

2021

APOLLO UNIT TRUST SCHEME ABRIDGED FINANCIAL REPORT TO UNIT HOLDERS



Apollo Asset, Investing Happiness



**APOLLO ASSET
MANAGEMENT**

 www.apainurance.org

TABLE OF CONTENTS

Company Information	4
Group Structure	5
Report of the Corporate Trustee	6
Statement of Corporate Trustee's Responsibilities	8
Report of the Custodian	9
Chairman's Statement	10
FINANCIAL STATEMENTS	
Apollo Money Market Fund	14-15
Apollo Balanced Fund	17-18
Apollo Equity Fund	20-21



COMPANY INFORMATION

Registered office

Apollo Asset Management Company Limited
Apollo Centre, 3rd Floor, Ring Rd Parklands, Westlands
P.O. Box 30389-00100
Nairobi

Corporate Trustee

KCB Bank Kenya Limited
KCB Towers, 7th Floor Upper Hill
Junction of Kenya Road & Hospital Road
P.O. Box 30664-00100
Nairobi

Fund Manager and Administrator

Apollo Asset Management Company Limited
Apollo Centre, 3rd Floor
Ring Rd Parklands, Westlands
P.O. Box 30389-00100
Nairobi

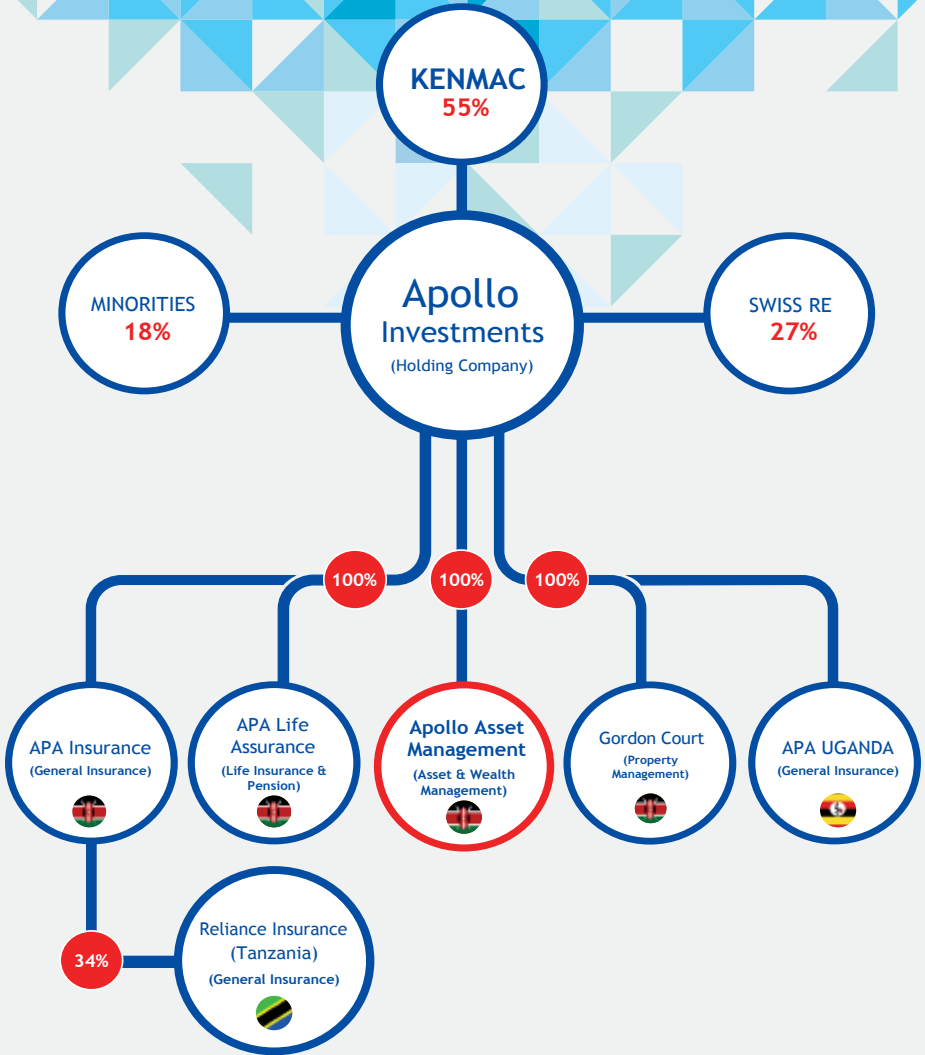
Custodian

The Co-operative Bank of Kenya Limited
KUSCCO Centre, Ground Floor
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P.O. Box 48231 - 00100
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Independent Auditor

PricewaterhouseCoopers LLP
PWC Tower, Waiyaki Way/Chiromo Road Westlands
P.O. Box 43693 - 00100
Nairobi

GROUP STRUCTURE



REPORT OF THE CORPORATE TRUSTEE

FOR THE PERIOD ENDED 31 DECEMBER 2021

The Trustee has the pleasure of submitting the Funds report together with the extracts of audited financial statements of Apollo Unit Trust Scheme for the year ended 31 December 2021.

