
Interest receivable		1 782 304	191 439
Cash and cash equivalents	2	97 917 759	17 829 250
<b>Total Assets</b>		<b>400 632 761</b>	<b>373 469 942</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Management fees	10	799 768	728 746
Custody fees	10	93 200	72 114
Publication costs		170 229	254 839
Distributions	6	2 197 774	3 600 986
Audit fees		669 752	348 162
Trustee fees	10	35 172	38 086
<b>Total Liabilities excluding net assets attributable to unit holders</b>		<b>3 965 895</b>	<b>5 042 933</b>
<b>Net assets attributable to unit holders</b>		<b>396 666 866</b>	<b>368 427 009</b>
<b>Represented by:</b>			
<b>Net assets attributable to unit holders</b>		<b>396 666 866</b>	<b>368 427 009</b>

The notes on pages 95 to 111 form an integral part of the annual financial statements.



## African Alliance Kenya Money Market Fund

### Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Income</b>			
Interest income	4	<b>42 949 234</b>	49 374 599
<b>Expenses</b>			
Management fees	10	<b>(9 124 198)</b>	(7 238 560)
Custody fees	10	<b>(1 101 335)</b>	(748 145)
Trustee fees	10	<b>(429 263)</b>	(320 576)
Audit fees		<b>(594 150)</b>	(276 831)
Other operating expenses		<b>(18 936)</b>	(78 190)
<b>Total operating expenses</b>		<b>(11 267 882)</b>	(8 662 302)
<b>Operating profit for the year</b>		<b>31 681 352</b>	40 712 298
Distribution to unit holders	5	<b>(31 681 352)</b>	(40 712 298)
<b>Increase in net assets attributable to unit holders</b>		<b>-</b>	-

The notes on pages 95 to 111 form an integral part of the annual financial statements.



## African Alliance Kenya Money Market Fund

### Statement of changes in net assets attributable to unit holders for the year ended 31 December 2025

	notes	Net assets attributable to unit holders	Number of units	Net asset value per unit
Figures in Shillings				
Balance at 01 January 2024		233 609 593	233 609 594	1.00
<b>Contributions and redemptions by unit holders</b>				
Issue of units during the year	7	278 063 738	278 063 738	-
Redemption of units during the year	7	(143 246 320)	(143 246 320)	-
Increase in net assets attributable to unit holders		-	-	-
<b>Balance at 31 December 2024</b>	8	<b>368 427 011</b>	<b>368 427 012</b>	<b>1.00</b>
<b>Balance at 01 January 2025</b>				
		<b>368 427 011</b>	<b>368 427 012</b>	<b>1.00</b>
<b>Contributions and redemptions by unit holders</b>				
Issue of units during the year	7	<b>233 858 283</b>	<b>233 858 283</b>	-
Redemption of units during the year	7	<b>(205 618 427)</b>	<b>(205 618 427)</b>	-
Increase in net assets attributable to unit holders		-	-	-
<b>Balance at 31 December 2025</b>	8	<b>396 666 867</b>	<b>396 666 868</b>	<b>1.00</b>

The notes on pages 95 to 111 form an integral part of the annual financial statements.



## African Alliance Kenya Money Market Fund

### Statement of Cash Flows for the year ended 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Cash flows from operating activities</b>			
Net movement in investments		<b>54 516 555</b>	(251 730 093)
Interest received		<b>41 358 369</b>	51 893 579
Custodian fees paid		<b>(1 080 615)</b>	(744 862)
Trustee fees paid		<b>(431 809)</b>	(299 697)
Other expenses paid		<b>(103 547)</b>	(58 002)
Management fees paid		<b>(9 053 176)</b>	(6 739 247)
Audit fees paid		<b>(272 560)</b>	(253 879)
<b>Net cash generated from / (used in) investing activities</b>		<b>84 933 217</b>	(207 932 201)
<b>Cash flows from financing activities</b>			
Proceeds on issue of units	7	<b>205 261 599</b>	243 520 419
Payment on redemption of units	7	<b>(205 618 427)</b>	(143 246 320)
Distributions paid to unit holders	6	<b>(4 487 880)</b>	(5 105 261)
<b>Net cash (used in) / generated from financing activities</b>		<b>(4 844 708)</b>	95 168 838
<b>Net movement in cash and cash equivalents during the year</b>		<b>80 088 509</b>	(112 763 363)
Cash and cash equivalents at the beginning of the year		<b>17 829 250</b>	130 592 613
<b>Cash and cash equivalents at the end of the year</b>	2	<b>97 917 759</b>	17 829 250

The notes on pages 95 to 111 form an integral part of the annual financial statements.



