

CYTONN BALANCED FUND  
(Dormant)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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**Corporate Trustee**

Goal Advisory (A) Limited  
4<sup>th</sup> Floor, Krishna Centre,  
Woodvale Grove, Westlands  
P.O. Box 14426, 00100  
Nairobi, Kenya.

**Registered Office and Principal  
Place of Business**

Cysuites Work Spaces  
Church Road  
PO Box 20695, 00200  
Nairobi, Kenya.

**Fund Manager and Administrator**

Cytonn Asset Managers Limited  
Cysuites Work Spaces  
Church Road  
PO Box 20695, 00200  
Nairobi, Kenya.

**Custodians**

SBM Bank Kenya Limited  
Riverside Mews  
Riverside drive  
P.O Box 34886-00100  
Nairobi, Kenya

**Independent Auditor**

Parker Russell Eastern Africa LLP  
Certified Public Accountants  
Karengata Park, Marula Lane, Karen  
P.O Box 25426 - 00100  
Nairobi, Kenya

The Trustee has the pleasure of submitting the fund's report together with the audited financial statements for the year ended 31 December 2025.

### **ESTABLISHMENT, NATURE AND STATUS OF THE FUND**

The fund was established as Seriani Asset Managers Balanced Fund governed by a trust Deed dated 02 October 2017. This was subsequently changed to Cytonn Balanced Fund which was registered with the Capital Markets Authority on 24 December 2018 and began operations on August 2019.

The primary objective of the fund is to seek long term capital growth from a wide range of securities thereby allowing access to diverse investment assets and returns. It ultimately aims to mobilize savings and allow access to investment assets and returns in equities otherwise restricted to persons with access to large amounts of capital.

The fund is a unit trust and the interest of the individual members is determined by the value of their units. It is administered by the Trustee who is responsible for its affairs.

The fund is an approved collective investment scheme within the meaning of the Capital Markets Act; and the holders are not liable for the debts of the fund. On 14<sup>th</sup> November 2024, the Board of Directors approved closure of the fund.

As at 31 December 2025, the fund had no unitholders as all investors had fully exited from the fund and the fund is currently dormant.

### **CHANGES TO THE INCORPORATION DOCUMENTS**

There were no changes to the incorporation documents during the period under review.

### **FINANCIAL REVIEW**

The statement of profit or loss on page 13 shows loss for the period of Kshs (76,100) 2024: Kshs. (143,650). The statement of financial position on page 14 shows total net assets of Kshs. (68,301) as at 31 December 2025 (2025: Kshs 7,084).

### **PERFORMANCE RECORD**

The performance record of the Fund over the current period is as shown below:

a) The closing, lowest and highest unit prices of the units of the Fund:

	<b>2024</b>	
	<b>Bid</b>	<b>Offer</b>
	<b>Price</b>	<b>Price</b>
	<b>Kshs</b>	<b>Kshs</b>
Closing unit price	96.92	96.92
Lower unit price	53.34	53.34
Highest unit price	96.92	96.92

**PERFORMANCE RECORD (CONTINUED)**

The lowest and highest bid prices of the units of the Fund for the period are as shown below;

	<b>2024</b>
	<b>Kshs</b>
Highest price	138.51
Lower price	83.18

b) The total Fund value, number of units and net loss realized for all units held at the end of period:

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Total fund value (Shs)	(68,301)	7,084
Net (loss) realized	(76,100)	(143,650)
Number of units distributed	-	605,418

**INVESTMENT**

Under the terms of their appointment, Cytonn Asset Managers Limited is responsible for the investment of funds. The overall responsibility for investment and performance lies with the Trustee.

**FUND ADVISORS**

The names and addresses of the Fund manager, Trustee, Custodian and Auditor are as shown on page 1.