ESTABLISHMENT, NATURE AND STATUS OF THE FUNDS

The Funds were established on 6th January 2016 and are governed by a Trust Deed dated 30th November 2015. The Funds are registered with the Capital Markets Authority and approved under the Income Tax Act. The Funds are tax exempt and received a tax exemption certificate on 28th June 2019 with exemption being effective from 1st February 2019. The scheme only withholds tax on interest distributed to unit holders'.

The primary objective of each of the Funds is detailed below:

Apollo Money Market: To obtain a reasonable level of return while preserving the capital and liquidity such that it is able to generate total return through investing in high quality money market instruments with a short-term maturity profile.

Apollo Balanced Fund: To seek long-term stability and moderate capital growth, consistent with moderate investment risks and a reasonable level of income.

Apollo Equity Fund: To generate long-term capital growth through investing principally in equities providing a medium to high risk profile by investing in stocks of several sectors of the economy such that the Fund aims to achieve appreciation through investments in listed securities of companies on the Nairobi Securities Exchange.

The Funds are 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 Funds are 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.

2021	Money Market		Balanced Fund		Equity Fund	
	Bid Price	Offer Price	Bid Price	Offer Price	Bid Price	Offer Price
	Kes	Kes	Kes	Kes	Kes	Kes
Closing unit price	119.24	119.24	128.32	123.38	111.63	106.31
Lowest unit price	119.03	119.03	115.55	111.11	106.41	101.34
Highest unit price	119.72	119.72	128.42	123.48	120.10	114.38
2020	Money Market		Balanced Fund		Equity Fund	
	Bid Price	Offer Price	Bid Price	Offer Price	Bid Price	Offer Price
	Kes	Kes	Kes	Kes	Kes	Kes
Closing unit price	119.35	119.35	115.56	119.35	119.35	115.56
Lowest unit price	117.99	117.99	104.60	117.99	117.99	104.60
Highest unit price	120.71	120.71	120.61	120.71	120.71	120.61

REPORT OF THE CORPORATE TRUSTEE *(continued)*

FOR THE PERIOD ENDED 31 DECEMBER 2021

INVESTMENT

Under the terms of their appointment Apollo Asset Management Company Limited are the Fund Managers and support the Trustee in the investment decisions. The overall responsibility for investment and performance lies with the Trustee.

FUND ADVISERS

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

AUDITOR

PricewaterhouseCoopers LLP was appointed in the year and continues in office in accordance with the Fund's Trust Deed and Section 55(A) of the Capital Markets (Licencing Requirements)(General) Regulations 2002.

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

For: KCB BANK KENYA LTD.

.....
CORPORATE TRUSTEE

Signed on behalf of the Corporate Trustee

11th March 2022

For: KCB BANK KENYA LTD.

.....
CORPORATE TRUSTEE

Signed on behalf of the Corporate Trustee

11th March 2022

STATEMENT OF CORPORATE TRUSTEE'S RESPONSIBILITIES

The Kenyan Capital Markets Act requires the Trustee 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 its financial performance for the period then ended. The Trustee is responsible for ensuring the Fund keeps proper accounting records that are sufficient to show and explain the transactions of the Fund; discloses with reasonable accuracy at any time the financial position of the Fund; and 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 also responsible for safeguarding the assets of the Fund and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee 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 applying them consistently; and
- iii. Making judgments and accounting estimates that are reasonable in the circumstances.


In preparing the financial statements, the Trustee has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Trustee to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

In the Custodian's opinion, the Fund Manager has in all material respects managed the Scheme in accordance with the provisions of the Capital Markets (Collective Investment Schemes) Regulations, 2001, incorporation documents, the Information Memorandum and the Rules of the Fund.

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

Approved by the Board of Trustee on 11th March 2022 and signed on its behalf by:

For: KCB BANK KENYA LTD.