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>1. Investments</b>		
Fixed rate government bonds	41 130 265	49 939 291
Treasury bills	34 803 738	39 155 810
Fixed deposits	224 091 575	265 279 904
Variable rate corporate bonds	907 120	1 074 248
	<b>300 932 698</b>	<b>355 449 253</b>
Opening balance	355 449 253	103 719 160
Additions	303 785 439	294 097 379
Maturities	(362 728 254)	(50 992 744)
Movement in interest received	4 426 260	8 625 458
	<b>300 932 698</b>	<b>355 449 253</b>

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

### 2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and liquid investments	97 917 759	17 829 250
Analysed as:		
Fixed deposits	-	12 000 000
Call account	95 000 000	-
Current account	2 917 759	5 829 250
	<b>97 917 759</b>	<b>17 829 250</b>

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

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

### 3. Fair value of financial instruments

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable directly (that is, as prices) or indirectly (that is, derived from prices). This category includes instruments using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued, based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 3. Fair value of financial instruments (continued)

Financial instruments not measured at fair value

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

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

#### 4. Interest income

Cash at bank	3 588 715	11 487 930
Financial assets at amortised costs	21 279 993	18 190 124
Fixed deposits and treasury bills	18 080 526	19 696 545
	<b>42 949 234</b>	<b>49 374 599</b>

#### 5. Distribution to unit holders

Distributions declared at:

January	3 227 436	2 452 077
February	2 735 111	2 442 555
March	3 030 342	3 139 348
April	2 958 439	3 172 206
May	2 632 237	3 470 416
June	2 560 223	3 383 138
July	2 588 493	3 789 893
August	2 583 909	4 043 656
September	2 456 290	3 832 486
October	2 503 508	3 920 055
November	2 207 590	3 465 489
December	2 197 774	3 600 979
	<b>31 681 352</b>	<b>40 712 298</b>



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>6. Distribution paid to unit holders</b>		
Opening balance	(3 600 986)	(2 537 268)
Distribution for the year (Note 5)	(31 681 352)	(40 712 298)
Closing balance	2 197 774	3 600 986
	<b>(33 084 564)</b>	<b>(39 648 580)</b>
Distribution re-invested	28 596 684	34 543 319
Distribution paid	4 487 880	5 105 261
	<b>33 084 564</b>	<b>39 648 580</b>
<b>7. Issue and redemption of unit during the year</b>		
Units created during the year	233 858 283	278 063 738
Amounts of units re-invested (Note 6)	(28 596 684)	(34 543 319)
Proceeds from issue of units	205 261 599	243 520 419
Redemption of units during the year	<b>(205 618 427)</b>	<b>(143 246 320)</b>

### 8. Redeemable participating units

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

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

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

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

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



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 9. Capital management

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

The Fund's objectives for managing capital are:

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

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

#### 10. Related parties

##### Relationship - Trustee and Custodian

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

Custodian fees payable	<b>93 200</b>	72 114
Trustee fees payable	<b>35 172</b>	38 086
	<hr/>	<hr/>
Custody fees charged for the year	<b>1 101 335</b>	748 145
Trustee fees charged for the year	<b>429 263</b>	320 576
	<hr/>	<hr/>
<b>Investments held with Stanbic Bank Kenya Limited</b>		
Curent account	<b>2 917 759</b>	5 829 250
Call deposit	-	-
Fixed deposit	<b>58 000 000</b>	-
	<hr/> <hr/>	<hr/> <hr/>



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025      2024

#### 10. Related parties (continued)

##### Relationship- Investment Manager

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

Management fees payable	<b>799 768</b>	728 746
Management fees charged for the year	<b>9 124 198</b>	7 238 560

Investment in the Fund made by the Fund Investment Manager:

