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BRITAM EQUITY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2025

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Fund Manager	Britam Asset Managers (Kenya) Limited Britam Centre Junction of Mara & Ragati Roads 5th Floor, Upper Hill P.O. Box 30375-00100 Nairobi, Kenya
Trustee	KCB Bank Kenya Limited KCB Tower, 7th Floor, Upper Hill P.O. Box 30664-00100 Nairobi, Kenya
Custodian	Standard Chartered Bank Kenya Limited Standard Chartered Chiromo, Level 5 48 Westlands Road P.O. Box 40984-00100 Nairobi, Kenya
Auditor	Ernst & Young LLP Kenya Re Towers, Upper hill Off Ragati Road P.O. Box 44286 – 00100 Nairobi
Lawyer	CMS Daly Inamdar Advocates ABC Place Waiyaki Way PO Box 40034-00100 Nairobi, Kenya

The Capital Markets (Licensing Requirements) (General) Regulations, 2023 requires the Fund Manager, to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Fund. The Fund Manager is also required to ensure that the Fund keeps proper accounting records that are sufficient to explain the transactions and financial position of the Fund; and that enables the Fund Manager to prepare financial statements from time to time that comply with prescribed financial reporting standards.

The Fund Manager accepts responsibility for the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error. The Fund Manager also accepts responsibility for:

i) Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;

ii) Selecting and applying appropriate accounting policies and then applying them consistently; and

iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The Fund Manager acknowledges that the independent audit of the financial statements does not relieve it of its responsibility.

Having assessed the Fund's ability to continue as a going concern, the fund manager is not aware of any material uncertainties related to events or conditions that may cast doubt upon the Fund's ability to continue as a going concern.

Approved by the Fund Manager on 31 March 2026 and signed on its behalf by:

For Britam Equity Fund

Authorised Representative

Authorised Representative

The Fund Manager has the pleasure of submitting its report together with the audited financial statements of Britam Equity Fund (the "Fund" or "Britam Equity Fund")) for the year ended 31 December 2025.

INVESTMENT OBJECTIVES

The investment objective of the Britam Equity Fund is to offer superior returns over the medium to longer term by maximizing long term capital growth.

To achieve this, the Fund invests primarily in companies listed on the stock exchanges of Kenya, Uganda and Tanzania, which show above average prospects for future growth.

The key investment philosophies for the Britam Equity Fund are:

- To achieve its performance objectives through well-researched and superior share selection.
- To protect capital and achieve long-term capital growth; and
- To invest in quality businesses diligently selected based upon attractive long-term Fundamentals.

CHANGES TO THE INCORPORATION DOCUMENTS

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

FUND PERFORMANCE

The highest and the lowest bid prices were as per the table below.

Year	**2025**	**2024**	**2023**	**2022**	**2021**
Highest price	144.71	98.00	105.07	119.09	127.12
Lowest price	114.26	95.34	98.57	103.17	115.30

INCOME DISTRIBUTION

The profit / (loss) realised by the Fund for the last 5 years has been distributed to the unit holders as per the table below.

Year	**2025**	**2024**	**2023**	**2022**	**2021**
Amount (Shs '000)	98,158	(4,079)	(54,969)	(51,157)	(65,127)

TOTAL VALUE OF THE FUND

The total book value of the Fund for the last 3 years is as per the below table.

Year	**2025**	**2024**	**2023**
Amount (Shs '000)	357,896	320,064	736,444

Total Expense Ratio (TER)

The total expense ratio of the Fund provides a measure of the total costs incurred to manage and operate the Fund. The TER for the year is as per below table.

Year	**2025**	**2024**
Total expenses for the year (Shs '000)	10,440	19,223
Management fees for the year (Shs '000)	8,816	16,421
Percentage management fee	2.46%	5.13%
Total expense ratio	2.92%	6.01%

AUDITOR

Ernst & Young LLP continues to be in office in accordance with the Fund's Trust Deed and Section 60 (1) of the Capital Markets Authority (Collective Investment Schemes) Regulations, 2023.

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

Approved by the Fund Manager on 31 March 2026 and signed on its behalf by:

Authorized Representative

Authorized Representative

The Corporate Trustee of the Britam Equity Fund is pleased to present its report to the unit holders for the year ended 31 December 2025.

1. Compliance with the Capital Markets (Collective Investment Schemes) Regulations, 2023

In accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2023, the Trust Deed between KCB Bank Kenya Ltd (the "Trustee") and Britam Asset Manager (Kenya) Limited (the "Fund Manager"), and the Information Memorandum, we confirm that during the year under review:

- The Trustee has fulfilled all duties and responsibilities prescribed under the Regulations and the Trust Deed.
- The Scheme and its sub-funds were operated in accordance with the approved scheme documents, the Regulations, and applicable laws.

2. Oversight of Fund Manager Activities

The Trustee has exercised continuous oversight over the Fund Manager's activities and confirms that:

- All investment decisions were made within the investment policy, strategy, and limits set out in the scheme documents and the Regulations.
- The Fund Manager adhered to the investment powers granted and did not exceed the mandate conferred by the Trust Deed or the Regulations.
- Pricing, valuation, unit creation, and redemption processes were reviewed periodically and found to be in compliance with regulatory requirements.

3. Management of Conflicts of Interest

The Trustee confirms that:

- No conflicts of interest were identified that would prejudice the interests of the unit holders.
- The interests of all participants were treated as paramount in all matters relating to the scheme.