CORPORATE TRUSTEE

Signed on behalf of the Corporate Trustee

11th March 2022

For: KCB BANK KENYA LTD.



CORPORATE TRUSTEE

Signed on behalf of the Corporate Trustee

11th March 2022

REPORT OF THE CUSTODIAN

In accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2001 (the Regulations) and the Custody Agreement between Co-operative Bank of Kenya Limited as the Custodians and Apollo Asset Management Company Limited as the Fund Manager, we confirm that:

- a) We have discharged the duties prescribed for a Custodian under Regulation 35 of the Regulations, to the Apollo Unit Trust Scheme Fund.
- b) We confirm having effected the sale, redemption and cancellation of units in accordance with the creation/liquidation instructions received from the Fund Manager.
- c) The investment and borrowing powers and restrictions applicable to the Fund in accordance with the Regulations and the documents of incorporation have not been exceeded.

For the period ended 31 December 2021, we have held the assets for the Fund, including title deeds, securities and income that accrue thereof, to the order of the Fund Manager and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager.

In our opinion, the Fund Manager has in all material respects managed the Scheme in accordance with the provisions of the Capital Markets (Collective Investment Schemes) Regulations, 2001, Incorporation Documents, the Information Memorandum and the Rules of the Fund.



Signed on behalf of the custodian

11th March 2022

CHAIRMAN'S STATEMENT



Richard M Ashley
Chairman

Introduction

It is my pleasure to present the Annual Report and Financial Statements of Apollo Asset Management, for the year ended 31st December 2021.

The year 2021 was more favourable in comparison to 2020 on account of an economic recovery that drove an uptake of services. A poor economic performance normally slows down the overall business as investors are more cautious and reduce their investments when budgets are under pressure.

Apollo Asset Management had a rewarding year guided by our responsible investing and capital preservation strategy. Our focus is centred on our clients' needs and providing solutions that align with their wealth creation goals at all levels.

Global and Sub-Saharan Environment

With markets slowly recovering two years after the onset of COVID, the major theme of 2021 was how to make supply chains more resilient while reigning in inflationary pressure.

Building additional capacity, holding inventory, and safeguarding against disruptions has proven not to be cheap. Ultimately, supply chains are driven by people, and 2021 showed the limitations of the system. As companies and consumers adapted, the knots untangled somewhat with global growth and sub-Sahara rebounding to an estimated 5.5% and 3.2% respectively in 2021.

Kenya Economic Review

The government eased COVID-19 restrictions resulting in a significant recovery of economic activity. 2021 GDP growth came in at 7.5%. The recovery was mainly driven by rebounds across various sectors of the economy that were mostly affected by the pandemic in 2020.

Rallies were experienced in the manufacturing, education, food and service sectors whilst the agricultural sector contracted mainly due to unfavourable weather conditions experienced in the country for the better part of the year.

Economic activity as measured by the Stanbic Purchasing Managers Index (PMI) averaged 50.56 over the year compared to an average of 48.00 in 2020. Readings above 50.0 signal an improvement in business conditions whilst readings below 50.0 indicate a decline.

Inflation

In 2021, inflation remained relatively stable with a gradual rise between Q2 and Q3 to a high of 6.91% in September. The rise in inflation, during the year, was mainly driven by higher food and fuel prices.

The Central Bank, through the Monetary Policy Committee, remains confident that inflation expectations remain within statutory expectations of 2.5% - 7.5%.

CHAIRMAN'S STATEMENT *(continued)*

Foreign Exchange

The Shilling depreciated by 3.64% against the USD closing at KES 113.10 in 2021, lower than the 7.73% depreciation in 2020 when it closed at KES 109.20. This depreciation was driven by a wider trade deficit with the costs of raw material imports and crude oil increasing against declining forex inflows from tea and coffee exports as well as tourism.

Average CBK's usable forex reserves declined to US\$8.7Bn (5.3 months of import cover) in 2021 compared to US\$8.8Bn (5.4 months of import cover) in 2020 which was supported by inflows from the IMF's US\$739Mn Rapid Credit Facility (RCF), the Sovereign US\$1Bn Eurobond and the US\$750Mn loan from the World Bank.

Interest Rates

During the year, the Monetary Policy Committee met six times and maintained the Central Bank Rate (CBR) at 7.0% while the cash reserve ratio was increased by 100bps to 5.25%.

The Monetary Policy Committee maintained an accommodative monetary policy stance throughout 2021 in a bid to support the economic recovery, which was in line with the stances taken by most central banks globally. We expect this stance to continue for the first half of 2022.

