



XENO INVESTMENT MANAGEMENT

Unit Trust Funds Report

2024



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Corporate Information



TRUSTEE
KCB Bank Uganda Limited
Corporate Suite, Commercial Plaza, 7th Floor
Kampala Road
P.O Box 7399
Kampala, Uganda



FUND MANAGER
XENO Investment Management Limited
Workers House, 1st Floor
Pilkington Road
P.O Box 9831
Kampala, Uganda



CUSTODIAN
Stanbic Bank Uganda Limited
Crested Towers
Plot 17, Hannington Road
Kampala, Uganda



AUDITOR
PricewaterhouseCoopers
Communications House
1 Colville Street,
P O Box 8053
Kampala, Uganda.

Statement of Fund Manager's Responsibilities

The Collective Investment Schemes (Financial and Accounting) Regulations 2003 ("the Regulations") require 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 as at the end of the year and of the results of its operations. It also requires the Fund Manager to keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Fund.

The Fund Manager accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies in conformity with IFRS Accounting Standards and in the manner required by the Capital Markets Authority Act, the Collective Investment Schemes (Unit Trusts) Regulations 2003, and the Collective Investment Schemes (Financial and Accounting) Regulations, 2003.

The Fund Manager is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Fund and of its profit in accordance with IFRS Accounting Standards and the requirements of the Capital Markets Authority Act, the Collective Investment Schemes (Unit Trusts) Regulations 2003, and the Collective Investment Schemes (Financial and Accounting) Regulations, 2003. The Fund Manager further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

DECLARATION STATEMENT

- The XENO Uganda Unit Trust Funds are an approved Unit Trust within the meaning of the Act.
- The unitholders are not liable for the debts of the Unit Trust; and

In preparing the financial statements, the Fund Manager has assessed the Fund's ability to continue as a going concern. The Fund Manager hereby reports that nothing has come to their attention to indicate that the Fund will not remain a going concern for the foreseeable future from the date of this statement.

John Kamara, CFA
COUNTRY MANAGER

On behalf of the Fund Manager
XENO Investment Management Limited

Trustee's Report

Dear Unit Holders,

In accordance with section 121(1) and (2) of the Collective Investment Scheme (Unit Trusts) Regulations, 2003, we KCB Bank Uganda Limited in our capacity as Trustee, as part of our fiduciary responsibility and ensuring regulatory compliance we confirm the following;

For the XENO Uganda Money Market Fund, we noted an oversubscription in the investment limit in government securities. The fund's exposure to government securities was at 83% of the total assets, slightly exceeding the regulatory limit of 80% by 3% under the Collective Investment Schemes (Unit Trusts) Regulations 2003 and against fund specific limit of 75% by 8%.

The Fund continues to provide unitholders with a high level of current income.

For the XENO Uganda Bond Fund, we noted the fund's exposure was at 98% of the total assets, thus exceeding the optimal limit against the fund specific limit of 90% by 8%. The Fund continues to maintain its investment approach of providing a stable level of income while preserving capital for the unitholders.

For the XENO Domestic Equity Fund, we noted an over investment in government securities. The fund's exposure was at 38% of the total assets, thus exceeding the optimal limit against the fund specific limit of 15% by 23%. The Fund continues to focus on providing investors with medium to long term capital growth.

For the XENO Regional Equity Fund, we noted an over investment in government securities. The fund's exposure was at 36% of the total assets, thus exceeding the optimal limit against the fund specific limit of 15% by 21%. The Fund continues to focus on providing investors with medium to long term capital growth.

The Manager, XENO Investment Management, is taking all necessary steps to rebalance the portfolio to ensure compliance. We continue to work closely with the Manager to ensure full compliance with all regulatory requirements.

We confirm that there were no other deviations from any of the provisions of the Trust Deed and those of the Regulations.

For and on behalf of the Trustee, KCB Bank Uganda Limited

Bruno Muhindi
Head of Finance
KCB Bank Uganda Limited

Report of The Custodian

In accordance with the Collective Investments Schemes (Unit Trusts) Regulations, 2003 (herein the ‘Regulations’) and the Custody Agreement between Stanbic Bank Uganda Limited as the Custodian and XENO Investment Management Limited as the Fund Manager, we confirm that we have discharged the duties prescribed for a Custodian under the Regulations and the XENO Uganda Unit Trusts Deed and Rules.

