

ZIMELE UNIT TRUST FIXED INCOME FUND FACT SHEET DECEMBER 2024

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. 2.97 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

Economic Commentary and Market Outlook

Macroeconomy

The Kenyan economy grew by 4.0% in Q3 2024, down from 6.0% in Q3 2023, as per KNBS. This slowdown reflects deceleration across most sectors, with contractions in construction and mining. The agricultural sector grew by 4.2%, driven by increased sugarcane and milk production, while the services sector expanded by 5.3%, a decline from 7.8% in 2023. The industrial sector contracted by -0.2% compared to 3.1% growth previously. Average growth for the first three quarters of 2024 was 4.5%, lower than 5.5% in 2023. The 2024 GDP is projected at 4.8%-5.0%, with 2025 expected at 5.0%-5.4%.

Inflation

Overall inflation increased to 3.0 percent in December 2024 from 2.8 percent in November 2024, on account of a modest increase in food and fuel inflation. Food inflation increased to 4.8 percent from 4.5 percent in November, due to an increase in prices of select food items. Fuel inflation edged up marginally to -1.0 percent in December from -1.6 percent in November while NFNFI inflation stabilized at 3.2 percent in November and December, reflecting general stability in prices of most components.

Exchange Rate and Forex Reserves

The **Kenya Shilling** remained stable against major international and regional currencies during the month ending December 31. It exchanged at Ksh 129.29 per US dollar on December 31, while on November 30 was 129.68. Overall, in 12 months to December 2024, the Kenya Shilling recorded 18.03 percent gain against the USD, similarly, KSHS strengthened against Euro at 2.04 percent, TSH at 6.91 and the USH by 0.41 percent.

The **usable foreign exchange reserves** remained adequate at USD 9,201 million (4.7 months of import cover) as of December 24. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover.

Interest Rates

The **yield on Kenya Government Bonds** decreased by 185 basis points from 15.85% in November to close the month of December at 14.00%. Bond turnover in the domestic secondary market decreased by 57.3 percent during the week ending January 2. In the international market, yields on Kenya's Eurobonds on average increased by 10.5 basis points. The yield on Eurobond for Angola and Ivory Coast decreased.

Global Economic Outlook

Concerns about inflation in advanced economies rose during the week ending January 2, 2025. Spain's headline inflation rate increased to 2.8 percent in December 2024 from 2.4 percent in November 2024, on account of rise in energy prices and leisure cost, while core inflation rose to 2.6 percent. The global manufacturing sector PMI index contracted to 49.6 in December 2024, compared to an expansion of 50.0 in November 2024, reflecting declines in output and new orders. The US dollar index strengthened by 1.1 percent against a basket of major currencies during the week ending January 2, 2025.74

International oil prices increased during the week ending January 2, 2025, largely reflecting easing of concerns over oil demand in China and draw-down of US oil inventories. The price of Murban oil increased to USD 76.31 on January 2, 2025, from USD 74.19 on December 24, 2024.

Key Features of the Fund

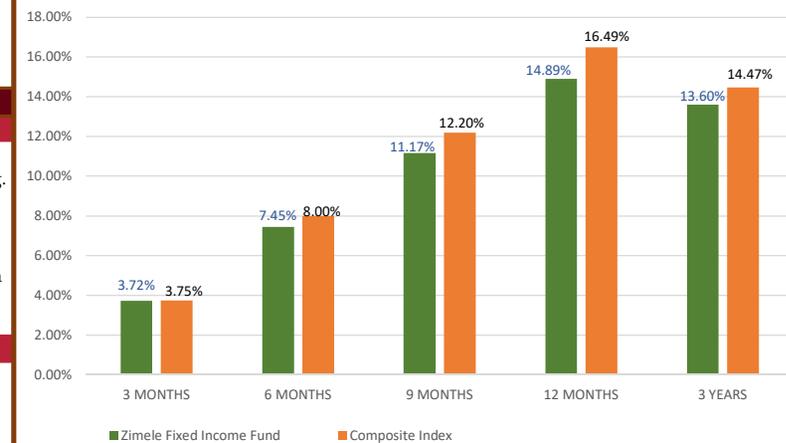
- >Competitive returns
- >No penalties
- >Interest credited to statements is net of tax
- >Enhanced safety of funds
- >Compounding of interest
- >Deposit and withdrawal via M-Pesa
- >Online statements
- >Professional fund management

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 financial needs such as school fees, holidays, household goods
- >Savings for life goals such as weddings

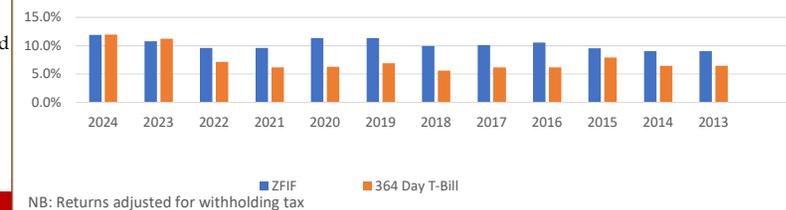
Fund Performance-Dec 2024

ZFIF FUND PERFORMANCE DEC 2024



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

10 YEAR HISTORICAL RETURNS



Zimele Fixed Income Fund Asset Allocation

