



UNIT TRUST OF TANZANIA
P.O. Box 14825, Dar es Salaam

WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME
A UNIT LINKED INSURANCE PLAN (ULIP)
OFFER DOCUMENT

- **Opening date of the Initial Sale** : **16th May, 2007**
- **Closing date of the Initial Sale** : **31st July, 2007**
- **Commencement of Insurance Policy** : **31st July, 2007**
(Subject to the eligibility of an investor)
- **Date for Notification of Results** : **15th October, 2007**

This offer document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. The offer document should be retained for future reference.

The Scheme particulars have been prepared in accordance with the Capital Markets and Securities Act, 1994 (as amended) and the Capital Markets and Securities (Collective Investment Schemes) Regulations 1997, and the units being offered for public subscription have not been approved or disapproved by the Capital Markets & Securities Authority. Prospective investors should carefully consider the matters set forth and those under the caption "risk factors" (please refer to Clause 11 on Page 25)

The offer document shall remain effective till a 'material change' (other than a change in the fundamental attributes and within the purview of the offer document) occurs and thereafter the changes shall be submitted to the Authority for authorization and circulated to the unit holders along with the yearly reports.

CAUTION/WARNING

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS OFFERING DOCUMENT, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, LAWYER, ACCOUNTANT, OR OTHER FINANCIAL ADVISER

THE PRICE OF UNITS AND THE INCOME FROM THEM (WHERE INCOME IS DISTRIBUTED) MAY GO DOWN AS WELL AS UP

HIGHLIGHTS OF THE WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME

- **Objectives:** An open – end balanced fund which seeks to generate long term capital appreciation, while also offering additional insurance benefits in the form of Life Insurance, Personal Accident / Total Disability and Funeral Expenses cover.
- **Options:** The scheme offers investment under two options – (a) Regular Contribution Option and (b) Single Contribution Option.
- **Eligible Investor(s) and Entry Age:** Open for investment to Resident individual Tanzanians and Non Resident Individual Tanzanians in the age group of 18 to 55 years.
- **Tenure:** The tenure of a plan membership under the scheme is 10 years.
- **Liquidity:** Partial repurchase is allowed after completion of 5 years.
- **Face Value:** The initial (face) value of a unit is Tzs100/=
- **Issue Price:** Units shall be sold at Tzs100/= per unit during the Initial Sale period (i.e. from 16th May 2007 to 31st July 2007) and at the prevailing NAV thereafter.
- **Contribution Amount:** (a) Minimum Contribution Amount:- Tzs 1 Million and (b) Maximum Contribution Amount:- No Limit (however life insurance benefits are available only up to Tzs 25 Million)
- **Life Insurance Benefits (Death or Total and Permanent Disability):** (a) Regular Contribution Option: Life cover equal to *unpaid but not due amount* of the chosen Contribution amount subject to a maximum of Tzs 25 Million and (b) Single Contribution Option: Life cover equal to the chosen Contribution amount subject to a maximum of Tzs 25 Million.
- **Personal Accident Benefits:** Available to the extent of 20 % of the chosen Contribution amount subject to maximum cover amount of Tzs 5 Million (irrespective of chosen investment option).
- **Funeral Expenses Benefits:** Available to the extent of Tzs 500,000 irrespective of chosen investment option / Contribution amount. ***Benefit only available to investors who shall join the plan during the Initial Sale period.***
- **Loyalty Bonus:** Provision to pay Loyalty Bonus on completion of the plan membership period or if death occurs during last year of the plan period.

WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME

(Incorporated in the United Republic of Tanzania)

SPONSOR AND MANAGER

THE UNIT TRUST OF TANZANIA
Sukari House, 2nd Floor,
P.O. Box 14825,
DAR ES SALAAM
www.utt-tz.org

INSURER

Alliance Insurance Corporation Ltd
1st Floor, 50 Mirambo Street,
P.O.Box 9942,
DAR ES SALAAM
www.alliancetz.com

CUSTODIAN

CRDB BANK LIMITED
Headquarters, Azikiwe Street,
P.O.Box 268
DAR ES SALAAM
www.crdbank.com

REGISTRAR

The Unit Trust of Tanzania
(Investor Services System Unit)
P.O. Box 14825
DAR ES SALAAM
www.utt-tz.org

AUDITORS

KPMG
11th Floor, PPF Tower
P.O.Box 1160
DAR ES SALAAM

ADVOCATES

M.A.Ismail & Company
Plot No. 31, Off Ruhinda Street
P.O.Box 1553
DAR ES SALAAM

The Trustees of the Unit Trust of Tanzania whose names are hereunder indicated accept responsibility for the information contained in this Offer Document as being accurate as at the date of publication of the document.

NAMES OF TRUSTEES

Amb. E. A. Mulokozi	-	Chairman, Board of Trustees
Amb. F. D. Mbagi	-	Trustee
Ms. K. S. Mbatia	-	Trustee
Ms. E. Manyesha	-	Trustee
Dr. H. S. Kibola	-	Secretary

Dated:, 2007

INTERPRETATION

In this Offering Document, unless the context otherwise requires, (i) the singular includes the plural and vice versa, (ii) reference to any gender includes a reference to all other genders and (iii) the following words have the meaning herein ascribed:

“Acceptance Date” or “Date of Acceptance” or “DOA” means the date on which payment and application form (in the case of an application for sale) or Statement of Accounts and application for repurchase (in the case of repurchase) are received within banking hours (i.e. 09.00 hours to 15.00 hours) of a working day by the Manager or a designated agent of the Manager.

“Act” means the Capital Markets and Securities Act, 1994 (as amended) and the Regulations made there under.

“Authority” means the Capital Markets and Securities Authority established under the Act.

“Book Closure Dates” means the dates during which the register of unit holders is closed by the scheme for the purposes of administration of ‘Units Split’ or any other purpose.

“Citizen” means a citizen of the United Republic of Tanzania in accordance with the Citizenship Act, 1995.

“Closure Period” means the period beginning after the initial sale closure date (i.e. 31st July 2007) and ending on 31st Jan, 2008 during which sale operations will not be carried out under the scheme.

“Commencement Date” means the date on which the Manager for the first time offers for sale to the public units in the scheme (i.e 16th May, 2007)

“Commissioner for Insurance” means the Insurance Supervisory Department established under the Insurance Act.

“Compulsory Charge” means any fiscal charge and any necessary charge payable for the benefit of any person other than the Manager in connection with the acquisition or holding of securities acquired by the scheme.

“Contribution” means the sum paid by a member in the scheme either as lump sum (i.e. under single contribution option) or at regular intervals (i.e. under regular contribution option) to reach the chosen Contribution amount, as per the investment option exercised by an investor.

“Custodian” means a Custodian who under the Deed of Trust is a participating party performing the functions of a Trustee under the Act.

“Date of Acceptance” – please refer to “Acceptance Date”

“Deed of Trust”, Trust Deed” or “Deed” means the deed incorporating the WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME dated 2007 and any deed supplemental thereto.

“Initial Charge” means the portion in the selling price of a unit which represents the Manager’s charges in respect of expenditure incurred and work performed by it in connection with the formation and issue of units during the Initial Sale, not including any compulsory charges.

“Initial Sale” means the sale of units by the scheme from the commencement date up to a specific period determined by the Manager.

“Initial Contribution” or “First Contribution” means the sum paid by an investor on joining the scheme under Regular Contribution Option.

“Insurance Act” means the Insurance Act 1996 (Act No 18 of 1996) and Regulations made there under.

“Insurance Policy” means the group life, accident and funeral policy concluded between the manager and the Insurer, as annexed to the Deed of Trust.

“Insurance Premium” means the amount payable to the Insurer on annual basis out of the contribution/s made by a member in the scheme, for extending cover benefits to a member by the Insurer.

“Insurer” means any insurance company providing life insurance and / or non life insurance cover including personal accident cover, funeral expenses cover etc.

“Lock-in period” means the period beginning after the initial sale closure date (i.e. 31st July 2007) and ending on 31st July 2012, during which re-purchases operations will not be carried out by the scheme. However, for unit holders who join the scheme subsequently, the lock-in period shall come to an end after the lapse of 5 years from the day of joining the scheme.

“Member” used as an expression under the scheme shall mean and include an applicant who has been allotted units under the scheme.

“Minister” means the Minister of Finance of the Government of the United Republic of Tanzania

“Net Asset Value” or “NAV” means the value arrived at after taking the value of the scheme’s assets and subtracting there-from the liabilities of the scheme taking into account the accruals and provisions

“Offer Document” or “Offering Document” means this document dated.....2007.

“Partial Re-purchase” means the purchase of units by the scheme from unit holders previously sold and held by unit holders.

“Plan” means the WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME pursuant to the Deed of Trust.

“Record Date” means the date appointed for the entitlement of split units.

“**Register**” means the register of unit holders.

“**Regular Contribution**” or “**Renewal Contribution**” or “**RC**” means the sum paid by a member on monthly, half-yearly, yearly basis or at other intervals as indicated to by the Manager to reach the chosen Contribution amount over a 10 year period under Regular Contribution option.

“**Sale**” means the subsequent sale of units by the scheme after the Initial Sale.

“**Scheme**” means the “WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME” pursuant to the Deed of Trust.

“**Service Charge**” means that portion of the partial re-purchase price of a unit which includes compulsory charges.

“**Single Contribution**” means the lump sum amount (equal to the chosen Contribution Amount) paid by a member on joining the scheme under Single Contribution Option.

“**Statement of Account**” means an accounting advice issued by the scheme to a unit holder indicating the number of units held by the unit holder in the scheme.

“**Trustees**” means the Board of Trustees of the Unit Trust of Tanzania.

“**ULIP**” means Unit Linked Insurance Plan

“**Unit**” means a unit issued under the scheme representing a proportionate right in the beneficial ownership of the assets and to entitlements under the scheme.

“**Unit holder**” means a person recognized by the scheme as a *bona fide* holder of units under the scheme.

“**Unit Trust of Tanzania**” means the Registered Trustees of the Unit Trust of Tanzania.

“**Working day**” means a day other than Saturday, Sunday or a day on which the principal stock exchange with reference to which the valuation of securities under the scheme is done, is closed.

In this Offering Document, unless the context otherwise requires, (i) the plan means the scheme and vice versa, AND (ii) the member means the unit holder and vice versa:

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WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME

1.0 SCHEME INITIATION

1.1. BACKGROUND – UMOJA FUND: The First Collective Investment Scheme

The Unit Trust of Tanzania (UTT) launched its first Collective Investment Scheme (CIS) named 'UMOJA FUND', which was open for Initial Sale of units during the period from 16th May'05 to 29th July'05. The main objective of Umoja Fund was to empower Tanzanians through wide ownership of its units and encourage a culture of savings in financial assets and the journey of Umoja Fund continues with the said objective.

The above stated objective was greatly fulfilled when during initial sale; subscription amount to the tune of Tzs 90.5 Billion was collected from more than 102,000 investors, who are spread across the country.

As on date, Umoja Fund is a household name in the country as it has been able to pass all the three litmus tests of Safety, Liquidity and Returns. During its short journey of about 1 ½ years, Umoja Fund has consistently generated returns that have outperformed returns as compared to returns from all financial products of similar risk profile in the country.

The performance of Umoja Fund has been demonstrated as under:

Umoja Fund is an open end scheme and technically can be considered as a call account as investment can be repurchased any time. However since the investor perceives it as a investment medium (both for short and long term) it will not perhaps be right to directly compare it with call account returns that are generally very low. So to understand how Umoja Fund has outperformed the market, by far the most comparable products are short term money market instruments.

These are largely savings bank accounts, short term fixed deposits and treasury bills. Although one must bear in mind that all these instruments have a fixed term and not as liquid as Umoja Fund.

With few instruments traded and very few corporate bonds floated in the market, the performance of Umoja Fund on an annualized basis can best be compared with the one year Treasury Bills (which are least risky assets) or to the overall T-bill rate as these have given the next best returns in the money market after Umoja Fund. Bank deposits have been able to give much lower return than T-bills. There have been no short term corporate instruments like commercial papers issued during the period of review. The rates displayed by the Bank of Tanzania on its website are as follows:

Table A

Year	2005		2006				
	Quarter	Sep	Dec	Mar	Jun	Sep	Dec
364 days Tbill		13.7	15.7	13.9	9.6	13.0	13.0
Overall Tbill rate		12.6	14.8	13.4	8.2	12.0	12.0

Source: data available from BOT website as on date

However there is a 10% 'withholding tax' on these returns which need to be adjusted for comparative basis as we all know that Umoja Fund returns are post-tax.

Thus the above table can be recast as follows to capture the post tax scenario of Tbills and compare it with Umoja returns net of Government discount of 42.8 % during the Initial Sale:

Table B

Year	2005		2006				
	Quarter	Sep	Dec	Mar	Jun	Sep	Dec
364 days Tbill		12.3	14.1	12.5	8.6	12.	12.
		3	3	1	4	0	0
Overall Tbill rate		11.3	13.3	12.0	7.3	11.	11.
		4	2	6	8	0	0

As against this Umoja Fund has been able to generate annualized return as follows:

From Launch (16th May 2005) up to July 2006 : 15.2 %

From Aug 2006 to April 2007 : 18.4%

If one compares this return to returns indicated under Table B, one would appreciate that Umoja Fund has been able to outperform all comparable products in the market.

Incidentally the equity markets have been performing in line with expectations and the post tax return have been ranging between 9 -12 % barring windfall gains during IPO.

1.2. INITIATION OF 'WEKEZA MAISHA/ INVEST LIFE UNIT TRUST SCHEME'

The resounding success of Umoja Fund has further reinforced our confidence that there remains a great appetite still untapped in the country for the forthcoming CIS's. This is how the initiation work on the launching of another CIS titled 'WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME' was commenced.

The WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME is the first investment cum insurance scheme to be established by the Unit Trust of Tanzania. It is indeed the first such scheme to be launched in the country. The thought process (i.e. rationale) which has gone into establishing and launching this pioneer scheme is enumerated hereunder:

1.3. UNIT LINKED INSURANCE PLAN (ULIP) – AN INTRODUCTION

ULIP is a combination of Insurance and Unit Trust (Investment) benefits (i.e. a marriage of Insurance and Unit Trust). Unit-Linked products are those, where the investment benefits are expressed in terms of units and unit price. ULIP is a one-stop solution providing:

- Life Protection (Insurance Benefits)
- Investment and Savings
- Flexibility

1.4. INSURANCE IN TANZANIA – AN OVERVIEW

Tanzania's Insurance Industry was liberalized in the year 1996 to achieve the following objectives:

- Transforming the insurance industry into a sound and competitive agent for national saving mobilization and development of investment channeling;
- Promoting insurance sector as an effective catalyst for enhanced economic growth;
- Strengthening and promoting the industry health and orderly growth through establishment of operating performance standards and prescriptions;
- Exempting the industry from undue interference;
- Developing efficient, cost effective, comprehensive and customer driven insurance services.