For the year ended 31 December 2024, we have held the assets for the XENO Uganda Unit Trust Funds, **including the 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.

We confirm that we effected the sale, redemption and cancellation of units in accordance with the creation and liquidation instructions received from the Fund Manager.

Andrew Omiel

Head, Investor Services & Financial Institutions
Stanbic Bank Uganda Limited

Report of The Auditor

REPORT OF THE INDEPENDENT AUDITOR TO THE UNITHOLDERS OF XENO UGANDA UNIT TRUST FUNDS.

Report on the audit of the financial statements.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the XENO Uganda Unit Trust Funds (“the Fund”) as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been prepared in the manner required by the Collective Investment Schemes (Financial and Accounting) Regulations, 2003.

What we have audited

The Fund’s financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report.

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

Independence

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

Key audit matters

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

Other information

The Fund Manager is responsible for the other information. The other information comprises the information in the annual 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Fund Manager for the financial statements

The Fund Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Collective Investment Schemes (Financial and Accounting) Regulations, 2003, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Fund Manager responsible for overseeing the Fund's 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 judgment and maintain professional scepticism throughout the audit.

We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 those charged with governance 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 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 on other legal and regulatory requirements

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

- i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Fund, so far as appears from our examination of those books of account; and
- iii) the Fund’s statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor’s report is CPA Cedric Mpobusingye – P0213.

CPA Cedric Mpobusingye
Certified Public Accountants
Kampala



Fund Manager's Report

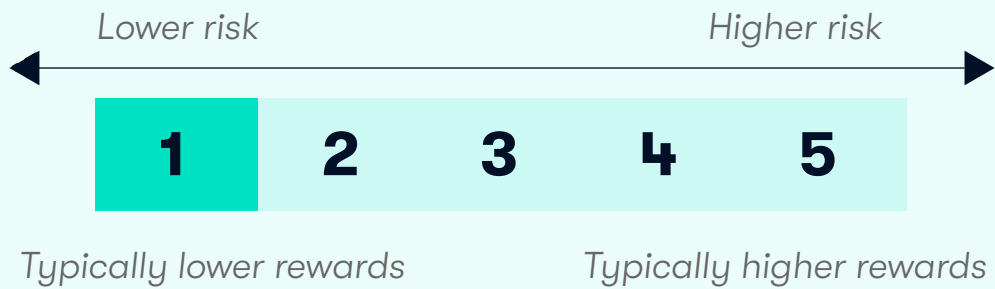
NET ASSET VALUE (UGX ‘000)	2024	2023	2022
XUMMF	12,929,319	9,503,688	6,690,005
XUBF	60,866,069	48,604,711	35,750,686
XUDEF	1,038,194	869,501	609,052
XUREF	1,791,147	1,382,210	1,302,902

NAV Per Unit	2024	2023	2022
XUMMF	181.56	165.79	151.42
XUBF	238.73	211.17	187.56
XUDEF	185.68	126.88	108.08
XUREF	108.64	76.37	122.96

Units Per Fund	2024	2023	2022
XUMMF	71,214,238	57,324,666	44,182,631
XUBF	254,960,840	230,173,522	190,607,132
XUDEF	5,591,424	6,852,868	5,635,417
XUREF	16,486,502	18,098,193	10,595,738

Book Value UGX '000:	XUMMF	Average Yield
UGX 12,929,000 Dec 2024	2021	11.50%
	2022	9.89%
	2023	12.05%
	2024	11.99%