Equities

The Nairobi All Share Index (NASI) and NSE 20 Share index gained +9.4% and +1.8% respectively compared to -8.6% and -29.6% in 2020.

There was a general improved performance by most companies following the lifting of Covid-19 containment measures. In 2021, foreign net outflows amounted to KES.10.2Bn compared to KES 28.6Bn in 2020. These outflows were largely driven by a shift to safe haven assets during the pandemic

Outlook

Whereas there is still some uncertainty as a result of the prevailing effects of the pandemic and the political climate due to 2022 elections, the economic momentum is expected to pick-up and maintain for the better part of the year.

IMF projects that the GDP growth will slow down to 5.7% driven by a higher inflation and electioneering period. The Government's borrowing appetite is expected to carry on as a result of the widening fiscal gap.

The acceptance of new debt at higher yields implies a rising profile for the local yield curve which will have a negative impact on fixed income valuations and return.

We remain committed to growing the business and delivering value to investments and clients through excellent customer service, customized solutions and positioning our portfolios accordingly. We endeavour to adapt to the changing business environment and arising risks.

Appreciation

I wish to express my sincere appreciation to our shareholders, clients and all stakeholders for their support throughout the year.

I thank my fellow directors for their counsel and staff for their commitment during the year.

We look forward to more mutually beneficial partnerships and a happy and fruitful 2022!

Richard M Ashley
Chairman
Apollo Asset Management Co. Ltd

HAPPINESS IS...

WATCHING YOUR SAVINGS MULTIPLY EVERY DAY.

APOLLO UNIT TRUSTS



HAPPINESS IS...

SEEING YOUR CHILD LEARN NEW THINGS STRESS FREE.

APOLLO MONEY MARKET FUND



APOLLO MONEY MARKET FUND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of comprehensive income

	2021	2020
	Kes	Kes
Income		
Interest income	56,093,147	47,315,960
Fair value (losses)/gains on investments at fair value through profit and loss	(1,742,714)	3,839,117
Total income	54,350,433	51,155,077
Operating expenses	(7,376,340)	(5,506,380)
Profit before income tax	46,974,093	45,648,697
Income tax expense	–	–
Profit for the year	46,974,093	45,648,697
Other comprehensive income	–	–
Profit for the year attributable to unit holders	46,974,093	45,648,697

The full set of 2021 Audited Annual Report and Financial Statements can be obtained from the Apollo Group website www.apainsurance.org

Statement of changes in unit holders' balances

	Unit holder capital balances
	Kes
Balance at 1 January 2021	561,534,972
Transactions with unit holders:	
Profit for the year	46,974,093
Net proceeds from units traded in the year	68,343,724
Balance at 31 December 2021	676,852,789

	Unit holder capital balances
	Kes
Balance at 1 January 2020	495,876,007
Transactions with unit holders:	
Profit for the year	45,648,697
Net proceeds from units traded in the year	20,010,268
Balance at 31 December 2020	561,534,972

APOLLO MONEY MARKET FUND FINANCIAL STATEMENTS


FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of financial position

	2021	2020
	Kes	Kes
FUND BALANCES		
Unit holder balances	676,852,789	561,534,972
REPRESENTED BY		
ASSETS		
Corporate bonds	25,522,880	9,390,734
Treasury bonds	163,832,929	147,795,221
Commercial papers	61,119,823	–
Fixed deposits	267,455,089	272,177,525
Call deposits	42,972,167	108,640,164
Treasury bills	116,099,586	21,715,270
Cash at bank	2,924,705	3,886,270
Total Assets	679,927,179	563,605,184
Current Liabilities		
Payables	3,074,390	2,070,212
Net Assets	676,852,789	561,534,972

The above financial information is extracted from the Fund's financial statement approved for the issue by the Trustee on 11th March 2022 and were signed on behalf of the Trustee.

For: KCB BANK KENYA LTD.


CORPORATE TRUSTEE

Signed on behalf of the Corporate Trustee

11th March 2022

For: KCB BANK KENYA LTD.


CORPORATE TRUSTEE

Signed on behalf of the Corporate Trustee

11th March 2022



HAPPINESS IS...

