

**UMBRELLA MAYFAIR COLLECTIVE INVESTMENT SCHEME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**UMBRELLA MAYFAIR COLLECTIVE INVESTMENT SCHEME
PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 DECEMBER 2025**

**FUND MANAGERS AND
ADMINISTRATORS**

Mayfair Asset Managers Limited
Mayfair Centre, 7th Floor, Ralph Bunch Rd
P. O. Box 45161 - 00100
Telephone: +254 (20) 2916000
Nairobi, Kenya.

CUSTODIAN

Stanbic Bank Kenya Limited
Investor Services, 1st Floor
Stanbic Bank Centre, Westlands Road
P.O. Box 72833- 00200
Tel: +254 20 326 8000 / +254 20 363 8112 / +254 02 326 8285
Nairobi, Kenya.

CORPORATE TRUSTEE

KCB Bank Kenya Limited
KCB Tower, 7th Floor, Kenya Road, Upperhill
P.O. Box 30664 - 00100,
Tel: +254 711 087000 / +254 732 187000
Nairobi, Kenya.

AUDITORS

Moore JVB LLP
Certified Public Accountants (K)
The Pride Rock
No. 6, Donyo Sabuk Avenue
P.O Box 69952 - 00400
Nairobi.

REGISTERED OFFICE

Mayfair Centre, 7th Floor, Ralph Bunch Rd
P. O. Box 45161 - 00100
Telephone: +254 (20) 2916000
Nairobi, Kenya.

**UMBRELLA MAYFAIR COLLECTIVE INVESTMENT SCHEME
FUND MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

Introduction

The Fund Manager has the pleasure of presenting the Fund Manager's Report together with the audited financial statements of the Umbrella Mayfair Collective Investment Scheme for the year ended 31 December 2025

Establishment, Nature and Status of the Scheme

The Umbrella Mayfair Collective Investment Scheme (the "Scheme") was established and is governed by a Trust Deed dated 11 December 2023.

The Scheme is registered with the Capital Markets Authority of Kenya and approved under the Income Tax Act. The Scheme is tax exempt, with tax only withheld on interest distributed to unit holders

The Scheme is administered by the Trustee who is responsible for its affairs. The funds are unit trusts and the interests of individual investors are determined by the value of their units. Unit holders are not liable for the debts of the funds.

The Umbrella Scheme comprises four funds:

- Money Market Fund
- Fixed Income Fund
- Equity Fund
- Balanced Fund

As at 31 December 2025, two funds had been activated:

- Mayfair Money Market Fund (MMF)
- Mayfair Fixed Income Fund (FIF)

Investment Objectives

Money Market Fund

The investment objective of the Mayfair Money Market Fund is to maximize total return to investors by generating a reasonable level of current income while maintaining stability of capital and minimizing portfolio volatility

To achieve this objective, the fund invests in a diversified portfolio consisting primarily of short-term fixed income securities offering yields comparable to savings accounts while maintaining high liquidity.

Fixed Income Fund

The investment objective of the Mayfair Fixed Income Fund is to maximize total return by generating income while maintaining capital stability and minimizing volatility.

The Fund invests in a diversified portfolio consisting primarily of high-yielding fixed income securities, including government and corporate bonds.

Financial Review

The financial performance of the funds during the year is summarized below

The statement of profit or loss and other comprehensive income for the Mayfair Money Market Fund shows a profit for the period of KShs 16,162,944. The statement of financial position shows that unit holder balances as at 31 December 2025 amounted to KShs 485,207,280.

The statement of profit or loss and other comprehensive income for the Mayfair Fixed Income Fund shows a profit for the period of KShs 154,416,777. The statement of financial position shows that unit holder balances as at 31 December 2025 amounted to KShs 3,249,169,811.

Under the terms of their appointment, Mayfair Asset Managers Limited are responsible for the investment management of the funds, while the Trustee retains overall responsibility for oversight of investment and performance.

There has not been any amalgamation or reconstruction of the units of the funds during the year that has had a material effect on the size of the funds.

**UMBRELLA MAYFAIR COLLECTIVE INVESTMENT SCHEME
FUND MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

Membership

As at 31 December 2025

- The Mayfair Money Market Fund had 184 unit holders (2024: 165).
- The Mayfair Fixed Income Fund had 222 unit holders (2024: 57).

Economic Review For 2025

The country's real growth domestic product (GDP) recorded slight improvements across the first three quarters of the year, Q1 (4.9% vs 4.2%), Q2 (5.0% vs 4.6%), and Q3 (4.9% vs 4.9%). However, the Central Bank of Kenya (CBK) expects overall real GDP growth for the year full year to come in at 5.0% against their initial expectation of 5.2%, due to a slowdown in the agricultural sector in Q3 and Q4. For 2026, CBK expects the economy to grow at a rate of 5.5% supported by the resilience of the services sector, continued recovery of the industrial sector, and stable growth of agriculture.

Inflation:

Average headline inflation for 2025 declined to 4.08% from 4.53% in 2024 as global energy prices declined while food inflation increased at a slower pace. Core inflation, which is considered a barometer of spending power, declined to an average of 2.51% in 2025 compared to 3.14% in 2024, highlighting declined disposable incomes.

Interest Rates (CBK and Government Securities):

In 2025, inflation and foreign exchange rates especially against the USD were no longer a concern for the CBK, stimulating economic activity was the main goal. To achieve the latter, the Monetary Policy Committee (MPC) of the CBK continued with cutting the benchmark rate, that is, the Central Bank Rate (CBR) to ease cost of borrowing and spur private sector lending by commercial banks. The year began at a CBR of 11.25% and closed at a level of 9%, after six consecutive cuts. This also had a profound impact on treasury bill yields as the 364-day treasury bill declined from 11.41% to 9.21%. Yields on government bonds also declined, for instance, the yield on 5-year government bonds declined from 14.14% to 10.64% as of the end of the year.

Equity Markets:

Lower yields from interest earning investments saw investors rebalance their investments into shares listed at the Nairobi Securities Exchange (NSE) in search of better returns. This reallocation, reduction of the minimum shares an investor can buy to 1 share from 100 shares and increase local investor participation led to significant price increases where the Nairobi All Share Index (NASI) and Nairobi 20 - Share Index (NSE -20) increased by 56.1% and 51.1% respectively.

Fund Performance

The Money Market Fund (MMF) and Fixed Income Fund (FIF) had gross returns of 12.11% and 24.75%, respectively. The Fixed Income Fund in addition to earning from the high yielding bonds, earned capital gains from the appreciation in prices of bonds which gained value as interest rates declined.

Money Market Fund Performance.

The closing lowest and highest daily and annual yield of the units of the fund;

	2024 Yield	2025 Yield
Closing unit price	11.46%	7.09%
Lowest unit price	9.24%	5.67%
Highest unit price	14.50%	12.90%
	2024	2025
Total fund value (Kshs)	71,226,983	485,207,280
No. of units in issue	71,226,983	485,207,280
Net income distributed (%age of units held)	5%	3%

**UMBRELLA MAYFAIR COLLECTIVE INVESTMENT SCHEME
FUND MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

Fixed Income Fund Performance.