4. Review of Irregularities and Undesirable Practices

In line with regulatory obligations:

- The Trustee monitored the scheme for any irregularities or undesirable practices.
- Where concerns arise, the Trustee is required to notify the Fund Manager and, where not resolved, to notify the Authority.
- For the period under review, no irregularities or undesirable practices were observed.

5. Custody and Safeguarding of Assets

The Trustee has ensured that all scheme assets were properly held, registered, and safeguarded for the benefit of unit holders.

7. Trustee's Opinion

Based on the oversight performed during the year, the Trustee is satisfied that:

- The Scheme was managed in accordance with applicable regulations and the governing documents.
- The Fund Manager conducted its duties with due skill, care, and diligence.
- Unit holders' interests were adequately protected throughout the year.

Signed for and on behalf of the Corporate Trustee KCB Bank Kenya Limited

For: KCB BANK KENYA LTD.

Authorized Signatory
CORPORATE TRUSTEE

31 March 2026

For: KCB BANK KENYA LTD.

Authorized Signatory 31 March 2026
CORPORATE TRUSTEE

Dear Unit Holder,

The Fundamental objective of the Britam Equity Fund (the "Fund") is to protect capital and achieve superior returns over the long-term in excess of the benchmark. The Fund achieves this primarily by investing in shares of quality businesses listed on East African stock exchanges. The Fund is also able to provide exposure to a wide range of investment opportunities in various equities and related asset classes by achieving diversification within the equity markets across different economic sectors of countries of issue.

At Britam Asset Managers (Kenya) Limited, we have an investment philosophy that ensures the Equity Fund is invested in a number of quality businesses. We actively monitor and invest in companies that match our criteria: namely, consistent financial performance, specialized competitive advantage, positive earnings outlook and sound management.

Global GDP grew by 3.3% for 2025 and is projected at 3.3% for 2026; GDP growth is seen averaging 3.2% in 2027-2029, driven by factors such as technology investments, fiscal support in major economies, and adaptive private sector responses. Global economic activity has shown resilience amid trade policy headwinds and geopolitical uncertainties. Kenya's economy grew by 4.9% in 2025. This was a faster growth than what was recorded in 2024 at 4.7%. The acceleration was amid a supportive economic environment characterized by lower interest rates and resilience in the service and agriculture sectors. Looking forward, we expect the accommodative monetary stance adopted by the CBK to support economic activity as the anticipated depreciation of the KES and the forecasted drier conditions in the country offset some of anticipated gains. Headline inflation came in at 4.5% in December 2025 compared to a reading of 3.0% in December 2024. Ample harvests in the country continued to pull food prices lower as the tight monetary policy saw activity drag to place the core inflation index at 2.0% in December 2025.

The Central Bank's Monetary Policy Committee cut the benchmark rate by 25bps to 9.0% in December 2025, noting improved inflation levels and a stabilized exchange rate. Similarly, yields on treasury bills declined in the last quarter of the year signaling moderation in interest rate movements. The 3-month T-bill closed the year at 7.73% compared to 9.8% at the end of 2024, while the yield curve fell by 1.9% on average, which positively affected fixed income returns.

The Kenya Shilling showed relative stability in 2025 gaining 0.2%, losing 12.8% and losing 6.8% against the US Dollar, Euro and Pound Sterling, respectively, to close the year at KES 129.01/USD, KES 151.43/EUR and KES 173.65/GBP. The stable Kenya Shilling performance was largely due to improved investor sentiments on the currency and the country following the successful repayment of the 2024 Eurobond, higher forex reserves and deceleration in economic activity.

The equities market recorded gains in stock prices as macro-economic concerns around Kenya eased. The recovery in equities was triggered by the partial repayment of the 2024 Eurobond which saw a significant improvement in the Kenyan macro-economic outlook, improvement in US Dollar liquidity, robust earnings performance and the increase in Kenya's allocation in frontier indices. Fed rate cuts in the last quarter of the year also supported the equities market performance. The NSE All Share Index was up by 51.2% in the year. The Fund generated a return of 28.28% during the year, compared to the benchmark return of 56.13%.

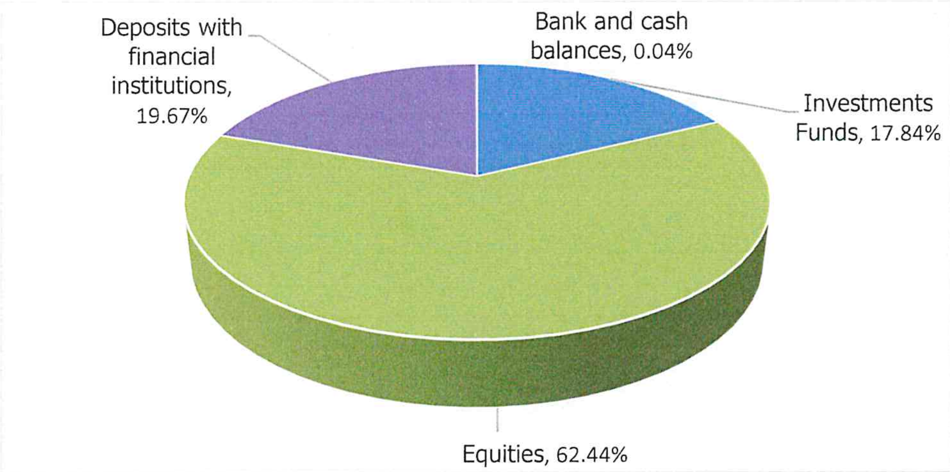
Our disciplined investment strategy, coupled with the philosophy of investing in high-quality assets, will continue to benefit investors who invest in the Fund in the long term.