1.5. WHY ULIP?

- ULIP came into play in 1960s and became very popular in major parts of the world - Western Europe, America, India etc. (so it is a pioneer effort on the part of UTT to have introduced this product in Tanzania).
- Internationally, ULIP is seen as a 'Wonder Product' that simultaneously fulfills an individual's need for investment and insurance.

- With Unit Trust and Insurance industry being still at a nascent stage in Tanzania, it is a good idea to blend the two in the interest of the common investor.
- ULIP shall lead towards fulfilling the laid down objectives of both the industry – Mutual Fund and Insurance.

1.6. ULIP – THE MOST TIMELY IN TANZANIA

- Till Mar'2007, there are less than 100,000 Life Insurance Policies issued by various Insurance Companies in Tanzania (out of these, 90 % alone have been issued by a single Insurer).
- The penetration ratio for Life Insurance in Kenya is about 0.82 % of GDP, whereas the same is as low as 0.35 % of GDP in Tanzania. On the other hand, the said penetration ratio in South Africa is about 11.48 % of GDP.
- The share of Life Insurance premium is about 10 % of the total insurance premium written in the country.
- The steady growth in the market premium volume on year to year basis indicates, inter alia an increase in the demand for insurance in the country. It also suggests that the public attitude towards risk and risk awareness is changing positively.

It is in the above context that the Unit Trust of Tanzania has decided to establish and launch the WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME in the country.

2.0 CONSTITUTION AND MANAGEMENT OF UTT

2.1. Constitution of UTT

The Unit Trust of Tanzania (UTT) was incorporated on 19th June, 2003. It has been incorporated under the Trustees Incorporation Ordinance (Cap.375) with the following objectives:

- a) To acquire and keep in trust the shares of the privatized enterprises that were held by the Privatization Trust and all those shares of the privatized enterprises that shall be placed in trust by the Settlor from time to time in the course of the privatization of the public enterprises.
- b) To ensure that, shares that are held in trust are distributed among Tanzanian citizens in a manner that shall encourage and facilitate savings and wider participation by citizens in the ownership of privatized enterprises that shall enable and stimulate participation in capital markets.
- c) To establish, launch and manage collective investment schemes so as to achieve the objectives of the Trust.

2.2. Functions of the Trustees

The functions of the Trustees include inter alia:

- a) To maintain, operate or engage in any investment arrangement as would enable the diversification of the shares held in trust in a manner that shall increase their value, profit or gain.
- b) To formulate in relation to any collective scheme:-
 - Savings and insurance plan or plans under which a person may acquire an interest in units in association with or as the agent of the insurance company, but not including insurance business.
 - Any other plan or plans, under which a person may acquire an interest in units.
 - To extend investment or fund or portfolio management services to persons in and outside Tanzania.

3.0 MANAGEMENT OF THE SCHEME

WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME shall be managed by the Unit Trust of Tanzania, Registered Trustees. The Board of Trustees has set up a management structure to carry out day to day operations of the scheme.

3.1. Board of Trustees

Ambassador Ernest Mulokozi (73) Chairman, Board of Trustees

Ambassador Mulokozi who is presently the Chairman of the Board of Trustees of the Unit Trust of Tanzania holds a Diploma in Agriculture from Makerere College, Kampala Uganda and BSc. Agriculture and MSc. Agricultural Economics both from the University of Rhode Island, USA. He has also attended short courses at the East African Staff College, Economic Development Institute (World Bank) and the Harvard Institute for International Development.

Ambassador Mulokozi's career in the civil service brought him to the post of Principal Secretary in the Ministry of Lands and Settlements (1967). He later held the same post in the Ministry of Agriculture, Natural Resources, Water and Irrigation in 1968, Ministry of Economic Affairs and Planning in 1970 and in the Office of the Prime Minister in 1972.

In 1974, he was appointed Chairman and Managing Director of the National Development Corporation before going back to the post of Principal Secretary in the Ministry of Finance and Planning in 1977. In 1980 he was appointed Tanzania's Ambassador to the European Community, the Kingdom of Belgium and the Luxembourg until 1985. He then came back to Tanzania to become the Principal Secretary in the Ministry of Agriculture until 1988. His career in the public service ended at the Tanzania Zambia Railway Authority in 1996 where he held the post of Deputy Managing Director.

Ambassador Mulokozi also has considerable business experience having been a board member of a number of institutions including the Bank of Tanzania, the National Development Corporation, National Bank of Commerce, Tanzania Breweries Limited, Cooperative and Rural Development Bank, Air Tanzania Corporation, Tanzania Railways Corporation and the Privatization Trust.

Ambassador Fadhili Mbaga (65) Trustee

Ambassador Fadhili Mbaga who is presently a trustee at the Unit Trust of Tanzania trained as an economist at the East Africa University, Makerere College where he graduated in 1966. He later on pursued management studies at Arthur D. Little Management Institute, Boston, USA where in 1978 he was awarded a Masters of Science Degree in management.

Ambassador Mbaga commenced his career as a public servant after graduating and rose to the post of Commissioner for Macro-economic Planning in 1973. In 1979, he was appointed Deputy Principal Secretary in the Ministry of Finance and Planning and 1980 later to become the Principal Secretary of the same ministry. In 1982, he was shifted to the Ministry of Industry and Trade to hold the same post and in 1984 he was appointed Personal Assistant to the Minister of State, President's Office. Between 1985 and 1990, he worked as Deputy Principal Secretary and Principal Secretary in the Office of the Prime Minister and First Vice President. In 1991, he was appointed Ambassador to Canada and Cuba until 2000 when he retired from public service. While in Canada the Ambassador attended several courses on financial markets such as Investment Funds Course (1977), Canadian Securities Course (1998) and Qualified Insurance Agent (1999). He is currently the Executive Secretary of the Tanzania Sugar Producers Association.

Ambassador Mbaga has considerable business experience having been a board member of a number of corporate body's including Tanzania Petroleum Development Corporation, National Bank of Commerce, Cooperative and Rural Development Bank, National Insurance Cooperation, National Development Corporation, Coffee Board Authority, Tanzania Tea Authority, National Milling Corporation and Southern Paper Mills; and currently is a board member of Interglobal Business Partnership Ltd., Tanzania Petroleum Development Corporation and Kinondoni Municipal Health Board.

Ms. Esther Manyesha (48) Trustee

Ms Manyesha, a lawyer by training holds an LLB degree from the University of Dar es Salaam (1983) and LLM degree from the University of Edinburgh (1993). She started her career as State

Attorney in 1983 and held the position of Senior Parliamentary Draftsman, before she rose to the current position of Assistant Director in the drafting department.

Ms. Manyesha has attended several courses in which she was awarded certificates such as Legislative Drafting (Dhaka -1984), Copyright, World Intellectual Property (Sweden - 1987), Copyright, World Intellectual Property (U.K. - 1989), Public Development Lawyers (Italy - 1995), Investment Lawyers - (Italy - 1995), Commercial Laws and Legal Skills (1995 - Mwanza), Parliamentary Administration (U.K. - 1998) and International Legislative Drafting (US - 2001).

Ms. Kessi-Sia Mbatia (54) Trustee

Ms. Mbatia is a senior executive with the Bank of Tanzania. She has about 32 years experience in various capacities in the Bank. At present she is the Director of Financial Markets. She is a founder, Indigo Women Links - a development co-ordination network. She is also a member of the Governing Council of the Institute of Finance Management. Areas of work exposure include export finance, export development policy, debt management, asset management and development of financial markets.

Ms. Mbatia graduated at the University of Dar es Salaam in Economic Planning in 1975. She obtained an MBA from the University of Bordeaux III in 1983. In 1985 she obtained a Post Graduate Diploma in Foreign Trade, Export Techniques from the University of Paris II Sorbonne.

Ms. Mbatia has attended various training programmes on commercial trade policy, foreign exchange management, reserve management, portfolio management, development of capital markets, fundamentals of financial markets and public pension funds management.

3.2. Management Team

Dr. Hamisi S. Kibola (52)

Chief Executive Officer and Secretary to the Board of Trustees

Dr. Hamisi S. Kibola is a lawyer by profession. He has an LLB (Hons), LLM and PhD from the University of Dar es Salaam as well as a Postgraduate Diploma in European Integration from the University of Amsterdam. Dr. Kibola began his working career as a Lecturer first at the Faculty of Law, University of Dar es Salaam and later at the Centre for Foreign Relations also in Dar es Salaam.

Dr. Kibola's career in the financial sector began at the Central Bank where he worked as Principal Legal Officer and later to be seconded to the then Preferential Trade Area for Eastern and Southern Africa (now COMESA) where he coordinated a project on Study of Trade and Investment Laws of the Region. On his return to the Central Bank, he was posted to the then newly established Capital Markets Unit which did the ground work for the establishment of the Capital Markets and Securities Authority. Much of his work involved preparing drafts of the initial capital markets regulations, participating in developing the Action Plans of the Authority and working on the various rules of the stock exchange. He was also a member of the Advisory Committee for the Establishment of the Dar es Salaam Stock Exchange.

Dr. Kibola became the first Chief Executive of the Dar es Salaam Stock Exchange when it was established in 1998. After serving for a period of five years at the Exchange, Dr. Kibola was appointed the first Chief Executive Officer of the Unit Trust of Tanzania.

Mr. Gration Kamugisha (39)
Head of Investment Management

Mr. Gration Kamugisha developed his career in the capital markets area as a Stockbroker. He was responsible for processing some of the first transactions at the Dar es Salaam Stock Exchange (DSE) on 15th April 1998. He joined the Unit Trust of Tanzania as Head of Investment Management on 1st October 2004. Prior to that, he had worked as Operations and Investments Manager with Orbit Securities Co. Ltd., a company which is licensed as Dealing Member of the DSE and Investment Advisor.

Mr. Kamugisha who holds an Advanced Diploma in Certified Accountancy (IDM-Mzumbe) and a Masters of Science Degree in finance with distinction (University of Strathclyde) has contributed immensely to the development of the capital markets industry in Tanzania including processing Initial Public Offers, advising a cross section of clients on how to exploit the opportunities availed by the capital markets industry, participating as a resource person for Stock Brokers / Dealers course organized by the Capital Market and Securities Authority and the DSE floor traders induction course, public education campaigns and writing and publication of articles that are related to capital markets operations in general and specific areas like shares, bonds and unit trust schemes in several local newspapers.

Mr. Alen Mchaki (54)
Head of Finance and Administration

Mr. Mchaki is a fellow member of the Association of Chartered Certified Accountant (FCCA) and a Certified Public Accountant with over 27 years working experience gained in both industry and practice. Before joining the Unit Trust of Tanzania as Head of Finance and Administration early in 2005, he was employed by the Presidential Parastatal Sector Reform Commission (PSRC) as a Senior Consultant where he worked for over 10 years. Accomplishments at the PSRC include successful privatization of firms in the sub sectors of trade, chemicals, cement, wheat and rice farming and participation in the listing of the Tanzania Breweries Limited at the DSE.

Previous work experience in the industry includes employment abroad; first as a Financial Controller of the Swaziland Television Authority in Swaziland from 1983 to 1989 and later as a Regional Accountant of the International Planned Parenthood Federation (IPPF), Sub Saharan Regional Office, in Nairobi Kenya, from 1989 to 1993. His accomplishment; at Swaziland Television Authority included managing the accounting functions of a national Television Broadcasting Service, including a Television (units) rental division. The job with IPPF was essentially that of an Internal Consultant and achievements included advising on, and securing the financial requirements of over 15 African countries' Family Planning Associations (FPAS).

Mr. Mchaki also worked with Shell and BP Tanzania Limited, Deloitte Haskins and Sells and Coopers and Lybrand during the early years of his career.

Ms. Nunu Saghaf (36)
Head of Operations

Ms Nunu Saghaf developed her career in a banking industry as a dealer in both Money Markets and Foreign Exchange. As a senior dealer in Treasury Department of ABC, Ms Saghaf was overall responsible for processing both foreign exchange and money markets transactions, investment matters, soliciting deposits and attracting investments from a target clientele, which included large corporates, financial institutions, insurance companies, pensions funds, and high net worth individuals.

Ms. Saghaf joined ulc (Tanzania) Limited in August 1997 after graduating from the Institute of Finance Management with an Advanced Diploma in Accountancy, she was instrumental in the setting up of the Treasury Department of ulc (Tanzania) Limited at its inception and thereafter African Banking Corporation Tanzania Limited (ABC).

Ms. Saghaf joined Unit Trust of Tanzania in February 2005 where she spearheaded the establishment of effective Investors Servicing Unit that includes a Front Office and a Back Office, as well as setting up of a Call Center. She was a key person in the evolution of systems & procedures that govern the operations of unit sales, redemption of units, payment of income distribution and other investor services.

Mr. Rashid K. Mchatta (37)
Head of Information and Communication Technology

Mr. R.K. Mchatta is an expert in systems analysis, design and applications software development. He received his BSc. degree in Information and Management Systems in 1998 as well as MSc. degree in Information and Management Systems in 2000 from the Faculty of Management Science and Informatics of the University of Zilina, in the Slovak Republic.

Prior to joining the UTT early in 2005, he spent three and a half years at the Bank of Tanzania where he worked as a Computer Analyst Programmer. In this capacity, he was involved in the implementation of various Straight Through Processing (STP) Systems. He has also served as an Assistant Lecturer in Computing and Information Technology at the Institute of Finance Management (IFM) in Tanzania in the academic year 2000-2001. During that period, he facilitated live interactive programming sessions with the African Virtual University and Open University of Tanzania.

Mr. Elikira Ndossi (61)
Administrative Officer

Mr. Ndossi graduated at the University of Dar es Salaam in 1971 (BA Hons) and has undergone several courses on parastatal organization, budgeting, management, public administration and

good governance. He has held several posts in the public sector such as Operations Manager – STAMICO, Regional Financial Controller, Kagera Region (1974), Director of Planning and Finance in the President's Office, Ministry of Capital Development (1976), Deputy Principle Secretary, Ministry of Capital Development (1978), Ag. Commissioner for Public Investments, Treasury (1981), Assistant Commissioner for Budget – Treasury (1982), State House Special assignment (1984), Consultant/ Budget expert – Sponsored by European Community (1988), Civil Service Department Special assignment (2001) before joining the UTT in May 2002 as Administrative Officer.