The closing lowest and highest unit prices of the units of the fund;

	2024 Price	2025 Price
Closing unit price	13.2400	16.0762
Lowest unit price	10.0000	13.2255
Highest unit price	13.2500	16.0762

The total fund value, number of units and net income distributed at the end of the year:

	2024	2025
Total fund value (Kshs)	45,967,723	3,249,169,811
No. of units in issue	3,487,453	202,117,783
Net income distributed per unit (kshs)	0.08	0.06

Economic Outlook for 2025

The CBK expects real GDP growth for 2026 to improve to 5.5% on the back of continued resilience of the services sector, continued recovery of the industrial sector, and stable growth from agriculture. Interest rates are expected to decline further as the CBK is expected to continue cutting the CBR to stimulate economic activity. Equities and other real assets may record another positive year as low interest rates might entice investors to take up a higher level of risk in search of returns, however, due to the significant increase in prices observed over the last two years, returns may be in the low teens.

Conclusion:

2025 proved to be a good year for unit holders who held diversified investments as lower returns in money market funds were complimented by better returns from bonds and equities. Our expectation is that interest rates are going to decline further in 2026 and diversification into fixed income and balanced funds will offer unit holders a better opportunity to earn on average a good rate of return on their savings and investments.

Fund Advisors

The names and addresses of the Fund Manager, Administrator, Trustee and Custodian are disclosed on Page 1 of the financial statements.

Auditor

Moore JVB LLP, continue in office in accordance with the Fund's Trust Deed and section 55(4) of the Capital Markets (Licensing Requirements) (General) Regulations, 2002.

The trustee monitors the effectiveness, objectivity and independence of the auditor. The responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the unit holders.

Signed on behalf of the Fund Manager:

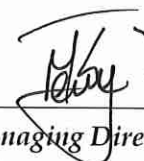
Mayfair Asset Managers Limited



Chairman
Vishal Patel



Director
Darshan Chandaria



Managing Director
Felistus Njoki

26th MARCH... 2026

UMBRELLA MAYFAIR COLLECTIVE INVESTMENT SCHEME
REPORT OF THE CORPORATE TRUSTEE
FOR THE YEAR ENDED 31 DECEMBER 2025

The Corporate Trustee of the Mayfair Unit Trust Funds is pleased to present its report to the unit holders for the year ended 31 December 2025.

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

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

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

Oversight of Fund Manager Activities

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

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

Management of Conflicts of Interest

The Trustee confirms that:

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

Review of Irregularities and Undesirable Practices

In line with regulatory obligations:

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

Custody and Safeguarding of Assets

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

Trustee's Opinion

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

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

Signed for and on behalf of the Corporate Trustee

KCB Bank Kenya Limited
For: KCB BANK KENYA LTD.

CORPORATE TRUSTEE

For: KCB BANK KENYA LTD.

CORPORATE TRUSTEE

26th MARCH 2026

UMBRELLA MAYFAIR COLLECTIVE INVESTMENT SCHEME
STATEMENT OF FUND MANAGER'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

The Kenyan Capital Markets Act requires the fund manager to prepare financial statements for each financial period that give a true and fair view of the financial position of the funds at the end of the financial period and of its profit or loss for that period. The fund manager is responsible for ensuring that the funds keeps proper accounting records that are sufficient to show and explain the transactions of the funds; keep with reasonable accuracy at any time the financial position of the Fund; and that enables them to prepare financial statements of the funds that comply with prescribed financial reporting standards and the requirements of the Kenyan Capital Markets Act. They are also responsible for safeguarding the assets of the funds and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The fund manager accepts responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Capital Markets Act. They also accept responsibility for:

- (i) Designing, implementing, and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- (ii) Selecting suitable accounting policies and then apply them consistently, and
- (iii) Making judgements and accounting estimates that are reasonable in the circumstances

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

The fund manager acknowledges that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the fund manager on 26TH MARCH 2026 and signed on its behalf by:


By order of the fund managers:



Chairman
Vishal Patel



Director
Darshan Chandaria



Managing Director
Felistus Njoki

Mayfair Asset Managers Limited

**UMBRELLA MAYFAIR COLLECTIVE INVESTMENT SCHEME
REPORT OF THE CUSTODIAN
FOR THE YEAR ENDED 31 DECEMBER 2025**

In accordance with the Capital Markets (Collective Investment Schemes) Regulations 2023, (the Regulations) and the Custody Agreement between Stanbic Bank Kenya Limited as the Custodians and Mayfair Asset Managers Limited, we confirm that we have discharged the duties prescribed for a Custodian under Regulation 68 of the regulations, to Umbrella Mayfair Collective Investment Scheme.

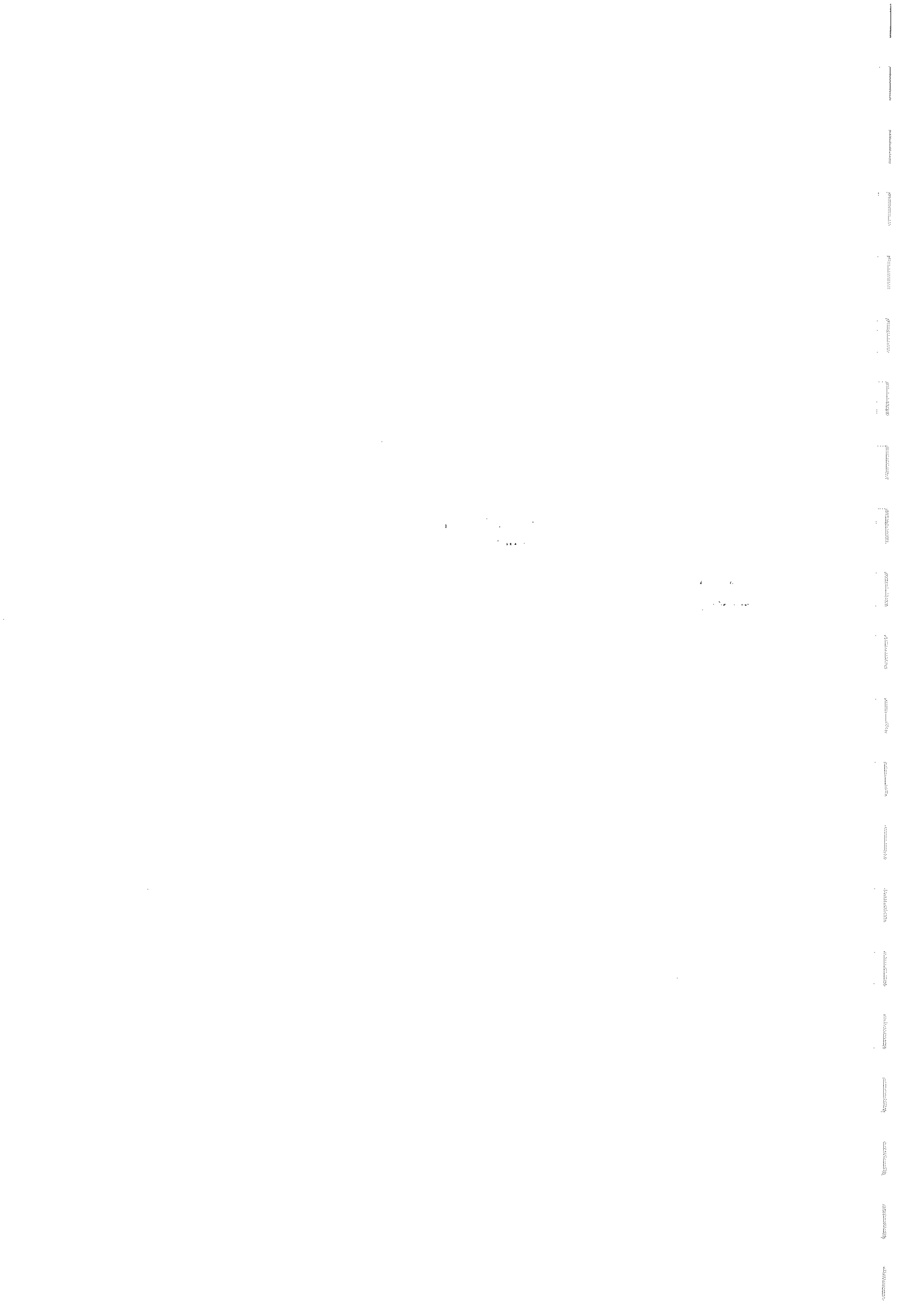
For the period 1 January 2025 to 31 December 2025, we have held the assets for the Umbrella Mayfair Collective Investment Scheme; including securities and income that accrue thereof, to the order of the Trustee and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager.

