



## Unit Trust Information Memorandum

In terms of part IV of the Capital Markets Authority (CMA) Collective Investment Schemes Regulations, 2001, permission has been granted by the CMA to offer to the public the securities which are the subject of this issue. As a matter of policy, the CMA assumes no responsibility for the correctness of statements or opinions made or reports contained in this Information Memorandum. The Zimele Money Market Fund and the Zimele Balanced Fund are the Unit Trust Funds registered in terms of a Trust Deed, each individually, offered at the offices of Zimele Asset Management Company Limited (the Fund Manager), which is the address where the Trust Deed and any other periodic reports may be obtained. The Fund Manager was granted consent to register the Zimele Unit Trust Funds Scheme on 1<sup>st</sup> March 2007.

**RISKS ASSOCIATED WITH INVESTMENT:** It is important to note that there are risks associated with Balanced Fund Unit Trust investments, and more specifically that the price of units may rise, as well as fall. The Fund Manager shall incur no liability by reason of the exercise of its discretion on the sale and repurchase of units in the Fund. It is recommended that should you have any queries with regard to this information memorandum or investing in the fund, you should consult our financial advisors.

**APPLICABLE TAX LAWS:** The Funds are domiciled in Kenya and therefore fall under the tax laws of Kenya. As all income is distributed, the Funds themselves do not attract any income tax. Unit holders are however cautioned that their particular tax position will depend on a number of circumstances and that it may be desirable to consult a qualified tax advisor.

**UNIT HOLDERS RIGHTS:** All unit holders shall have a real right to their units and each unit is entitled to an undivided share of the relevant Fund and ranks equally with other units. The unit holders shall not be liable for the debts of any of the Funds. At no time shall any unit holder acquire any rights against the Trustee or the Fund Manager except as expressly conferred upon unit holders in terms of the Trust Deed. The Trustee shall not be bound to make any payment to unit holders except out of funds held or controlled by it for that purpose under the Trust Deed.

**UNIT HOLDER VOTING RIGHTS:** In terms of the Trust Deed, each unit holder present at a duly convened meeting of the unit holders shall be entitled to vote, either personally or by proxy, on a show of hands on any matter affecting his/her rights. The voting rights associated with the underlying securities held by any Fund shall be exercised by the Fund Manager on behalf of the unit holders in a manner considered to be in the best interests of the unit holders.

**DENOMINATION OF UNITS:** The Funds are denominated in Kenya Shillings.

**REQUIRED CAPITAL:** Each Fund shall have at all times a minimum of Ksh.100,000 invested capital with no maximum.

**WINDING UP OF FUNDS:** Each Fund shall be perpetual provided however that if at any time during its operation the market value of any individual Fund falls to a level that is considered not to be financially viable as far as meeting regular and statutory obligations, the Fund Manager may in its unrestricted discretion wind up such a Fund. Upon the winding up of any Fund, the Fund Manager shall realize the underlying securities comprising such Funds as quickly as possible having regard to the interests of unit holders, as to the timing of realization of any security.

Upon the realization of the entire Fund in question and upon settlement of all liabilities of the Fund, the Fund Manager shall make a final distribution to unit holders.

**INVESTMENT POLICY & OBJECTIVES:** Investments to be included in each Unit Trust Fund portfolio shall comprise of a mix of securities and liquid value with the aim of achieving the primary investment objective of each Fund as follows:

### **Zimele Money Market Fund**

The Fund's primary objective is preservation of capital whilst providing a predictable and competitive level of periodic income. The Fund invests in the money markets and in short and medium-term investment-grade debt securities to ensure an optimum level of stability, liquidity and return.

### **Zimele Balanced Fund**

The Fund's primary objective is to provide the investor with reasonable capital growth from the combined effect of the portions invested in fixed income securities and equities, whilst carrying a medium level of risk.

**ACCOUNTING PERIOD:** The Funds financial year end is 31<sup>st</sup> December.

**FUND MANAGER:** Zimele Asset Management Company Limited, Ecobank Towers 7<sup>th</sup> Floor, Muindi Mbingu Street, P.O. Box 76528-00508, Nairobi.

**TRUSTEE:** KCB Bank Kenya Limited, KCB Tower, Upper Hill; P.O. Box 30664-00100 Nairobi, Kenya

**CUSTODIAN:** Standard Chartered Securities Services Kenya, Chiromo level 5, 48 Westlands Road; P.O. Box 40984-0100 Nairobi.

**AUDITOR:** Dennis Paul and Associates; P.O. Box 75374-00200, Nairobi.

**EVIDENCE OF TITLE:** The Fund Manager shall issue membership cards and application form copies as evidence of title upon request from a unit holder. A record of all unit holders' interests will be kept in a register which shall be kept at the Fund Manager's offices.

**PAYMENTS TO FUND MANAGER:** The Fund Manager shall be entitled to charge upfront commissions on some Funds and to deduct monthly management fees. Payments to the Auditor, Custodian and Trustee shall be debited as expenses to each Fund.

**SALE & REDEMPTION OF UNITS:** The Fund Manager will receive requests for the issue, switching or redemption of units from 08:30hrs to 17:00hrs on all units in issue, and for that purpose to accept application monies. The minimum number of units that may be purchased shall be determined by the Fund Manager from time to time.

**VALUATION OF THE FUND:** The formula to determine the net asset value per unit of each Fund is to divide the aggregate market value of the underlying assets of each Fund less its expenses and/or liabilities by the units in issue.

**GENERAL INFORMATION:** The Fund Manager shall provide the Trustee and the Authority with an audited report of the funds within three (3) months after the end of the accounting period.