	Number of units held	Value of units held	% of units held	Distribution to unit holders	Distribution payable
<b>African Alliance Kenya Asset Management Limited</b>					
Opening balance - 01 January 2024	25 777 826	25 777 826	11.03	-	280 805
Units acquired	26 468 821	26 468 821			
Units disposed	(48 279 507)	(48 279 507)			
Closing balance 31 December 2024	3 967 140	3 967 140	1.08	1 317 080	33 012
Opening balance - 01 January 2025	<b>3 967 140</b>	<b>3 967 140</b>	<b>1.08</b>	-	<b>33 012</b>
Units acquired	<b>76 565 406</b>	<b>76 565 406</b>			
Units disposed	<b>(76 200 000)</b>	<b>(76 200 000)</b>			
<b>Closing balance 31 December 2025</b>	<b>4 332 546</b>	<b>4 332 546</b>	<b>1.09</b>	<b>990 692</b>	<b>20 070</b>



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025      2024

#### 10. Related parties (continued)

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

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<b><u>African Alliance Kenya Equity Fund</u></b>					
Opening balance - 01 January 2024	16 023 375	16 023 375	6.86		176 103
Units acquired	2 477 774	2 477 774			
Closing balance 31 December 2024	18 501 149	18 501 149	5.02	2 281 750	181 113
Opening balance - 01 January 2025	<b>18 501 149</b>	<b>18 501 149</b>	<b>5.02</b>		<b>181 113</b>
Units acquired	<b>1 891 332</b>	<b>1 891 332</b>			
<b>Closing balance 31 December 2025</b>	<b>20 392 481</b>	<b>20 392 481</b>	<b>5.14</b>	<b>1 668 014</b>	<b>111 137</b>
<b><u>African Alliance Kenya Fixed Income Fund</u></b>					
Opening balance - 01 January 2024	18 330 661	18 330 661	7.85	-	201 461
Units acquired	2 834 561	2 834 561			
Closing balance 31 December 2024	21 165 222	21 165 222	5.74	2 610 310	207 193
Opening balance - 01 January 2025	<b>21 165 222</b>	<b>21 165 222</b>	<b>5.74</b>		<b>207 193</b>
Units acquired	<b>12 440 290</b>	<b>12 440 290</b>			
<b>Closing balance 31 December 2025</b>	<b>33 605 512</b>	<b>33 605 512</b>	<b>8.47</b>	<b>2 162 965</b>	<b>183 148</b>



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025      2024

#### 10. Related parties (continued)

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

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<b><u>African Alliance Kenya Balanced Fund (formerly African Alliance Kenya Managed Fund )</u></b>					
Opening balance - 01 January 2024	2 196	2 196	0.001	-	24.13
Units acquired	339	339			
Closing balance 31 December 2024	<u>2 535</u>	<u>2 535</u>	0.001	312	24.81
Opening balance - 01 January 2025	<b>2 535</b>	<b>2 535</b>	<b>0.001</b>		<b>24.81</b>
Units acquired	<b>258</b>	<b>258</b>	-		-
<b>Closing balance 31 December 2025</b>	<b><u>2 793</u></b>	<b><u>2 793</u></b>	<b>0.001</b>	<b>228</b>	<b>15.23</b>

#### 11. Financial instruments and risk management

##### Introduction

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

##### Risk management structure

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



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 11. Financial instruments and risk management (continued)

##### Risk measurement and reporting system

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

##### Risk mitigation

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

##### Excessive risk concentration

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

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

##### Market risk

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

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



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
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#### 11. Financial instruments and risk management (continued)

##### Interest rate risk

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

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

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

	Change in basis points	Sensitivity of interest income
2024	+/- 10	+/- 5 829
<b>2025</b>	<b>+/- 10</b>	<b>+/- 97 918</b>

##### Currency risk

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

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

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

##### Price risk

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

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

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



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 11. Financial instruments and risk management (continued)

##### Liquidity risk

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

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

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

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

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

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

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

<u>2025</u>	On demand	Within 1 month	Total
<b>Financial liabilities</b>			
Net assets attributable to unit holders	396 666 866	-	396 666 866
Management fees	-	799 768	799 768
Custody fees	-	93 200	93 200
Trustee fees	-	35 172	35 172
Audit fees	-	669 752	669 752
Distribution	-	2 197 774	2 197 774
Publication costs	-	170 229	170 229
	<b>396 666 866</b>	<b>3 965 895</b>	<b>400 632 761</b>



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 11. Financial instruments and risk management (continued)