Mr. Ndossi served in the various boards between 1981 and 2002 including; Agip (T) Ltd., Tipper (Tanzania Petroleum Refinery Ltd.), Board of Internal Trade, NEDCO (National Estates and Design Company), Tanzania Polyester Company, Iringa Regional Transport Company.

3.3. Technical Advisers

It is well known that the unit trust industry is new in Tanzania. As such, the Trustees of the Unit Trust of Tanzania have taken the decision of obtaining technical support with a view to ensuring an orderly establishment of UTT launched schemes as well as building capacity for development of the industry by the UTT as well as other market players.

The Unit Trust of Tanzania has therefore recruited two technical advisers in the areas of Investment Management and Operations, who have been with UTT since 08th March, 2005.

Mrs. Anagha Hunnurkar (48) Technical Adviser (Investment Management)

Mrs. Anagha Hunnurkar has qualifications in financial analysis, law and accounting. She holds a B.com (Advanced Accountancy), B.Gen Law, Diploma in Management Studies, a Postgraduate diploma in Treasury and Forex Management obtained from various universities in India. She is a Fellow of the Institute of Chartered Financial Analysts of India, an Associate of the Institute of Cost & Works Accountants of India as well as Certified Internal Auditor for ISO9001:2000 implementation.

Mrs. Hunnurkar's, experience in the unit trust industry commenced in 1986 when she was appointed Staff Officer and Deputy Manager at the Unit Trust of India (UTI). She rose to become Assistant General Manager at the UTI during which time she was involved in product development, marketing and training of agents. She later became Fund Manager when she became involved in studying economic fundamentals, industry and company specifics as well as technical analysis. As Fund Manager, she was involved in picking/selecting value stocks as well as carrying out trading activity in equity, debt as well as derivatives. At one time she managed six schemes with Assets under management of about Rs 2700 crores (\$600 million)

Mrs. Hunnurkar has an edge in; marketing, treasury and fund management a combination which favors her with an integrated approach to funds management. One of her achievements is to be able to exercise judgment so as to time; sales and purchases with a clear focus on investor needs,

investment objectives and the dynamics of the capital market. She has also taken part in various training exercises as trainer including being visiting faculty at the Indian Institute of Capital Markets.

As Technical Advisor (Investments) at Unit Trust of Tanzania her responsibilities include formulation of investment policy, investing of funds mobilized, tracking markets and inputs to management on strategies for marketing, business development and business opportunities. Her experience in dealing and Treasury has helped Umoja Fund to outperform as compared to returns from other financial products in similar risk class.

Some of her other achievements have been to closely interact with Bank of Tanzania and other banks to transact Reverse Repos – the first horizontal repo to be traded in Tanzania and contributing financial articles in the weekly column – focus on Capital Markets of the business page of leading Tanzanian newspaper - The Daily News and other magazines/journals .She has more than 120 articles to her credit. Apart from this, she has been an invitee for several finance related forums to make presentations on Money markets (like PPF, treasury Manager’s association, IFM, etc)

Mr. Jagjit Singh (41)
Technical Adviser (Operations)

Mr. Jagjit Singh is basically an operations/investor services expert. He has a Masters of Business Administration (MBA) from the University of Pune (India). He joined the UTI Investor Services Ltd. (now UTI Technology Services Ltd.) as Assistant Vice President - Operations in 1997. He has been posted to head various branches of the UTI Investor Services Ltd. Apart from being posted as a Regional Head of the company he has also headed process Quality Control at the company's Central Processing Center. He rose to become Vice President at the UTI Investor Services Limited.

During his tenure at the UTI Investor Services Ltd., Mr. Singh has been involved in various other related activities including providing information processing services to unit holders, building customer relationship, carrying out pre/post issue activities (sales processing), providing On-line After Sales service to investors (transaction processing), managing call centers, doing various reconciliations (unit capital/paid warrants and cheques) as well as carrying out business development functions.

Mr. Jagjit Singh, as Technical Adviser (Operations) with Unit Trust of Tanzania has been instrumental in successfully evolved / established systems and procedures that governs all activities related to servicing investor, including the distribution of units, Sale & Re-purchase operations, setting up one of the most efficient payment gateway system for handling payment to unit holders etc. At UTT, Mr. Singh acts as one of the main resource person on all matters of ‘Operational’ nature.

Mr. Jagjit Singh has played a key role in successfully developing & designing the **“WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME - A UNIT LINKED INSURANCE PLAN (ULIP)”**, since inception.

4.0 DUTIES OF THE MANAGER

The Manager of the scheme shall:

- (a) Manage the scheme in accordance with the Deed of Trust in the exclusive interest of the unit holders and fulfill the duties imposed on it by the general law;
- (b) Maintain or cause to be maintained the books and records of the scheme and prepare the scheme's accounts and reports;
- (c) Publish and distribute to unit holders at least two reports in respect of each financial year where the annual report would be sent within four months of the end of the scheme's financial year, provided that the Manager may subject to approval of the Authority distribute an abridged version to unit holders;
- (d) Maintain an up-to-date register of unit holders in the scheme;
- (e) Provide to the Insurer accurate data;
- (f) Pay to the Insurer sums collected as part of purchase price by unit holders covering the insurance plan as provided for in the insurance policy;
- (g) Receive and submit claims made by unit holders to the Insurer;
- (h) Obtain a written approval from the Insurer in the event of any Structural change of the Scheme;
- (i) Cooperate fully with the Insurer or any person designated by the Insurer in the investigation, adjustment, settlement or defence of any claim;
- (j) Convene an annual review meeting with the Insurer;
- (k) Ensure that the Deed of Trust is made available for inspection by the public in Tanzania, free of charge at all times during normal working hours at its place of business and make copies of such documents available upon the payment of a reasonable fee.

5.0 THE INSURER UNDER THE SCHEME

5.1. CONSTITUTION OF THE INSURER

The Insurer under the Scheme is Alliance Insurance Corporation Limited, which is an Insurance Company licensed to carry out Insurance business (life as well as non-life) under the Insurance Act No. 18 of 1996. The Insurer which is a public limited liability company was incorporated in year 1996 and carries a Certificate of Incorporation No 29257. It is registered as an 'Insurer' under certification of registration No. 00000084. The Insurer is owned by Union Trust Investment Limited (55 %) and The

Heritage All Insurance Company (T) Limited (45%). The major shareholder of the Insurer i.e. UnionTrust Investment Limited is wholly being owned by Tanzanians. Alliance Insurance Corporation Limited is one of the leading and fast growing insurance companies in Tanzania. Its registered office is situated at: 1st Floor, 50 Mirambo Street, P.O. Box 9942, Dar es Salaam.

5.2. BOARD OF DIRECTORS OF THE INSURERS

The Board of Directors of the Insurer is made up of the following individuals:

Mr. Shaffin Jamal	- Chairman	(Tanzanian)
Dr. Alex Nguluma	- Director	(Tanzanian)
Mr. Yogesh Manek	- Director	(Tanzanian)
Mr. Stephen Lugalia	- Director	(Kenyan)
Mr. Jayesh Shah	- Director	(British)
Mr. N P Thaker	- Director	(Kenyan)
Mr. John Milne	- Director	(South African)
Mr. K.V.A.Krishnan	- CEO	(Indian)

5.3. DUTIES OF THE INSURER

The Insurer under the Scheme shall;

- (a) Prepare the policy regulating the insurance component of the scheme;
- (b) Maintain data relating to insurance policies maintained under the scheme as provided by the Manager;
- (c) Be responsible for the settlement of all claims in accordance with the insurance policy;
- (d) At the end of each year, provide actuarial valuation on loyalty bonus to ensure the Schemes' financial viability;
- (e) Facilitate an annual review of the insurance plan of the scheme;
- (f) Provide advisory service to the Manager on the insurance plan of the Scheme;
- (g) Inform the Manager promptly in the event of any material change in claims management practices, personnel or re-insurance treaties.

6.0 CUSTODIAN OF THE SCHEME

6.1. CONSTITUTION OF THE CUSTODIAN

The Custodian of the scheme is CRDB Bank Limited which is a commercial bank licensed to carry out banking business under the Banking and Financial Institutions Act, 1991. The Bank which is a public limited liability company was incorporated in 1996 and carries a Certificate of Incorporation No. 30227. The Bank is owned by Tanzanian individuals and body corporates (70%) and DANIDA Investment Fund (30%). The CRDB Bank Limited is one of the fast growing banks in Tanzania. Its registered office is situated at Azikiwe Street, P.O Box 268, Dar es Salaam.

6.2. BOARD OF DIRECTORS OF THE CUSTODIAN

The Board of Directors of CRDB Bank Limited is made up of the following individuals:

Mr. Martin Mmari - Chairman, CRDB Bank Ltd	(Tanzanian)
Dr. C.S. Kimei - Managing Director	(Tanzanian)
Mr. Kai Kristoffersen – Director	(Danish)
Ms. Lydia Joachim – Director	(Tanzanian)
Mr. B. Lyimo -Director	(Tanzanian)
Dr. Silvia Temu- Director	(Tanzanian)
Mr. Abeid Mwasajone - Director	(Tanzanian)
Ms. Joyce Luhanga - Director	(Tanzanian)
Mr. Ali Laay – Director	(Tanzanian)
Mr. Boniface Muhegi – Director	(Tanzanian)
Mr. J. Machanje - Director	(Tanzanian)

6.3. THE DUTIES OF CUSTODIAN

The duties of the custodian are spelt out in the law as well as in the Deed of Trust of the Scheme. These duties include:

- (a) Take into custody or under his control all the property of the scheme and hold it in trust for the unit holders in accordance with the provisions of the Deed of Trust, and ensure that cash and registrable assets are held or registered in the name of or to the order of the scheme;
- (b) Be liable for any act or omission of any agent with whom any investments in bearer form are deposited as if they were the act or omission of any nominee in relation to any investment forming part of the property of the scheme;
- (c) Take reasonable care to ensure that the Initial Sale, sale, partial repurchase and cancellation of units effected by the scheme are carried out in accordance with the provisions of the Deed of Trust;
- (d) Take reasonable care to ensure that the methods adopted by the Manager in calculating the value of units are adequate to ensure that the sale and partial repurchase prices are calculated in accordance with the provisions of the Deed of Trust;

- (e) Carry out the instructions of the Manager in respect of investment unless they are in conflict with the provisions of the Deed of Trust;
- (f) Take reasonable care to ensure that the investment and borrowing limitations as set out in the Deed of Trust and conditions as stipulated in any law or regulations under which this scheme is authorized, are complied with;
- (g) Issue a report to the unit holders to be included in the annual report on whether in the Custodian's opinion, the Manager has in all material respects managed the scheme in accordance with the provisions of the Deed of Trust; if the Manager has not done so, the respects in which it has not done so and the steps which the Custodian has taken in respect thereof;
- (h) Take reasonable care to ensure that Statement of Accounts are not issued until subscription money has been paid;
- (i) Ensure that any registrable investments which are held for unit holders in the scheme are properly registered in the name of the scheme or other eligible nominee; and
- (j) Where title to investments is recorded electronically, to ensure that entitlements are separately identified from those of the Manager of the scheme in the records of the person maintaining records of entitlement.

7.0 ASSOCIATED PERSONS

The Custodian, the Insurer and the Trustees are not associated persons.

8.0 OFFER - TIME TABLE

The time table for the Initial Sale of WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME units to the public is as follows: -

- Opening of the Offer : 16th May, 2007 (Wednesday)
- Closing of the Initial Sale : 31st July, 2007 (Tuesday)
- Commencement of Insurance Policy : 31st July, 2007 (Tuesday)
(Subject to the eligibility of an investor)
- Notification of Results : 15th October, 2007 (Monday)
- Dispatch of Statement of Accounts (SOA's) to Unit Holders : 15th November, 2007 (Thursday)

Note: Under no circumstances shall the Initial Sale period be extended as this has a dampening effect on investors' confidence and undermines market development generally.

9.0 DUE DILIGENCE BY THE MANAGER

It is confirmed that:

- (a) The offer document forwarded to CMSA is in accordance with the Capital Markets and Securities Act, 1994 as amended and Capital Markets and Securities (Collective Investment Schemes) Regulations 1997.
- (b) All legal requirements connected with the launching of the WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME as also the guidelines, instructions, etc, issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (c) The disclosures made in the offer document are true, fair and adequate to enable investors to make a well informed decision regarding investment in the proposed scheme.

Date:2007

Dr. H. S.Kibola
Chief Executive Officer
Place: Dar es Salaam

Signed by the Chief Executive Officer

10.0 INITIAL ISSUE EXPENSES

The followings are the initial issue expenses:

- Advertising
- Commission to agents
- Printing and marketing expenses
- Postage and miscellaneous expenses
- Other expenses

These expenses are borne by the Unit Trust of Tanzania who is the Sponsor and Manager of the scheme. These expenses shall not be charged to the scheme that is the reason why there is no initial charge on entry by investors into the scheme.

11.0 RISK FACTORS

Investors should note that investments in the scheme are subject to market risks and the Net Asset Value of the scheme may go up or down depending upon the factors and forces affecting the securities market. Past performance is not necessarily indicative of the future.

Investors should be aware of inter alia that:

- The performance of companies whose ordinary shares are acquired and held by the scheme may improve or deteriorate;
- Unlike Government securities, bonds issued by corporate bodies and local authorities may be subject to default in debt servicing/repayment of debt; or downgrading by rating agencies;
- Interest rate changes may affect the value of fixed income securities in which the scheme has invested;
- Changes in exchange rates may affect the value of the scheme's investments in foreign currency denominated securities;
- Liquidity at the Dar es Salaam Stock Exchange where some of the securities held by the scheme are listed is currently very low;
- The taxation regime of unit trusts may change thereby affecting the income of the scheme as well as the income to unit holders;
- Any change in the Act / Regulation can have an adverse impact on the working of the scheme;
- Other factors unforeseen, may affect investments in which WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME has invested and therefore the value of WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME Units.
- The Insurance related risks are as mentioned in the Group Life, Personal and Funeral Insurance Policy.

12.0 OFFER DETAILS

12.1. WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME – THE SCHEME

BACKGROUND: WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME is designed keeping in mind, the reality that different individuals have different needs, which change over time. We build many dreams and aspirations and long to see them come true, sometime in our life. To make them come true, our need for protection, investment and financial liquidity keeps changing at different stages of life. When we reach a certain stage in life, we need our money to grow and see new heights. This

plan helps us to meet all our investment and insurance needs and thus gives us an opportunity to enjoy potentially higher returns without compromising on the security of our loved ones (family).