By order of the Custodian: _____



.....26/03/..... 2026

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



Head Office

The Pride Rock,
No 6, Donyo Sabuk Avenue
P. O. Box 69952 - 00400
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T +254 20 2622560 /3052
M +254 720 384 984 / 735 159 042
E info@moore-jvb.com
W www.moore-jvb.com

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF UMBRELLA MAYFAIR COLLECTIVE INVESTMENT SCHEME

Report on the financial statements

Opinion

We have audited the accompanying financial statements of the following funds of the Umbrella Mayfair Collective Investment Scheme:

- Mayfair Money Market Fund for the period ended 31 December 2025, set out on pages 10 to 26;
- Mayfair Fixed Income Fund for the period ended 31 December 2025, set out on pages 27 to 43;

(the "Fund(s)") which comprise the respective Fund's statement of financial position at 31 December 2025 and the statements of profit or loss and other comprehensive income, changes in unit holder balances and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies set out on pages 15 to 26 & 32 to 43.

In our opinion, the financial statements give a true and fair view of the financial position of Umbrella Mayfair Collective Investment Scheme at 31 December 2025 and of their financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Capital Markets Authority (Collective Investment Schemes) Regulations, 2023.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the *International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code)* and other independence requirements applicable to performing audits of financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The fund managers are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Fund Managers for the Financial Statements

The Fund Managers is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Capital Markets Authority (Collective Investment Schemes) Regulations, 2023 and for such internal control as the Fund Managers determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees and Managers.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal requirements

The Capital Markets Authority (Collective Investments schemes) Regulations, 2023 also requires that in carrying out our audit we consider and report to you on the following matters:

- i. If the auditor is of the opinion that proper accounting records for the collective investment scheme have not been kept or that the accounts are not in agreement with those records;
- ii. If the auditor has not been given all the information and explanation which, to the best of his knowledge and belief, are necessary for the purpose of his audit; or
- iii. If the auditor is of the opinion that the information given in the report of the Fund Manager for that period is inconsistent with the accounts.

We confirm that there are no matters to report in respect of the foregoing requirements.

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA Tejas Joy Bhatt, Practicing certificate No. P2976.



Moore JVB LLP
Certified Public Accountants (K)
Nairobi.

Date: 29/08/2020

MAYFAIR MONEY MARKET FUND



MAYFAIR MONEY MARKET FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

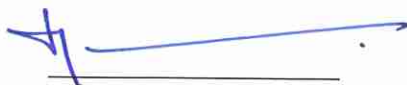
INCOMES	<i>Note(s)</i>	2025 Kshs.	2024 Kshs.
Interest income	5	21,635,040	4,229,283
Fair value gain on investments at fair value through the profit or loss	6	230,713	-
<i>Total income from investing activities</i>		<u>21,865,753</u>	<u>4,229,283</u>
EXPENSES:			
Service fees and other expenses	7	(5,702,809)	(828,083)
Profit before tax		<u>16,162,944</u>	<u>3,401,200</u>
Income tax expenses	9	-	-
Profit after tax		<u><u>16,162,944</u></u>	<u><u>3,401,200</u></u>

**MAYFAIR MONEY MARKET FUND
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025**


	<i>Note(s)</i>	2025 Kshs.	2024 Kshs.
ASSETS			
amortised cost - treasury	10	141,759,716	7,353,020
fair value - treasury bills	11	9,621,324	-
financial institutions	12	311,748,167	58,604,961
financial institutions	12	23,396,898	5,348,150
Bank balances	12	63,790	223,721
TOTAL ASSETS		486,589,895	71,529,852
LIABILITIES			
Payables and accruals	13	1,382,615	302,869
		<u>1,382,615</u>	<u>302,869</u>
Unit holders balances		485,207,280	71,226,983
		<u>485,207,280</u>	<u>71,226,983</u>
TOTAL LIABILITIES		486,589,895	71,529,852

The financial statements were approved by the Fund Managers on ~~26th~~ 26th MARCH 2026 and were signed on their behalf by:


For: *Mayfair Asset Managers Limited*



Chairman
Vishal Patel



Director
Darshan Chandaria



Managing Director
Felistus Njoki

MAYFAIR MONEY MARKET FUND
STATEMENT OF CHANGES IN UNIT HOLDER BALANCES
FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note(s)</i>	2025 Kshs.	2024 Kshs.
Unit holder balance at 1 January		71,226,982	-
Net proceeds from units traded in the year	15	411,590,862	71,533,874
Profit before distributions to unit holders		16,162,944	3,401,200
Distributions payable in the year	16	(13,773,508)	(3,708,091)
Unit holder balance at 31 December		485,207,280	71,226,983

**MAYFAIR MONEY MARKET FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	2025 Kshs.	2024 Kshs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,162,944	3,401,200
Operating profit before working capital changes	<u>15,932,231</u>	<u>3,401,200</u>
<i>Changes in operating assets and liabilities:</i>		
Purchase of treasury bonds at cost	(178,832,537)	(7,353,020)
Maturities of treasury bonds at cost	45,035,231	-
Purchase of treasury bills at cost	(10,000,000)	-
Increase in payables and accruals	1,079,745	302,869
<i>Cash generated from/(used in) operations</i>	<u>(126,785,331)</u>	<u>(3,648,951)</u>
<i>Net cash used in operating activities</i>	<u>(126,785,331)</u>	<u>(3,648,951)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from units issued	411,590,862	71,533,874
Distributions paid in the year	(13,773,508)	(3,708,091)
<i>Net cash generated from financing activities</i>	<u>397,817,354</u>	<u>67,825,783</u>
Net increase in cash and cash equivalents	271,032,023	64,176,832
Cash and cash equivalent at beginning of year (Note 10)	<u>64,176,832</u>	<u>-</u>
Cash and cash equivalent at end of year (Note 10)	<u><u>335,208,855</u></u>	<u><u>64,176,832</u></u>

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1 General Information

Mayfair Money Market Fund is a collective investment scheme which is registered under the Capital Markets Authority Act and is domiciled in Kenya. The Fund was established under a trust deed dated 11th December, 2023. The address of its registered office is:

Mayfair Centre, 7th Floor, Ralph Bunch Rd
P. O. Box 45161 - 00100
Nairobi, Kenya.