##### Liquidity risk (continued)

##### 2024

##### Financial liabilities

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

##### Credit risk

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

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

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

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

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

##### Financial instruments

Investments	<b>300 932 698</b>	355 449 253
Interest receivable	<b>1 782 304</b>	191 439
Cash and cash equivalents	<b>97 917 759</b>	17 829 250
<b>Total credit risk exposure</b>	<b>400 632 761</b>	<b>373 469 942</b>

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

##### Fair value

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



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 12. Financial assets and liabilities by category

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

##### Financial assets at amortised cost

Debt instruments	300 932 698	355 449 253
Interest receivable	1 782 304	191 439
Cash and cash equivalents	97 917 759	17 829 250
<b>Total financial assets</b>	<b>400 632 761</b>	<b>373 469 942</b>

##### Financial liabilities measured at amortised cost

Net assets attributable to unit holders	396 666 866	368 427 009
Management fees	799 768	728 746
Custody fees	93 200	72 114
Trustee fees	35 172	38 086
Audit fees	669 752	348 162
Distribution	2 197 774	3 600 986
Publication costs	170 229	254 839
<b>Total financial liabilities</b>	<b>400 632 761</b>	<b>373 469 942</b>



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements

#### 13. Analysis of total assets

	Currency	Country	Maturity	Interest rate	Holdings	Amortised cost	% of Gross assets
<b>2025</b>							
<b>Financial assets at amortised cost</b>							
<b>Current</b>							
<b>Fixed deposit</b>							
NCBA Kenya Limited	KES	Kenya	05 Jan 26	11.00 %	30 000 000	33 426 575	8.34
The Cooperative Bank of Kenya Limited	KES	Kenya	12 Jan 26	12.00 %	50 000 000	56 230 137	14.04
NCBA Kenya Limited	KES	Kenya	02 Feb 26	8.00 %	14 000 000	14 199 452	3.54
Equity Bank Kenya Limited	KES	Kenya	09 Feb 26	8.00 %	9 000 000	9 110 466	2.27
Equity Bank Kenya Limited	KES	Kenya	16 Feb 26	8.00 %	40 000 000	40 447 123	10.10
NCBA Kenya Limited	KES	Kenya	16 Feb 26	8.00 %	10 000 000	10 142 466	2.53
Stanbic Bank Kenya Limited	KES	Kenya	20 Apr 26	9.20 %	20 000 000	21 315 726	5.32
Stanbic Bank Kenya Limited	KES	Kenya	27 Apr 26	9.20 %	17 000 000	18 109 797	4.52
Stanbic Bank Kenya Limited	KES	Kenya	14 Dec 26	8.30 %	21 000 000	21 109 833	5.27
						<b>224 091 575</b>	<b>55.93</b>
<b>Treasury bills</b>							
Government of Kenya	KES	Kenya	04 May 26	10.01 %	6 364 890	6 785 389	1.69
Government of Kenya	KES	Kenya	11 May 26	10.01 %	15 457 029	16 448 943	4.11
Government of Kenya	KES	Kenya	25 May 26	10.00 %	10 911 552	11 569 406	2.89
						<b>34 803 738</b>	<b>8.69</b>
<b>Government bonds- fixed rate</b>							
Government of Kenya	KES	Kenya	17 Aug 26	16.03 %	2 000 000	2 050 142	0.51
						<b>2 050 142</b>	<b>0.51</b>



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 13. Analysis of total assets (continued)