WHAT IT OFFERS: WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME comes with a host of features to allow an investor to have the best of both worlds – Insurance and Investment. It enables every participant to create a solid financial protection and saving plan for self and family.

ADDITIONAL BENEFITS: The Scheme offers additional benefits in the form of Life Insurance Cover (Death / Total and Permanent Disability) and Personal Accident cover. Investors who join the scheme during the Initial Sale period shall also get an additional cover benefit for meeting **funeral expenses at no extra cost.**

12.2. **SCHEME OBJECTIVES**

- To empower the investing community by inculcating the regular saving habits and also by generating long term capital appreciation;
- To offer insurance cover benefits;
- To sensitize the need for life Insurance in the country.

12.3. **ELIGIBLE INVESTORS (WHO CAN INVEST)**

Resident Individual Tanzanians and Non Resident Individual Tanzanians (NRT) can join the plan. The age of the applicant at the time of entry should be within the age limit indicated here below:

- (a) Minimum Entry Age – 18 Years
- (b) Maximum Entry Age – 55 Years

12.4. **TERM OF INVESTMENT (TENURE OF THE PLAN MEMBERSHIP)**

- The tenure of the plan membership shall be 10 years;
- The tenure of the plan membership for Initial Sale unit holders shall commence from the Initial Sale closure date;
- The tenure of the plan membership in respect of unit holders who join the plan during subsequent period shall commence from the Date of Acceptance.

12.5. CONTRIBUTION AMOUNT

- Minimum Contribution Amount – Tzs 1,000,000/- (1 Million)
- Maximum Contribution Amount – No Limit (*however Life Insurance Cover is available up to the maximum limit of Tzs 25 Million contribution amount only*)

Note:

(A) Investor may choose any Contribution Amount, which is equal to or above the Minimum Contribution Amount (in multiples of 1,000/-).

(B) A Contribution amount once chosen cannot be changed (up or down) under a particular membership.

12.6. INVESTMENT OPTIONS

The scheme offers two options aimed at serving various investment objectives suitable for investors of different profiles i.e. Low Income Group, Middle Income Group and High Income Group. This scheme can be joined by making a monthly contribution of as low as Tzs 8,340/- by an eligible investor.

Accordingly, the scheme offers investment under:- (A) Regular Contribution Option and (B) Single Contribution Option as under:

(A) REGULAR CONTRIBUTION OPTION

Depending on the chosen Contribution Amount, Regular Contributions (RC's) in the scheme shall be made on Monthly, Half-Yearly or Yearly basis, as enumerated below:

(A.1) PAYMENT OPTIONS:

>>Table of Regular Contribution Amount: An example

Chosen Contribution Amount (Tzs)	Monthly Contribution Amount (=1/120 th of chosen contribution amt.) [rounded off to next 10]	Half-yearly Contribution Amt (=1/20 th of chosen contribution amt.)	Yearly / Annual Contribution Amt (=1/10 th of chosen contribution amt.)
1 Million	8,340	50,000	100,000
2 Million	16,670	100,000	200,000

3 Million	25,000	150,000	300,000
and so on			
25 Million	208,340	1,250,000	2,500,000
100 Million	833,340	5,000,000	10,000,000
500 Million	4,166,670	25,000,000	50,000,000
1 Billion	8,333,340	50,000,000	100,000,000
=====WITH NO MAXIMUM LIMIT=====			

(A.2) PAYMENT MODE:

The above regular contributions on Monthly, Half-Yearly or Yearly basis can be made under any of the following three payment mode available under the scheme:

SN	PAYMENT OPTION DESCRIPTION	PAYMENT MODE
Option - I	Direct Payment by the Unit Holder – Own Arrangement	DIRECT
Option - II	Direct Payment by the Unit Holder’s bank under instruction	BANKER
Option - III	Direct Payment by the Unit Holder’s employer under - Salary Saving Scheme	EMPLOYER

(A.3) PAYMENT OPTIONS WITH PAYMENT MODE:

SN	PAYMENT OPTION	PAYMENT MODE
1.	Monthly	Direct
		Banker
		Employer
2.	Half-Yearly	Direct
		Banker
		Employer
3.	Yearly	Direct
		Banker

		Employer
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(A.4) MONTHLY OPTION - MODALITIES FOR PAYMENT OF 2ND, 3RD, 4TH AND 5TH REGULAR CONTRIBUTIONS (RC's) FOR UNIT HOLDERS JOINING DURING INITIAL SALE PERIOD:

- Under Monthly option, investor/s will be required to pay the first (1st) contribution on joining the scheme during the Initial Sale Period (i.e. 16th May to 31st July 2007);
- The 2nd, 3rd, 4th and 5th regular contributions shall be required to be paid on 01st Dec'2007, by then the Manager shall have advised the unit holders of their respective 'Investor Account Number' allotted under the scheme;
- Subsequently, the Monthly contributions shall become due on the 1st day of the subsequent month;
- Any contribution due can be paid within 10 working days of its due date;
- The above is explained as under:

Contribution Type (Installment Number)	Payment Due Date	Remarks
1 st Contribution	During Initial Sale Period	16 th May till 31 st July, 2007
2 nd Contribution	1 st Dec'2007	For unit holders joining the scheme during initial sale period, the 2 nd , 3 rd , 4 th and 5 th due contributions are to be paid together
3 rd Contribution		
4 th Contribution		
5 th Contribution		
6 th Contribution	1 st Jan'2008	Payable within 10 working days
7 th Contribution	1 st Feb'2008	
and so on		

Note: Although the unit holder may pay the contribution/s within the 10 working days, the applicable NAV would depend on the actual date of receipt of the amount. Hence it may not be in the interest of the unit holder to delay the contribution/s.

(A.5) PAYMENT OF REGULAR CONTRIBUTIONS IN ADVANCE

- Investors who desire to pay their Regular Contributions in advance (i.e. RC's not yet due), can do so under the scheme;
- For such payments, units shall be allotted upfront on the contributed amount (paid in advance) at the prevailing NAV;

- On Insurance Premium payment due date, for such cases the Manager shall pay the premium to the Insurer by reducing the equal units at the prevailing NAV.

AND

(B) SINGLE CONTRIBUTION OPTION

The entire chosen Contribution amount shall have to be invested as lump sum, through a 'Single Contribution' in order to subscribe to the Plan under this option:

(B.1) Table of Single Contribution Amount: An example

Chosen Contribution Amount (Tzs)	Single Contribution Amt (equal to chosen contribution Amt)	Chosen Contribution Amount (Tzs)	Single Contribution Amt (equal to chosen contribution Amt)
1 Million	1 Million	20 Million	20 Million
2 Million	2 Million	25 Million	25 Million
3 Million	3 Million	50 Million	50 Million
4 Million	4 Million	100 Million	100 Million
5 Million	5 Million	500 Million	500 Million
and so on
10 Million	10 Million	1 Billion	1 Billion
=====WITH NO MAXIMUM LIMIT=====			

12.7. ISSUE PRICE

- Initial Sale – Units shall be sold at an Initial Value of Tzs 100/ per unit (as Initial Issue Expenses shall be borne by the Manager);
- Subsequent Sale – Units shall be sold at the prevailing NAV (i.e. without any entry load).

Note: After Initial Sale, the scheme shall become Open Ended (for Sale only) after the lapse of 6 months closure period i.e. 01st February 2008, from the Initial Sale closure date

12.8. ENTRY LOAD

- Initial Sale: Units shall be issued at the face value (i.e. Tzs 100/- per unit);

- (b) Subsequent Sale: Units shall be issued at the applicable NAV (*i.e. without any entry load*).

12.9. EXIT LOAD

- (a) Exit Load: 2 % of NAV per unit;
- (b) Exit Load is applicable for cases, which are eligible for **partial repurchase** after the lapse of 5 year lock-in period from the initial sale closure date (in respect of unit holders who join the scheme during initial sale period) and for unit holders who join the scheme subsequently, the lock-in period shall come to an end after the lapse of 5 years from the date of joining the scheme.
- (c) Value of units on maturity shall be paid at NAV (*i.e. without any EXIT load*).

12.10. LIQUIDITY - PARTIAL REPURCHASES

Since WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME is an insurance linked plan, members are expected to continue in the scheme, during their entire membership tenure. However, partial repurchases shall be allowed at the prevailing partial repurchase price after the completion of 5 years (from the date of joining the plan, however for Initial Sale unit holders the lock-in period shall come to an end after the lapse of 5 years from the Initial Sale closure date), subject to a member maintaining a minimum balance which is equal to 25 % of the chosen Contribution amount (to be determined at the partial repurchase price prevailing on the date of such partial repurchase). The same is explained hereunder (an example):

- Chosen Contribution Amount: 10 Million (under Single Contribution Option)
- Prevailing Partial Repurchase Price (on Repurchase DOA) : Tzs 150 per unit
- Outstanding No of Units (before Partial Repurchase): 90,000 units
- Minimum Balance Required (*i.e.* 25 % of 10 Million Contribution Amount): Tzs 2,500,000
- Minimum Units Balance Required: $(2,500,000/150) = 16,666.6667$
- Eligible Units for Partial Repurchase $(90,000-16,666.6667) = 73,333.3333$

13.0 INSURANCE COVER BENEFITS

The insurance benefits are available as per Group Life, Personal Accident and Funeral Insurance Policy, to eligible unit holders only when all the contributions as required under the Scheme are made in time. Thus the Scheme offers the following ‘Insurance Cover Benefits’:

13.1. LIFE INSURANCE COVER ON DEATH OR TOTAL AND PERMANENT DISABILITY

(a) **REGULAR CONTRIBUTION OPTION** – Life Insurance cover available to the extent of **unpaid but not due amount** of the chosen Contribution amount (i.e. regular contributions yet to be made for the unexpired tenure), subject to the maximum cover limit of Tzs 25 Million.

Example (1) of ‘Unpaid but not Due amount’:

- Assume Chosen Contribution Amount: Tzs 10 Million
- Yearly Contribution Amount: Tzs 1 Million (1/10 of 10 Million)

Occurrence of Death	Contributions due and already paid	Eligible Unpaid but not due contributions (i.e. Life Insurance cover amount)
Within 1 st year (0-1 year)	1 Million	NIL <i>(No death / disability benefits are available during the first 12 months from the commencement of insurance cover, except on death due to accident, in which case the eligible life benefit shall be equal to 9 Million)</i>
During 2 nd Year	2 Million	8 Million
During 3 rd Year	3 Million	7 Million
During 4 th Year	4 Million	6 Million
During 5 th Year	5 Million	5 Million
.....		
During 9 th Year	9 Million	1 Million
During 10 th Year	10 Million	NIL (*)
(*) 1. No death / disability benefits are available under yearly option during the 10 th year (as at this stage nothing remain unpaid), however under Monthly or half-yearly option the eligible unpaid but not due amount (if any) shall be entitled 2. During 10 th year (occurrence of death), the claimant is entitled to receive the eligible amount of Loyalty Bonus		

Example (2) of ‘Unpaid but not Due amount’:

- Assume Chosen Contribution Amount: Equal to or above Tzs 25 Million (under Yearly option)
- Yearly Contribution Amount: Tzs 2.5 Million (1/10 of 25 Million)

WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME OD (03-May-07)

Note: For cases where the chosen contribution amount exceeds Tzs. 25 Million, the eligible life insurance benefits (i.e. unpaid but not due amount) shall be arrived at by setting the chosen contribution amount to the maximum cover limit of Tzs. 25 Million. Also for such cases, the annual premium is charged on the maximum cover limit of Tzs. 25 Million only.

Occurrence of Death	Contributions due and already paid	Eligible Unpaid but not due contributions (i.e. Life Insurance cover amount)
Within 1 st year (0-1 year)	2.5 Million	NIL <i>(No death / disability benefits are available during the first 12 months from the commencement of insurance cover , except on death due to accident in which case the eligible life benefit shall be equal to 22.5Million)</i>
During 2 nd Year	5 Million	20 Million
During 3 rd Year	7.5 Million	17.5 Million
During 4 th Year	10 Million	15 Million
During 5 th Year	12.5 Million	12.5 Million
.....		
During 9 th Year	22.5 Million	2.5 Million
During 10 th Year	25 Million	NIL (*)
<p>(*)</p> <p>1. No death / disability benefits are available under yearly option during the 10th year (as nothing remain unpaid at this stage), however under monthly or half-yearly payment option, the eligible unpaid but not due amount(if any) shall be entitled</p> <p>2. During 10th year (occurrence of death), the claimant is entitled to receive the eligible amount of Loyalty Bonus</p>		

- (b) **SINGLE CONTRIBUTION OPTION** – Life Insurance cover available to the extent of chosen Contribution amount subject to the maximum cover limit of Tzs 25 Million as enumerated hereunder:

Example (1): Assume Chosen Contribution Amount = Tzs. 10 Million

Occurrence of Death	Chosen Contribution Amount (Tzs)	Life Insurance Cover Amount (equal to Contribution Amount) (Tzs)
Within 1 st year (0-1 year)	10 Million	NIL <i>(No death / disability benefits are available during the first 12 months from the commencement of insurance cover, except on death due to an accident in which case the eligible life benefit shall be equal to 10Million)</i>
During 2 nd Year		10 Million
During 3 rd Year		10 Million
During 4 th Year		10 Million
During 5 th Year		10 Million
.....		
During 9 th Year		10 Million
During 10 th Year		10 Million

Example (2): Assume Chosen Contribution Amount: Equal to or above Tzs. 25 Million

Note: For cases where the chosen contribution amount exceeds Tzs. 25 Million, the eligible life insurance benefits (i.e. unpaid but not due amount) shall be arrived at by setting the chosen contribution amount to the maximum cover limit of Tzs. 25 Million. Also for such cases, the annual premium is charged on the maximum cover limit of Tzs. 25 Million only.

