

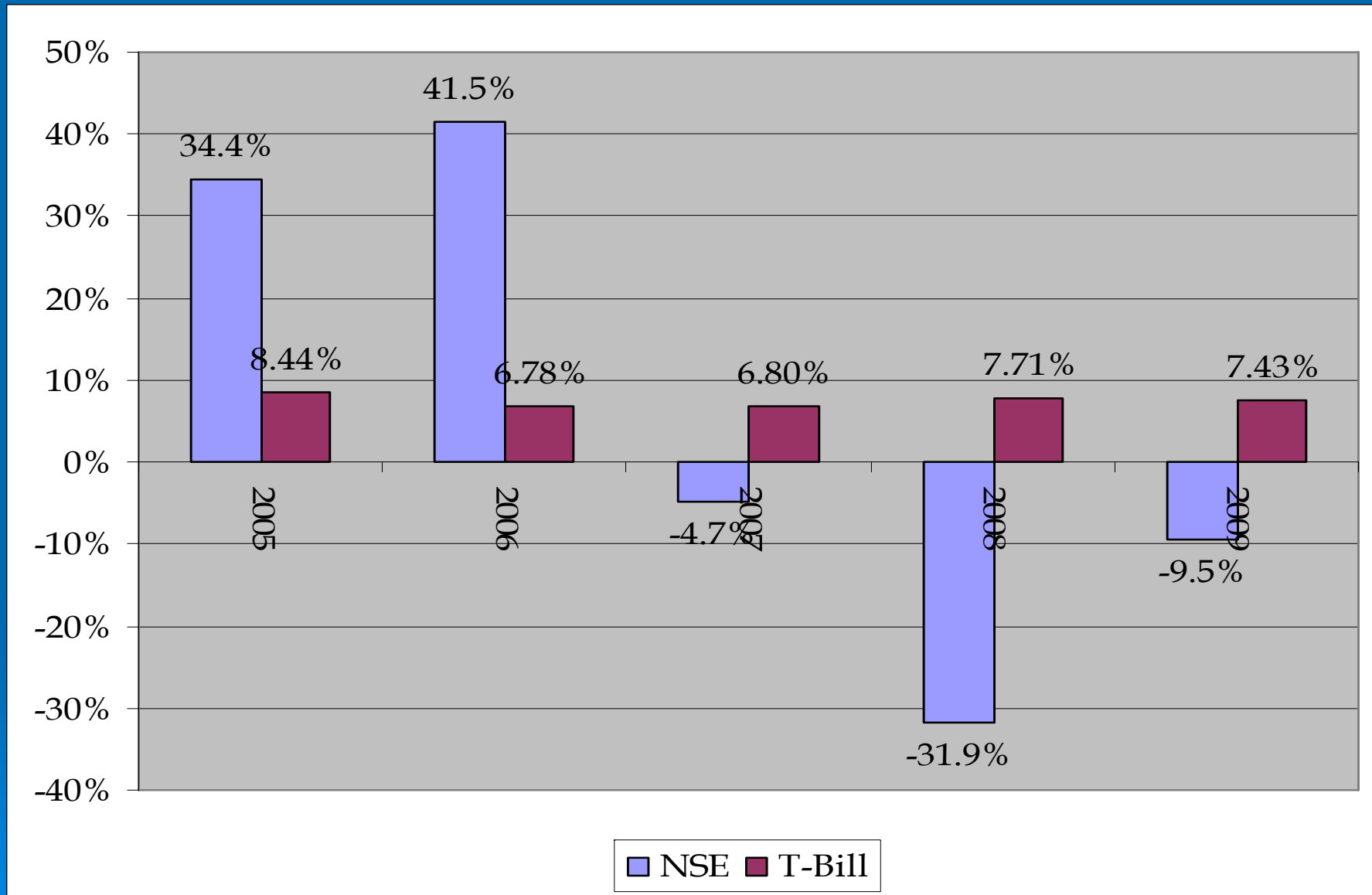
2010 AGM Presentation

On the Road to Recovery

Tuesday, June 22, 2010

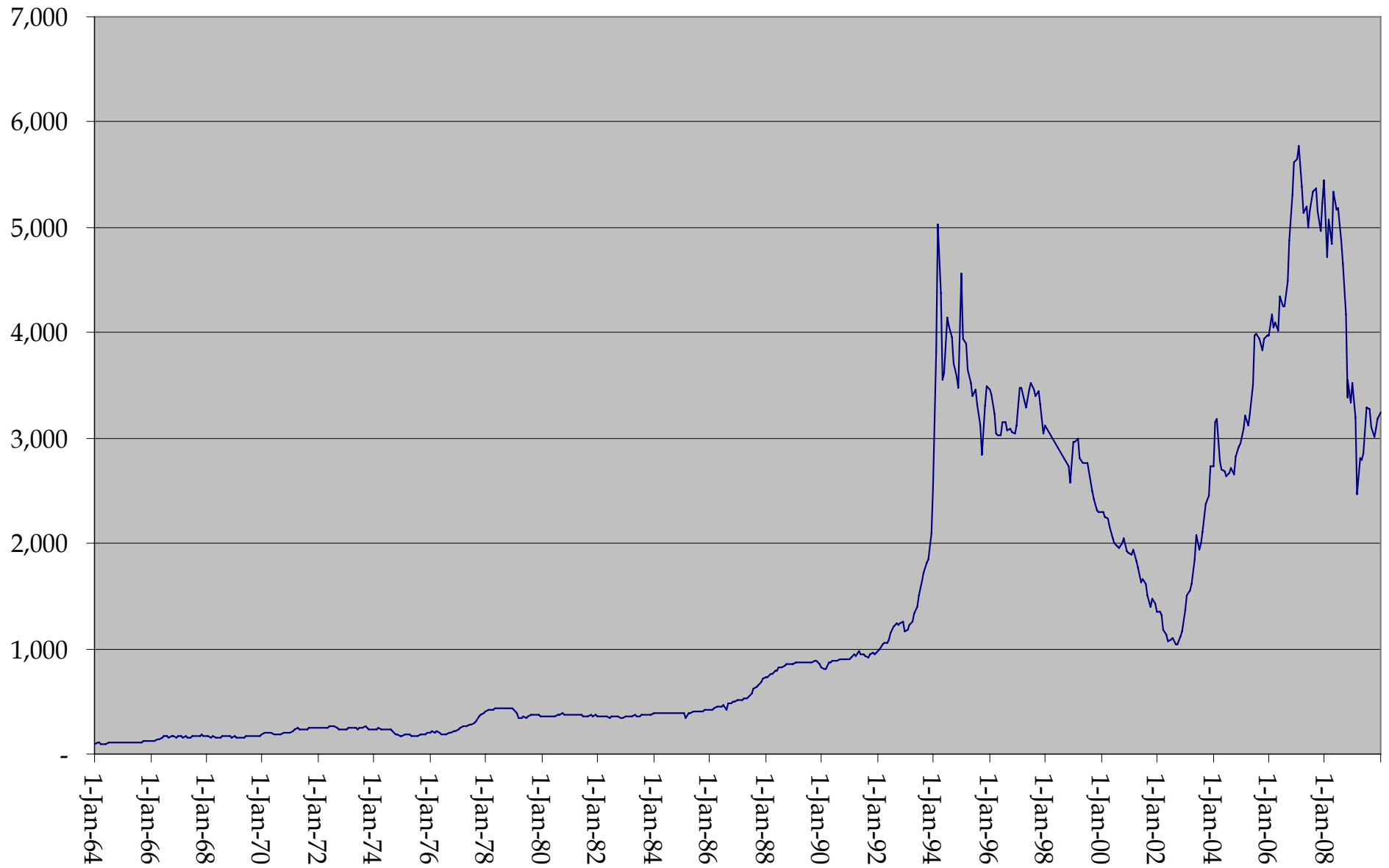


Stock Market Performance



- NSE 5 year average returns at 6%
- NSE 3 year average returns at -15% due to GFC
- 91 day Treasury bill 5 year average at 7.4%
- 91 day Treasury bill 3 year average at 7.1%
- Equity investors fared worse than fixed income investors because of effects of global financial crisis on share prices

NSE Index 1964 - 2009



- Short term volatility part of normal trend
- Long term trend is generally upward
- Downward cycles present good buy opportunities
- Avoid selling during declining markets

Foundations for Recovery

- Low inflation at 3.93% in May 2010 compared to a high of 31.98% in May 2008; boost to consumer disposable income over time
- Falling interest rates with 91-day Treasury bill at all time low of 2.628% compared to a high of 8.52% in November 2008; but lending rates still high at 14.58%
- High allocation to development budget of kshs.321.2 billion, assuming absorption will meet the 90% target in the next financial year

Equity Market in Firm Recovery

	6 Months	1 Year
NSE Index	32%	35%
NAS Index	31%	36%
AIG Index	26%	34%
Zimele Balanced Fund	30%	34%

But Risks to Recovery Still Looming

	External Debt/GDP
Portugal	223%
Italy	101%
Ireland	1004%
Greece	167%
Spain	165%
Kenya	24%

Risks to Recovery

- Euro zone sovereign debt crisis could throw global economy back into recession
- Constitution review process and political uncertainty
- However, the Kenyan economy is still firmly on track with growth projected at 4 – 5% this year

Developments in Unit Trust since Previous AGM

- New look website
- Weekly newsletter with focus on financial planning
- Launch of M-Pesa payments service
- Lowering of minimum entry levels to kshs.250

M-Pesa Process

Safaricom Menu M-Pesa Option

Pay Bill Option

Business Number

501100 - Pension Plan

501101 - Savings Plan

Account Number - ID/ Passport No. / Zimele A/c No.

Amount & M-Pesa Security PIN

Preview & Allow SIM to send a message

End

Thank You!

Tuesday, June 22, 2010