	Currency	Country	Maturity	Interest rate	Holdings	Amortised cost	% of Gross assets
<b>2025 (continued)</b>							
<b>Financial assets at amortised costs (continued)</b>							
<b>Non current</b>							
<b>Government bonds- fixed rate</b>							
Government of Kenya	KES	Kenya	07 Feb 28	11.76 %	1 000 000	1 012 783	0.25
Government of Kenya	KES	Kenya	07 Feb 28	11.79 %	2 000 000	2 028 144	0.51
Government of Kenya	KES	Kenya	05 Jun 28	12.75 %	400 000	431 258	0.11
Government of Kenya	KES	Kenya	10 Jul 28	16.85 %	7 000 000	7 553 086	1.89
Government of Kenya	KES	Kenya	12 Nov 29	12.45 %	3 000 000	3 005 170	0.75
Government of Kenya	KES	Kenya	06 May 30	17.93 %	7 000 000	7 179 327	1.79
Government of Kenya	KES	Kenya	06 May 30	17.94 %	10 000 000	10 439 141	2.61
Government of Kenya	KES	Kenya	05 May 31	11.25 %	1 000 000	897 010	0.22
Government of Kenya	KES	Kenya	03 May 32	13.49 %	800 000	815 417	0.20
Government of Kenya	KES	Kenya	03 May 32	13.55 %	1 000 000	1 013 436	0.25
Government of Kenya	KES	Kenya	01 Nov 32	12.26 %	600 000	593 365	0.15
Government of Kenya	KES	Kenya	01 Nov 32	11.95 %	1 000 000	1 022 246	0.26
Government of Kenya	KES	Kenya	10 Jul 34	12.57 %	2 000 000	2 055 160	0.51
Government of Kenya	KES	Kenya	28 Jan 41	13.04 %	1 000 000	1 034 580	0.26
						<b>39 080 123</b>	<b>9.75</b>
<b>Corporate bond -fixed rate</b>							
<b>Non-current</b>							
Kenya Mortgage Refin Co Limited	KES	Kenya	23 Feb 29	12.50 %	869 784	907 120	0.23
						<b>300 932 698</b>	<b>75.11</b>
Interest receivable						<b>1 782 304</b>	<b>0.44</b>
<b>Cash and cash equivalents</b>							
<b>Banks</b>							
Stanbic Bank Kenya Limited	KES	Kenya		2.00 %	2 917 759	2 917 759	0.73
Kenya Commercial Bank Limited	KES	Kenya		7.25 %	46 000 000	46 000 000	11.482
Kenya Commercial Bank Limited	KES	Kenya		7.00 %	20 000 000	20 000 000	4.992
Kenya Commercial Bank Limited	KES	Kenya		7.50 %	5 000 000	5 000 000	1.25
NCBA Kenya Limited	KES	Kenya		7.00 %	24 000 000	24 000 000	5.99
						<b>97 917 759</b>	<b>24.44</b>
						<b>400 632 761</b>	<b>100.00</b>



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 13. Analysis of total assets (continued)

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



## African Alliance Kenya Money Market Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings

2025

2024

#### 13. Analysis of total assets (continued)

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



**African Alliance Kenya Money Market Fund**

**Notes to the Annual Financial Statements for the year ended 31 December 2025**

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Figures in Shillings	<b>2025</b>	2024
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**14. Events after the reporting period**

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



**African Alliance Kenya Enhanced Yield Fund**  
Annual Financial Statements  
for the year ended 31 December 2025



## African Alliance Kenya Enhanced Yield Fund

### Statement of Financial Position as at 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Assets</b>			
Investments	1	106 184 943	97 777 383
Trade and other receivables		6 004 797	4 331 012
Cash and cash equivalents	2	29 229 482	45 016 118
<b>Total Assets</b>		<b>141 419 222</b>	<b>147 124 513</b>
<b>Liabilities</b>			
Management fees	10	276 094	260 936
Custody fees	10	36 551	28 033
Distributions	6	847 270	1 200 308
Audit fees		267 292	71 141
Trustee fees	10	30 148	38 087
<b>Total Liabilities</b>		<b>1 457 355</b>	<b>1 598 505</b>
<b>Net assets attributable to unit holders</b>		<b>139 961 867</b>	<b>145 526 008</b>
<b>Represented by:</b>			
<b>Net assets attributable to unit holders</b>		<b>139 961 867</b>	<b>145 526 008</b>

The notes on pages 117 to 132 form an integral part of the annual financial statements.



## African Alliance Kenya Enhanced Yield Fund

### Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Income</b>			
Interest income	4	<b>15 987 102</b>	17 434 779
<b>Expenses</b>			
Management fees	10	<b>(3 242 970)</b>	(2 709 024)
Custody fees	10	<b>(426 068)</b>	(322 691)
Trustee fees	10	<b>(331 361)</b>	(298 586)
Audit fees		<b>(251 842)</b>	(57 762)
Other operating expenses		-	(59 000)
Bank charges		<b>(98)</b>	(1 047)
<b>Total expenses</b>		<b>(4 252 339)</b>	(3 448 110)
<b>Operating profit before distribution</b>		<b>11 734 763</b>	13 986 670
Distribution to unit holders	5	<b>(11 734 763)</b>	(13 986 670)
<b>Increase in net assets attributable to unit holders</b>		<b>-</b>	-

The notes on pages 117 to 132 form an integral part of the annual financial statements.