2 Summary of significant accounting policies

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

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

Measurement basis

The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies summarised below.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Fund uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Fund using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of significant accounting policies (continued)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised by the Fund at the end of the reporting period during which the change occurred.

Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Changes in accounting policy and disclosures

Adoption of new and revised International Financial Reporting Standards (IFRSs)

Standards and interpretations affecting amounts reported in the current period.

Several new and revised standards and interpretations became effective during the year. The Trustees have evaluated the impact of their new standards and interpretations and none of them had a significant impact on the Fund's financial statements.

Standards and interpretations issued but not yet effective

Several other standards and interpretations have been issued and are effective for accounting periods beginning on or after 1 January 2025 or later periods. The adoption of these standards and interpretations, when effective, is not expected to have a material impact on the financial statements of the Company.

Early adoption

The Fund did not early adopt any new standards and/or interpretation that are in issue but not yet effective.

b) Translation of foreign currencies

Functional and presentation currency

The accounting records are maintained in the currency of the primary economic environment in which the Fund operates (the "Functional Currency"). The financial statements are presented in Kenya Shillings, which the Fund's functional and presentation currency. The figures shown in the financial statements are stated Kenya Shilling (Shs), rounded to the nearest thousand.

Transactions and balances

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

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of significant accounting policies (continued)

b) Translation of foreign currencies (continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within *finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within *other income" or 'other expenses'.

c) Revenue recognition

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

The Fund recognises revenue when it satisfies its performance obligations by delivering the services (or portions thereof) to a customer. The amount of revenue recognised is the amount the Fund expects to receive in line with the contractual terms of delivery of services, which are triggered when specific criteria have been met for each of the Fund's activities as described below. The Fund bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

d) Financial instruments

A financial asset or liability is recognised when the Fund becomes party to the contractual provisions of the instrument.

Financial assets

The Fund's classification is based on the contractual cash flow characteristics of the asset and the business model for managing the financial assets.

Financial assets (except those carried at fair value through profit or loss) are initially recognised in the financial statements at fair value plus transaction costs.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of significant accounting policies (continued)

d) Financial instruments (continued)

Fair value through the profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Interest income and credit related income from these financial assets is included in "interest income" using the effective interest rate method.

Contractual characteristics of a financial asset / SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represents solely payments of principal and interest (the "SPPI test"). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Fund's business model: The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVPL. Factors considered by the Fund in determining the business model for a group of assets include past experience on how cash flows for these assets were collected, how the asset's performance is evaluated and reported by key management personnel, how risks are assessed and managed and how managers are compensated

Impairment of financial assets

The Fund assesses on a forward-looking basis, the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Fund transfers substantially all the risks and rewards of ownership, or (ii) the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control.

The Fund enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as "pass through" transfers that result in derecognition if the Fund:

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of significant accounting policies (continued)

Derecognition other than on a modification (Continued)

The Fund enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as “pass through” transfers that result in derecognition if the Fund:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Is prohibited from selling or pledging the assets; and
- (iii) Has an obligation to remit any cash it collects from assets without material delays.

Collateral (shares and bonds) furnished by the Fund under standard repurchase agreements and securities lending and borrowings transactions are not derecognised because the Fund retains substantially all the risks and rewards on the basis of predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Fund retains a subordinated residual interest.

e) Distribution

All income arising from receipt of investment income is distributed to unit holders after provision for expenses and taxes. The unit holders have an option of taking their distributions in cash or having the distribution re-invested to form part of the unit holder capital balance.

f) Unit holder balances

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

Unit holder balances are classified as liabilities.

g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

h) Accrued expenses

Accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as noncurrent liabilities.

Accrued expenses are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

i) Provisions

Provisions are recognised when; the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of significant accounting policies (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3 Financial risk management

The Fund generates revenues for unit holders by investing in various income generating activities which involve trading in the stock exchange and trading in government securities. These activities expose the Fund to a variety of financial risks, including credit, liquidity risk and the effects of changes in debt and equity market prices and interest rates. The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the investment managers under direction of the Mayfair Asset Managers Limited Board. The Mayfair Asset Managers Limited Board works within policies approved by the Fund's Trustee. Investment managers review the market trends and information available to evaluate the potential exposures. They then arrive at strategies to mitigate against these risks. The Mayfair Asset Managers Limited Board provides the investment managers with written guidelines for appropriate investments. These guidelines are reviewed on a regular basis and are within the Collective Investment Scheme regulations issued by the Capital Markets Authority.

Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable Units. It therefore invests the majority of its assets in bank deposits and treasury bills traded at the Nairobi Securities Exchange. The Fund's listed securities are considered readily realizable, as they are listed on the Nairobi Securities Exchange.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's liquidity position on a daily basis and has developed a comprehensive history of the Fund's daily and/or periodic liquidity requirements. Guided by this history, the manager maintains sufficient cash and near cash investments to meet the day to day redemption requirements.

The table below illustrates the Fund's typical redemption history and cash/near cash holdings over the past two years:

	2025 Kshs.
Annual redemption	261,865,940
Annual daily average	1,007,177

The table below shows the Funds' investments in cash and near cash equivalents at 31 December 20255.