We thank you for choosing to invest in Britam Equity Fund. The team at Britam Asset Managers (Kenya) Limited looks forward to working closely with you in meeting and exceeding your financial and investment objectives.

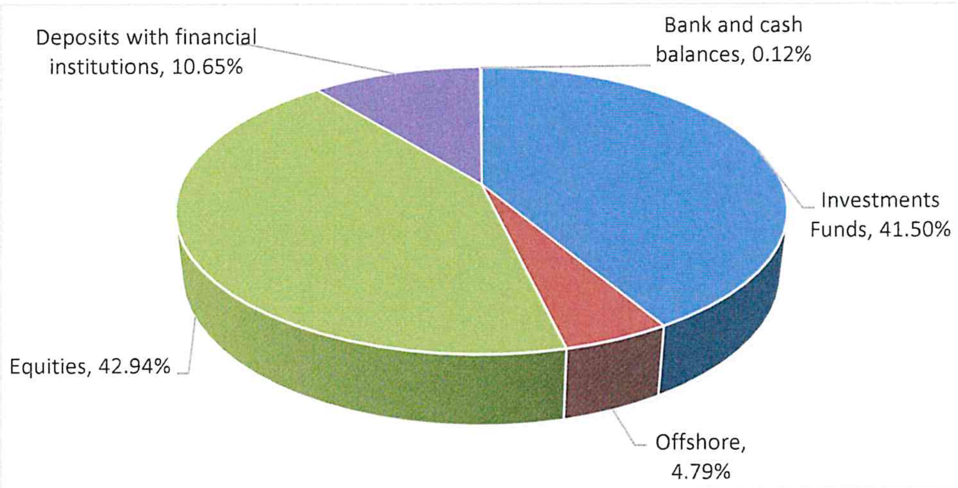
We extend our best wishes for 2026.

Asset Allocation Structure: Britam Equity Fund

2025



2024



Yours sincerely,

Signed on behalf of the Britam Asset Managers (Kenya) Limited

31 March 2026

In accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2023 (the Regulations) Section 70 (d) information memorandum and the Custody Agreement between Standard Chartered Bank of Kenya Limited as the Custodians and Britam Asset Managers (Kenya) Limited as the Fund Manager, we confirm that for the year ended 31 December 2025:

- We have discharged the duties prescribed for a Custodian under Section 68 of the Regulations, to the Britam Equity Fund;
- We have held the assets for the Britam Equity Fund, including securities and income that accrue thereof, to the order of the Fund Manager and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager.

For the year ended 31 December 2025, we have held the assets of the Britam Equity Fund, which include title deeds, securities and income that accrue thereof, to the order of the Fund Manager and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager in accordance with the provisions of the Capital Markets (Collective Investment Schemes) Regulations, 2023.

By order of the Custodian
Standard Chartered Bank of Kenya Limited`

31 March 2026

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LLP/2015/52

INDEPENDENT AUDITOR'S REPORT

TO THE UNIT HOLDERS OF BRITAM EQUITY FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Britam Equity Fund (the "Fund") set out on pages 12 to 33 which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in unit holders' balances 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 financial statements present fairly, in all material respects, the financial position of the Fund as of 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Capital Markets Act and the Capital Markets (Collective Investments Schemes) Regulations, 2023 of Kenya.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of the Fund and in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Fund and in Kenya. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Accounting for Financial Investments	
As indicated in Note 9 to the financial statements, the Fund held investments of Shs 70.6 million (2024: Shs 34.2 million) in fixed deposits with financial institution. These financial investments comprise of 20% (2024:11%) of the Fund's total assets. Interest earned from the financial investments amounted to Shs 2.3 million (2024: Shs 2.6 million) Due to the significance of the amounts involved, the recognition of revenue has been considered a key audit matter. Refer to Note 2(d) for the accounting policy and Note 9 for other disclosures on the accounting for financial investments.	Our audit procedures included, but were not limited to, the following: • Understood the investment process including the related interest income recognition process. • Compared the interest rates used to compute interest income with the contractual interest rates for the investments. • Recalculated the interest income using the applicable effective interest rates and the investment balances and compared with the Fund's management. • Obtained confirmations for the financial investments balances from counterparties and compared the amounts confirmed with those in the Fund's books of account and evaluated that any variances were reconciled. • Evaluated that the disclosures on revenue recognition were complete and accurate.

Other Information

The Fund Manager is responsible for the other information. The other information comprises the information included on pages 1 to 8 of the document titled "Britam Equity Fund Annual Report and Financial Statements for the year ended 31 December 2025", which includes the Report of Trustee, Fund Manager's Report, Report of Custodian as required by the Capital Markets (Collective Investments Schemes) Regulations, 2023 of Kenya, Trustees and Advisors to the Fund and Statement of Fund Manager's Responsibilities, other than 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 an audit opinion or 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 Fund Manager for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Capital Markets Act and the Capital Markets (Collective Investments Schemes) Regulations, 2023 of Kenya, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in 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 Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Denis Mugisha, Practicing Certificate Number 2773.