HAVING YOUR MONEY WORK FOR YOU

APOLLO BALANCED FUND



APOLLO BALANCED FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of comprehensive income

	2021	2020
	Kes	Kes
Income		
Interest income	1,847,148	1,293,636
Fair value gains/(losses) on investments	9,863	(1,772,046)
Total income/(loss)	1,857,011	(478,410)
Operating expenses	(877,031)	(754,239)
Profit/(loss) before income tax	979,980	(1,232,649)
Income tax expense	–	–
Profit/(loss) for the year	979,980	(1,232,649)
Other comprehensive income	–	–
Profit/(loss) for the year attributable to unit holders	979,980	(1,232,649)

The full set of 2021 Audited Annual Report and Financial Statements can be obtained from the Apollo Group website www.apainsurance.org

Statement of changes in unit holders' balances

	Unit holder capital balances
	Kes
Balance at 1 January 2021	16,085,258
Transactions with unit holders:	
Profit for the year	979,980
Net proceeds from units traded in the year	10,625,443
Balance at 31 December 2021	27,690,681

	Unit holder capital balances
	Kes
Balance at 1 January 2020	18,864,215
Transactions with unit holders:	
Loss for the year	(1,232,649)
Net proceeds from units traded in the year	(1,546,308)
Balance at 31 December 2020	16,085,258



APOLLO BALANCED FUND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of financial position

	2021	2020
	Kes	Kes
FUND BALANCES		
Unit holder balances	27,690,681	16,085,258
REPRESENTED BY		
ASSETS		
Equities	6,167,191	3,782,961
Treasury bonds	17,296,009	5,476,807
Fixed deposits	—	4,657,420
Call deposits	2,695,924	1,453,305
Treasury bills	2,290,873	1,158,175
Cash at bank	116,958	160,760
Total Assets	28,566,955	16,689,428
Current Liabilities		
Payables	876,274	604,170
Net Assets	27,690,681	16,085,258

The above financial information is extracted from the Fund's financial statements approved for issue by the Corporate Trustee on 11th March 2022 and were signed on behalf of the Corporate Trustees:

For: KCB BANK KENYA LTD.

CORPORATE TRUSTEE

Signed on behalf of the Corporate Trustee

11th March 2022

For: KCB BANK KENYA LTD.

CORPORATE TRUSTEE

Signed on behalf of the Corporate Trustee

11th March 2022

HAPPINESS IS...

HAVING MONEY SAVED FOR EMERGENCIES

APOLLO EQUITY FUND



APOLLO EQUITY FUND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of comprehensive income

	2021	2020
	Kes	Kes
Income		
Interest and dividend income	425,004	425,004
Net Change in fair value	119,787	(1,180,590)
Total income/(loss)	544,791	(776,757)
Operating expenses	(614,906)	(416,240)
Loss before income tax	(70,115)	(1,192,997)
Income tax expense	–	–
Loss for the year	(70,115)	(1,192,997)
Other comprehensive income		–
Loss for the year attributable to the unit holders	(70,115)	(1,192,997)

The full set of 2021 Audited Annual Report and Financial Statements can be obtained from the Apollo Group website www.apainsurance.org

Statement of changes in unit holders' balances

	Unit holder capital balances
	Kes
Balance at 1 January 2021	6,780,441
Transactions with unit holders:	
Loss for the year	(70,115)
Net proceeds from units traded in the year	181,406
Balance at 31 December 2021	6,891,732

	Unit holder capital balances
	Kes
Balance at 1 January 2020	8,369,856
Transactions with unit holders:	
Loss for the year	(1,192,997)
Net proceeds from units traded in the year	(396,418)
Balance at 31 December 2020	6,780,441

APOLLO EQUITY FUND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of financial position

	2021	2020
	Kes	Kes
FUND BALANCES		
Unit holder balances	6,891,732	6,780,441
REPRESENTED BY		
ASSETS		
Equities	5,332,667	3,224,508
Call deposits	1,955,441	1,910,872
Treasury bills	–	1,938,606
Cash at bank	37,451	29,793
Total Assets	7,325,559	7,103,779
Current Liabilities		
Payables	433,827	323,338
Net Assets	6,891,732	6,780,441

The above financial information is extracted from the Fund's financial statement approved for the issue by the Trustee on 11th March 2022 and were signed on behalf of the Trustee.

For: KCB BANK KENYA LTD.



Signed on behalf of the Corporate Trustee

11th March 2022

For: KCB BANK KENYA LTD.



Signed on behalf of the Corporate Trustee

11th March 2022



Apollo Asset Management Company Limited

Apollo Centre, Ring Road, Parklands,
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Machakos

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Group Companies

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E-mail: info@apainsurance.org
Website: www.apainsurance.org

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Branches: Mbarara, Mbale, Jinja & Mukono

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E-mail: info@apollocentre.org
Website: www.apollocentre.org

Associate Company



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