ZIMELE UNIT TRUST FIXED INCOME FUND FACT SHEET JULY 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. 5.197 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	9.14%	(Gross of tax net of Fees)
Effective Annual Yield	9.74%	(Gross of tax net of Fees)

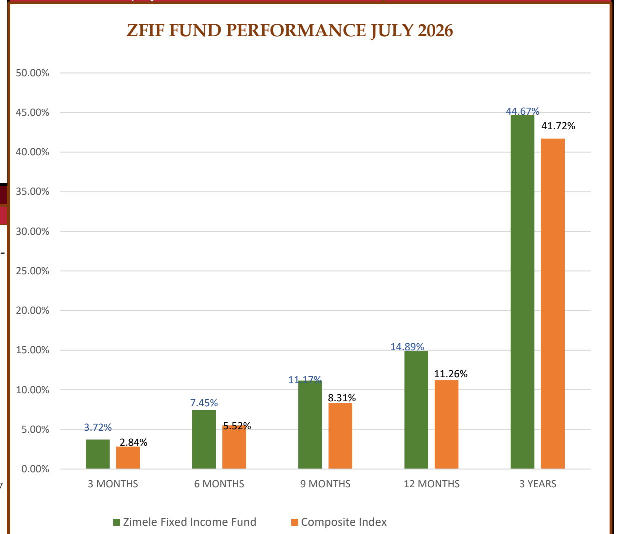
Key Features of the Fund

>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

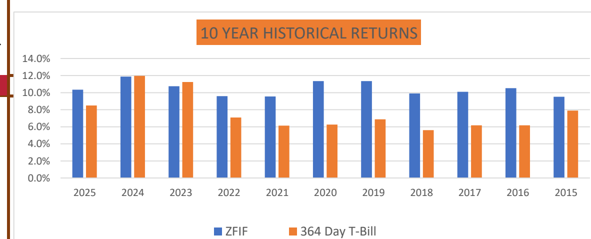
Zimele Fixed Income Fund is Ideal for:

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

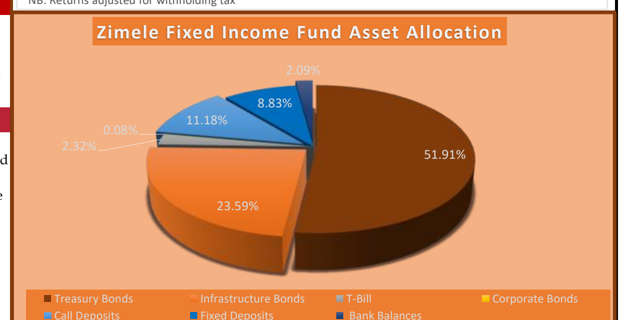
Fund Performance-July 2026



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



NB: Returns adjusted for withholding tax



Economic Commentary and Market Outlook

Macroeconomy

In July 2026, Kenya's macroeconomic environment showed resilience, characterized by rising private sector activity and steady GDP growth, though tempered by elevated inflation and supply-chain challenge. The shilling remains range-bound at around between KES 129.20 to 129.70 per dollar but risks are rising from higher oil prices and falling remittances. CBK is expected to keep its policy rate at 8.75 percent at its 11 August MPC meeting as it balances between keeping inflation in check and significant economic growth. T-bill rates rose to 9 percent in the third auction of the FY2026/27, the rising yields have been driven by elevated inflation risks due to renewed fighting between US and Iran at the gulf that has left the Hormuz Strait closed and oil prices clawing back to $90/barrel. Inflation now at 6.4 percent is expected to remain above the midpoint of CBK's desired target but below the ceiling 7.5 percent. Rising inflation could trigger CBK to rise CBR, a move that could trigger higher yields on T-bills. Treasury estimates fiscal deficit for the FY2025/26 to have widened to 6.7 percent of GDP from 5.9 percent in the previous fiscal year. Tax underperformance and non-compliance are blamed for revenue underperformance. Kenya has unveiled a preliminary 2030–2060 National Development Plan that aims to transform the country into a politically stable, high-income and industrialized economy by 2060. The strategy centers on raising agricultural productivity, expanding export-oriented manufacturing, accelerating technology and innovation, strengthening institutions and investing in transport infrastructure and higher education. While the vision reflects a long-term commitment to structural transformation, its implementation will depend on restoring fiscal space, maintaining macroeconomic stability, attracting sustained private investment, and managing a heavy public debt burden that continues to constrain development spending.

Inflation

Headline inflation rose marginally to 6.5 percent in July 2026 from 6.41 percent in June 2026 driven by higher transport and food costs. Core inflation increased to 3.2 percent from 3.1 percent, driven by higher transport costs and prices of processed foods, particularly wheat and cooking oil. However, non-core inflation declined to 15.0 percent in July from 15.1 percent in June 2026.

Exchange Rate and Forex Reserves

The Kenya Shilling remained stable against major international and regional currencies during the month ending July 31. It exchanged at Ksh 129.40 per US dollar on July 31 while on June 30 was 129.63. Overall, in 12 months to July 2026, the Kenya Shilling recorded 0.21 percent gain against the USD, similarly, KSHS strengthened against Euro and STG Pound by 0.95 and 1.56 percent respectively and weakened against Tshs and Ushs by 0.54 and 2.37 percent respectively. **The usable foreign exchange reserves** remained adequate at USD 15,400 million (6.4 months of import cover) as of July 30. This meets CBK's statutory requirement to endeavour to maintain at least 4 months of import cover.

Interest Rates

The yield on Kenya Government Bonds decreased by 2 basis points from 12.30 percent in June to close the month of July at 12.28 percent. Bond turnover in the domestic secondary market increased by 38.20 percent during the week ending July 30, 2026. In the international market, yields on Kenya's Eurobonds decreased by 2.74 basis points on average. However, yields for Côte d'Ivoire and Angola increased.

Global Economic Outlook

Major central banks maintained a cautious monetary policy stance during the week, with the Federal Reserve, Bank of England, and the Bank of Japan retaining their policy rates amid elevated global uncertainties. The U.S. economy remained resilient, expanding at an annualized rate of 1.5 percent in the second quarter of 2026. The euro area annual growth improved to 1.0 percent in the second quarter. The U.S. Dollar Index weakened by 1.6 percent during the week.
International commodity prices recorded mixed movements, during the week. Murban crude oil prices declined to USD 78.24 per barrel on July 30, 2026, from USD 86.05 per barrel on July 23, mainly due to recovery of oil exports through the Strait of Hormuz, and increased OPEC+ production that raised expectations of ample global crude supply. Spot gold prices increased to USD 4,102.40 per ounce from USD 4,047.15 per ounce, over the same period.