For and on behalf of Ernst & Young LLP
Certified Public Accountants
Nairobi, Kenya

31 March 2026

UNIQUE CODE: 83288260331

Britam Equity Fund
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Notes	2025 Shs '000	2024 Shs '000
Income			
Interest income	5(i)	2,323	2,697
Dividend income	5(ii)	16,629	8,203
Realised gain / (loss) on investments	6	7,588	(24,296)
Fair value gain on investments at fair value through profit or loss	9(ii)	80,446	28,312
Other income	5(iii)	1,603	241
		108,589	**15,157**
Service fees	7	(10,440)	(19,223)
Expected credit write back / (loss) on investments	9(iv)	9	(13)
Total expenses		**(10,431)**	**(19,236)**
Profit / (loss) before income tax		**98,158**	**(4,079)**
Income tax expense	8	-	-
Profit / (loss) for the year		**98,158**	**(4,079)**
Other comprehensive income, net of tax		-	-
Total comprehensive profit / (loss) for the year, net of tax		**98,158**	**(4,079)**

	Notes	2025 Shs '000	2024 Shs '000
Assets			
Investments in property funds at fair value through profit	9(ii)	64,001	133,350
Unquoted offshore investments at fair value through profit	9(ii)	-	15,381
Quoted ordinary shares at fair value through profit or loss	9(ii)	224,011	137,974
Deposits with financial institutions	9(ii)	70,564	34,220
Cash and bank balances	10	354	385
Other receivables	11	245	-
Total assets		**359,175**	**321,310**
Liabilities			
Current liabilities			
Accrued expenses	13	1,042	1,070
Withholding tax payable	8	237	176
Total liabilities		**1,279**	**1,246**
Net assets attributable to unitholders	12	**357,896**	**320,064**
Fund Balance			
Unit holder balance		**357,896**	**320,064**

The financial statements on pages 12 to 33 were approved and authorised for issue by the Fund Manager

on 31 March 2026 and signed on its behalf by:

Authorized Representative

Authorized Representative

	Notes	2025 Shs '000	2024 Shs '000
At start of year		320,064	736,444
Total comprehensive profit/ (loss) distributed to unit holders		98,158	(4,079)
Transactions with unit holders:			
Additional units purchased	12	26,300	5,039
Units liquidated	12	(86,626)	(417,340)
Total transactions with unit holders		(60,326)	(412,301)
At end of year		**357,896**	**320,064**

	Notes	2025 Shs '000	2024 Shs '000
Cash flows from operating activities			
Service fees paid		(10,714)	(20,550)
Movement in withholding tax		61	142
Purchase of quoted shares	9(ii)	(32,535)	(14,626)
Purchase of bank of deposits	9(ii)	(142,819)	(205,710)
Interest, dividends and realised gains / (loss) received	9(v)	28,209	(13,772)
Maturity of deposits	9(ii)	106,419	177,710
Proceeds from sale of quoted shares	9(ii)	20,062	3,042
Proceeds from sale of offshore funds	9(ii)	15,346	108,697
Proceeds from sale of Investment in property fund	9(ii)	76,266	377,050
Net cash generated from operating activities		**60,295**	**411,983**
Cash flows from financing activities			
Net contribution from unit holders	12	26,300	5,039
Withdrawals by unit holders	12	(86,626)	(417,340)
Net cash used in financing activities		**(60,326)**	**(412,301)**
Net decrease in cash and cash equivalents		(31)	(318)
Cash and cash equivalents at start of year		385	703
Cash and cash equivalents at end of year	**10**	**354**	**385**

1 General information

Britam Equity Fund (The "Fund") started operations on 1 July 2005. The Fund is governed by a Trust Deed dated 7th June 2005, is registered under the Capital Markets Authority Act, is domiciled in Kenya and the holders are not liable for the debts of the fund. The address of its registered office is:

Britam Centre
Junction of Mara and Ragati Road
Upper Hill
P.O. Box 30375-00100
Nairobi, Kenya

2 Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

A. Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Kenya Shillings (Shs), rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

B. Adoption of new and revised International Financial Reporting Standards (IFRS)

(i) New and revised standards adopted by the Fund

The following new and revised IFRSs were effective in the current year and had no material impact on the amounts reported in these financial statements:

a) Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The above amendment did not have a material impact on the Fund's financial statements.

2. Material accounting policies (continued)

B. Adoption of new and revised International Financial Reporting Standards (IFRS) (continued)

(ii) New standards and interpretations issued but not effective in the year ended 31 December 2025

At the date of authorisation of these financial statements, the Fund has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

New standards and interpretations in issue not yet adopted	Effective for annual periods beginning on or after
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	1 January 2026
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18, 'Presentation and Disclosure in Financial Statements'	1 January 2027
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures and amendment	1 January 2027
Amendment to IFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements	Not Determined

Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature - Dependent Electricity

These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature- dependent electricity'.

2. Material accounting policies (continued)

B Adoption of new and revised International Financial Reporting Standards (IFRS) (continued)

(ii) New standards and interpretations in issue not yet adopted (continued)

IFRS 18, 'Presentation and Disclosure in Financial Statements'

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 19, 'Subsidiaries without Public Accountability'

The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements. IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements

Amendment to IFRS 19, 'Subsidiaries without Public Accountability: Disclosures

These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:

- IFRS 18 Presentation and Disclosure in Financial Statements; Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12);
- Lack of Exchangeability (Amendments to IAS 21); and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

The Fund does not apply the above standards, until they become effective. Based on their assessment of the potential impact of the application of the above, none of the above standards is expected to have a material impact on the Fund's financial statements in the current or future reporting periods and on near future transactions.

C. Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Kenya Shillings ("Shs"), rounded to the nearest thousand which is the Fund's functional currency.

2. Material accounting policies (continued)

C. Foreign currency translation (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

D. Revenue recognition

(i) Interest income

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset. Interest income includes interest from cash and cash equivalents.

(ii) Dividend Income

Dividend income is recognized when the right to receive payment is established, provided that it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

(iii) Other incomes

Other Incomes amounts represent revenue earned by the Fund outside its core operating activities. They include foreign exchange gains, and other non-operating revenue sources. Other incomes are recognized when the right to receive payment is established and are measured at their fair value.

(iv) Realised/unrealised gains and losses

Realised/unrealised gains and losses recorded in the statement of profit or loss on investments include gains and losses on financial assets. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction. Unrealised gains and losses are calculated as the difference between fair value of the investments at the end of the period less and at the beginning of the period/purchase date.

E. Financial instruments

(i) Classification

The Fund classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value, and those to be measured at amortised cost.

(ii) Recognition and derecognition

Financial assets are recognised when the entity becomes a party to the contractual provisions of the instrument.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2 Material accounting policies (continued)

E. Financial instruments (continued)

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate securities.

Classification and subsequent measurement of debt instruments depend on:

- the Fund's business model for managing the financial assets; and
- the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in realised gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises.

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Fund subsequently measures all equity investments at fair value. Where the Fund's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Fund's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in fair value gains / (losses) in the statement of profit or loss as applicable.

2 Material accounting policies (continued)

E Financial instruments (continued)

(i) Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This includes listed equity securities and quoted debt instruments on the Stock Exchange. The quoted market price used for financial assets held is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions. For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(ii) Impairment

The Fund assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses. The Fund will recognise loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognised will be 12-month ECLs:

a. Debt instruments that are determined to have low credit risk at the reporting date. The Fund will consider a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment-grade' and investments in Government securities; and
b. Other financial instruments for which credit risk has not increased significantly since initial recognition.

In applying IFRS 9 impairment requirements, the Fund follows the general approach for all its financial assets.

2 Material accounting policies (continued)

E. Financial instruments (continued)

(i) Impairment

General approach

Under the general approach, at each reporting date, the Fund determines whether the financial asset is in one of three stages in order to determine both the amount of ECL to recognise as well as how interest income should be recognised.

- Stage 1 - where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Fund will recognise 12-month ECL and recognise interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.

- Stage 2 - where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2, the Fund will recognise lifetime ECL, but interest income will continue to be recognised on a gross basis.

- Stage 3 - where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, the Fund will continue to recognise lifetime ECL, but they will now recognise interest income on a net basis. As such, interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

F. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

G. Distribution

All income or loss arising from operations is distributed to unit holders after provision for expenses. All distributions including unclaimed distributions are reinvested in the unit holders' account.

H. Unit holder balances

Unit holders' funds are redeemable on demand at an amount equal to a proportionate share of the unit portfolio's net asset value. The balances are carried at the redemption amount that is payable at the financial reporting date if the holder exercised their right to redeem the balances.

I. Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at cost. For the purposes of the statement of cash flow, cash and cash equivalents comprise cash at bank and deposits held at call with banks maturing within three months from the contract dates.

J. Other payables

These amounts represent liabilities for goods and services provided to the Fund prior to the end of the financial year which are unpaid. They are measured at amortised cost.

2 Material accounting policies (continued)

K. Going concern

As disclosed in Note 4 to the financial statements, the Fund's investment in property fund is 17.84% of total assets which is above the maximum allowed percentage of 10% as stipulated in Section 1318 of the Capital Markets (Collective Investments Schemes) Regulations, 2023. CMA may revoke or suspend a license if the Fund carries out any activity outside the scope of the licensed or approved activities or has contravened or failed to comply with any condition applicable in respect of the licence.

As such, in addition to not complying with the regulatory requirements, the matter is an indicator that could give rise to uncertainty related to the Fund's ability to continue as a going concern. The uncertainty arises from the regulatory consequence of the noncompliance with the maximum requirement of other alternative investment in that the regulator may suspend or revoke the Fund's licence. The Fund's Trustees have made an assessment of the Fund's ability to continue as a going concern and concluded that despite these regulatory requirements, there is no material uncertainty related to going concern and that the Fund will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.This assessment is based on the following:
The Fund's asset manager, Britam Asset Managers Kenya Limited, updates CMA on monthly basis regarding the compliance status of the Fund including the following steps being taken to ensure that the Fund reverts back to a compliant status