**STATEMENT AS TO DISCLOSURE TO THE FUND'S AUDITOR**

With respect to the Trustee at the time this report was approved:

- a) There is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- b) The Trustee has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**TERMS OF APPOINTMENT OF THE AUDITOR**

The Trustee monitors the effectiveness, objectivity and independence of the auditor. The Trustee also approves the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees

.....  
**Signed on Behalf of the Trustee By**

*30/03*  
 ..... **2026**



The Kenyan Capital Markets Act, requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the financial position of the fund at the end of the financial year and of its financial performance for the year then ended. The Trustee is responsible for ensuring that the fund keeps proper accounting records that are sufficient to show and explain the transactions of the fund; disclose, with reasonable accuracy at any time, the financial position of the fund; and that enables them to prepare financial statements of the fund that comply with prescribed financial reporting standards and the requirements of the Kenyan capital markets Act. They are responsible for safeguarding the assets of the fund, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Following a Board Resolution passed on 14<sup>th</sup> November 2024, the director approved the closure of the fund. The fund is therefore currently dormant and all unitholders have exited from the fund.

The Trustee acknowledges that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Trustee on...30/03/2026... and signed on its behalf by:

  
.....  
**Trustee**



**ESTABLISHMENT, NATURE AND STATUS OF THE FUND**

The fund was established as Seriani Asset Managers Balanced Fund governed by a trust Deed dated 02 October 2017. This was subsequently changed to Cytonn Balanced Fund which was registered with the Capital Markets Authority on 24 December 2018 and began operations on August 2019.


The primary objective of the fund is to seek long term capital growth from a wide range of securities thereby allowing access to diverse investment assets and returns. It ultimately aims to mobilize savings and allow access to investment assets and returns in equities otherwise restricted to persons with access to large amounts of capital.


The fund is a unit trust and the interest of the individual members is determined by the value of their units. It is administered by the Trustee who is responsible for its affairs.

The fund is an approved collective investment scheme within the meaning of the Capital Markets Act; and the holders are not liable for the debts of the fund. On 14th November 2024, the Board of Directors approved closure of the fund.

As at 31 December 2025, the fund had no unitholders as all investors had fully exited from the fund and the fund is currently dormant.

**Signed on behalf of Fund Manager By;**

Name..... Grace Mumbui Wren  
Signature.....   
Date..... 27 March 2025



**CYTONN BALANCED FUND  
CUSTODIAN REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025**

In accordance with the Capital Markets (Collective Investments Schemes) Regulations, 2023 and the Custody Agreement between SBM Bank Kenya Limited as the Custodian and Cytonn Asset Managers Limited as the Fund manager, we confirm that:

- a) We have discharged the duties prescribed for a Custodian under Regulation 68 of the regulations, to Cytonn Balanced Fund.
- b) We have received, maintained and kept in safe custody, all assets (including securities and income that accrue thereof) and title documents of the scheme.
- c) We have facilitated transfer, exchange or delivery of securities held upon receipt of proper instructions from the Fund manager, Administrator and the Trustee where applicable.
- d) We have kept proper books, records and statements of the assets held under management and transactions carried out within the year.

**By order of the Custodian**

  
**SBM Bank Kenya Limited**

..... 31.12.2026



**REPORT OF THE INDEPENDENT AUDITOR  
TO THE UNIT HOLDERS OF CYTONN BALANCED FUND  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**Opinion**

We have audited the financial statements of Cytonn Balanced Fund set out on pages 10 to 16, which comprise the Statement of Financial Position as at 31 December 2025, Statement of Profit or Loss, Statement of Changes in Unit Holder Funds and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Cytonn Balanced Fund as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard and the requirements of Kenyan Capital Markets (Collective Investment Schemes) Regulations, 2001.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

**Emphasis of Matter**

The fund's directors passed a resolution to close the fund on 14<sup>th</sup> November 2024. The fund is therefore not a going concern.

**Other information**

The Trustee is responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon other than that prescribed by the Kenyan Capital markets (Collective Investments Scheme).

## **Other information (Continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

## **Trustee's responsibility for the financial statements**

The Trustee is responsible for the preparation and fair presentation of these financial statements in accordance with Capital Markets Authority, International Financial Reporting Standards, and for such internal control as the Trustee determine 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 Trustee is responsible for assessing the fun

d's ability to continue as a going concern, disclosing as applicable, matters related to the going concern and using the going concern basis of accounting unless the proprietor intend to liquidate the firm 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 ISAs will always detect a material misstatement when it exists

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management'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 a significant doubt on the firm'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 or in the financial statements or, if such disclosures are inadequate, to modify our opinion.

