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INVESTMENT SERVICES BROCHURE

Zimele Unit Trust is licensed by the Capital Markets Authority (CMA) as a collective investment scheme. It is based on the pooling of funds concept where money from various investors is pooled and then channeled into various investments. The Unit Trust has two funds that members can invest in.

1. Balanced Fund

The Balanced Fund is invested in shares of companies at the Nairobi Stock Exchange, and interest earning investments. Its focus is long-term growth, and as such, is ideal for investors with a medium to long term horizon. We recommend it to investors with a minimum holding period of not less than one year, preferably longer.

Features

Returns are in the form of capital gains on units purchased. One can invest either on regular intervals or lump sum amount in any frequency. Charges include a one-off administration fee of 3% for every new investment, and an annual management fee of 2.5%. There are no other hidden costs or charges.

2. Money Market Fund

The Money Market Fund is appropriate for investors who are risk-averse. The objective of the portfolio is to preserve the capital invested, generate regular interest income and provide liquidity. Funds are invested in short term instruments including Treasury bills, commercial paper and other interest-earning assets.

Features

Returns are in the form of interest income which is credited to members' accounts as it is earned though the money is available to you after the minimum withholding period. The rate of interest (yield) is based on the average interest rate on the invested assets at any particular point in time. Interest is paid net of withholding tax.

Fees

One can invest either on regular intervals or lump sum amounts in any frequency. The only charge is a management fee of 2% per year.

Access to Information

You can track the performance of your investment from three sources:-

- Financial markets pages of national newspapers
- Our website <http://www.zimele.co.ke/>. You can view your statements <http://www.zimele.co.ke/online/>
- At our offices at Ecobank Towers 7th floor, Muindi Mbingu Street, Nairobi.

P.S: Please add our e-mail address to your address book to avoid any communication from us going to the bulk folder.

ADVANTAGES OF INVESTING IN THE FINANCIAL MARKET THROUGH A UNIT TRUST

1. Professional Investment Management:

A unit trust has the resources to hire the services of professional investment managers who are trained to structure portfolios that deliver good investment returns.

2. Diversification:

Your money is pooled together with that of many other investors and spread across a range of investments in different markets. This increases your chances of obtaining good returns and reduces your risk because you do not depend on the performance of only one economy or industry.

3. Liquidity:

Your shares in the Zimele Unit Trust can be converted to cash quickly by selling them back to the society. The price of shares in the Unit Trust is calculated on the basis of the market value of the securities in the portfolio.

4. Security:

The Zimele Unit Trust operates a custodial account with Standard Chartered Securities Services Ltd, which holds all the assets of the unit trust.

5. Operational Convenience:

When investing via the unit trust, regular contributions enable the investor to gradually build a substantial capital base.

6. All Money Earns a Return:

Since there are no minimum balances, all investor funds earn a rate of return.

Membership

Types of membership include:

1. Individual
2. Joint
3. Group, Corporate, Institutional

In order to open an individual or joint account, you require 2 passport size photographs and a copy of your national identification card, driver's license or passport, to accompany your membership form.

To open a corporate account, you require a copy of resolutions of the organization authorizing opening of the account, a copy of registration or incorporation certificates, and names and addresses of at least three officials.

Structure of the Unit Trust

The Zimele Unit Trust is regulated by the Capital Markets Authority Collective Investment Schemes Rules and Regulations (2001), which prescribes the structure of unit trusts.

A unit trust is required to have a fund manager, a custodian and trustees. The role of the fund manager, who is also the promoter of the unit trust, is to invest funds of the unit trust in prescribed asset classes and ensure overall good performance of investments.

The role of the custodian is to ensure safe custody of all assets of the unit trust which is the custodian. The trustee's role is to ensure that the interests of the unit trust members are upheld according to regulatory guidelines. The fund manager, custodian and trustee are licensed and regulated by the Capital Markets Authority.

In the Zimele Unit Trust, the fund manager is Zimele Asset Management Limited, the custodian is Standard Chartered Securities Services Limited, and the Trustee is Kenya Commercial Bank (KCB) Trustee Services Limited.

ABOUT US

Zimele Asset Management is licensed as a fund manager by the Capital Markets Authority. The word Zimele means, “**Stand on your own feet**” and our Mission is to provide innovative investment services that will enable Kenyans to increase their financial resources to meet their various needs, either directly through retail products, or indirectly through products targeted at the institutions they work for. Our first responsibility is to the individuals who are the ultimate beneficiaries of our products and services.