	2025 Kshs.
Cash	63,790
Cash-call & fixed deposits and treasury bills maturing in less than 3 months	63,738,552
Total	63,802,342

**MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3 Financial risk management (continued)

Maturity analysis of financial liabilities and Unit Holders Balances (all on demand)

	2025 Kshs.
Unit holder balances	485,207,280
Accruals and other payables	1,382,615
Total	486,589,895

(i) *The maturity profile of investments is as below:*

Maturity profile - 2025 (Kshs)

	On Demand	Due Within 3 to 5 Months	Due Within 6 months and 1 year	Due Within 1 and 5 years	Due After 5 years
Assets					
Deposits with financial institutions	63,738,552	209,668,089	61,749,560	-	-
Treasury bills and bonds	-	-	9,923,362	141,457,678	-
Total Assets	63,738,552	209,668,089	71,672,922	141,457,678	-
Liabilities					
Other liabilities	1,382,615	-	-	-	-
Total liabilities	1,382,615	-	-	-	-

Market risk

Price risk

The Investment Manager moderates this risk through a careful selection and diversification of securities and other financial instruments within specified limits. Total universe of assets in which the Fund could potentially invest are divided into various asset classes namely equities, bonds, deposits and cash. The Fund Manager conducts research on overall economic performance and determines probable sector performances and, therefore, asset allocation. Typically, the choice of investment involves the following steps tailored to minimize the level of exposure to asset classes and specific securities:

i) Strategic Asset Allocation (SAA)

- Is the first step and sets the minimums and maximums for each asset class;
- Long term guideline taking to account investment objectives, asset/liability profile and maturity profile of Funds; and
- Guided in-depth research

Moreover, each asset class is benchmarked against appropriate market indices with the primary objective of outperforming the indices over the medium to longer term

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3 Financial risk management (continued)

ii) Tactical Asset allocation

- Sets the short term (quarterly) ranges for each asset class allowing manager to take advantage of prevailing market conditions;
- Identifies actual assets invested in within each investment class but within the overall strategic range;
- Selection of the specific securities invested in is reviewed monthly by an investment committee.

Foreign exchange risk

The Fund does not invest offshore and is therefore not exposed to foreign exchange risk.

Interest rate risk

The majority of the Fund's financial assets are interest bearing. As a result, the Fund is subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Fixed interest rate financial instruments expose the Fund to fair value interest rate risk. Variable interest rate financial instruments expose the Fund to cash flow interest rate risk. The Fund's fixed interest rate financial instruments are government securities, deposits with financial institutions.

The Fund's investment at 31 December 2025 were all at fixed rates and therefore do not pose interest rate risk.

Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash equivalents and fixed deposits held in banks, interest bearing investments with Government of Kenya (GOK) and commercial paper and corporate bonds with various entities.

In assessing whether the credit risk on a financial asset has increased significantly, the Fund compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Fund considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort.

There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. For this purpose default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.

If the Fund does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are, to the extent of materiality, recognised on a collective basis. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about significant financial difficulty of the debtor resulting to long outstanding debt (more than 90 days), a breach of contract etc.

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3 Financial risk management (continued)

The Government of Kenya has a long term rating of B- (Stable) by Standard and Poors (S&P). GoK has not defaulted on debt obligation in the past. The Fund also undertakes further financial analysis and measures to ensure that the institutions issuing the securities are of sound financial health.

The investment manager carries out a quarterly due diligence investigation on banks to determine those that qualify for deposits. The criteria used in the due diligence exercise is rigorous and assess such parameters as capital adequacy ratios, liquidity ratios, non-performing loans ratios and other financial ratios. Based on the outcome of this investigation a maximum exposure is set for each financial institution. The latest due diligence approved 43 banks ("Approved Banks") out of 47 financial institutions licensed by the Central Bank of Kenya (CBK).

The Funds' maximum exposure to credit risk in each of the above categories of assets as at 31 December 2025 is represented by the carrying value of financial assets on the statement of financial position.

None of the balances were past due or impaired as at 31 December 2025. The assessed impairment provision is insignificant.

Treasury bonds at amortised costs

Treasury bonds are recognized as financial assets when the entity becomes a party to the contractual provisions of the instrument. The bonds are classified as financial assets measured at amortised cost if they meet the following conditions.

- The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows.
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

On initial recognition, treasury bonds held at amortised cost are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

After initial recognition, treasury bonds are measured at amortised cost using the effective interest method. The carrying amount is adjusted for the amortisation of any premium or discount over the term of the bond. Interest income is recognized in profit or loss using the effective interest rate (EIR) method

The following table presents the Fund's assets that are measured at amortised cost at 31 December 2025.

	Total Balance Kshs
Treasury Bonds	141,759,716
Total	141,759,716

The fund shall disclose information regarding treasury bonds held at amortised cost in the financial statements, including; the carrying amount of the bonds, the accounting policies applied, interest income recognized, any impairment losses recognized and the methodology applied, any significant changes in credit risk assessment

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Measurement of expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCTI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

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

- Determining criteria for significant increase in credit risk;
- Choosing the appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL;
- Determining the appropriate business models and assessing the "solely payments of principal and interest (SPPI)" requirements for financial assets.

	2025	2024
	Kshs.	Kshs.
5 <u>Interest income</u>		
Interest income - Fixed deposit	14,448,299	3,711,147
Interest income - Call deposit	1,053,740	194,023
Interest income - Treasury bonds	5,226,171	293,550
Interest income - Treasury bills	906,830	30,563
	21,635,040	4,229,283
	2025	2024
	Kshs.	Kshs.
6 <u>Fair value losses on financial assets at fair value through profit or loss</u>		
Fair value gains on government bonds	230,713	-
	230,713	-
	2025	2024
	Kshs.	Kshs.
7 <u>Service fees and other expenses</u>		
Fund management fees	4,949,231	828,083
Custodial fees	174,673	-
Trustee's fees	218,340	-
Audit fees	64,237	-
Capital Markets Authority levy	83,904	-
AGM expenses	18,459	-
Commission on sale of bonds	16,237	-
Publishing fees	177,728	-
	5,702,809	828,083

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

7 Service fees and other expenses (Continued)

During the year, the Fund incurred Kshs 88,618 in brokerage commissions relating to dealing activities in treasury bonds. The following brokers each earned more than 10% of the total commission fees: Equity Investment Bank and Kingdom Securities.

8 Total expense ratio

Average value of fund assets	485,207,280	71,226,983
Operating expenses	5,702,809	828,083
	<u>1.18%</u>	<u>1.16%</u>

9 Tax charge

The Fund is exempt from income tax. However, it withholds tax on interest distributed to unit holders.

	2025	2024
	Kshs.	Kshs.
10 <u>Government securities at amortised cost - treasury bonds</u>		
As at 1 January	7,353,020	-
Additions	178,832,537	7,356,470
Maturities	(45,035,231)	-
Fair value gain/(loss)	609,390	(3,450)
	<u>141,759,716</u>	<u>7,353,020</u>
Maturity analysis:		
Maturing within 1 year	302,038	-
Maturing after 1 year	141,457,678	7,353,020
	<u>141,759,716</u>	<u>7,353,020</u>

The weighted average effective interest rate on treasury bonds as at 31st December 2025 was 11.24% p.a.

	2025	2024
	Kshs.	Kshs.
11 <u>Government securities at fair value - treasury bills</u>		
As at 1 January	-	-
Additions	9,093,170	969,437
Interest	906,830	30,563
Maturities	-	(1,000,000)
Fair value gain/(loss)	(378,676)	-
	<u>9,621,324</u>	<u>-</u>

12 Bank balances

	At 1 January 2025	Cash Flows	At 31st December 2025
	Kshs.	Kshs.	Kshs.
a) Bank balances	223,721	(159,931)	63,790
b) Fixed deposits	58,604,961	253,143,206	311,748,167
c) Demand deposits	5,348,150	18,048,748	23,396,898
	<u>64,176,832</u>	<u>271,032,023</u>	<u>335,208,855</u>

The weighted average effective interest rate on fixed deposits was 9.37% p.a and demand deposits was 6.93% p.a as at 31st December 2025.