Occurrence of Death	Chosen Contribution Amount (Tzs)	Life Insurance Cover Amount (equal to Contribution Amount subject to maximum limit of Tzs 25 Million)
Within 1 st year (0-1 year)	Equal to or above 25 Million	NIL <i>(No death / disability benefits are available during the first 12 months from the commencement of insurance cover, except on death due to an accident in which case the eligible life benefit shall be equal to 25Million)</i>
During 2 nd Year		25 Million (i.e. Max. Limit)
During 3 rd Year		25 Million (i.e. Max. Limit)
During 4 th Year		25 Million (i.e. Max. Limit)
During 5 th Year		25 Million (i.e. Max. Limit)
.....		
During 9 th Year		25 Million (i.e. Max. Limit)
During 10 th Year		25 Million (i.e. Max. Limit)

Note:

- The Insurance cover shall be provided on the basis of declaration of good health as specified by the Manager / Insurer and;
- The Life Insurance Cover under the scheme shall not be available in case the unfortunate death or Total and Permanent Disability of a unit holder occurs within the first 12 months from the commencement of the Insurance cover, except when Death or Total and Permanent Disability occurs due to an accident.
- The amount of the Life Insurance Benefit which becomes payable on the death or total and permanent disablement will be reduced by the amount of any payment previously made in terms of the conditions of the Personal Accident Benefit to this Policy, where applicable.

13.2. PERSONAL ACCIDENT (P.A) COVER

i. On Death due to an Accident:

Irrespective of the chosen investment option, the Personal Accident Cover will be provided to the extent of 20 % of the chosen Contribution amount subject to a maximum cover limit of Tzs 5 Million. The personal accident cover is available to unit holders (Resident Tanzanians) on death due to an accident in Tanzania.

ii. Loss of Limbs and/or senses due to an Accident:

The personal accident cover is also available to unit holders (i.e. Resident Tanzanians) and shall cover the total and irrevocable loss through physical separation or loss of use of limbs

and/or loss of senses due to bodily injury resulting solely and directly due to an accident in Tanzania. The cover benefits under this category shall be as under:

SN	Benefit Scale	% of P.A.Benefit
I	Permanent loss or loss of use:	
(i)	Both legs	100%
(ii)	One leg	50%
(iii)	Both feet	50%
(iv)	Both arms/hands	100%
(v)	One arm/hand	50%
(vi)	Any two of – one arm / one leg / one hand / one foot	100%
(vii)	One thumb	25%
(viii)	One foot	25%
(ix)	Four fingers including thumb	40%
(x)	Four toes including big toe	15%
(xi)	Total amputation of any finger	5%
(xii)	Total amputation of big toe	10%
(xiii)	Total amputation of another toe	5%
II	Senses:	
(i)	Total loss of sight in both eyes	100%
(ii)	Total loss of sight in one eye	50%
(iii)	Total loss of sight in both eyes except perception of light	50%
(iv)	Total loss of sight in one eye except perception of light	25%
(v)	Total loss of speech	50%
(vi)	Complete deafness of both ears with incontrovertible physical evidence	100%
(vii)	Complete deafness of both ears without incontrovertible physical evidence	50%
(viii)	Complete deafness of one ear	25%

Note: The personal accident cover is available even during 1st year.

General Exclusion: The Personal Accident Cover shall not be applicable / available to 'Non Resident Tanzanians (NRT)' members.

13.3. **FUNERAL EXPENSES COVER (Additional Benefit)**

- (a) Only available to members who shall join the plan during the Initial Sale period – **AT NO EXTRA COST**;
- (b) The Funeral Expenses Cover shall be provided to the extent of Tzs 500,000 irrespective of the chosen Contribution amount or Investment Option.

13.4. **ENTITLEMENT OF INSURANCE BENEFITS**

SN	OCCURANCE OF EVENT	---INSURANCE BENEFITS----		
		LIFE	PERSONAL ACCIDENT (P.A)	FUNERAL
1.	Death	Yes	Yes (if death due to accident)	Yes
2.	Total & Permanent Disability – due to illness or accident	Yes	No (*)	No
3.	Loss of Limbs and or / senses due to accident	No	Yes (as per P.A.benefits table)	No
(*) Under Total and Permanent Disability event caused by an accident, the claimant shall be availed with life benefits which are higher in value than the P.A Benefits, hence no P.A. benefits are payable in such cases.				

14.0 BENEFITS TO BE PROVIDED – ON DEATH

In case of unfortunate death of the unit holder during the applicable membership tenure in the Scheme, the nominee / legal heir / successor shall be entitled to receive the following benefits:

- (a) Value of available units at the prevailing NAV – Payable by the Scheme;
- (b) Eligible Life Insurance Cover Amount – Payable by the Insurer *(as available under different options – Regular and Single Contribution)*;
- (c) Eligible Personal Accident Cover amount, in case death occurs due to accident in Tanzania – Payable by the Insurer;
- (d) Eligible Funeral Expenses Cover amount – Payable by the Insurer *(applicable to unit holders who had joined the plan during INITIAL SALE period only)*;
- (e) Eligible Loyalty Bonus –if death occurs during last year of the membership tenure (Payable by the Scheme).

15.0 BENEFITS TO BE PROVIDED – ON TOTAL AND PERMANENT DISABILITY

In case Total and Permanent Disability occurs due to illness or accident during the applicable membership tenure, the guardian shall be entitled to receive the following benefits:

- (a) Value of available units at the prevailing NAV – Payable by the Scheme;
- (b) Eligible Life Insurance Cover Amount – Payable by the Insurer *(as available under different options – Regular and Single Contribution)*

- (c) Eligible Loyalty Bonus –if Total and Permanent Disability occurs during last year of the membership tenure (Payable by the Scheme);

15.1. SETTLEMENT OF INSURANCE CLAIMS

All insurance cover benefit claims shall be settled by the Insurer through the Manager. In the event of Death / Total and Permanent disability of the unit holder, the guardian / nominee / legal heir / successor may file the claim supported by all valid documents. All insurance claims shall be settled in Tanzania and shall be payable in Tanzanian Shillings only.

16.0 REQUIREMENTS FOR ADMISSION INTO THE SCHEME

Every eligible person desirous of participating in the Scheme shall:

- (a) Complete the application form specified by the Manager;
- (b) Furnish evidence of age by making a declaration in the manner prescribed by the Manager / Insurer and;
- (c) Furnish evidence of good health by making a declaration in the manner specified by the Manager / Insurer in this behalf on the application form;
- (d) Pay the requisite contribution amount as per the chosen Contribution amount / investment option.

17.0 PAYMENT OF INSURANCE PREMIUM

17.1. QUANTUM OF INSURANCE PREMIUM

- (a) As per the terms of the arrangement, the insurance premium is payable by the member (through Manager) to the Insurer for obtaining various eligible insurance cover benefits available under the Group Life, Personal Accident and Funeral Insurance Policy of the scheme.

- (b) However it may be noted that for unit holders who shall join the plan during Initial Sale Period, the 1st Annual Premium shall be paid / borne by the Unit Trust of**

Tanzania and accordingly the units shall be allotted on the full initial sale application amount.

- (c) The insurance premium is chargeable / payable as a fixed % of the chosen Contribution amount on per annum basis, subject to a maximum limit of Tzs 25 Million Contribution amount – meaning therewith that for investors whose chosen Contribution amount is greater than Tzs 25 Million, the premium charges per annum shall be charged on the maximum limit of Tzs 25 Million only.
- (d) Presently, the rate for the payment of annual premium to the Insurer is fixed as under:

SN	INVESTMENT OPTION	Premium Rate (payable annually to the Insurer)
1.	Regular Contribution Option	0.479 % of Chosen Contribution Amount subject to a maximum limit of Tzs 25 Million.
2.	Single Contribution Option	0.870 % of Chosen Contribution Amount subject to a maximum limit of Tzs 25 Million.

- (e) The balance amount (i.e. Single / Regular Contribution Amount – Premium Amount) shall be utilized to allot units to members, at the prevailing Issue Price / NAV.
- (f) Under Regular Contribution Option, the annual premium is paid to the Insurer out of the Initial / subsequent contributions made by a member in the scheme.
- (g) Under Single Contribution Option, the annual premium is paid to the Insurer out of the Single Contribution made by a member in the scheme. During subsequent years the payment of annual premium to the Insurer shall be carried out by the reduction of equal units at NAV (*i.e. Number of units to be reduced shall be equal to the Premium Amount Payable divided by the prevailing NAV, without any EXIT load*).
- (h) The premium rate can be changed by the Manager from time to time under an arrangement with the Insurer. Please refer the review clause in the group insurance policy and clause No. 17.3 of this document). The change of premium rate (if any) shall be subject to the following; that:
- Two months notice of intended change of premium be given to investors; and
 - Investors be permitted to exit the scheme during the notice period at the Net Asset Value (NAV).

(i) Table of Insurance Premium (Payable Annually to the Insurer): **An Example:**

SN	Chosen Contribution Amount (Tzs)	-Regular Contribution Option-		-Single Contribution Option-	
		Premium Rate	Annual	Premium Rate	Annual

		(% of Contribution Amt.)	Premium Amt. (Tzs)	(% of Contribution Amt.)	Premium Amt. (Tzs)
1.	1 Million	0.479 % of Contribution Amount subject to a maximum limit of Tzs 25 Million	4,790	0.870 % of Contribution Amount subject to a maximum limit of Tzs 25 Million	8,700
2.	2 Million		9,580		17,400
3.	3 Million		14,370		26,100
4.	4 Million		19,160		34,800
5.	5 Million		23,950		43,500
..					
10.	10 Million		47,900		87,000
..					
20.	20 Million		95,800		174,000
..					
25.	25 Million		119,750		217,500
..					
30.	30 Million (*)		119,750		217,500
50.	50 Million (*)		119,750		217,500
..					
100.	100 Million (*)	119,750	217,500		
...					
200.	200 Million (*)	119,750	217,500		

(*) For cases where the chosen Contribution amount exceeds Tzs 25 Million, the premium rate is chargeable to the maximum limit of Tzs 25 Million only.

17.2. PAYMENT SCHEDULE FOR INSURANCE PREMIUM

iii. Initial Sale of Units

Activity	Determining date for payment of Insurance Premium	Due Date for payment of Insurance Premium
Investors joining the plan during Initial Sale Period	Date for Notification of Initial Sale Results	Within one month from the Notification of Initial Sale Results date

iv. Subsequent Period or Subsequent Sale of Units

Activity	Date of Acceptance during	Due Date for payment of Insurance Premium
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<ul style="list-style-type: none"> • Premium payment for existing investors (on yearly basis) • Premium payment for new investors 	<ul style="list-style-type: none"> • January • February • March >and so on> • July • October • November 	<ul style="list-style-type: none"> • 25-29th February • 25-31st March • 25-30th April >and so on> • 25-31st August • 25-30th November • 25-31st December
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Note: During subsequent period, for Initial Sale unit holders, the payment of premium to the Insurer shall become due on a single date (every year) to be determined from the scheme closure date.

17.3. REVIEW CLAUSE OF GROUP INSURANCE POLICY

A review clause has been inserted in the Group Insurance Policy. The said review clause shall provide an opportunity to both parties (i.e. Policy Holder & Insurer) to review as to how the policy has performed during the preceding policy year. The said review clause aims mainly to achieve the following:

- It allows the insurer to look at the mortality and morbidity experience during the policy year under review and compare with the initial assumptions
- If there are any legislative changes, this is the opportunity to effect the changes
- It allows the policyholder to review the turnaround times and whether this measures to the expectation
- Whether the assumptions made during the period under review, e.g premiums, claims etc are correct and whether any adjustments need to be made
- Any material changes to the policy are made at the review date
- It is an opportunity to do a performance audit of the policy.

18.0 ALLOTMENT OF UNITS

From the Single / Regular Contribution amount, the insurance premium amount (payable to the Insurer on annual basis) shall be deducted. The balance amount [i.e. Single / Regular Contribution Amount – Premium Amount] shall be converted into units at the prevailing issue price / NAV on the date of depositing (DOA) of the contribution amount. The allotment of units shall be done up to four decimal places.

However, for unit holders who join the plan during Initial Sale period, the units shall be allotted on full application amount, as the 1st premium payment shall be paid / borne by the Unit Trust of Tanzania.

18.1. STATEMENT OF ACCOUNT

The statement of account (SOA) shall be issued detailing the number of units standing to the credit of a unit holder. The scheme shall endeavor to issue the statement of account within 10 working days from the date of receipt of application for subsequent sale. The SOA in respect of unit holders, who shall join the plan during Initial Sale period, shall be issued / dispatched as outlined under clause 8.0 of this document i.e. 15th November 2007.

An annual statement of account shall be issued showing the contribution/s made during the year, premium deducted or units deducted on account of premium payment (depending on the option), units allotted and the balance units to the investor's credit at the end of each financial year.

The additional number of SOA's may be issued to a member on his specific request; however for such cases the Manager reserves the right to charge a nominal fee towards it.

18.2. RENEWAL CONTRIBUTION DUE INTIMATION

Unit holders under Regular Contribution option (applicable only for half-yearly and yearly payment option) shall be intimated about the due date for payment of renewal contributions before the due dates as a matter of information / courtesy. However the Manager shall not be responsible for the non-receipt or delayed receipt of intimation for whatever reason. In case intimation is not received, renewal contribution can be paid by quoting the respective Investor Account Number allotted under the scheme "WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME" and the installment number.

19.0 SPLIT OF UNITS

- (a) Units may be split under the scheme, as may be decided by the Trustees from time to time, taking into account the interest of the unit holders and the scheme subject to CMSA's approval;
- (b) Split of units is a process, when the face value of a unit is divided;
- (c) Split units, when issued shall be in proportion to the unit holding of a member as on the record date to be fixed for that purpose;

- (d) The split units so issued shall as regards rights and entitlements rank *pari passu* with the units in existence on the record date in respect of which they are allotted and issued for all intents and purposes;
- (e) Pursuant to the issue of split units, the per unit NAV would fall in proportion to the split units issued. However, the total value of units held by a member (post split) would remain unchanged;
- (f) A Statement of Account (SOA) showing the current balance of units, after issue of Split Units, shall be issued to all eligible unit holders;
- (g) A unit holder, whose name is registered in the books of the scheme as on the record date appointed for the issue of Split Units, shall be entitled to receive such units.

20.0 INVESTMENT POLICY

- (a) The profile of the scheme's investment is a balanced portfolio;
- (b) The investment objective of the plan is primarily to generate long-term capital appreciation through growth in NAV by investing in Debt Instruments and listed equities;
- (c) Accordingly, the asset allocation of the scheme investments shall be as under:
 - Debt Instruments – 60 % to 100 %.
 - Equity – 0 % to 40 %
- (d) The Manager shall keep adequate liquid assets in anticipation of calls for partial re-purchase.

Note:

1. A detailed example on the Future Outlook of the Scheme's investments is provided at Annexure – I to this Offer Document;
2. Under securities law applicable in Tanzania the Scheme – WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME cannot borrow.