## African Alliance Kenya Enhanced Yield Fund

### Statement of changes in net assets attributable to unit holders for the year ended 31 December 2025

	notes	Net assets attributable to unit holders	Number of units	Net asset value per unit
Figures in Shillings				
Balance at 01 January 2024		81 364 539	813 645	100.00
<b>Contributions and redemptions by unit holders</b>				
Issue of units during the year	7	97 777 362	977 774	-
Redemption of units during the year	7	(33 615 893)	(336 159)	-
Increase in net assets attributable to unit holders		-	-	-
<b>Balance at 31 December 2024</b>	8	<b>145 526 008</b>	<b>1 455 260</b>	<b>100.00</b>
<b>Balance at 01 January 2025</b>				
		<b>145 526 008</b>	<b>1 455 260</b>	<b>100.00</b>
<b>Contributions and redemptions by unit holders</b>				
Issue of units during the period	7	<b>51 025 654</b>	<b>510 257</b>	-
Redemption of units during the period	7	<b>(56 589 793)</b>	<b>(565 898)</b>	-
Increase in net assets attributable to unit holders		-	-	-
<b>Balance at 31 December 2025</b>	8	<b>139 961 869</b>	<b>1 399 619</b>	<b>100.00</b>

The notes on pages 117 to 132 form an integral part of the annual financial statements.



## African Alliance Kenya Enhanced Yield Fund

### Statement of Cash Flows for the year ended 31 December 2025

Figures in Shillings	Note(s)	2025	2024
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		46 534 970	13 954 457
Purchase of investments	1	(54 942 531)	(50 541 297)
Interest income		14 313 316	15 833 155
Custodian fees paid		(417 550)	(317 712)
Trustee fees paid		(339 300)	(287 100)
Management fees paid		(3 227 812)	(2 508 526)
Audit fees paid		(55 691)	(47 620)
Other expenses paid		-	(59 001)
Bank charges paid		(98)	(1 047)
<b>Net cash generated from / (used in) operating activities</b>		<b>1 865 304</b>	<b>(23 974 691)</b>
<b>Cash flows from financing activities</b>			
Proceeds on issue of units	7	39 517 400	84 719 993
Payment on redemption of units	7	(56 589 793)	(33 615 893)
Distributions paid to unit holders	6	(579 547)	(558 679)
<b>Net cash (used in ) / generated from financing activities</b>		<b>(17 651 940)</b>	<b>50 545 421</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>		<b>(15 786 636)</b>	<b>26 570 730</b>
Cash and cash equivalents at the beginning of the year		45 016 118	18 445 388
<b>Cash and cash equivalents at the end of the year</b>	2	<b>29 229 482</b>	<b>45 016 118</b>

The notes on pages 117 to 132 form an integral part of the annual financial statements.



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>1. Investments</b>		
Government securities	41 096 310	47 041 693
Treasury bills	16 387 913	6 497 911
Fixed deposits	48 500 000	44 000 000
Corporate bonds	200 720	237 779
	<b>106 184 943</b>	<b>97 777 383</b>
Opening balance	97 777 383	61 190 543
Additions	54 942 530	50 541 297
Maturities	(46 534 970)	(13 954 457)
	<b>106 184 943</b>	<b>97 777 383</b>

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

### 2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and liquid investments	29 229 482	45 016 118
Analysed as:		
Money market investments	-	20 000 000
Call account	26 500 000	20 000 000
Current account	2 729 482	5 016 118
	<b>29 229 482</b>	<b>45 016 118</b>

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

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

### 3. Fair value of financial instruments

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

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



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 3. Fair value of financial instruments (continued)

<b>2025</b>	Level 1	Level 2	Level 3	Total
Fixed deposits	48 500 000	-	-	48 500 000
Government securities	41 096 310	-	-	41 096 310
Corporate bonds	-	200 720	-	200 720
Treasury bills	16 387 913	-	-	16 387 913
	<b>105 984 223</b>	<b>200 720</b>	<b>-</b>	<b>106 184 943</b>

#### **2024**

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

Financial instruments not measured at fair value

#### Type

Corporate bonds and treasury bills

#### Valuation technique

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

#### 4. Interest income

Cash at bank	<b>1 422 302</b>	3 255 121
Fixed income investments	<b>9 979 047</b>	8 591 732
Money market investments	<b>4 585 753</b>	5 587 927
	<b>15 987 102</b>	17 434 780