2025 2024

MAYFAIR MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

13 <u>Payables and accruals</u>	Kshs.	Kshs.
Management fees payable	1,382,615	302,869
	1,382,615	302,869

14 Related party balances and transactions

Mayfair Money Market Fund is managed by Mayfair Asset Managers Limited as its Fund manager. The Fund transacts with the Fund Manager. There have been no guarantees provided for any related party payables.

There were no provisions made or amounts written off on related party balances during the year. The amounts due to related parties are non-interest bearing and the balances are not secured.

As at 31 December 2025, the balances and transactions with the Mayfair Asset Managers Limited were as follows:

	2025	2024
	Kshs.	Kshs.
a) Investments held on behalf of related party		
Mayfair Asset Managers Limited	3,337,756	3,151,668
	3,337,756	3,151,668
b) Transactions with related party during the year are as follows:		
Fund management fees (Note 7)	4,949,231	828,083
	4,949,231	828,083
c) Balances due to related party		
Due to Mayfair Asset Management Limited (Note 13)	930,312	302,869
	930,312	302,869
15 <u>Transactions of Units</u>	2025	2024
	Kshs.	Kshs.
Purchases	(673,456,802)	(89,932,166)
Sales	261,865,940	18,398,292
Net proceeds	(411,590,862)	(71,533,874)

16 Distribution

The total income paid to unit holders during the year totaled Kshs 13,773,508.

17 Currency

The financial statements are presented in the Fund's functional currency, Kenya Shillings (Kshs).

18 Contingent liabilities and commitments

There were no contingent liabilities and commitments during the year.

19 Events after the reporting period

There are no events after the reporting date that would require adjustments to, or disclosure in, the financial statements.

MAYFAIR FIXED INCOME FUND

MAYFAIR FIXED INCOME FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

INCOMES	<i>Note(s)</i>	2025 Kshs.	2024 Kshs.
Interest income	5	64,476,827	4,750,442
Fair value gain on investments at fair value through the profit or loss	6	121,277,093	2,017,078
<i>Total income from investing activities</i>		<u>185,753,920</u>	<u>6,767,520</u>
EXPENSES:			
Service fees and other expenses	7	(31,337,143)	(715,414)
Profit before tax		<u>154,416,777</u>	<u>6,052,106</u>
Income tax expenses	9	-	-
Profit after tax		<u><u>154,416,777</u></u>	<u><u>6,052,106</u></u>

**MAYFAIR FIXED INCOME FUND
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025**

	<i>Note(s)</i>	2025 Kshs.	2024 Kshs.
ASSETS			
fair value - treasury bonds	10	2,082,557,602	31,017,078
amortised cost	11	245,636,569	-
financial institutions	12	873,050,470	13,861,600
financial institutions	12	55,250,407	1,308,362
Bank balances	12	1,149,951	234
TOTAL ASSETS		<u>3,257,644,999</u>	<u>46,187,274</u>
LIABILITIES			
Payables and accruals	13	8,475,188	219,551
		<u>8,475,188</u>	<u>219,551</u>
Unit holders balances		3,249,169,811	45,967,723
		<u>3,249,169,811</u>	<u>45,967,723</u>
TOTAL LIABILITIES		<u>3,257,644,999</u>	<u>46,187,274</u>

The financial statements were approved by the Fund Manager on ~~26th MARCH 2021~~ and were signed on their behalf by:

For: *Mayfair Asset Managers Limited*



Chairman
Vishal Patel



Director
Darshan Chandaria



Managing Director
Felistus Njoki

MAYFAIR FIXED INCOME FUND
STATEMENT OF CHANGES IN UNIT HOLDER BALANCES
FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note(s)</i>	2025 Kshs.	2024 Kshs.
Unit holder balance at 1 January		45,967,723	-
Profit before for the year		154,416,777	6,052,106
<i>Transactions with unit holders:</i>			
Units purchased	15	3,236,177,954	44,696,710
Units liquidated	15	(187,392,643)	(4,781,093)
Total transactions with unit holders		<u>3,048,785,311</u>	<u>39,915,617</u>
Unit holder balance at 31 December		<u>3,249,169,811</u>	<u>45,967,723</u>

MAYFAIR FIXED INCOME FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 Kshs.	2024 Kshs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	154,416,777	6,052,106
<i>Adjustments for non-cash income and expenses:-</i>		
Fair value gain on government securities at fair value through profit or loss	(121,277,093)	(2,017,078)
Operating profit before working capital changes	<u>33,139,684</u>	<u>4,035,028</u>
<i>Changes in operating assets and liabilities:</i>		
Purchase of treasury bonds	(2,011,000,000)	(29,000,000)
Maturities of treasury bonds	75,100,000	-
Purchase of corporate bonds	(240,000,000)	-
Increase in payables and accruals	8,255,637	219,551
<i>Cash generated used in operations</i>	<u>(2,134,504,679)</u>	<u>(24,745,421)</u>
<i>Net cash used in operating activities</i>	<u>(2,134,504,679)</u>	<u>(24,745,421)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from units issued	<u>3,048,785,311</u>	<u>39,915,617</u>
<i>Net cash generated from financing activities</i>	<u>3,048,785,311</u>	<u>39,915,617</u>
Net increase in cash and cash equivalents	914,280,632	15,170,196
Cash and cash equivalent at beginning of year (Note 11)	<u>15,170,196</u>	<u>-</u>
Cash and cash equivalent at end of year (Note 11)	<u><u>929,450,828</u></u>	<u><u>15,170,196</u></u>

MAYFAIR FIXED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1 General Information

Mayfair Fixed Income Fund is a collective investment scheme which is registered under the Capital Markets Authority Act and is domiciled in Kenya. The Fund was established under a trust deed dated 11th December, 2023. The address of its registered office is:

Mayfair Centre, 7th Floor, Ralph Bunch Rd
P. O. Box 45161 - 00100
Nairobi, Kenya.

2 Summary of significant accounting policies

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

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

Measurement basis

The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies summarised below.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Fund uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Fund using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

MAYFAIR FIXED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS
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2 Summary of significant accounting policies (continued)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised by the Fund at the end of the reporting period during which the change occurred.

Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Changes in accounting policy and disclosures

Adoption of new and revised International Financial Reporting Standards (IFRSs)

Standards and interpretations affecting amounts reported in the current period.

Several new and revised standards and interpretations became effective during the year. The Trustees have evaluated the impact of their new standards and interpretations and none of them had a significant impact on the Fund's financial statements.

Standards and interpretations issued but not yet effective

Several other standards and interpretations have been issued and are effective for accounting periods beginning on or after 1 January 2024 or later periods. The adoption of these standards and interpretations, when effective, is not expected to have a material impact on the financial statements of the Company.