- The Fund has invested in Baam Real Estate Fund (BREF), the other alternative investment. BREF holds 2 property assets, that is, Valley Front Developments LLP (Lukenya) and Mikado Properties LLP (Mlolongo). The sale of the Lukenya property was completed in 2024 and collections received to date amounting to KShs 9.9 million. BREF's management continues to explore various avenues to expedite the collection of the outstanding balance amounting to KShs 570 million. The BREF ownership is expected to reduce further as collections are made on the outstanding amount from the purchaser of Lukenya land and hence, a reduction in the percentage of other alternative investments.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the compliance issue regarding the maximum limit for other alternative investments will be remediated and that CMA will not suspend or revoke the Fund's license following the issuance of these financial statements which indicate that the investment In other alternative investments is above the maximum regulatory requirements. The Trustees have therefore presumed that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. Areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements relate to classification of and valuation of assets. In addition, judgement is required in determination of whether the assets are impaired and tax status of the Fund as disclosed in Note 8

The key areas of estimate and judgment in applying the Funds' accounting policies is in the measurement of expected credit losses.
The measurement of the expected credit loss allowance for financial assets is an area that requires the use of models and significant assumptions 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 the criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL;
- Determining the relevant period of exposure to credit risk; and
- Determining the appropriate business models and assessing the "solely payments of principal and interest (SPPI)" requirements for financial assets.

4 Financial risk management objective and policies

The Fund's activities expose it to a variety of financial risks, including credit risk, liquidity risk and the effects of changes in market prices and interest rates. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. There is no concentration of risk at year end. Risk management is carried out by the Fund Manager, Britam Asset Managers (Kenya) Limited. Britam Asset Managers (Kenya) Limited identifies, evaluates and manages financial risks, with emphasis on specific areas such as interest rate risk, credit risk and investing excess liquidity.

4 Financial risk management objective and policies (continued)

The Fund's risk management policies include the use of guidelines governing the acceptance of clients and investment policies are in place which help manage liquidity and seek to maximise return within an acceptable level of interest rate risk.

The Capital Markets Authority (CMA) sets out that the Fund invests minimum of 60% of its AUM in equities listed locally on a securities exchange, listed in other regulated exchanges or unlisted equities at all times. Any fund not invested in equities shall only be invested in cash and cash equivalents, provided that the following limits are not exceed:

- Unlisted securities in the EAC – 10%
- Other collective investment schemes including umbrella schemes – 20%
- Other securities not listed on a securities exchange in Kenya – 20%
- Off-shore listed investments – 10%
- Off-shore unlisted investments – 5%
- Related Party balances – 10%
- Alternative investments – 10%

Below is the asset allocation in comparison to the CMA limits for 2025 and 2024;

As at 31 December 2025

Security	Market Value Shs '000	%	Maximum allowed	Breach %
Cash and Interest-bearing securities	70,918	19.76%	0%-40%	-
Securities listed on a securities exchange in Kenya	224,011	62.41%	60%-100%	-
Investment in property fund	64,001	17.83%	10%	7.83%
TOTAL	**358,930**	**100%**		

As at 31 December 2024

Security	Market Value Shs '000	%	Maximum allowed	Breach %
Cash and Interest-bearing securities	34,605	10.77%	0%-40%	-
Securities listed on a securities exchange in Kenya	137,974	42.94%	60%-100%	17%
Offshore investments	15,381	4.79%	5%	-
Investment in property fund	133,350	41.50%	10%	32%
TOTAL	**321,310**	**100%**		

As at 31 December 2025, the Fund was in breach of the and property fund investments limits. The fund manager maintains ongoing communication with the regulator, providing regular updates on the fund's progress for their review and acknowledgment.

4 Financial risk management objective and policies (continued)

Market risk

(i) Foreign exchange risk

The Fund is exposed to foreign exchange arising from offshore investments.

At 31 December 2025, the Fund had disposed of all the US Dollar investments in offshore instruments and is not exposed to the US dollar, but it still holds offshore investments in Rwandan Franc.

At 31 December 2025, if the Shilling had weakened / strengthened by 15% (2024: 15%) against the US Dollar, and by 15% (2024: 15%) against Rwandan Franc with all other variables held constant, income available for distribution would have been Shs nil (2024: Shs 2,307,000) and Shs 44,000 (2024: Shs 36,000) higher / lower respectively, mainly as a result of the foreign currency denominated offshore and quoted equity investments.

The sensitivity analysis assumes a 5% movement in foreign exchange rates, which represents the Fund Manager's assessment of a reasonably possible change in exchange rates at the reporting date based on historical exchange rate movements and current market conditions.

(ii) Price risk

The Fund invests in financial instruments that are subject to price risk. These are monitored closely by the management team to ensure risks are mitigated. As at 31 December 2025, if the Securities Exchange Indexes of all the countries the securities are invested in had increased/decreased by 15% (2024:15%), with all other variables held constant and all the funds equity instrument moved according to the historical correlation to the indexes, income available for distribution for the year would have been Shs 33,602,000 higher/lower (2024: Shs 20,696,000).

The Fund is exposed to price risk arising from investments in quoted and unquoted securities. The sensitivity analysis assumes a 15% increase or decrease in market prices, with all other variables held constant. The Fund Manager believes that a 15% movement represents a reasonably possible change in market prices at the reporting date based on historical market volatility and prevailing market conditions.

(iii) Cash flow and fair value interest rate risk

The Fund's interest-bearing financial assets are corporate securities, government securities and deposits with financial institutions which are at fixed rate, and on which the Fund is therefore not exposed to cash flow interest rate risk. The Fund Manager regularly monitors financing options available to ensure optimum interest rates are obtained.

