ZIMELE UNIT TRUST FIXED INCOME FUND FACT SHEET OCTOBER 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. 5.67 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	9.76%	(Gross of tax net of Fees)
Effective Annual Yield	10.42%	(Gross of tax net of Fees)

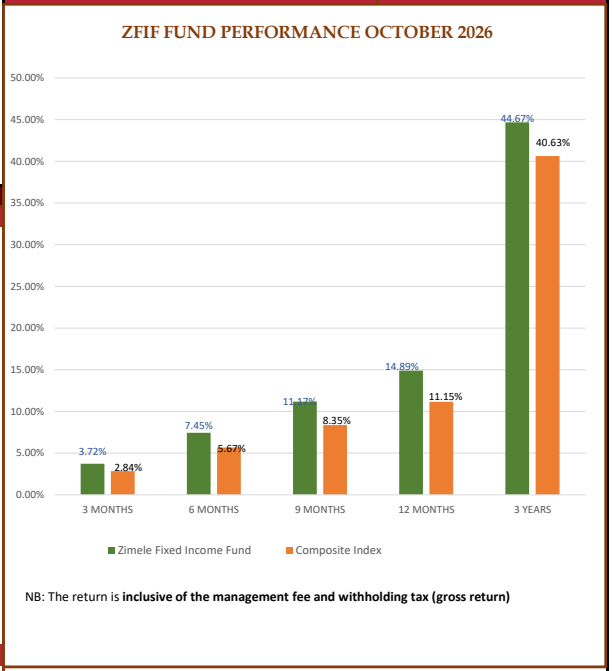
Key Features of the Fund

>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-Oct 2026



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

Economic Commentary and Market Outlook

Macroeconomy

Kenya ended October 2026 with solid growth, but inflation climbed to a three-year high. The shilling and reserves were stable, and the fiscal position remains the weak spot. Oil prices, which are well above last year's, drive most of the pressure. The Monetary Policy Committee (MPC) held the CBR at 8.75 percent on 7 October. It said inflation should stay within target in the near term, helped by a stable shilling and the government's temporary fuel VAT relief. A hike looks unlikely while core inflation is 4.3 percent and the shilling is stable. With the Central Bank Rate still at 8.75 percent, the gap between the policy rate and inflation has narrowed from 4.35 percentage points in March to 1.45 points in October. The real cost of money has fallen by almost three points without anyone touching the rate. The Energy and Petroleum Regulatory Authority (EPRA) increased maximum retail pump prices effective from October 15 to November 14, 2026, driven by rising landed import costs and regional conflicts. The 91-day T-bill was about 8.75 percent on 30 October. The banking sector remains stable and resilient, supported by strong liquidity and capital adequacy. Average bank lending rates were 14.4 percent in October, and private-sector credit grew 10.6%. Bad loans are easing. The gross NPL ratio was 13.9 percent in October, down from 17.6 percent a year earlier. Debt remains the main structural risk. The Treasury's figures put debt at 65.3 percent of GDP in present-value terms, above the 55 percent statutory ceiling, and Kenya is rated at high risk of debt distress by the IMF. The US Federal Reserve held interest rates at 3.75 percent - 4 percent, unlike the previous meeting where members unanimously voted for a 25bps hike. Dangote Petroleum Refinery and Petrochemicals' initial public offering (IPO) closed on 27 October 2026, after drawing applications from 120 countries, including all 54 in Africa. The refinery offered 4.1 billion new shares at ₦525 each, about KSh 52, in what is expected to be Africa's largest IPO. The offer is now in allotment, the stage where shares are shared out among applicants, ahead of a planned listing on the Nigerian Exchange (NGX).

Inflation

Overall Inflation increased to 7.3 percent in October from 6.8 percent in September 2026, reflecting increases in both core and non-core components. Core inflation increased to 4.3 percent from 4.0 percent, driven by increased prices of select processed food items and transport costs. Non-core inflation increased to 15.1 percent from 14.0 percent, mainly due to a rise in prices of select fresh farm produce.



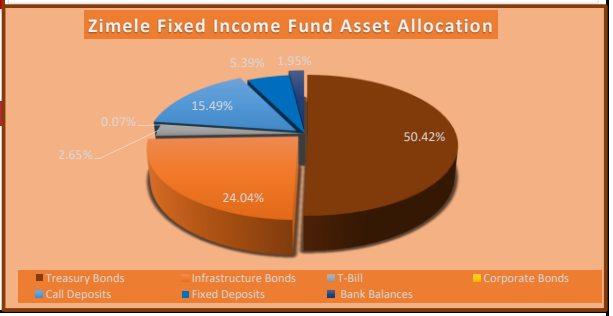
NB: Returns adjusted for withholding tax

Exchange Rate and Forex Reserves

The Kenya Shilling remained stable against major international and regional currencies during the week ending October 30, 2026. It exchanged at KSh 129.96 per U.S. dollar on October 30, compared to KSh 129.79 on September 30. Overall, in 12 months to September 2026, the Kenya Shilling recorded 0.56 percent loss against the USD, similarly, KSHS strengthened against Euro by 1.68 and weakened against STG Pound, Tshs and Ushs by 0.89, 0.1, 10.73 percent respectively.
The usable foreign exchange reserves remained adequate at USD 14,740 million (5.9 months of import cover) as of October 29. 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 increased by 18 basis points from 12.04 percent in September to close the month of October at 12.22 percent. Bond turnover in the domestic secondary market increased by 3.57 percent during the week ending October 29, 2026. In the international market, yields on Kenya's Eurobonds decreased by 22.07 basis points on average. Yields for Côte d'Ivoire and Angola also decreased.



Global Economic Outlook

As the inflation concerns remain, several central banks in advanced economies made their monetary policy decisions during the week ending October 29. While the Bank of Canada raised its policy rate by 25 basis points, US Fed, European Central Bank, Bank of Japan and Reserve Bank of New Zealand held their policy rates unchanged. The U.S. Dollar Index strengthened by 0.22 percent during the week.
International commodity prices recorded mixed movements, during the week.Murban crude oil prices rose to USD 110.46 per barrel on October 29, up from USD 108.23 per barrel on October 22, as geopolitical risks remain. Over the same period, spot gold prices fell to USD 4,020.4 per ounce on October 29 from USD 4,023.9 per ounce on October 22, driven by expectations of future policy rate hike by the US Fed in December.

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 correctnesss of any statements made or opinions expressed in this regard. For more information on the funds visit https://www.zimele.co.ke/