Early adoption

The Fund did not early adopt any new standards and/or interpretation that are in issue but not yet effective.

b) Translation of foreign currencies

Functional and presentation currency

The accounting records are maintained in the currency of the primary economic environment in which the Fund operates (the "Functional Currency"). The financial statements are presented in Kenya Shillings, which the Fund's functional and presentation currency. The figures shown in the financial statements are stated Kenya Shilling (Shs), rounded to the nearest thousand.

Transactions and balances

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

2 Summary of significant accounting policies (continued)

b) Translation of foreign currencies (continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other income' or 'other expenses'.

c) Revenue recognition

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

The Fund recognises revenue when it satisfies its performance obligations by delivering the services (or portions thereof) to a customer. The amount of revenue recognised is the amount the Fund expects to receive in line with the contractual terms of delivery of services, which are triggered when specific criteria have been met for each of the Fund's activities as described below. The Fund bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

d) Financial instruments

A financial asset or liability is recognised when the Fund becomes party to the contractual provisions of the instrument.

Financial assets

The Fund's classification is based on the contractual cash flow characteristics of the asset and the business model for managing the financial assets.

Financial assets (except those carried at fair value through profit or loss) are initially recognised in the financial statements at fair value plus transaction costs.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

MAYFAIR FIXED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2 Summary of significant accounting policies (continued)

d) Financial instruments (continued)

Fair value through the profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Interest income and credit related income from these financial assets is included in "interest income" using the effective interest rate method.

Contractual characteristics of a financial asset / SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represents solely payments of principal and interest (the "SPPI test"). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Fund's business model: The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVPL. Factors considered by the Fund in determining the business model for a group of assets include past experience on how cash flows for these assets were collected, how the asset's performance is evaluated and reported by key management personnel, how risks are assessed and managed and how managers are compensated

Impairment of financial assets

The Fund assesses on a forward-looking basis, the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Fund transfers substantially all the risks and rewards of ownership, or (ii) the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control.

The Fund enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as "pass through" transfers that result in derecognition if the Fund:

MAYFAIR FIXED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS
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2 Summary of significant accounting policies (Continued)

Derecognition other than on a modification (Continued)

The Fund enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as “pass through” transfers that result in derecognition if the Fund:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Is prohibited from selling or pledging the assets; and
- (iii) Has an obligation to remit any cash it collects from assets without material delays.

Collateral (shares and bonds) furnished by the Fund under standard repurchase agreements and securities lending and borrowings transactions are not derecognised because the Fund retains substantially all the risks and rewards on the basis of predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Fund retains a subordinated residual interest.

e) Distribution

All income arising from receipt of investment income is distributed to unit holders after provision for expenses and taxes. The unit holders have an option of taking their distributions in cash or having the distribution re-invested to form part of the unit holder capital balance.

f) Unit holder balances

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

Unit holder balances are classified as liabilities.

g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

h) Accrued expenses

Accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as noncurrent liabilities.

Accrued expenses are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

i) Provisions

Provisions are recognised when; the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

MAYFAIR FIXED INCOME FUND
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2 Summary of significant accounting policies (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3 Financial risk management

The Fund generates revenues for unit holders by investing in various income generating activities which involve trading in the stock exchange and trading in government securities. These activities expose the Fund to a variety of financial risks, including credit, liquidity risk and the effects of changes in debt and equity market prices and interest rates. The Fund’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the investment managers under direction of the Mayfair Asset Managers Limited Board. The Mayfair Asset Managers Limited Board works within policies approved by the Fund’s Trustee. Investment managers review the market trends and information available to evaluate the potential exposures. They then arrive at strategies to mitigate against these risks. The Mayfair Asset Managers Limited Board provides the investment managers with written guidelines for appropriate investments. These guidelines are reviewed on a regular basis and are within the Collective Investment Scheme regulations issued by the Capital Markets Authority.

Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable Units. It therefore invests the majority of its assets in bank deposits and treasury bills traded at the Nairobi Securities Exchange. The Fund’s listed securities are considered readily realizable, as they are listed on the Nairobi Securities Exchange.

In accordance with the Fund’s policy, the Investment Manager monitors the Fund’s liquidity position on a daily basis and has developed a comprehensive history of the Fund’s daily and/or periodic liquidity requirements. Guided by this history, the manager maintains sufficient cash and near cash investments to meet the day to day redemption requirements.

The table below illustrates the Fund’s typical redemption history and cash/near cash holdings over the past two years:

	2025 Kshs.
Annual redemption	3,048,785,311
Annual daily average	11,726,097

The table below shows the Funds’ investments in cash and near cash equivalents at 31 December 2025.

	2025 Kshs.
Cash	1,149,951
Cash-call & fixed deposits and treasury bills maturing in less than 3 months	618,456,379
Total	619,606,330

3 Financial risk management (continued)

Maturity analysis of financial liabilities and Unit Holders Balances (all on demand)

MAYFAIR FIXED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS
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	2025 Kshs.
Unit holder balances	3,249,169,811
Accruals and other payables	8,475,188
Total	3,257,644,999

(i) *The maturity profile of investments is as below:*

Maturity profile - 2025 (Kshs)

	On Demand	Due Within 3 to 5 Months	Due Within 6 months and 1 year	Due Within 1 and 5 years	Due After 5 years
Assets					
Deposits with financial institutions	618,456,379	46,017,281	263,827,218	-	-
Treasury & Corporate bonds	-	-	-	534,765,017	1,793,267,090
Total Assets	618,456,379	46,017,281	263,827,218	534,765,017	1,793,267,090
Liabilities					
Other liabilities	8,475,188	-	-	-	-
Total liabilities	8,475,188	-	-	-	-

Market risk

Price risk

The Investment Manager moderates this risk through a careful selection and diversification of securities and other financial instruments within specified limits. Total universe of assets in which the Fund could potentially invest are divided into various asset classes namely equities, bonds, deposits and cash. The Fund Manager conducts research on overall economic performance and determines probable sector performances and, therefore, asset allocation. Typically, the choice of investment involves the following steps tailored to minimize the level of exposure to asset classes and specific securities:

i) *Strategic Asset Allocation (SAA)*

- Is the first step and sets the minimums and maximums for each asset class;
- Long term guideline taking to account investment objectives, asset/liability profile and maturity profile of Funds; and
- Guided in-depth research

Moreover, each asset class is benchmarked against appropriate market indices with the primary objective of outperforming the indices over the medium to longer term

3 Financial risk management (continued)

ii) Tactical Asset allocation

- Sets the short term (quarterly) ranges for each asset class allowing manager to take advantage of prevailing market conditions;
- Identifies actual assets invested in within each investment class but within the overall strategic range;
- Selection of the specific securities invested in is reviewed monthly by an investment committee.

Foreign exchange risk

The Fund does not invest offshore and is therefore not exposed to foreign exchange risk.

Interest rate risk

The majority of the Fund's financial assets are interest bearing. As a result, the Fund is subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Fixed interest rate financial instruments expose the Fund to fair value interest rate risk. Variable interest rate financial instruments expose the Fund to cash flow interest rate risk. The Fund's fixed interest rate financial instruments are government securities, deposits with financial institutions.