Credit risk

The Fund is exposed to credit risk, which is the risk that counterparty will be unable to pay amounts in full when they fall due. In accordance with the Funds' policy, the fund manager monitors the Funds' credit position on a daily basis, and it is reviewed on a quarterly basis by the Fund's investments committee.

4. Financial risk management objective and policies (continued)

Credit risk (continued)

The amount that best represents the Fund's maximum exposure to credit risk at 31 December 2025 and 2024 is made up as follows:

	2025 Shs '000	2024 Shs '000
Deposits with financial institutions (Note 9 (ii))	70,564	34,220
Bank and cash balances (Note 10)	354	385
Other receivables (Note 11)	245	-
Total	71,163	34,605

No collateral is held for any of the above assets. All assets that are considered impaired are carried at their estimated recoverable value. An analysis of the expected credit losses on these assets is presented in note 9(iv).

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily withdrawal of Funds by investors. The Fund does not maintain cash balances to meet all these needs as experience shows that a certain amount of withdrawals is requested daily and can be predicted with a high level of certainty. The management closely monitors the proportion of maturing Funds available to meet such calls and on the minimum level of Funds that should be in place to cover withdrawals at unexpected levels of demand.

The following table analyses the Fund's financial liabilities and unit holder balances that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Due on demand Shs '000	Due within 3 months Shs '000	Total Shs '000
At December 2025			
Unit holders' balances (Note 12)	357,896	-	357,896
Accrued expenses (Note 13)	-	1,042	1,042
Withholding tax payable (Note 8)	-	237	237
Total	357,896	1,279	359,175

	Due on demand Shs '000	Due within 3 months Shs '000	Total Shs '000
At December 2024			
Unit holders' balances (Note 12)	320,064	-	320,064
Accrued expenses (Note 13)	-	1,070	1,070
Withholding tax payable (Note 8)	-	176	176
Total	320,064	1,246	321,310

4. Financial risk management objective and policies (continued)

Fair value estimation

The Fund adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Funds' assets that are measured at fair value as at 31 December 2025 and 2024.

At 31 December 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets	**Shs '000**	**Shs '000**	**Shs '000**	**Shs '000**
Financial asset at FVTPL				
- Quoted ordinary shares	224,011	-	-	224,011
- Property funds	-	-	64,001	64,001
Total assets	224,011	-	64,001	288,012

At 31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets	**Shs '000**	**Shs '000**	**Shs '000**	**Shs '000**
Financial asset at FVTPL				
- Quoted ordinary shares	137,974	-	-	137,974
- Offshore funds	-	15,381	-	15,381
- Property funds	-	-	133,350	133,350
Total assets	137,974	15,381	133,350	286,705

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Fund is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily NSE equity investments classified as trading securities or at fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (for example, unit trusts and offshore Funds is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

4. Financial risk management objective and policies (continued)

Fair value estimation (continued)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Capital risk management

The capital of the Fund is represented by unit holders' balances. The amount of unit holder liabilities can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders.

Fair values of financial assets not carried at fair value

The fair values of the Fund's financial assets approximate the respective carrying amounts, based on maturity dates as set out above. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that Fund Manager expect would be available to the Fund at the statement of financial position date.

Valuation techniques

The fair value of investment in property fund is determined using the Net Asset Value (NAV) approach, as these investments represent a percentage of the NAV reported in the investee's Financials

The following table provides a reconciliation of the movement in Level 3 financial assets during the year:

Investment in property fund	**Shs '000 2025**	**Shs '000 2024**
At start of year	133,350	520,596
Sales	(76,266)	(377,050)
Fair value gain / (loss) (Note 9(ii))	6,917	(10,196)
At end of year	64,001	133,350

Sensitivity Analysis

Fair value measurements are sensitive to changes in the NAV of the underlying funds. A 5% (2024: 5%) change in Net Asset Value would result in an increase or decrease in fair value by Shs. 3,200,000 (2024: Shs. 6,668,000).

5. Incomes

	2025 Shs '000	**2024 Shs '000**
(i) Interest income		
Interest income on deposits	2,323	2,697
(ii) Dividend income		
Dividend income from quoted shares	16,629	8,203
(iii) Other income		
Income from Real People Medium Term Note	1,603	241

6 Realized gain / (loss) on investments

	2025 Shs '000	2024 Shs '000
Realised gain / (loss) on sale of property investments	3,020	(24,220)
Realised gain / (loss) on sale of quoted shares	4,568	(76)
	7,588	(24,296)

7 Service fees

Management fees relate to service fees paid to Britam Asset Managers (Kenya) Limited for the professional management of the Fund. This is charged at 2.5% per annum, computed on the daily Fund balances.

Audit fees, annual general meeting (AGM) fees and license fees are charged based on amounts agreed between the Fund Manager and the service provider. Trustee fees and custody fees are computed on the daily Fund balances at a rate of 0.18% and 0.15% respectively.

	2025 Shs '000	2024 Shs '000
Management fees	8,816	16,421
Audit fees	125	374
Trustee fees	705	1,194
Custody fees	773	1,122
Annual general meeting fees	18	49
Licence fees	3	63
Total	10,440	19,223

8 Taxation

The unit trust is registered under the Income Tax Act (Collective Investment Scheme Rules 2023) and is exempt from income tax.

On 11 September 2009, Kenya Revenue Authority issued a public notice requiring the Fund to withhold tax on distributions to unit holders and dividend income. Tax is withheld at a rate of 5% and 15% for dividends and interest income respectively after the issue of the legal notice. Investments in Infrastructure bonds and the KenGen bond are however tax exempt.