License Category of Fund	The Fund is licensed as a money market fund within the meaning of the Collective Investment Schemes Act 2003.
Investment Objective	The investment objective of the XENO Uganda Money Market Fund is to provide investors with a high level of current income than they would otherwise get on money market instruments of similar duration. The Fund does not invest in equities.
Investment Policy	The Fund Manager achieves the Fund’s investment objective by optimizing investments across high-quality short-term debt securities while ensuring the preservation of capital. The returns greatly depend on the levels and movements in short-term interest rates.
Type of Units	The Fund has accumulation units within the meaning of the Collective Investment Schemes Act 2003.
Total Value of the Fund	As at 31 December 2024, the total book value of the Fund is UGX 12,929 million (2023: UGX 9,504 million).
Auditor	The Fund's auditor, PricewaterhouseCoopers Certified Public Accountants, continues in office in accordance with section 88 of the Collective Investment Schemes (Unit Trusts) Regulations 2003.
Risk Profile	The Fund is a low risk fund and it has no exposure to equities. The Fund is particularly suitable for conservative investors with a short-term savings goal who seek a competitive yield.



Income Distribution
The profit realised by the Fund for the year ended 31 December 2024 was UGX 1,003 million (2023: UGX 757 million). The profit has been distributed to the unitholders by automatically crediting the capital through reinvesting the profit back into the Fund.

	UGX ‘000	UGX ‘000
STATEMENT OF COMPREHENSIVE INCOME	2024	2023
Total Revenue	1,260,075	957,761
Total Expenses	(256,922)	(200,812)
Total comprehensive income for the year	1,003,153	756,949
STATEMENT OF FINANCIAL POSITION	2024	2023
Assets		
Investments	12,681,446	9,367,788
Other Assets	262,463	148,330
Total Assets	12,943,909	9,516,118
Equity and Liabilities		
Unit holders balances	12,929,319	9,503,688
Current Liabilities	14,590	12,430
Total equity and liabilities	12,943,909	9,516,118

FEES	2024	2023	2022
Initial Fees	0.00%	0.00%	0.00%
Annual Management Fees	1.50%	1.50%	1.50%

Performance

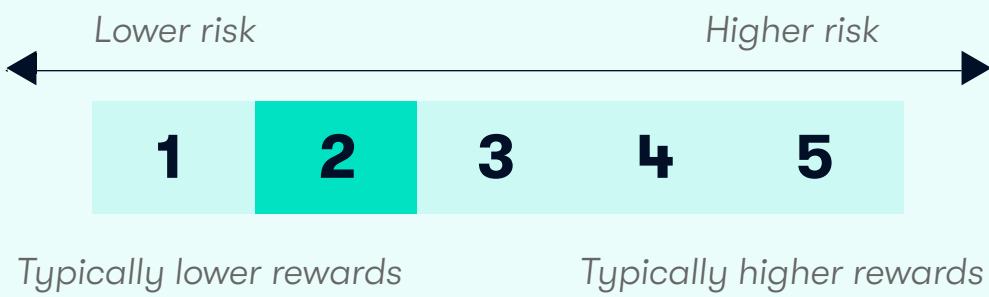
FUND PRICES	2024	2023	2022
Lowest	165.83	151.45	141.14
Highest	181.56	165.79	151.42

XENO UGANDA BOND FUND

31st December 2024

Book Value UGX '000:	XUBF	Average Yield
UGX	2021	15.68%
60,866,000	2022	15.48%
Dec 2024	2023	15.54%
	2024	15.98%

License Category of Fund	The Fund is licensed as a securities fund within the meaning of the Collective Investment Schemes Act 2003.
Investment Objective	The investment objective of the Fund is to provide investors with a high level of income while preserving their capital. The Fund does not invest in equities.
Investment Policy	The Fund Manager achieves the Fund’s investment objective by investing across a range of high-quality medium to long-term government and corporate debt. The returns depend on the levels and movements in the medium to long-term interest rates.
Type of Units	The Fund has accumulation units within the meaning of the Collective Investment Schemes Act 2003.
Total Value of the Fund	As at 31 December 2024, the total book value of the Fund is UGX 60,866 million (2023: UGX 48,605 million).
Auditor	The Fund's auditor, PricewaterhouseCoopers Certified Public Accountants, continues in officein accordance with section 88 of the Collective Investment Schemes (Unit Trusts) Regulations 2003.
Risk Profile	The Fund is a low risk fund and it has no exposure to equities. Itis suitable for moderately conservative investors who have a medium to long term investment horizon but seek interest income and can tolerate significant interest rate risk.