21.0 LOYALTY BONUS

The scheme has a provision to pay loyalty bonus. The loyalty bonus is payable only at the time of maturity or on death in the last year of the membership tenure, with a condition that all contributions have been received and no partial repurchase has been done under a membership. Accordingly, the loyalty bonus is payable as per the following terms and conditions:

- (a) **Rate:** @ 7 % of chosen Contribution Amount under Single Contribution Option and @ 5 % of chosen Contribution Amount under Regular Contribution Option (*one time payment only*);
- (b) Payable on completion of the chosen plan period or on death in the last year of the membership tenure;
- (c) Payable only if all Renewal Contributions are paid as per the provisions of the scheme;
- (d) Eligible only to members who have not availed 'Partial Repurchase' facility during the tenure of the plan;
- (e) The provision for loyalty bonus shall be made through a creation of a reserve, on a daily basis, for all members and shall be a charge to the scheme;
- (f) The payment liability of Loyalty Bonus shall be met by the scheme [WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME] through the reserve as mentioned in (e) above;
- (g) In case of premature / partial withdrawal the provision so made on a daily basis shall be reversed back on a daily basis for all such premature / partial withdrawal cases and written back to the NAV
- (h) The loyalty bonus payable to unit holders should not be construed as any kind of assured return. However, the loyalty bonus liability, as created on a daily basis, is set aside and thereafter the NAV of the fund is computed. Hence, the loyalty bonus liability is backed by the equivalent assets and the scheme shall be in a position to meet the liability at any point of time;
- (i) The Manager subject to CMSA's approval may change this provision on – "payment of loyalty bonus" at any point of time.

22.0 BENEFITS TO BE PROVIDED – ON MATURITY

On maturity of the plan, the following shall be paid to the unit holder:

- (a) Value of available units at the prevailing NAV (*i.e. without any Exit load*).

- (b) Eligible Amount of Loyalty Bonus – not payable to unit holders who had exercised 'partial repurchase' during the membership tenure.

Note: (a) For unit holders who join the plan during Initial Sale period, the plan membership shall mature on the lapse of 10 years from the Initial Sale closure date and (b) For unit holders who join the plan during subsequent period, the plan membership shall mature on the lapse of 10 years from the date of acceptance of the application form.

23.0 NOMINATION FACILITY

- (a) Nomination facility is available under the scheme;
- (b) Only one person, resident or non resident including minors (to be represented by a guardian), can be nominated;
- (c) On registration of nomination, a suitable endorsement shall be made on the statement of account or in the form of a separate letter as decided by the Manager;
- (d) Nomination can be changed by the unit holder at any time during the currency of the membership tenure;
- (e) Where a nomination in respect of any unit has been made, the units shall, on the death of the member; vest in the nominee and on compliance of necessary formalities, the death claim shall be settled in favor of the nominee in respect of the units so vested, subject to any charge or encumbrance over the said units.

Note: It may be mentioned however, that such nomination is subject to the other provisions of law. In the event of dispute between heirs and consequent litigation in that behalf, resulting in a court order directing devolvement on a basis different from the one indicated in the nomination, then such court order would prevail over the nomination and to that extent, the nomination facility is not final.

24.0 MODE OF HOLDING

The Scheme allows applications only under individual mode of holding, meaning thereby that joint holding under the scheme is not permitted.

25.0 TRANSFERABILITY / COLLATERABILITY / MORTGAGE OF UNITS

Since the scheme is an insurance linked saving scheme, the units of the scheme cannot be transferred / used as collateral/ pledged or assignable.

26.0 SWITCH OVER FACILITY

Facility of switchover to / from other UTT managed schemes shall be allowed. Switch over shall be processed at the prevailing NAV (i.e. without any Entry / Exit load). The switch over shall be effected by way of a redemption of units in the scheme (OUT) and a reinvestment of redemption proceeds in another scheme (IN), if otherwise eligible to invest in the concerned scheme.

Note:

- (a) Once the units under the Scheme [i.e. “WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME”] are switched out, the investor ceases to receive any benefits/entitlements whatsoever under the plan.
- (b) Switch out during the lock-in period of 5 years is not allowed under the scheme.
- (c) Switch-in during Initial Sale period from other UTT managed scheme is not allowed.

27.0 MULTIPLE APPLICATIONS FROM AN APPLICANT

- (a) A person can participate in the scheme either through one or more applications over a period of time subject to his being not above the maximum age prescribed for entry into the scheme;
- (b) An applicant who joins the Scheme at multiple occasions should do so with a condition that the personal Identification Number and the name of the Nominee (i.e. Beneficiary) shall have to be the same under all applications made in the scheme by a single applicant;

Note: Unit holders who make multiple applications under different identifications/and or nominees may note that in case of death the claim would be settled based on entitlements under all such applications and at that stage, there is a possibility of the insurance benefits being repudiated which obviously is not in the interest of the nominees.

- (c) Also for such cases, the eligible insurance cover benefits shall be arrived at based on the total of all Contribution amounts chosen (under multiple memberships) or restricted to the maximum available limit, which is Tzs 25 Million for Life Insurance (Death / Total and Permanent Disability), 5 Million for Personal Accident and Tzs 500,000/- for Funeral Expenses cover.

28.0 TERMINATION OF PLAN MEMBERSHIP

The plan membership of a unit holder shall terminate on the occurrence of any of the following:

- (a) On Death or Total and Permanent Disability of the unit holder (i.e. life assured);
- (b) On Maturity of the plan membership;
- (c) If the membership is terminated due to non-payment of Regular Contributions (RC's) by the unit holder *(except where revival option has been exercised by the unit holder)*.
- (d) If the member becomes ineligible. This ineligibility mainly pertains - (i) when a member joins the scheme under false declaration and later on it is proved otherwise and (ii) any action of the state can lead to a member becoming ineligible e.g. Loss of citizenship, insolvency, freezing of assets by a Govt. authority etc. and (iii) any other reason determined by the Authority.

Note:

- 1. On occurrence of (a) above, eligible death / disability benefits shall be paid;
- 2. While on occurrence of (b) above, eligible maturity benefits shall be paid,
- 3. And on the occurrence of (c) above, the value of outstanding balance of units shall be paid at the prevailing repurchase price or after deducting the service charges (applicable for termination during the initial lock-in period). The service charges shall not be less than 2 % of the prevailing NAV.

28.1. TERMINATION OF PLAN MEMBERSHIP ON NON-PAYMENT OF REGULAR CONTRIBUTIONS (RC's)

The Plan Membership shall stand terminated if any due RC/s is/are not paid by the unit holder within 6 months from the 1st RC payment due date as under:

RC Payment Option	NO OF RC's DUE BUT NOT PAID (Termination Condition)
Monthly	Six(6)
Half-Yearly	Two (2)
Yearly	One (1)

Note:

- (i) Any RC due can be paid by a unit holder within 10 working days from its due date;
- (ii) In case of default, UTT shall send an intimation letter to such unit holders towards non-payment, once in a quarter;

- (iii) If the contribution is not received within 6 months from the 1st RC due date, the plan membership shall stand Terminated. At this stage, the unit holder shall be informed about membership Termination and shall also be advised on the applicable revival clause (if available).

28.2. REVIVAL OF TERMINATED PLAN (on non-payment of RC)

- (a) Unit holders can revive their lapsed plan within one year from the date of default in payment of such RC/s by paying up to date arrears without any interest;
- (b) The revival option can be exercised by a unit holder only twice (two times) during the entire membership tenure of the plan;

Note: However, to keep the cover benefits live up to the available revival date, the Manager shall pay the premium amount to the insurer for such cases by reducing equal units at the applicable NAV on the premium payment due date.

29.0 ACQUISITION OF UNITS

29.1. WHEN UNITS MAY BE ACQUIRED

Units may be bought on any working day during the Initial Sale period and/or immediately after the lapse of "closure period" as specified for subsequent sale, except during the period of book closure which shall not exceed seven working days at a time and not exceeding 15 days in a year.

The Initial Sale shall take place from 16th May 2007 to 31st July, 2007. For the Initial Sale, investors should carefully read instructions which are at Appendix I of this Offer Document

29.2. WHERE UNITS MAY BE ACQUIRED

During initial sale period, the units can be acquired through the following Agents:

(II) COLLECTING (RECEIVING) AGENTS:

- (a) Any of the branches of CRDB Bank Ltd.;
- (b) Any of the branches of the Exim Bank Limited
- (c) Any of the branches of the Tanzania Postal Bank
- (d) Any Post Office of Tanzania Posts Corporation; or

- (e) The offices of the Licensed Dealing Members of the Dar es Salaam Stock Exchange: Tanzania Securities Ltd, Solomon Securities Ltd, Rasilimali Ltd, Orbit Securities, Vertex International Securities Ltd & Core Securities Ltd,

(III) SELLING AGENTS:

- (f) Selected Insurance Brokers: Alexander Forbes, Busara Insurance, Astra Insurance, Orbit Insurance, Mega Insurance, Citizen Insurance, Millenium Insurance, Intertrade Express, F & P Insurance, British Tanzania Insurance, Corporate Insurance, Rova Services.

Note: Though the Selling Agents (i.e. Insurance Brokers) are allowed to sell units, however they are not allowed to accept Cash or Cheque from investors. The investors who are acquiring units through 'Selling Agents' shall deposit their application money directly into the nearest Branch of CRDB Bank Limited.

The respective addresses of the above mentioned offices of Agents are indicated in Appendices II - VIII of this document..

Applications for subsequent sales of units may be tendered at any office or branches of a designated agent to be appointed by the Unit Trust of Tanzania.

29.3. PAYMENT FOR ACQUISITION OF UNITS

Payment for the sale of units during the initial and subsequent sale period may be made either by tendering cash in Tanzanian currency or a Tzs banker's cheque payable to "WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME Account", to the office of a designated agent as appointed by the Manager.

Note: No cash should on account of acquisition of units in the scheme be deposited at any other intermediary apart from the offices mentioned above.

30.0 SALE AND PARTIAL RE-PURCHASE OF UNITS

30.1. SUBSEQUENT SALE OF UNITS

Under the scheme the subsequent sale of units shall commence after the lapse of 6 months closure period from the Initial Sale closure date and accordingly the subsequent sale of units shall commence on 01st Feb, 2008. From this date onwards, the Manager (Unit Trust

of Tanzania) shall continue the sale of units based on the Net Asset Value. The procedure for such subsequent sale shall be as under:

- (a) The subsequent sale of units shall be carried out at Net Asset Value (i.e. without any Entry load);
- (b) Investors are advised to consider the Net Asset Value of WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME units at the time they contemplate buying units of the Fund. If in doubt, investors are advised to contact investment advisers for professional advice;
- (c) If any investor decides to buy units, he/she should do so through the offices of a designated agent(s) where he/she shall be provided with the application form and other information;
- (d) An investor should fill an appropriate application form of WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME Units;
- (e) The application form should then be submitted to the office of a designated agent(s) accompanied by:
 - Cash in Tanzanian currency; or
 - A Tzs **Banker's** cheque crossed "Not negotiable" in favor of "WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME Account".
- (f) Applications for subsequent sale shall be treated as having been received on the same day if they are received and accepted at the offices of a designated collecting agent(s) within banking hours (i.e. 09.00 hours to 15.00 hours) of a working day;
- (g) All applications for subsequent sale of units received and accepted at the offices of a designated collecting agent(s) on a working day shall be governed by the Net Asset Value of the **next working day**;
- (h) The contract for sale of units by the Unit Trust of Tanzania shall be deemed to have been concluded on the acceptance date except in cases where an application is rejected by the Manager;
- (i) For subsequent sale of units, unit holders shall receive Statement of Accounts (SOA) which shall be dispatched to them not later than ten working days from the date of acceptance of an application.

30.2. PARTIAL RE-PURCHASE OF UNITS

Under the Scheme, partial repurchases shall be allowed at the prevailing partial repurchase price after the completion of 5 years from the date of their joining the scheme (for Initial Sale

unit holders the lock-in period shall come to an end after the lapse of 5 years from the Initial Sale closure date) subject to the member maintaining a minimum balance which is equal to 25 % of the chosen Contribution amount (to be determined at the partial repurchase price prevailing on the date of such partial repurchase as explained under Clause 10.9 of this Offer Document).

Accordingly, the partial repurchase of units under the scheme shall commence on 01st Aug, 2012. From this date onwards, the Manager (Unit Trust of Tanzania) may purchase units from unit holders based on the Net Asset Value of units and deducting there from a service charge of 2 %. The procedure for such partial repurchases shall be as under:

- (a) The partial repurchase of units shall be carried out at the prevailing partial repurchase price, which shall be arrived at after deducting a service charge of 2 % on NAV per unit;
- (b) Investors are advised to consider the Net Asset Value of WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME at the time they contemplate selling units back to the Unit Trust of Tanzania. If in doubt, investors are advised to contact investment advisers for professional advice;
- (c) If an investor decides to sell units back to the Unit Trust of Tanzania, he/she should proceed to the offices of the Unit Trust of Tanzania or of a designated collecting agent where he/she shall be provided with the application form for partial repurchase of units and other information;
- (d) An investor should fill an application for partial Repurchase of WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME Units.
- (e) The application should then be submitted to the office of Unit Trust of Tanzania or a designated collecting agent(s) accompanied by the latest Statement of Account;
- (f) Applications for partial repurchase shall be treated as having been received on the same day if they are received and accepted at the offices of the Unit Trust of Tanzania or its designated collecting agent(s) within banking hours (i.e. 09.00 hours to 15.00 hours) of a working day;
- (g) All applications for partial repurchase of units received and accepted at the offices of the Unit Trust of Tanzania or its designated collecting agent(s) on a working day shall be governed by the Net Asset Value of the **next working day**;
- (h) Proceeds of partial repurchase shall be dispatched/ posted to applicants for repurchase not later than the tenth working day from the date of receipt of the application as follows:
 - Payees whose bank details are known shall be paid by way of transfers to their bank accounts;

- Payees who have not notified their bank details shall be paid by way of Postal Money transfer.

Note: However it is mandatory for unit holders tendering units for partial repurchase, having re-purchase value equal to or above TZS 100,000/- to furnish their bank account particulars through which the payment shall be made.

- (i) In the event of transfer returns (from bank or post office), the unit holder shall not be entitled for any further claims relating to delay in the respective payment.

31.0 ASSOCIATE TRANSACTIONS

Unit Trust of Tanzania shall not invest in “WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME”.

