ZIMELE UNIT TRUST FIXED INCOME FUND FACT SHEET AUGUST 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. 5.324 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	9.77% (Gross of tax net of Fees)
Effective Annual Yield	10.43% (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

Economic Commentary and Market Outlook

Macroeconomy

In August 2026, Kenya's macroeconomic environment reflected a delicate balance between solid agricultural output and emerging inflationary headwinds. The Monetary Policy Committee (MPC) maintained the Central Bank Rate at 8.75 percent during its meeting held on August 11, 2026. The MPC observed that global energy prices have remained elevated due to disruptions to oil supply and continued uncertainties arising from the conflict in the Middle East. Kenya's overall inflation is expected to remain within the target range in the near term, assuming a gradual de-escalation of the conflict. Treasury borrowed KES406bn in the first 2 months of the fiscal year representing 41% of the full year target (KES987bn). Treasury has opted to frontload borrowing and take advantage of prevailing low rates in the market. Full year borrowing could surpass the KES1trn mark. Oil prices on August 31 were down 0.67% to $89.1/barrel as Qatari emissary pressed the Iranians to reopen the Strait of Hormuz. With the U.S. having disengaged from talks in favour of an economic pressure, oil expected to head into Q4 whipsawing between $80-100/ barrel, keeping inflationary risks elevated. Goldman Sachs estimated recent total Gulf exports at 15 million to 16 million barrels per day (bpd), 7 million to 8 million bpd below prewar levels but 5 million to 6 million above the lowest point in March. Equities poised to end the month with a Sh4.2trn ($32.2bn) valuation being a 4% growth in August driven by better H1 performance in banking, insurance and selected firms in other sectors. Equities remain resilient despite ongoing geopolitical tensions that saw significant sell offs by foreign investors with local investors taking up their spots. Market capitalization is expected to rise further driven by lower yields on fixed income and higher 2026 profitability in selected industries.

Inflation

Headline inflation increased marginally to 6.6 percent in August 2026 from 6.5 percent in July 2026, largely driven by core inflation. Core inflation increased to 3.4 percent from 3.2 percent, mainly driven by increased prices of beef with bones and fresh packeted cow milk. Over the same period, non-core inflation moderated to 14.7 percent from 15.0 percent.

Exchange Rate and Forex Reserves

The Kenya Shilling remained stable against major international and regional currencies during the month ending August 31. It exchanged at Ksh 129.45 per US dollar on August 31 while on July 31 was 129.40. Overall, in 12 months to August 2026, the Kenya Shilling recorded 0.17 percent loss against the USD, similarly, KSHS weakened against Euro and STG Pound by 0.97 and 0.75 percent respectively and strengthened against Tshs and Ushs by 0.20 and 0.52 percent respectively.
The usable foreign exchange reserves remained adequate at USD 14,934 million (6.2 months of import cover) as of August 27. 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 6 basis points from 12.28 percent in July to close the month of August at 12.22 percent. Bond turnover in the domestic secondary market decreased by 5.37 percent during the week ending August 27, 2026. In the international market, yields on Kenya's Eurobonds decreased by 12.24 basis points on average while yields for Côte d'Ivoire and Angola increased.

Global Economic Outlook

Inflation concerns persisted during the week with U.S. headline Personal Consumption Expenditures (PCE) inflation remaining elevated at 3.7 percent in July, unchanged from June, while core PCE inflation remained at 3.3 percent. Meanwhile, U.S. real GDP growth moderated to 1.5 percent in the second quarter of 2026, from 2.1 percent in the first quarter, reflecting weaker government spending, slower investment and exports, and a sharp increase in imports, which more than offset stronger consumer spending. Labour market conditions remained resilient, with initial jobless claims declining by 4,000 to 203,000 in the week ending August 22. The U.S. Dollar Index was broadly stable during the week.
International commodity prices recorded mixed movements, during the week.Murban crude oil declined to USD 81.78 per barrel on August 27, from USD 84.76 per barrel on August 20, amid increased oil flows through the Strait of Hormuz and expectations of improved supply conditions. However, spot gold prices rose to USD 4,601 per ounce, from USD 4,517.87 in the previous week, supported by safe-haven demand and expectations of lower interest rates.

Fund Performance-Aug 2026