Income Distribution

The profit realised by the Fund for the year ended 31 December 2024 is UGX 6,101 million (2023: UGX 5,066 million). The profit has been distributed to the unitholders by automatically crediting the capital through reinvesting the profit back into the Fund.

	UGX ‘000	UGX ‘000
STATEMENT OF COMPREHENSIVE INCOME	2024	2023
Total Revenue	7,662,327	6,355,977
Total Expenses	(1,560,555)	(1,289,836)
Total comprehensive income for the year	6,101,772	5,066,141
STATEMENT OF FINANCIAL POSITION	2024	2023
Assets		
Investments	59,730,019	48,216,668
Other Assets	1,184,560	445,973
Total Assets	60,914,579	48,662,641
Equity and Liabilities		
Unit holders balances	60,866,069	48,604,711
Current Liabilities	48,510	57,930
Total equity and liabilities	60,914,579	48,662,641

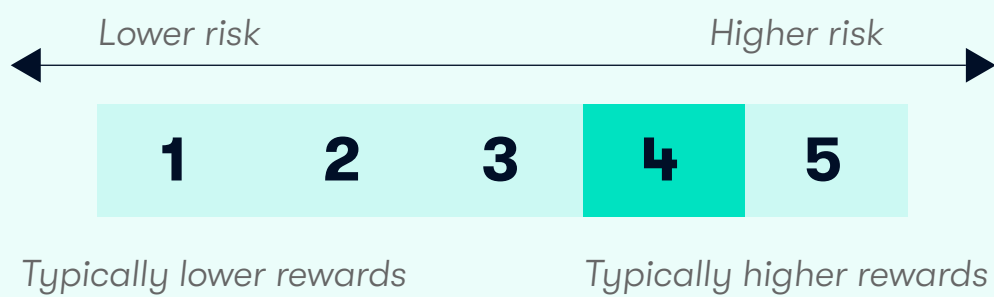
FEES	2024	2023	2022
Initial Fees	0.00%	0.00%	0.00%
Annual Management Fees	2.0%	2.0%	2.0%

Performance

FUND PRICES	2024	2023	2022
Lowest	211.23	187.62	167.51
Highest	238.73	211.17	187.56

Book Value UGX '000:	XUDEF	Annual Return
UGX	2021	0.39%
1,038,194	2022	0.86%
Dec 2024	2023	17.40%
	2024	46.34%

License Category of Fund	The Fund is licensed as a securities fund within the meaning of the Collective Investment Schemes Act 2003.
Investment Objective	The investment objective of the XENO Uganda Domestic Equity Fund is to provide investors with medium to long term capital growth.
Investment Policy	The Manager achieves this by optimizing across a range of high-quality companies listed on the Uganda Securities Exchange while minimizing the investors’ risk.
Type of Units	The Fund has accumulation units within the meaning of the Collective Investment Schemes Act 2003.
Total Value of the Fund	As at 31 December 2024, the fund was valued at UGX 1,038 million (2023: UGX 870 million).
Auditor	The Fund's auditor, PricewaterhouseCoopers Certified Public Accountants, continues in office in accordance with section 88 of the Collective Investment Schemes (Unit Trusts) Regulations 2003.
Risk Profile	The Fund is a medium risk fund with a biased allocation to domestic equities. The Fund’s risk arises mainly from the movements in the prices of the underlying stocks held in the Fund’s portfolio.



Income Distribution

The profit for the year ended 31 December 2024, UGX 333 million (2023: UGX 162 million) was distributed to the unitholders automatically by debiting the capital.