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>5. Distribution to unit holders</b>		
Distributions declared at:		
January	1 213 159	760 458
February	1 059 471	758 569
March	1 164 949	1 205 628
April	1 073 627	1 215 532
May	958 095	1 299 153
June	905 168	1 244 395
July	937 301	1 309 805
August	936 010	1 342 701
September	874 750	1 287 051
October	914 734	1 251 410
November	850 229	1 111 660
December	847 270	1 200 308
	<b>11 734 763</b>	<b>13 986 670</b>
<b>6. Distribution paid to unit holders</b>		
Opening balance	(1 200 308)	(829 686)
Distribution for the year (Note 5)	(11 734 763)	(13 986 670)
Closing balance	847 270	1 200 308
	<b>(12 087 801)</b>	<b>(13 616 048)</b>
Distribution re-invested	11 508 254	13 057 369
Distribution paid	579 547	558 679
	<b>12 087 801</b>	<b>13 616 048</b>
<b>7. Issue and redemption of unit during the year</b>		
Units created during the year	51 025 654	97 777 362
Amounts of units re-invested (Note 6)	(11 508 254)	(13 057 369)
Proceeds from issue of units	39 517 400	84 719 993
Redemption of units during the year	(56 589 793)	(33 615 893)



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
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#### 8. Redeemable participating units

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

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

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

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

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

#### 9. Capital management

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

The Fund's objectives for managing capital are:

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

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



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 10. Related parties

##### Relationship - Trustee and Custodian

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

Custodian fees payable	36 551	28 033
Trustee fees payable	30 148	38 087
<hr/>		
Custody fees charged for the year	426 068	322 691
Trustee fees charged for the year	331 361	298 586
<hr/>		
<b>Investments held with Stanbic Bank Kenya Limited</b>		
Call deposit	-	-
Fixed deposits	14 000 000	-
Curent account	2 729 482	5 016 118
<hr/> <hr/>		

##### Relationship - Investment Manager

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

Management fees payable	276 094	260 936
Management fees charged for the year	3 242 970	2 709 024
<hr/>		

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

	Number of units held	Value of units held	% of units held	Distributions to unit holders	Distribution payable
<b><u>African Alliance Kenya Fixed Income Fund</u></b>					
Opening balance - 01 January 2024	187 089	18 708 857	22.99	-	191 086
Units acquired	24 018	2 401 844			
Closing balance 31 December 2024	211 107	21 110 701	14.51	2 401 843	193 039
Opening balance - 01 January 2025	211 107	21 110 701	14.51	-	193 039
Units acquired	19 213	1 921 296			
Closing balance 31 December 2025	230 320	23 031 997	16.46	1 921 296	140 188



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements

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#### 11. Financial instruments and risk management

##### Introduction

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

##### Risk management structure

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

##### Risk measurement and reporting system

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

##### Risk mitigation

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

##### Excessive risk concentration

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

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

##### Market risk

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

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

##### Interest rate risk

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



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
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#### 11. Financial instruments and risk management (continued)

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

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

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

	Change in basis points	Sensitivity of interest income
2024	+/- 10	+/-25 016
2025	<b>+/- 10</b>	<b>+/-29 229</b>

#### Currency risk

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

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

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

#### Price risk

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

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

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

Effect of a 10% change in bond prices	<b>10 618 494</b>	9 777 738
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A weakening of bond prices would result in an equal but opposite effect of the amounts shown above.



**African Alliance Kenya Enhanced Yield Fund**

**Notes to the Annual Financial Statements for the year ended 31 December 2025**

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Figures in Shillings	<b>2025</b>	2024
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**11. Financial instruments and risk management (continued)**

**Liquidity risk**

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

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

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

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

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



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 11. Financial instruments and risk management (continued)

##### Liquidity risk (continued)

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

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

#### 2025

	On demand	Within 1 month	Total
<b>Financial liabilities</b>			
Net assets attributable to unit holders	139 961 867	-	139 961 867
Management fees	-	276 094	276 094
Custody fees	-	36 551	36 551
Trustee fees	-	30 148	30 148
Audit fees	-	267 292	267 292
Distribution	-	847 270	847 270
	<b>139 961 867</b>	<b>1 457 355</b>	<b>141 419 222</b>

