



THE UNITED REPUBLIC OF TANZANIA

WATUMISHI HOUSING INVESTMENTS



INTERIM REPORT OF THE BOARD OF DIRECTORS OF WATUMISHI  
HOUSING INVESTMENTS  
FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2023

FAIDA UNIT TRUST SCHEME - FAIDA FUND



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February 2024

# **INTERIM REPORT OF THE BOARD OF DIRECTORS FOR FAIDA UNIT TRUST SCHEME FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2023**

## **1. Introduction**

The Board of Directors of Watumishi Housing Investments (WHI) presents Faida Unit Trust Scheme (Faida Fund) report for the period ended 31st December 2023. The Scheme which commenced its operations on 1st November 2022 reported net income of TZS 658.56 million on its audited accounts for the year ended 30th June 2023.

## **2. Establishment and Management of the Fund**

Faida Fund is a collective investment scheme formed by WHI, a government institution under the President's Office Public Service and Good Governance (PO-PSGG) that was incorporated on the 6th February 2013 under Cap.212. Faida Fund was established under the Deed of Trust of Faida Fund and is regulated by Capital Markets and Securities (Collective Investment Schemes) Regulations 1997, prescribed under Capital Markets and Securities Act, 1994.

The Fund is managed by WHI, a Registered Fund Manager who has set up a management structure to carry out the day-to-day operations of the Fund. The duties of the Fund Manager are specified in Sections 4.0 of the Offer Document.

The Custodian of the Fund is CRDB Bank Plc, a commercial bank licensed to carry out banking business under the Banking and Financial Institutions Act, 2006. The duties of the Custodian are specified in Section 5.5 of the Offer Document.

## **3. Principal Activities and Objectives of the Fund**

The principal activity of the Fund is to invest the pooled funds into a portfolio that enables both high and low income investors to diversify risk and obtain competitive returns over the medium and long term through capital growth.

The main objectives of the Fund are:

- a) Capital Growth: The Fund gives Tanzanians an opportunity to participate in the capital market and obtain a good return on their investment.
- b) Promote Saving Culture: The Fund being an affordable financial product, empowers Tanzanians through wide ownership of its units and encourage a culture of savings in financial assets.

## **4. Sale and Re-Purchase of Units of the Fund**

The sale and re-purchase price is based on the prevailing Net Asset Value (NAV) per unit on the date of sale and re-purchase without application of entry or exit loads, respectively.

## **5. Use of Proceeds**

The proceeds are invested in debt and money markets instruments.

## 6. Risk Warning

Investment in unit trusts should be regarded as medium to long term investment. Investors should note that investments in the Scheme are subject to market risks and the Net Asset Value (NAV) of the Scheme may go up or down depending upon the factors and forces affecting the securities market. Past performance does not necessarily guarantee future performance.

## 7. Solvency and Liquidity

The Fund's Statement of Financial Position at 31<sup>st</sup> December 2023 indicates that the Fund is capable of meeting its long-term financial obligations. In addition, Fund's Investment Policy ensures availability of sufficient liquidity while offering competitive returns to investors. Hence the Fund Manager considers the Fund to be solvent.

## 8. The Board of Directors

Details of Directors who held office during the half year period and up to the date of this report are as follows:

| S/n | Name                 | Age | Position                       | Date of Appointment | Status (Active/ Date Resigned) |
|-----|----------------------|-----|--------------------------------|---------------------|--------------------------------|
| 1   | Mr. Hosea Kashimba   | 53  | Chairman                       | December 2018       | Active                         |
| 2   | Mr. Bernard Konga    | 43  | Member                         | 1 July 2016         | Active                         |
| 3   | Mr. Masha J. Mshomba | 53  | Member                         | 4 April 2021        | Active                         |
| 4   | Mr. Nehemia Mchechu  | 51  | Member                         | April 2022          | 24 February 2023               |
| 5   | Mr. Hamad Abdallah   | 52  | Member                         | 24 February 2023    | Active                         |
| 6   | Ms. Agness Meena     | 54  | Member                         | 6 February 2013     | 24 February 2023               |
| 7   | Mr. Shabani S. Mande | 50  | Member                         | 30 August 2021      | Active                         |
| 8   | Dr. Fred Msemwa      | 51  | CEO and Secretary to the Board | 1 November 2013     | Active                         |

All the Directors are Tanzanians.

*Signed*

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Dr Fred Msemwa  
**Chief Executive Officer**

**Dated:** 29<sup>th</sup> February 2024

## FAIDA UNIT TRUST SCHEME – FAIDA FUND



Report of financial condition of Faida Fund for the period ended 31<sup>st</sup> December 2023. Published pursuant to Part XIII, Section 38(1) of The Capital Markets and Securities (Collective Investment Schemes) Regulations, 1997.

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2023

|   | Six Months to<br>31 December 2023 | Period Ended<br>30 June 2023 |
|---|-----------------------------------|------------------------------|
|   | TZS'000                           | TZS'000                      |
| Interest Income   | 1,017,723                         | 850,411                      |
| Other Income/(Cost)   | -                                 | -                            |
| <b>Total Income</b>   | <b>1,017,723</b>                  | <b>850,411</b>               |
| Operating Expenses  | (195,807)                         | (188,634)                    |
| <b>Increase in Net Asset Attributable to Unit Holders Before Tax</b>    | <b>821,916</b>                    | <b>661,777</b>               |
| Withholding Tax Expense   | (3,657)                           | (3,219)                      |
| <b>Change in Net Asset Attributable to Unit Holders After Tax</b>       | <b>818,260</b>                    | <b>658,558</b>               |
| Other Comprehensive Income  | -                                 | -                            |
| <b>Total Change in Net Asset Attributable to Unit Holders After Tax</b> | <b>818,260</b>                    | <b>658,558</b>               |

# FAIDA UNIT TRUST SCHEME – FAIDA FUND

## STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>ST</sup> DECEMBER 2023

|  | 31-Dec-23         | 30-Jun-23         |
|--|-------------------|-------------------|
|  | TZS'000           | TZS'000           |
| <b>ASSETS</b>  |                   |                   |
| Cash and Cash Equivalents  | 2,324,182         | 1,000,759         |
| Deposits with Financial Institutions   | 745,210           | 545,210           |
| Treasury Bonds   | 15,500,040        | 14,145,380        |
| Corporate Bonds  | 207,077           | 100,000           |
| Interest Receivable  | 818,728           | 189,226           |
| <b>Total Assets</b>  | <b>19,595,237</b> | <b>15,980,575</b> |
| <b>LIABILITIES</b>   |                   |                   |
| Accounts Payable   | (319,528)         | (632,920)         |
| <b>Total Liabilities</b>   | <b>(319,528)</b>  | <b>(632,920)</b>  |
| <b>Net Assets Attributable to Unit-holders</b>   | <b>19,275,709</b> | <b>15,347,654</b> |
| <b>Represented by:</b>   |                   |                   |
| Unit Capital   | 17,798,892        | 14,689,096        |
| Retained Earnings  | 658,558           | -                 |
| Change in Net Assets/Profit  | 818,260           | 658,558           |
| <b>Total Unit Holders Equity</b>   | <b>19,275,709</b> | <b>15,347,654</b> |
| Net Asset Value per Unit Based on Outstanding Units as at 31 <sup>st</sup> December 2023 | 110.2360          | 104.9707          |

*Signed*

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Dr Fred Msemwa  
**Chief Executive Officer**

**Dated:** 29<sup>th</sup> February 2024