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Partners: C. Otolo V. Majani M. Okonji

**Auditor’s responsibilities for the audit of the financial statements (Continued)**

- Our conclusions are based on the audit evidence up to the date of the auditor’s report. However, future events or conditions may cause the firm 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 Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

CPA Michelle Okonji, – Practicing certificate No 2423.

The engagement partner responsible for the audit

*Michelle*

**For and on behalf of; *Parker Russell Eastern Africa LLP***  
**Certified Public Accountants**  
**Nairobi, Kenya.**

*Michelle Okonji*

.....2026



UNIQUE CODE: 98578250321

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**Partners: C. Otolu V. Majani M. Okonji**

CYTONN BALANCED FUND  
 STATEMENT OF PROFIT OR LOSS  
 FOR THE YEAR ENDED 31 DECEMBER 2025

<b>Incomes</b>	<b>Notes</b>	<b>2025 Kshs</b>	<b>2024 Kshs</b>
Investment income	3	-	192,938
Fair value (loss) on investments	4	-	(114,688)
<b>Total incomes</b>		-	<b>78,250</b>
Operating expenses	5	(76,100)	(221,900)
<b>(Loss) for the year</b>		<b>(76,100)</b>	<b>(143,650)</b>

The notes set out on pages 14 to 16 form an integral part of the financial statements.

	Notes	2025 Kshs	2024 Kshs
<b>Assets</b>			
Trade and other receivables	6	-	86,099
<b>Liabilities</b>			
Trade and other payables	7	68,301	79,015
<b>Net assets</b>		<u>68,301</u>	<u>7,084</u>
<b>Fund balance</b>			
<b>Members balance</b>		<u>(68,301)</u>	<u>7,084</u>

The financial statements on pages 14 to 16 were approved for issue by the Trustee on 30/03..... 2026 and signed on its behalf by:

  
 .....  
**Trustee**



The notes set out on pages 17 to 27 form an integral part of the financial statements.

CYTONN BALANCED FUND  
 STATEMENT OF CHANGES IN UNIT HOLDER FUNDS  
 FOR THE YEAR ENDED 31 DECEMBER 2025

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
As at 1 January	7,084	756,152
Prior period adjustment	<u>715</u>	<u>-</u>
<b><i>As at 1 January-restated</i></b>	<b>7,799</b>	<b>756,152</b>
(Refunds) made on withdrawals by unit holders	<u>-</u>	<u>(605,418)</u>
<b>Net withdrawals by unit holders in the year</b>	<b>7,799</b>	<b>150,734</b>
(Loss) for the year	<u>(76,100)</u>	<u>(143,650)</u>
<b>As at 31 December</b>	<b><u>(68,301)</u></b>	<b><u>7,084</u></b>

The notes set out on pages 14 to 16 form an integral part of the financial statements.

	Notes	2025 Kshs	2024 Kshs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) for the year		(76,100)	(143,650)
Prior period adjustment		715	-
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables	<b>6</b>	86,099	(86,099)
(Decrease) in trade and other payables	<b>7</b>	<u>(10,714)</u>	<u>(281,274)</u>
<b>Net cash (used in) operating activities</b>		<b>-</b>	<b>(511,023)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease in treasury bonds		-	521,334
Decrease in quoted investments		<u>-</u>	<u>379,960</u>
<b>Net cash generated from investing activities</b>		<u>-</u>	<u>901,294</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount paid on withdrawals of units		<u>-</u>	<u>(605,418)</u>
<b>Net cash (used in) financing activities</b>		<u>-</u>	<u>(605,418)</u>
<b>(Decrease) in cash and cash equivalents</b>		<u>-</u>	<u>(215,147)</u>
<b>Movement in cash and cash equivalents</b>			
At start of the year		-	215,147
(Decrease) in cash and cash equivalents		<u>-</u>	<u>(215,147)</u>
<b>At end of the year</b>		<u><u>-</u></u>	<u><u>-</u></u>

The notes set out on pages 14 to 26 form an integral part of the financial statements.