#### 2024

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



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
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#### 11. Financial instruments and risk management (continued)

##### Credit risk

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

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

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

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

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

##### Financial instruments

Interest receivable	6 004 797	4 331 012
Cash and cash equivalents	29 229 482	45 016 118
<b>Total credit risk exposure</b>	<b>35 234 279</b>	<b>49 347 130</b>

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

##### Fair value

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

#### 12. Financial assets and liabilities by category

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

##### Financial assets at fair value through profit or loss

Held for trading	106 184 943	97 777 383
------------------	-------------	------------

##### Financial assets at amortised cost

Interest receivable	6 004 797	4 331 012
Cash and cash equivalents	29 229 482	45 016 118

##### Total financial assets

<b>141 419 222</b>	<b>147 124 513</b>
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## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings	2025	2024
<b>12. Financial assets and liabilities by category (continued)</b>		
<b>Financial liabilities</b>		
Net assets attributable to unit holders	139 961 867	145 526 008
Management fees	276 094	260 936
Custody fees	36 551	28 033
Trustee fees	30 148	38 087
Audit fees	267 292	71 141
Distribution	847 270	1 200 308
<b>Total financial liabilities</b>	<b>141 419 222</b>	<b>147 124 513</b>

#### Fair value

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



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements

#### 13. Analysis of total assets

	Currency	Country	Maturity	Interest rate per annum (%)	Holdings	Fair value	% of Gross assets
<b>2025</b>							
<b>Financial assets at fair value through profit or loss</b>							
<b>Current</b>							
<b>Fixed deposits</b>							
NCBA Bank Kenya Limited	KES	Kenya	05 Jan 26	11.00 %	5 000 000	5 000 000	3.54
The Cooperative Bank Kenya Limited	KES	Kenya	12 Jan 26	12.00 %	5 000 000	5 000 000	3.54
Equity Bank Limited	KES	Kenya	16 Feb 26	8.00 %	14 500 000	14 500 000	10.25
Stanbic Bank Kenya Limited	KES	Kenya	23 Feb 26	10.40 %	14 000 000	14 000 000	9.90
The Cooperative Bank Kenya Limited	KES	Kenya	11 May 26	8.25 %	10 000 000	10 000 000	7.07
						<b>48 500 000</b>	<b>34.30</b>
Government of Kenya	KES	Kenya	17 Aug 26	16.03 %	3 000 000	3 000 000	2.12
Government of Kenya	KES	Kenya	09 Nov 26	11.28 %	1 700 000	1 700 000	1.20
						<b>4 700 000</b>	<b>3.32</b>
<b>Treasury bills -fixed rate</b>							
Government of Kenya	KES	Kenya	11 May 26	10.01 %	4 546 185	4 546 185	3.21
Government of Kenya	KES	Kenya	25 May 26	10.00 %	2 727 888	2 727 888	1.93
Government of Kenya	KES	Kenya	15 Jun 26	9.75 %	9 113 840	9 113 840	6.44
						<b>16 387 913</b>	<b>11.59</b>
<b>Non current</b>							
<b>Corporate bonds - fixed rate</b>							
Kenya Mortgage Refinery Co Limited	KES	Kenya	23 Feb 29	12.50	200 720	200 720	0.14
						<b>200 720</b>	<b>0.14</b>



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 13. Analysis of total assets (continued)

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



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 13. Analysis of total assets (continued)

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



## African Alliance Kenya Enhanced Yield Fund

### Notes to the Annual Financial Statements for the year ended 31 December 2025

Figures in Shillings 2025 2024

#### 13. Analysis of total assets (continued)

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

#### 14. Reconciliation of net asset value per unit

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

#### 15. Events after the reporting period

The Fund Manager, having obtained the requisite approvals from both the Scheme Trustees and the Capital Markets Authority, has amended the incorporating documents to rename the Fund and revise its investment objectives, thereby designating it as a Special Fund. In line with this re designation, the supplemental deeds were further modified to adjust the fund's risk appetite parameters, aligning them with the statutory investment restrictions and the approved investment objectives of the Fund.

The Capital Markets Authority granted formal approval on 9<sup>th</sup> March 2026, following which the Fund Manager issued notices to all affected unit holders and stakeholders advising them of the change.

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