32.0 "INVESTOR GRIEVANCE" REDRESSAL

All investors may refer their grievances to:-

The Chief Executive Officer
Unit Trust of Tanzania,
P O Box 14825, Dar es Salaam,
Tel: +255 22 2128460, Toll Free No: 0754800544 & 0754800455 (Vodacom)
Fax: +255 22 2137593
E-mail: investorgriev@utt-tz.org, Website: www.utt-tz.org

Note: An “Investor Service / Complaint Form (i.e. Multipurpose Form)” is available at the offices of Unit Trust of Tanzania or its designated agents as well as on the website of UTT.

33.0 CHARGES TO THE SCHEME

The income of the scheme shall be charged with:

- Taxes as per the rates applicable.
- Commissions as per rates prescribed by Self Regulatory Organizations such as the Stock Exchanges.
- Investment management /advisory fee at 1.50% of NAV
- Trustees/Custodian fees at 0.1% of NAV with the minimum of Tzs. 50 Million per annum.

- Charge for the creation of a reserve for Loyalty Bonus payments
- Other charges at 0.9% of NAV. These include commonly rated charges in the normal course of business such as:
 - Marketing and selling expenses
 - Bank charges
 - Audit fees
 - Legal fees
 - Transaction costs pertaining to the distribution of units
 - Cost related to investors servicing etc.

However the other charges and investment management / advisory fee as above will be limited to 2.4 % of NAV. If the expenses are in excess of other charges, (if any) they shall be borne by the Manager.

All expenses during the Initial Sale shall be borne by the Manager, however subsequently all charges shall be borne by the scheme.

The estimated initial sale expenses are furnished here below:

SN	MAIN EXPENDITURE HEAD	PROJECTED TOTAL INITIAL SALE COST (TZS)
1.	Public Education / Training Costs	80,000,000.00
2.	Promotion	300,000,000.00
3.	Preparation & Printing of Documents	122,100,000.00
4.	IPO Administration Cost	100,000,000.00
5.	Legal / Audit Fees	50,000,000.00
6.	Misc. Expenses (dispatch etc.)	20,000,000.00
	<<<<<<TOTAL>>>>>>	672,100,000.00
NB:		
1. In addition, there shall be payable an Agent Commission to Agents on the valied amount canvassed and the rates of Agent Commission shall varies from 1.90 % to 2.25 % on the basis of a set performance criteria;		
2. All initial sale expenses shall be borne by UTT; therefore there will not be any initial charge to investors for meeting these expenses.		

34.0 CHARGES TO INVESTORS

34.1. SERVICE CHARGE

The Manager shall levy a service charge of 2 % of the NAV to arrive at the re-purchase price of a unit / price of unit on termination subject to a minimum of five hundred shillings (Tzs. 500/=) per transaction.

35.0 ACCOUNTING POLICIES

35.1. INCOME RECOGNITION

- (a) Dividend Income on listed equity shares is recognized on the ex-dividend date, other shares is recognized on receipt.
- (b) In respect of interest bearing investments such as term deposits, income is recognized on accrual basis.
- (c) Profit or loss on sale of investments is recognized on the sale date on the basis of weighted average cost.
- (d) The difference between carrying cost and maturity value of Treasury Bills and other long term discounted instruments is treated as income over the remaining life of the instrument on yield to maturity (YTM) basis. For short-term investments, valuation shall be on amortization basis. **Both shall however be reported in the annual financial statements in compliance to the International Financial Reporting Standards (IFRS) as required by the NBAA.**
- (e) Other income is accounted for on receipt basis.

35.2. EXPENSES

Expenses are accounted for on accrual basis.

35.3. INVESTMENTS

- (a) Investments are stated at cost or written down cost.
- (b) In case of secondary market transactions, investments are recognized on trade dates.
- (c) Subscription to primary market issues is accounted as investments on allotment.
- (d) Bonus/rights entitlements are recognized on ex-bonus/ex-rights dates.

(e) Investments in Treasury Bills, Government Bonds, Corporate Bonds and Term Deposits are transferred to current assets on their redemption/due date.

(f) The cost of investments includes brokerage and any applicable taxes and stamp fees.

35.4. PROVISIONS AND DEPRECIATION

An 'asset' is classified as non-performing (Non Performing Asset/NPA) if the interest and/or the principal amount has/have remained outstanding for 60 days from the day such income/principal installment has fallen due. Once an asset is classified as NPA there is no further accrual of income on such asset.

(A) Interest Provision:

Full provision is made at quarter ends in respect of interest accrued and outstanding until the date, the asset is classified as NPA.

Full provision is made in respect of dividend at month ends, where it remains outstanding for more than 60 days from ex-dividend date or date of declaration of dividend in case of unquoted shares.

(B) Investment Provision:

Both secured and unsecured investments once they are recognized as NPAs should be provided at 100% of the carrying cost or investment book value whichever is applicable.

Principal repayment remaining outstanding on NPA is provided for in full.

35.5. WRITE-BACK OF EXISTING PROVISION

In case any arrears of interest are fully cleared, any interest provision to the extent made is written back in full.

The provision made for the principal amount is written back in the following manner:

(a) Where the provision on principal was made due to the interest defaults only such provision is written back at the end of the 2nd calendar quarter from the date of payment.

(b) Where the provision on principle was made due to both interest and principle installment defaults such provision is written back to the extent of 50 % at the end of 2nd calendar quarter and the balance at the end of 3rd calendar quarter from the date of payment.

(c) Reclassification of asset:

An asset is reclassified as 'performing asset' only when the entire interest and/ or installment in default are repaid in full and the asset is serviced regularly over the next two quarters.

35.6. RESCHEDULING OF PAYMENT OF AN ASSET

In case any company defaults in paying either interest or principal amount and the Manager has accepted the proposal for revising the schedule of payments, then the following norms are adhered to:

- (a) In case it is a first reschedulement and only interest is in default, the asset on re-scheduling continues to be non-performing for a period of 2 quarters, even though the asset is serviced regularly during these 2 quarters. Thereafter, the asset is classified as 'performing asset' and all existing provision is written back.
- (b) If the reschedulement is done due to default in interest and principal amount, the asset on reschedulement continues to be non-performing for a period of 4 quarters, even though the asset is serviced regularly during these 4 quarters. Thereafter, the asset is classified as 'performing asset' and 50% of the existing provision is written back at the end of the 2nd calendar quarter and the balance at the end of the 3rd calendar quarter from the date of being classified as performing asset.
- (c) If the reschedulement is done for a second/third time or thereafter, the asset on reschedulement continues to be non-performing for a period of 8 quarters, even though the asset is serviced regularly during these 8 quarters. Thereafter, the asset is classified as performing asset and 50% of the existing provision is written back at the end of the 2nd calendar quarter and the balance at the end of the 3rd calendar quarter from the date of being classified as performing asset. This norm is also applicable to restructured asset i.e. issue of a new paper. However, in case of conversion into shares, entire provision is written back in full on such conversion as there are separate valuation norms for equity.

35.7. VALUATION OF ASSETS

Traded investments are valued at the closing market rates on the valuation date and in its absence, the latest available quote within a period of 30 days prior to the valuation date. If no quotes are available for a period of 30 days prior to valuation date, the same is treated as non-traded investment. When a debt security is not traded on any stock exchange on any particular valuation day, the value at which it was traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than 15 days prior to the valuation date. When a debt security is purchased by way of private placement, the value at which it was bought may be used for a period of 15 days beginning from the date of purchase.

In case of quoted debentures and bonds, the market rate, being cum-interest, the same is adjusted for the interest element if any.

Rights entitlements for shares are valued at market price reduced by the exercise price payable, further discounted for dividend element, wherever applicable.

Unquoted preference shares/cumulative convertible preference shares are valued at cost.

Non-traded/thinly traded equity securities are valued on fair valuation basis as per valuation principles laid down below:

- (a) Based on the latest available Balance Sheet, net worth is calculated as follows: Net worth per share = [share capital + reserves (excluding revaluation reserves) - Miscellaneous expenditure and debit balance on P&L A/c; if any] divided by number of paid up shares.
- (b) Average capitalization rate (P/E) for companies listed at Dar es Salaam Stock Exchange is taken and discounted by 75%. Earnings per share (EPS) based on the latest audited accounts for the company is considered for this purpose.
- (c) The value as per the net worth value per share and the capital earning value calculated as above is averaged and is further discounted by 10% for illiquidity so as to arrive at the fair value per share.
- (d) In case an individual non-traded/thinly traded equity security accounts for more than 5% of the total assets of the scheme, an independent valuer is appointed for the valuation of the said security. To determine if a security accounts for more than 5% of total assets of the scheme, it shall be valued as per the procedure prescribed for non-traded/ thinly traded equity and the proportion which it bears to the total net assets of the scheme shall be compared on the date of valuation.

Valuation of non-traded/thinly traded Debt securities are as follows:

- (a) Debt Securities where the time of purchase the residue maturity is up to 364 days: Debt securities purchased with residual maturity of up to 364 days is valued at cost (including accrued interest till beginning of the day) plus the difference between the redemption value (inclusive of interest) and the cost spread uniformly over the remaining maturity period of the instrument.
- (b) Debt Securities where at the time of purchase the residual maturity is of more than 364 days: In case of debt securities where the maturity is greater than 364 days at the time of purchase, the last valuation price (i.e. price prevalent on the 365th day) plus the amortized value up to the date of valuation is used instead of purchase cost as given in the methodology stated at (a) above.

All Non Government non-performing assets are valued based on the provisioning norms.

Unquoted warrants are valued at the market rate of the underlying equity shares discounted for dividend element, if any and reduced by the exercise price payable. In cases where the exercise price payable is higher than the value so derived, the value of the warrants is taken as nil and where the exercise price is not available or underlying equity is non-traded, such warrants are valued at cost.

Valuation of Convertible Debentures and Bonds are as follows:

Partly Convertible Debentures [PCD(s)], Fully Convertible Debentures [FCD(s)] and Optionally Convertible Debentures [OCD(s)]: The convertible debentures as above is broadly classified into 'performing assets' (where the servicing by the company is regular) and 'non-performing assets'. All convertible NPA's are valued at cost till their conversion into equity and provisions as per the existing norms are made regularly. After conversion the same shall be valued as 'quoted' or 'unquoted' as the case may be. In respect of debentures (performing) where servicing is regular, the following norms are followed up to their conversion. After conversion the same shall be valued as 'quoted' or 'unquoted' as the case may be.

The money invested in inter bank call market is taken at cost.

36.0 DETERMINATION OF NET ASSET VALUE

The Net Asset Value (NAV) of the scheme shall be calculated by determining the value of the scheme's assets and subtracting there-from the liabilities of the scheme taking into account, the accruals and provisions. The NAV per unit shall be calculated by dividing the NAV of the scheme by the total number of units issued and outstanding under the scheme on the date of calculation.

During the closure period, the NAV shall be calculated on the weekly basis and on the daily basis thereafter as under:

- a) The NAV shall be issued to the press for publication on every Friday of the week during closure period and thereafter every working day.
- b) The NAV shall be published in newspapers of wide circulation in Tanzania.
- c) The NAV shall also be available on the web-site of the Unit Trust of Tanzania (www.utt-tz.org).
- d) If on any valuation day, the Dar es Salaam Stock Exchange is closed due to public holiday or any other reason, the prices of the previous working day shall be taken for the purpose of NAV calculation.

37.0 UNIT HOLDERS RIGHTS AND SERVICES

- (a) Unit holders under the scheme have a proportionate right in the beneficial ownership of the assets of the scheme.
- (b) Unit holders have the right to ask the Unit Trust of Tanzania any information which may have an adverse bearing on their investments and the Unit Trust of Tanzania shall be bound to disclose such information to the unit holders.
- (c) A summary of the Annual Report in respect of the scheme shall be mailed to unit holders not later than four months from the date of closure of the relevant accounting year and be made available for inspection at the office of the Unit Trust of Tanzania and branches of the CRDB Bank Ltd.
- (d) The financial year of the scheme will close on 30th June of every individual year.
- (e) Any change in the fundamental attributes of the scheme shall be carried out only if the unit holders are allowed to exit at Net Asset Value besides being intimated by individual communication as well as publication of intimation in an English and Swahili newspaper of national circulation.
- (f) For rights related to insurance benefits please refer to the Group Life, Personal Accident and Funeral Insurance Policy
- (g) Unit holders have the right to inspect the following documents at the offices of the Unit Trust of Tanzania:
 - The Capital Markets and Securities Act, 1994 (as amended).
 - The Capital Markets and Securities (Collective Investment Schemes) Regulations 1997.
 - Insurance Act No. 18 of 1996 and Insurance Regulation 1998.
 - The Deed of Trust of the WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME.
 - Trustees Incorporation Ordinance Cap.375.

38.0 TAXATION

The information provided here below is only for purposes of providing general information to unit holders. In view of the individual nature of tax consequences, each unit holder is advised to consult his own legal or tax adviser with respect to specific tax implications arising out of his/her participation in the scheme.

As per taxation laws in force on the date of this offer document, the tax implications of the scheme are as follows:

- Interest Income of the Scheme is taxable @ 10 % withholding tax, which is final.

- Income from dividends of listed companies whose shares are held by the scheme is taxable at 5% instead of the usual rate of 10%.
- Capital gains arising from sale of listed equities and sales/maturity of listed bonds at the DSE held by the scheme are tax exempt.

39.0 WINDING UP OF THE SCHEME

The Scheme may be wound-up if:

- (a) The Manager is directed to do so by the Minister; and
- (b) If it is so resolved at an extra ordinary general meeting.

40.0 GENERAL

- (a) Applications for issue of units under the following circumstances are liable to be rejected by the Manager if:
 - An application is received with an amount less than the minimum amount of contribution prescribed under different investment options of the scheme from time to time.
 - An application has not been signed by an applicant.
 - An applicant is not eligible to invest in the scheme.
 - The cheque deposited along with the application is rejected and payment is not received by the Manager.
- (b) Any decision of the Unit Trust of Tanzania about the eligibility or non eligibility of a person to make an application under the scheme shall be final subject to approval by the Minister. Refund of application money in a rejected case shall be made after the requisite operational and other procedural formalities are complied with and at the cost of the applicant and the Manager not incurring any liability whatsoever for interest or any other sum(s).
- (c) Unit holders who come to hold units under a false declaration shall be liable to have their ownership of the units cancelled and their name removed from the register of unit holders. In such cases, the Manager shall have the right to repurchase the outstanding unit holding at the offer price or at Net Asset Value whichever is lower, after deducting there from a sum equal to 10% of the repurchase price as penalty and return the balance to the concerned investor. The Manager may recover any wrong payment already made (if any) and return the balance amount to the concerned investor and shall not be entitled to any insurance benefits.