## **1. Material accounting policy information**

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### **a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Transfer between levels of the fair value hierarchy are recognized by the trustee at the end of the reporting period during which the change occurred.

### **b) Revenue recognition**

- Investment income

Interest income is recognized in profit or loss as it accrues and is calculated by using the effective interest rate method on the outstanding principal.

Investment income also includes dividend income which is recognized when the right to receive the payment is established. Dividends are reflected as a component of other operating income based on the underlying classification of the equity instrument. Dividends are presented in net income from other financial instruments at fair value.

- Realized/unrealized gains and losses

Unrealized/realized gains and losses on valuation of financial assets at the reporting date or sale of financial assets are recognized in profit or loss. Gain and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

**1. Material accounting policy information (Continued)**

**c) Cash and cash equivalents**

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

**2. Going concern**

On 14<sup>th</sup> November 2024, the fund's directors passed a resolution to close the fund. The company is in the process of closing its bank accounts with its custodians. The fund therefore no longer remains a going concern and is currently dormant.

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>3. Investment income</b>		
Interest income	-	2,431
	<u>-</u>	<u>2,431</u>
<b>At fair value through profit or loss</b>		
Gains on sale of equity investments	-	158,570
Dividend income	-	19,665
	<u>-</u>	<u>178,235</u>
IFRS 9 impairment provisions	-	12,273
	<u>-</u>	<u>192,938</u>
<b>4. Fair value changes</b>		
<i>Fair value loss</i>		
Quoted equity investments	-	114,688
	<u>-</u>	<u>114,688</u>
<b>5. Fund expenses</b>		
<b>Operating expenses</b>		
Business permit expense	50,000	-
Audit fees	26,100	78,300
ERP License and maintenance	-	58,835
Fund management fees	-	25,339
Publication fee	-	25,000
Custody fees	-	19,800
Bank charges	-	9,762
Advertising and marketing	-	1,600
Brokers' commissions	-	1,585
Trustee fees	-	1,285
IPRS fees	-	394
	<u>76,100</u>	<u>221,900</u>
<b>6. Trade and other receivables</b>		
Related party receivable (note 8)	-	86,099
	<u>-</u>	<u>86,099</u>

In the opinion of the Trustee, the carrying amount of the trade and other receivable approximate to their fair value.

**7. Trade and other payables**

Payables to related parties (note 8)	68,301	-
Other payables	<u>-</u>	<u>79,015</u>
	<u>68,301</u>	<u>79,015</u>

Related party payables represent amounts owed to Cytonn Investments Management PLC for Capital Markets Authority license renewal and audit fees that were paid on behalf of the fund.

In the opinion of the Trustee, the carrying amounts of trade and other payables approximate to their fair value.

	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>8. Related party balances and transactions</b>		
<b>i) Sales of services</b>		
Management fees paid to related party	<u>-</u>	<u>25,339</u>
<b>a) Payables to related parties (note 8)</b>		
Cytonn Investments Management PLC	<u>68,301</u>	<u>-</u>
<b>b) Receivable to related parties (note 6)</b>		
Cytonn Investments Management PLC	<u>-</u>	<u>86,099</u>

Cytonn Balanced Fund is managed by Cytonn Asset Managers Limited as their Fund Manager. Cytonn Asset Managers Limited is a related party to Cytonn Balanced Fund by virtue of common shareholding which owns a number of other subsidiaries which are fellow subsidiaries to Cytonn Asset Managers Limited.

The Fund transacts with these companies within the Cytonn Group companies.

**9. Events after the reporting period**

Directors are not aware of material events after the reporting period that need to be disclosed.

**10. Registration**

The Fund is registered in Kenya under the Capital Markets Authority (CMA) Act.

**11. Presentation currency**

The financial statements are presented in Kenya Shillings (Kshs).