Zimele Asset Management Company Ltd, or simply Zimele, was incorporated in 1995 and started operations in August 1998. Our Core business is investment management.

Although the name Zimele is South African, the company is local and wholly owned by Kenyans. Its objective is to provide retail investors with access to professionally managed financial market investments.

Zimele is also registered by the Retirement Benefits Authority (RBA) as a fund manager and we are managing the Zimele Personal Pension Plan, aimed at individuals who would like to save for retirement but work in organizations that are not able to operate a registered pension scheme.

Our Board of Directors is chaired by Dr. David Ndi, a Rhodes Scholar who holds a doctorate in Economics from Oxford University. He has vast experience in economic research and policy analysis having worked with numerous think tanks and governments both locally and internationally. He has previously held the role of chief economist at Equity Bank, Africa`s leading micro-finance bank.

Other board members include **Mr. George Ooko, Mrs. Njeri Kariuki and Mr. Peter Waa.**

Mr. **Ooko** has extensive experience in marketing of retail financial products. He is the chief executive of the Coffee Development Fund and has held the position of Retail Director in Barclays Bank of Kenya and NIC Bank.

Mrs. **Kariuki**, is a lawyer by profession and is a member of the Chartered Institute of Arbitrators. Mrs. Kariuki also sits on boards of companies in various industries.

Mr. Peter **Waa** is a consultant with extensive experience in the IT industry.

Board of Directors

FREQUENTLY ASKED QUESTIONS

❖ **How safe is my money?**

All assets of the Unit Trust, including investments and money awaiting investment, are held by the custodian, Standard Chartered Securities Services (SCSS) for safe keeping on behalf of the unit trust. Payments can only be made once SCSS receives instructions from the Unit trust's authorized signatories. Zimele Asset Management Company does not take clients' funds into bank accounts; its role is restricted to providing investment management services to the Unit Trust, for which it earns a fee. This structure considerably reduces operational risks.

The other risk is market or investment risk. Ultimately, the safety of your money depends on where it is invested, if it is invested in Treasury bonds, it is very safe since Treasury bonds are guaranteed by the government through the Central Bank of Kenya; if it is invested in shares of companies listed at the Nairobi Stock Exchange (NSE), then you may be exposed to market risk, which can be reduced by you as the client, and us as the fund manager. On your part, avoiding a short-term investment period helps you to considerably reduce market risk, the longer your holding period, the lower the investment risk and the better the investment performance. On our part as the fund manager, we only invest in a basket of shares of companies listed at NSE, and frequently monitor their performance, and if the need arises, take action to safeguard your interests.

❖ **Which portfolio should I invest in?**

Your choice of portfolio will be influenced by how long you want to invest. We recommend the Money Market for the amount you are not willing to take a risk with.

In this fund, your principal will be secure and you will earn interest over the period.

This is after one year. If you are looking at investing for one year or more (long term), we recommend the Balanced Fund since shares tend to perform better over the long term.

❖ **How do I get my money back?**

You can withdraw part or all of your funds by selling units at the prevailing price. All you need to do is complete a withdrawal request and send it to us indicating the number of units you wish to sell. Withdrawal payments are ready within 4 working days of receiving your instructions. Please also note that the Fund Manager reserves the right to hold withdrawals based on the status of the Fund.

❖ **Once I decide to get started, how do I make payments?**

You can invest through bankers Cheque, personal Cheque, Mpesa paybill 501101 or standing order. Cheques should be written in favor of Zimele Unit Trust. Always remember to clearly state the Fund you would like to invest in when making payments.

All cash payments should be deposited into our bank accounts:

1. **Kenya Commercial Bank, Custody services.** For those who wish to invest in Balanced Fund the account name is **Zimele Unit Trust Balanced Fund Account number; 004-200-961-094.** Those investing in Moneymarket Fund Account name is **Zimele Unit Trust Money Market Fund; Account number 004-200-961-116.**
2. **Barclays Bank, Barclays Plaza;** Zimele Unit Trust Balanced Fund Account number is **077-500-6331** and Zimele Unit Trust Money Market Fund account number is **077-500-6757.**

Remember to include your full names and your ID, passport or Zimele account number on the deposit slip and insist that the cashier captures this information. Deliver the deposit slip to our offices at Ecobank Towers, 7th floor or scan and email it to info@zimele.net