**41.0 ABSTRACT OF SIGNIFICANT PROVISIONS OF THE DEED OF TRUST FOR
“WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME”**

41.1. COMPLIANCE BY MANAGER, INSURER AND CUSTODIAN

- The Unit Trust of Tanzania as Manager, Alliance Insurance Corporation Limited as Insurer and CRDB Bank Limited as Custodian shall in all manners act as required of them by the terms of this Deed of Trust, the Act and the Insurance Act.
- The Manager shall have the power and competencies as set out in its constitutive document and shall subject to the provisions of the Deed of Trust be entitled to make arrangements necessary to carry into effect the objects, investment policy and provisions of the “WEKEZA MAISHA INVEST LIFE UNIT TRUST SCHEME”.
- Neither the Manager nor the Trustees thereof shall either directly or indirectly derive any pecuniary advantage or personal interest from the acquisition or sale by the Manager of any securities or property intended for the purpose of the “WEKEZA MAISHA INVEST LIFE UNIT TRUST SCHEME”.
- The Custodian shall exercise all the powers necessary to protect the interest of unit holders under the Deed of Trust.
- The Custodian shall not have or acquire an interest in any agreement or transaction which has conflicting interests with the scheme or concerning an underlying security or property.
- The Insurer shall provide the various insurance benefits subject to the terms and conditions as stipulated in the Deed of Trust.

41.2. LIMIT OF LIABILITY FOR UNIT HOLDERS

- Subject to below mentioned clause, holders of units under the scheme are not liable to make any further payment after they have paid the required contribution/s towards the purchase of units and no further liability shall be imposed by the Manager or Custodian on them in respect of the units which they hold.
- The Insurance Premium, payable by the Manager to the Insurer on annual basis for extending insurance benefits to unit holders, is made by the Manager out of the contribution/s made by a unit holder under the scheme. Accordingly, the liability related to the payment of Insurance Premium on per annum basis is being directly borne by the unit holder.

- The limit of liability for unit holders is subject to the termination clause of the Insurance Policy.

41.3. NO EXEMPTION OF LIABILITY FOR MANAGER, INSURER AND CUSTODIAN

The Manager, Insurer and Custodian of the scheme shall not be exempted from any liability to holders unopposed under the law of Tanzania or breaches of trust through fraud or negligence nor may they be indemnified against such liability by holders or at holder's expense.

41.4. INTEREST OF UNIT HOLDERS IN PROPERTY OF THE SCHEME

- The property of the scheme consists of:
 - (a) That part of the contribution/s, which forms the investment amount; and
 - (b) All income and rights arising out of application of the investment amount.
- The property of the scheme is held by the Custodian in trust for the holders of the units *pari-passu* according to the number of units held by each holder.
- All sums to be distributed to Unit holders are held by the Custodian on trust to distribute or otherwise apply them in accordance with the Deed or the Act.
- In no event shall a unit holder have or acquire any rights against the Manager or Custodian except as expressly conferred upon such unit holder by the Deed of Trust.

41.5. INTEREST OF UNIT HOLDERS IN THE INSURANCE PLAN

The interest of unit holders in the insurance plan are stipulated in the insurance policy titled – Group Life, Personal and Funeral Insurance Policy.

41.6. INVESTMENT AND BORROWING RESTRICTIONS

The scheme shall not borrow.

The investment policy of the Manager shall be aimed at investing at fair prices in a balanced spread of ordinary shares as well as in fixed income securities in order to achieve the stated objectives of the scheme. Shares held in trust by the Unit Trust of Tanzania may be acquired by the scheme at their market rates subject to the Rules of the stock exchange in which the shares are listed.

Shares held by one scheme managed by the manager, can be acquired by another scheme at market rate subject to the rules of the stock exchange in which the shares are listed.

The Manager shall not invest scheme property in securities which are partly paid up or which in other ways are likely to incur any liability for the scheme.

Investment of scheme property shall be effected in accordance with the regulations prescribed by the Authority from time to time.

41.7. VALUATION OF ASSETS AND PRICING

Investments held by the scheme shall be valued by taking;

- (a) The latest closing prices of listed shares including cross listed companies as on every working day;
- (b) For unlisted shares, the value arrived at after consultations with the Custodian;
- © In case of quoted debentures and bonds, the market rate, being cum-interest, the same is adjusted for the interest element if any;
- (d) For unquoted and quoted but not actively traded (as per the prescribed limits) fixed income securities, the valuation method is "Yield to Maturity" using comparable traded securities adjusted to accommodate risk and illiquidity factors. Also an adjustment for tax should be made;
- (e) Amount of principal and accrued interest less tax on interest earning deposits;
- (f) Where instruments have been bought on "repo" basis, the instrument must be valued at the resale price after deduction of applicable interest up to date of resale. If the repurchase price exceeds the value, the credit must be taken for appreciation and if the repurchase price is lower than the value, depreciation must be provided for;
- (g) For suspended Companies, the Net Asset Book Value per share approach shall be applied based on the latest financial statements of the company or the Dividend Valuation Model whichever is lower;
- (h) Until they are traded, the value of rights shares should be calculated as: Market value or $V = n/m * (Pe - Po)$ Where,

V = value of rights
n = number of rights offered
m = number of original shares held
Pe = Ex -rights price

Po= rights offer price

- (i) Such other criteria or methods as may be prescribed by the Authority from time to time.

41.8. DEALING, SUSPENSION AND DEFERRAL OF DEALING

i. CIRCUMSTANCES UNDER WHICH THE DEALING CAN BE DEFERRED OR SUSPENDED

- The Manager shall not carry out the sale of units during the first 06 months (from the Initial Sale closure date) of the operation of the scheme. Also the Manager shall not carry out the partial repurchase of units during the first 05 years (from the initial sale closure date).
- The Manager shall with the approval of the Authority suspend partial re-purchase of units in the event of exceptional circumstances.
- The Manager shall defer to the next dealing day partial re-purchase of units if 10% of the units are re-purchased within one dealing day.
- Sale and partial Repurchase operations shall not be carried out by the Manager during the book closure period.
- However it may be noted that any suspension and deferral of dealing will have no impact as such on the insurance benefits.

ii. INTERVAL BETWEEN RECEIPT OF REQUEST FOR PARTIAL RE-PURCHASE AND THE PAYMENT OF THE RE-PURCHASE MONEY.

- Partial Re-purchases will be effected on receipt of the Statement of Account by the Manager or his agent along with the Application for partial Re-purchase Form or such other document as may be prescribed by the Manager from time to time duly completed in all respects.
- Payment of partial re-purchase proceeds shall be dispatched within ten working days from the date of acceptance of an application by the Manager or his agent duly completed in all respects. Payment shall be made by way of bank transfers to unit holders who have notified their bank details to the Manager and by way of postal money transfer to unit holders who have not notified bank details.

41.9. APPROPRIATION OF INCOME

No amount shall be deducted from the income of the scheme other than an amount which in the opinion of the Manager and the Auditor is required to pay compulsory charges and

auditors' fees for which the scheme is liable. The Manager and Auditor shall consult the Custodian prior to deducting any amount from the income of the scheme.

41.10. FEES AND CHARGES

41.10.1 INITIAL CHARGE

There shall be no initial charge for units sold during the initial sale of units under the scheme. All initial charges shall be borne by the Manager.

41.10.2 SERVICE CHARGE

The Manager shall levy a service charge of 2 % of the NAV to arrive at the re-purchase price of a unit subject to a minimum of five hundred shillings (Tshs. 500/=) per transaction.

The Manager shall not levy any service charge of the NAV to arrive at the sale price of a unit.

42.0 DEATH OF A UNIT HOLDER

42.1. WHERE A PERSON IS NOMINATED

In the event of the death of a unit holder (member) before completion of the plan period (i.e. tenure), the membership of the deceased shall stand terminated and the nominee will be recognized by the Manager/Insurer as the person to receive the eligible death benefits as available under the scheme.

It may be mentioned however, that such nomination is subject to the other provisions of law. In the event of dispute between heirs and consequent litigation in that behalf, resulting in a court order directing devolvement on a basis different from the indicated in the nomination, then such court order would prevail over the nomination and to that extent, the nomination facility is not final.

42.2. WHERE THERE IS NO NOMINEE

The executors or administrators to the estate of the deceased member or the holder of succession certificate shall upon proving such evidence to his title, as the Manager / Insurer shall consider sufficient, be entitled to receive the eligible death benefits as available under the scheme.

43.0 MEETINGS

There shall be held every year a general meeting of Unit holders. The Scheme shall conduct meetings of unit holders as follows;

- Unit holders shall be able to appoint proxies;
 - Votes shall be proportionate to the number of units held;
 - The quorum for meetings at which a special or extraordinary resolution is to be considered shall be the holders of twenty five per cent of the units in issue; and ten per cent if only an ordinary resolution is to be considered;
 - If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned for not less than fifteen days and the quorum at an adjourned meeting shall be those persons present in person or by proxy;
 - An extraordinary general meeting shall be convened for the following purposes:
 - to modify, alter or add to the trust deed;
 - to terminate the scheme
 - The Custodian, Manager, Insurer and their associated persons are prohibited from voting their beneficially owned units at or counted in the quorum for a meeting at which they have material interest in the business to be conducted'.
 - An ordinary resolution may be passed by a simple majority of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting; and
 - A special or extraordinary resolution may only be passed by seventy-five per cent or more of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting
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ANNEXURE - I

The Magic of Compounding and Future Outlook:

When Umoja Fund was launched 2 years ago, the immediate need was to build public confidence in a savings vehicle. Umoja Fund had qualities of a good financial product except a track record. When the UTT started then, the objective was to have a successful mutual fund that investors could look on with pride and say, "Yes, I own units of Umoja Fund." The performance of Umoja Fund has been able to pass all the three litmus tests: **safety, liquidity and return.**

Many unit holders have in fact realized the importance of staying invested as Umoja Fund has been able to generate a return of 15.2% in its maiden year and as of date, an annualized return of more than 19% .

When one product is successful, it becomes the responsibility of the Fund Manager to offer a new product that is distinctly better than the one offered earlier :WEKEZA MAISHA/ INVEST LIFE UNIT TRUST SCHEME is launched in this context..

If one analyses the investment policy of both Umoja Fund and WEKEZA MAISHA/ INVEST LIFE UNIT TRUST SCHEME, one would find that they both invest in the same asset class viz: Equity and Debt. Yet the distinguishing feature is that Umoja is meant for both short term and long term investment whereas, Wekeza Maisha /Invest Life aims at long term investment which can help in meeting a long term liability like say old age on one hand at the same time protect your near and dear ones through life insurance on the other.

WEKEZA MAISHA / INVEST LIFE UNIT TRUST SCHEME is a long term saving vehicle that will enable investors to take advantage of the "magic of compounding".

The “Magic of Compounding”

EXAMPLE I

Say you intend to invest just Tzs100,000 per year for 10 years. Then the money would grow to Tzs 2.081 million @13% and at the end of the period you would get a lumpsum amount. If you continue with the discipline for 50 years you would be having a respectable kitty of Tzs390 million to meet your old age needs as demonstrated below with 3 scenarios of return at 7%, 10 % and 13%:

Tenure	Yearly Contribution	Total Savings	Future Value of earnings @		
			7%	10%	13%
10	100,000	1,000,000	1,478,359.93	1,753,116.71	2,081,431.65
20	100,000	2,000,000	4,386,517.68	6,300,249.94	9,146,991.67
30	100,000	3,000,000	10,107,304.14	18,094,342.50	33,131,511.30
40	100,000	4,000,000	21,360,956.98	48,685,181.12	114,548,579.50
50	100,000	5,000,000	43,498,595.45	128,029,938.17	390,924,304.18

Currency: Tzs

The “Magic of Compounding”

EXAMPLE II

Consider another example. Say you are 20 years old. If you save Tzs100,000 every year for 10 years and then leave the amount to grow for further 30 years, then you would be having Tzs 81 million when you are 60.. So that when you retire you do not have to struggle through life as you would have been otherwise. Instead live with your head held high and pockets full. The table below demonstrates this magic:

Tenure	Yearly Contribution	Total Savings	Future Value of earnings at age 60* @		
			7%	10%	13%
10	100,000	1,000,000	11,253,652.85	30,590,838.63	81,417,068.20
20	100,000	2,000,000	16,974,439.30	42,384,931.18	105,401,587.82
30	100,000	3,000,000	19,882,597.05	46,932,064.42	112,467,147.84
40	100,000	4,000,000	21,360,956.98	48,685,181.12	114,548,579.50
50	100,000	5,000,000	43,498,595.45	128,029,938.17	390,924,304.18

*start saving at age 20

Currency: Tzs

Future Outlook:

Although future is uncertain and unknown, it is albeit an extrapolation of the past and present. People who wish to invest in the market with a long range investment goal would find WEKEZA MAISHA/ INVEST LIFE UNIT TRUST SCHEME the right product. The fund intends to invest both in equity as well as debt. On the equity side, the fund would focus on companies that have good

earnings, a solid financial base and great prospects for the future. With the equity market at nascent stage the journey seems to be only upwards as more market players join the fray and more offerings add to the market capitalization like the forthcoming IPO of National Micro-finance Bank (NMB). So far, the equity markets have been fairly stable and the dividends received are in line with investor expectations. Not to be forgotten is that there are risks which may affect the performance of the market.

On the debt side, it is difficult to predict the play of interest rates for a 10 year period. However, based on the past data one can make estimation for the next two years.

With few instruments traded and very few corporate bonds floated in the market, the debt market performance can best be compared with the Treasury Bill/Bond rates displayed by the Bank of Tanzania on its website.

Year	2005				2006	
	Mar	Jun	Sep	Dec	Mar	Jun
364 days Tbill	9.8	10.5	13.7	15.7	13.9	9.6
Overall Tbill rate	8.4	9.3	12.6	14.8	13.4	8.2
2yr T Bond	14.6	15.1	16.9	18	16.1	13.4

Source: BOT website

The 1 year Treasury bill rates reflect a swing from 9.6 % to 15.7 % before stabilizing at 9.6%.A similar trend is reflected across all instruments. The interest rates have again hardened on the short end of the curve.

The continued intermittent pressure on the shilling, the over hang of world oil prices, the budgetary deficit and the current shortage of infrastructure would continue to keep the pressure on interest rates and we do not see them softening below the current range in the next two years.

However the ongoing reforms process especially in banking would continue to give opportunities for credit creation and growth. Continued donor assistance and solid macroeconomic policies would support real GDP growth of more than 6% through the next five years. This could result in softening of interest rates on one hand but improved equity earnings on the other.

It would also help the Fund Manager to invest in more instruments both on debt and equity side.