The movements in the withholding tax during the year are as below;

	2025 Shs '000	2024 Shs '000
At start of year	176	34
Withheld during the year	2,615	1,203
Payments	(2,554)	(1,061)
At end of year	237	176

9 Investments

(i) Maturity profile of investments

31 December 2025	Upto 3 months Shs '000	Due between 3 & 12 months Shs '000	Due between 1 & 5 years Shs '000	Due after 5 years Shs '000	Totals Shs '000
Deposits with financial institutions	-	70,555	-	-	70,555
Total	-	70,555	-	-	70,555

31 December 2024	Upto 3 months Shs '000	Due between 3 & 12 months Shs '000	Due between 1 & 5 years Shs '000	Due after 5 years Shs '000	Totals Shs '000
Deposits with financial institutions	-	34,234	-	-	34,234
Total	-	34,23	-	-	34,234

9 Investments (continued)

(ii) Movement in investments

	Carrying value at 1 Jan Shs '000	Purchases at cost Shs '000	Accrued Interest change Shs '000	Sales/ maturities Shs '000	Change in fair value (FVTPL) Shs '000	Provision for ECL Shs '000	Carrying value at 31 December Shs '000
Year ended 31 December 2025							
Quoted ordinary shares	137,974	32,535	-	(20,062)	73,564	-	224,011
Unquoted offshore funds investments	15,381	-	-	(15,346)	(35)	-	-
Deposits with financial institutions	34,220	142,819	(65)	(106,419)	-	9	70,564
Investment in property funds	133,350	-	-	(76,266)	6,917	-	64,001
Total	320,925	175,354	(65)	(219,632)	80,446	9	358,576
Year ended 31 December 2024							
Quoted ordinary shares	87,837	14,626	-	(3,042)	38,553	-	137,974
Unquoted offshore funds investments	124,123	-	-	(108,697)	(45)	-	15,381
Deposits with financial institutions	5,525	205,710	708	(177,710)	-	(13)	34,220
Investment in property funds	520,596	-	-	(377,050)	(10,196)	-	133,350
Total	738,081	220,336	708	(666,499)	28,312	(13)	320,925

9 Investments (continued)

(iii) Classification of Quoted ordinary shares per sector	2025 Shs '000	2024 Shs '000
Kenya:		
- Commercial and services	73,177	36,036
- Finance and investment	125,631	95,864
- Industrial and allied	24,913	5,834
Rwanda:		
- Finance and investment	290	240
	224,011	137,974

(iv) Expected credit (writeback)/loss on investments

The expected credit loss on investments relates to the Fund's investment in bank deposits. The Fund is holding Shs 4,000 provision (2024: Shs 13,000) being the amount whose recoverability was assessed as being doubtful on the investments. The table below displays the movement of the expected credit loss between 31 December 2025 and 31 December 2024:

	Cash Shs '000	Deposits with financial institutions Shs '000	Total Shs '000
As at 1 January 2025	-	13	13
Write back	-	(9)	(9)
As at 31 December 2025	-	4	4
As at 1 January 2024	-	-	-
Expected Credit loss	-	13	13
As at 31 December 2024	-	13	13

(v) Interest received and realised gains / (loss)

Interest from:	2025 Shs '000	2024 Shs '000
Deposits	2,389	1,988
Dividends	16,629	8,294
Realised gains / (loss)	7,588	(24,296)
Other income	1,603	242
Total interest received and realised gains / (loss)	28,209	(13,772)

10 Cash and cash equivalents

	2025	2024
Cash and bank balances	354	385

11 Other receivables

	2025	2024
Dividends receivable	245	-

12 Unit holders' balances

	2025		2024	
	No. of units '000	Shs'000	No. of Units '000	Shs'000
At start of year	1,813	320,064	5,722	736,444
Creations	249	26,300	48	5,039
Liquidations	(821)	(86,626)	(3,957)	(417,340)
Profit / (loss) for the year		98,158		(4,079)
At end of year	1,241	357,896	1,813	320,064

13 Accrued expenses

	2025 Shs '000	2024 Shs '000
Management fees payable	748	622
Custody fees payable	178	39
Trustee fees payable	112	47
Annual general meeting fees payable	1	2
Licence fees payable	2	3
Audit fees payable	1	3
Other fund fees payable	-	354
	1,042	1,070

14 Related party transactions

Britam Equity Fund is managed by Britam Asset Managers (Kenya) Limited. Britam Asset Managers (Kenya) Limited is controlled by Britam Holdings Plc, a company incorporated in Kenya. There are other companies that are related to Britam Asset Managers (Kenya) Limited through common shareholdings or common directorship.

The following transactions were carried out with related parties:

	2025 Shs '000	2024 Shs '000
a) Service fees		
Britam Asset Managers (Kenya) Limited (Note 7)	8,816	16,421

As at 31 December 2025, management fees of Shs. 748,000 (2024: Shs. 622,000) was owed to Britam Asset Managers (Kenya) Limited (Note 13)

15. Subsequent events

The Fund Manager has evaluated events occurring between the reporting date and the date of authorisation of these financial statements. Apart from the matters disclosed in the financial statements, there were no material adjusting or non-adjusting events that would require adjustment to or disclosure in these financial statements.

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