The Fund's investment at 31 December 2025 were all at fixed rates and therefore do not pose interest rate risk.

Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash equivalents and fixed deposits held in banks, interest bearing investments with Government of Kenya (GOK) and commercial paper and corporate bonds with various entities.

In assessing whether the credit risk on a financial asset has increased significantly, the Fund compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Fund considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort.

There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. For this purpose default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.

If the Fund does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are, to the extent of materiality, recognised on a collective basis. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about significant financial difficulty of the debtor resulting to long outstanding debt (more than 90 days), a breach of contract etc.

MAYFAIR FIXED INCOME FUND
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3 Financial risk management (continued)

The Government of Kenya has a long term rating of B- (Stable) by Standard and Poors (S&P). GoK has not defaulted on debt obligation in the past. The Fund also undertakes further financial analysis and measures to ensure that the institutions issuing the securities are of sound financial health.

The investment manager carries out a quarterly due diligence investigation on banks to determine those that qualify for deposits. The criteria used in the due diligence exercise is rigorous and assess such parameters as capital adequacy ratios, liquidity ratios, non-performing loans ratios and other financial ratios. Based on the outcome of this investigation a maximum exposure is set for each financial institution. The latest due diligence approved 43 banks ("Approved Banks") out of 47 financial institutions licensed by the Central Bank of Kenya (CBK).

The Funds' maximum exposure to credit risk in each of the above categories of assets as at 31 December 2025 is represented by the carrying value of financial assets on the statement of financial position.

None of the balances were past due or impaired as at 31 December 2025. The assessed impairment provision is insignificant.

Fair value estimation

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Fund's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

The following table presents the Fund's assets that are measured at fair value at 31 December 2025.

	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Balance Kshs
Treasury & Corporate Bonds		2,237,713,349	90,480,822	-
Total		2,237,713,349	90,480,822	-

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

The Fund had no financial instruments classified as level 3 at 31 December 2025. There were no transfers between levels in 2024. The carrying value of all other financial assets and liabilities represents their fair value due to their short datedness and ability to reprice.

MAYFAIR FIXED INCOME FUND
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4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Measurement of expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCTI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

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

- Determining criteria for significant increase in credit risk;
- Choosing the appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL;
- Determining the appropriate business models and assessing the “solely payments of principal and interest (SPPI)” requirements for financial assets.

5 Interest income

	2025	2024
	Kshs.	Kshs.
Interest income - Fixed deposit	29,443,044	1,706,165
Interest income - Call deposit	10,737,235	317,537
Interest income - Treasury bonds	24,296,548	2,726,740
	<u>64,476,827</u>	<u>4,750,442</u>

6 Fair value gains on financial assets at fair value through profit or loss

	2025	2024
	Kshs.	Kshs.
Fair value gains on Government bonds	121,277,093	2,017,078
	<u>121,277,093</u>	<u>2,017,078</u>

7 Service fees and other expenses

	2025	2024
	Kshs.	Kshs.
Fund management fees	27,389,683	715,414
Custodial fees	1,601,392	-
Trustee's fees	2,001,741	-
Audit fees	64,236	-
Capital Markets Authority levy	83,904	-
AGM expenses	18,459	-
Publishing fees	177,728	-
	<u>31,337,143</u>	<u>715,414</u>

MAYFAIR FIXED INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS
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7 Service fees and other expenses (Continued)

The fund also incurred Kshs 466,213 brokerage commissions in its dealing activities for treasury bonds during the year. The following brokers each earned more than 10% of the total commission fees: Equity Investment Bank, NCBA Investment Bank, Private Wealth Capital, and Kingdom Securities.

8 Total expense ratio

Average value of fund assets	3,249,169,811	45,967,723
Operating expenses	31,337,143	715,414
	<u>0.96%</u>	<u>1.56%</u>

9 Tax charge

The Fund is exempt from income tax. However, it withholds tax on interest distributed to unit holders.

	2025	2024
	Kshs.	Kshs.
10 <u>Government securities at fair value - treasury bonds</u>		
As at 1 January	31,017,078	-
Additions	2,011,000,000	29,000,000
Fair value gain	115,640,524	2,017,078
	<u>2,082,557,602</u>	<u>31,017,078</u>
Maturity analysis:		
Maturing within 1 year	1,321,753	1,321,753
Maturing after 1 year	2,081,235,849	29,695,325
	<u>2,082,557,602</u>	<u>31,017,078</u>

The weighted average effective interest rate on treasury bonds as at 31st December 2025 was 12.97%.

	2025	2024
	Kshs.	Kshs.
11 <u>Corporate bonds at amortised cost</u>		
As at 1 January	-	-
Additions	240,000,000	-
Fair value gain	5,636,569	-
	<u>245,636,569</u>	<u>-</u>

12 Bank balances

	At 1 January 2025	Cash Flows	At 31st December 2025
	Kshs.	Kshs.	Kshs.
a) Bank balances	234	1,149,717	1,149,951
b) Fixed deposits	13,861,600	859,188,870	873,050,470
c) Demand deposits	1,308,362	53,942,045	55,250,407
	<u>15,170,196</u>	<u>914,280,632</u>	<u>929,450,828</u>

The weighted average effective interest rate on fixed deposits was 9.62% p.a and demand deposits was 7.21% p.a as at 31st December 2025.

MAYFAIR FIXED INCOME FUND
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	2025	2024
	Kshs.	Kshs.
13 <u>Payables and accruals</u>		
Management fees payable	8,475,188	219,551
	<u>8,475,188</u>	<u>219,551</u>

14 Related party balances and transactions

Mayfair Fixed Income Fund is managed by Mayfair Asset Managers Limited as its Fund manager. The Fund transacts with the Fund Manager. There have been no guarantees provided for any related party payables.

There were no provisions made or amounts written off on related party balances during the year. The amounts due to related parties are non-interest bearing and the balances are not secured.

14 Related party balances and transactions (Continued)

As at 31 December 2025, the balances and transactions with the Mayfair Asset Managers Limited were as follows:

	2025	2024
	Kshs.	Kshs.
a) Investments held on behalf of related party		
Mayfair Asset Managers Limited	3,317,197	2,170,503
	<u>3,317,197</u>	<u>2,170,503</u>
b) Transactions with related party during the year are as follows:		
Fund management fees (Note 7)	27,389,683	715,414
c) Balances due to related party		
Mayfair Asset Management Limited (Note 13)	6,421,449	219,551

15 Unit holders liabilities

	2025	2024
	Kshs.	Kshs.
Balance at 1 January	45,967,723	-
Creations	3,236,177,954	44,696,710
Liquidations	(187,392,643)	(4,781,093)
Income available for distribution	154,416,777	6,052,106
Balance at 31 December	<u>3,203,202,088</u>	<u>45,967,723</u>

16 Currency

The financial statements are presented in the Fund's functional currency, Kenya Shillings (Kshs).

17 Contingent liabilities and commitments

There were no contingent liabilities and commitments during the year.

18 Events after the reporting period

There are no events after the reporting date that would require adjustments to, or disclosure in, the financial statements.

