ZIMELE UNIT TRUST FIXED INCOME FUND FACT SHEET JUNE 2026

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. 4.92 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	9.48%	(Gross of tax net of Fees)
Effective Annual Yield	10.10%	(Gross of tax net of Fees)

Key Features of the Fund

>Competitve 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

Zimele Fixed Income Fund is Ideal for:

>Those seeking capital preservation;
>Building up savings for emergencies;
>Building up savings for chamas;
>Managing business surplus funds
>Savings for shortterm fianncial needs such as school fees, holidays, household goods
>Savings for life goals such as weddings

Economic Commentary and Market Outlook

Macroeconomy

Kenya's economy in June 2026, remains resilient but faces headwinds from higher global energy prices, fiscal pressures, and an uncertain external environment. The Kenya Shilling has stabilized, supported by adequate FX reserves and consistent diaspora inflows, though it faces mild risks from global dollar strength. China restructured Kenya's SGR loans by converting them from US dollars to Chinese yuan while also extending maturities and deferring repayments. The restructuring cuts Kenya's semi-annual debt service from KES 59 billion to KES 37.5 billion a 36% reduction (about US$167 million in savings) easing pressure on government finances and foreign exchange demand. Kenya has opened its domestic government bond market to international investors through a new settlement link with Clearstream, marking a major step in deepening the local capital market. The reform broadens the investor base at a time when the government plans to borrow KES 1.03 trillion domestically in FY2026/27 and local banks are showing limited capacity to absorb additional issuance. External financing has strengthened with new loans—including a $500 million sustainability-linked loan—and the proposed $2 billion Safaricom/Vodacom transaction, both of which are expected to bolster FX liquidity. The Central Bank of Kenya (CBK) has maintained the Central Bank Rate (CBR) at 8.75%, retaining a supportive monetary policy as regional inflation stays broadly under control.

Inflation

Headline inflation eased to 6.4 percent in June 2026 from 6.68 percent in May 2026 reflecting a moderation in the impact of global oil prices and domestic food prices. Core inflation declined marginally to 3.1 percent from 3.2 percent in May 2026, driven by a decline in prices of select processed food items. Over the same period, non-core inflation decreased to 15.1 percent from 16.0 percent, largely supported by moderation of energy prices, transport costs and food prices.

Exchange Rate and Forex Reserves

The Kenya Shilling remained stable against major international and regional currencies during the month ending June 30. It exchanged at Ksh 129.63 per US dollar on June 30 while on May 31 was 129.55. Overall, in 12 months to June 2026, the Kenya Shilling recorded 0.21 percent gain against the USD, similarly, KSHS strengthened against Ushs at 2.98 percent and weakened against Tshs, Euro and STG pound by 0.5, 2.16 and 1.57 percent respectively.
The usable foreign exchange reserves remained adequate at USD 13,173 million (5.6 months of import cover) as of June 25. This meets CBK's statutory requirement to endeavor to maintain at least 4 months of import cover.

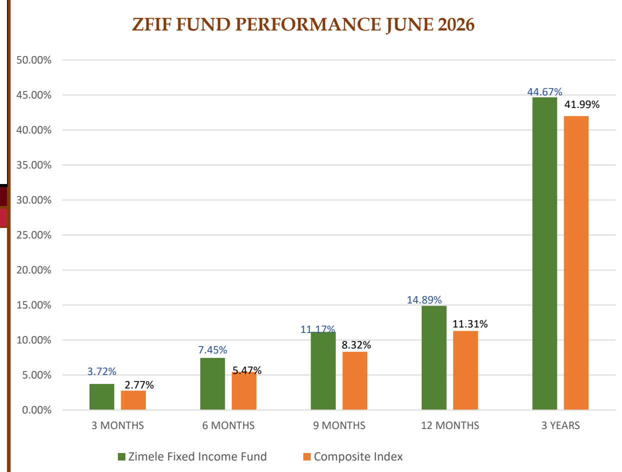
Interest Rates

The yield on Kenya Government Bonds increased by 30 basis points from 12.00% in May to close the month of June at 12.30%. Bond turnover in the domestic secondary market increased by 36.38 percent during the week ending June 25, 2026. In the international market, yields on Kenya's Eurobonds increased by 4.02 basis points on average. Yields for Côte d'Ivoire and Angola also increased.

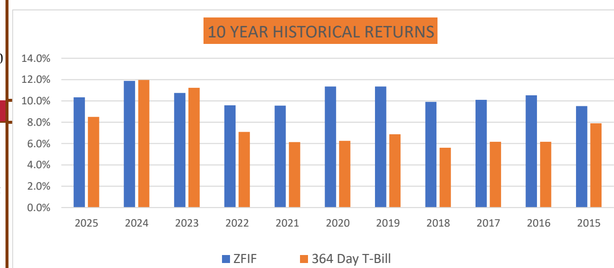
Global Economic Outlook

Inflation concerns eased during the week due to the decline in global oil prices, as the United States and Iran reached a ceasefire agreement, including re-opening of the Strait of Hormuz. The U.S. core Personal Consumption Expenditure (PCE) inflation increased to 3.4 percent in May 2026 from 3.3 percent in April, which was in line with market expectations. The U.S. Dollar Index strengthened by 0.6 percent during the week.
International oil prices fell in the week ending June 25, 2026, due to easing geopolitical tensions after the U.S. and Iran reached a preliminary ceasefire agreement. Murban crude oil prices fell to USD 69.00 per barrel from USD 74.41 per barrel a week earlier, while spot gold prices decreased to USD 4,026.00 per ounce from USD 4,208.59 per ounce, reflecting reduced safe-haven demand amid improved market sentiment.

Fund Performance-May 2026



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



NB: Returns adjusted for withholding tax