

ZIMELE UNIT TRUST FIXED INCOME FUND FACT SHEET DEC 2025

About Zimele Fixed Income Fund

Fund Launch Date	April-07
Initial Fee	0%
Annual Management Fee	2.00%
Currency	Kenya Shillings
Minimum Investment	Kshs. 100
Minimum-Top-up	Kshs. 100
Fund Size	Kshs. 3.96 Billion
Fund Manager	Zimele Asset Management Ltd
Fund Trustee	KCB Bank Kenya Ltd
Fund Custodian	Standard Chartered Bank Kenya Limited
Fund Auditor	Louse & Associates
Income Distribution	Monthly
Fund Benchmark	Composite Index (FTSE Bond Index, 364-Day Tbill)
Risk Profile	Conservative
Sharpe ratio	0.01
Expense Ratio	0.01
Month to date Yield	9.18% (Gross of tax net of Fees)
Effective Annual Yield	9.58% (Gross of tax net of Fees)

Economic Commentary and Market Outlook

Macroeconomy

The economy grew by 4.9 percent in the third quarter of 2025 (Q3 2025), compared to 4.2 percent in Q3 2024. The industrial sector continued to rebound strongly in Q3 2025 expanding by 4.8 percent compared to a contraction of -0.4 percent in the same quarter of 2024. Services sector maintained robust growth of 5.5 percent, supported by strong growth in accommodation and food services, real estate, finance and insurance, and transport and storage sectors. Agriculture sector grew by 3.2 percent compared to 4.0 percent Q3 2024, on account of increase in milk production and exports of cut flowers.

The Monetary Policy Committee (MPC) meeting held on December 9, 2025, decided to lower the Central Bank Rate (CBR) by 25 basis points to 9.00 percent from 9.25 percent. The Committee noted that overall inflation was expected to remain below the midpoint of the 5±2.5 percent target range in the near term, and growth in commercial banks' lending to the private sector continued to improve in line with declining lending interest rates.

Central banks in major economies had remained cautious in lowering interest rates, depending on their inflation and growth outlooks. The Committee also noted that the revised banking sector Risk-Based Credit Pricing (RBCP) model, which will be fully operational by March 2026, will improve the transmission of monetary policy decisions to commercial banks' lending interest rates and enhance transparency in the pricing of loans.

Inflation

Headline inflation remained stable at 4.5 percent in November and December 2025. Core inflation declined to 2.0 percent from 2.3 percent in November 2025, while non-core inflation increased to 11.2 percent from 10.1 percent over the same period, on account of increased prices of fresh vegetable and energy items

Exchange Rate and Forex Reserves

The Kenya Shilling remained stable against major international and regional currencies during the month ending Dec 31. It exchanged at Ksh 129.01 per US dollar on Dec 31 while on Nov 30 was 129.82. Overall, in 12 months to Dec 2025, the Kenya Shilling recorded 0.22 percent gain against the USD, similarly, KSHS strengthened against Ushs at 0.49 percent also strengthened against TSH at 0.32 and weakened with the Euro by 0.84 percent also weakened against STG Pound at 1.06 percent.

The **usable foreign exchange reserves** remained adequate at USD 12,394 million (5.3 months of import cover) as of December 31. This meets CBK's statutory requirement to endeavor to maintain at least 4 months of import cover.

Interest Rates

The yield on Kenya Government Bonds increased by 7 basis points from 12.08% in Nov to close the month of Dec at 12.15%. Bond turnover in the domestic secondary market decreased by 53.92 percent during the week ending December 31, 2025. In the international market, yields on Kenya's Eurobonds decreased by 8.39 basis points on average. Yields for Angola and Côte d'Ivoire also decreased.

Global Economic Outlook

Inflation concerns in advanced economies eased with headline inflation in the Euro area falling to 2.0 percent in December from 2.1 percent in November due to moderation in energy prices. Core inflation also fell to 2.3 percent from 2.4 percent. The U.S. Dollar Index strengthened by 0.62 percent during the week ending January 8, 2026, largely due to safe-haven demand and thin market liquidity, as investors favored the dollar amid subdued end-year trading conditions.

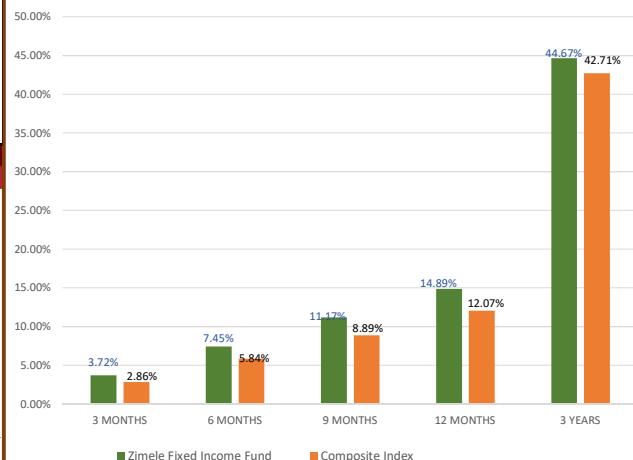
International oil prices edged downwards as end-year supply-demand conditions normalized. Murban crude oil traded at USD 62.51 per barrel on December 31, down from USD 62.90 per barrel on December 23.

Key Features of the Fund

- >Competitive returns
- >No penalties
- >Interest credited to statements is net of tax
- >Enhanced safety of funds
- >Compounding of interest
- >Deposit and withdrawal via M-Pesa
- >Online statements
- >Professional fund management

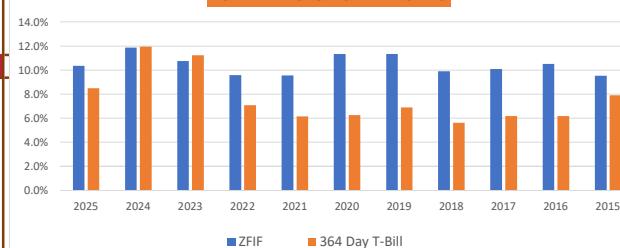
Fund Performance-Dec 2025

ZFIF FUND PERFORMANCE DEC 2025



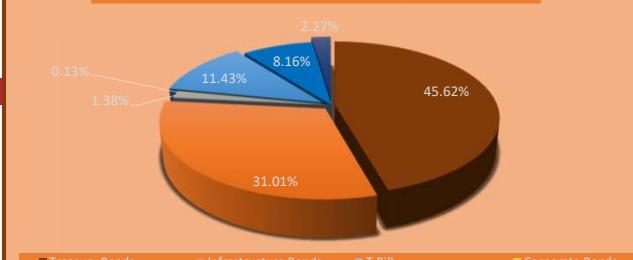
NB: The return is **inclusive of the management fee and withholding tax (gross return)**

10 YEAR HISTORICAL RETURNS



NB: Returns adjusted for withholding tax

Zimele Fixed Income Fund Asset Allocation



Statutory Disclaimer: Past Performance is not an indicator of future performance as investment returns may rise or fall. Zimele Asset Management Firm is regulated by Capital Markets Authority. The Authority does not take responsibility for the financial soundness of the scheme or for the correctness of any statements made or opinions expressed in this regard. For more information on the funds visit <https://www.zimele.co.ke/>