	UGX ‘000	UGX ‘000
STATEMENT OF COMPREHENSIVE INCOME	2024	2023
Total Revenue	373,116	188,860
Total Expenses	(40,268)	(26,963)
Total comprehensive income for the year	332,848	161,897
STATEMENT OF FINANCIAL POSITION	2024	2023
Assets		
Investments	1,242,497	852,065
Other Assets	32,920	26,748
Total Assets	1,275,417	878,813
Equity and Liabilities		
Unit holders balances	1,038,194	869,501
Current Liabilities	237,223	9,312
Total equity and liabilities	1,275,417	878,813

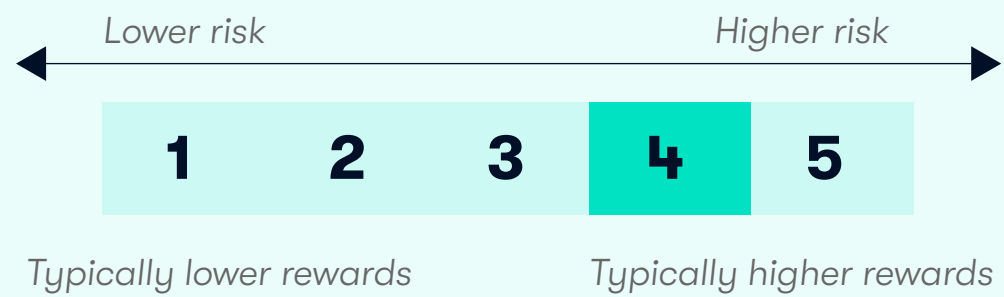
FEES	2024	2023	2022
Initial Fees	0.00%	0.00%	0.00%
Annual Management Fees	2.0%	2.0%	2.0%

Performance

FUND PRICES	2024	2023	2022
Lowest	126.80	106.76	95.45
Highest	185.68	129.20	110.07

Book Value UGX '000:	XUREF	Annual Return
UGX	2021	12.64%
1,791,147	2022	-7.76%
Dec 2024	2023	-37.78%
	2024	42.25%

License Category of Fund	The Fund is licensed as a securities fund within the meaning of the Collective Investment Schemes Act 2003.
Investment Objective	The investment objective of the XENO Uganda Regional Equity Fund is to provide investors with medium to long term capital growth by actively investing in a portfolio that comprises a mix of transferable securities listed on approved securities exchanges in East Africa (excluding Uganda) and tactically allocating to cash or near cash deposits to manage liquidity.
Investment Policy	The Manager achieves the investment objective by investing across a range of value and growth companies listed on securities exchanges in Nairobi, Dar es Salaam, and Kigali.
Type of Units	The Fund has accumulation units within the meaning of the Collective Investment Schemes Act 2003.
Total Value of the Fund	As at 31 December 2024, the total book value of the Fund is UGX 1,791 million (2023: UGX 1,382 million).
Auditor	The Fund's auditor, PricewaterhouseCoopers Certified Public Accountants, continues in office in accordance with section 88 of the Collective Investment Schemes (Unit Trusts) Regulations 2003.
Risk Profile	The Fund is a high-risk fund with a biased allocation to regional equities. The Fund’s risk arises mainly from the movements in the prices of the underlying stocks held in the Fund’s portfolio and the movements in the exchange rates between the Uganda shilling and other East African currencies.



Income Distribution

The profit realised by the Fund for the year ended 31 December 2024 is UGX 506 million (2023: loss of UGX 413 million). The profit has been distributed to the unitholders by automatically debiting the capital in the Fund.

	UGX ‘000	UGX ‘000
STATEMENT OF COMPREHENSIVE INCOME	2024	2023
Total Revenue	574,432	(363,796)
Total Expenses	(67,925)	(49,216)
Total comprehensive income for the year	506,507	(413,012)
STATEMENT OF FINANCIAL POSITION	2024	2023
Assets		
Investments	2,211,699	1,321,223
Other Assets	27,731	74,637
Total Assets	2,239,430	1,395,860
Equity and Liabilities		
Unit holders balances	1,791,147	1,382,210
Current Liabilities	448,283	13,650
Total equity and liabilities	2,239,430	1,395,860

FEES	2024	2023	2022
Initial Fees	0.00%	0.00%	0.00%
Annual Management Fees	2.0%	2.0%	2.0%

Performance

FUND PRICES	2024	2023	2022
Lowest	73.21	71.74	102.08
Highest	112.81	123.87	138.64