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NCBA Global Fixed Income Special Fund

March 2026 Fact Sheet

NCBA

NCBA Global Fixed Income Special Fund is a USD-denominated collective investment scheme that invests in global fixed-income exchange-traded funds and mutual funds sourced from global financial markets to generate sustainable medium-term returns.

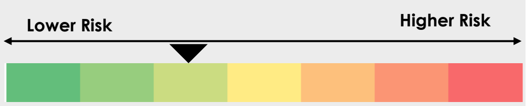
The fund aims to offer investors diversified exposure to fixed-income securities while targeting benchmark-beating performance.

FUND PHILOSOPHY

1. Investment Focus: The fund invests in benchmark-tracking fixed income funds, using strategic allocation and security selection to outperform its benchmark.

2. Subscriptions and redemptions: The fund offers monthly subscriptions based on a NAV determination date, while maintaining c.5% of funds to meet redemption needs.

RISK RATING: Moderately Conservative



FUND INFORMATION

Inception Date: **November 2024**

Base Currency: **USD**

Fund Size: **USD 14.56 million**

Benchmark: **Composite Benchmark**

Fund Manager: **NCBA Investment Bank**

Investment Advisor: **Riscura Solutions Limited**

Custodian: **Mauritius Commercial Bank**

Trustees: **KCB Bank Kenya Limited**

Auditor: **Deloitte**

FEES (calculated as a % of fund value)

Initial & Redemption Fee: **0%**

YTD Total Expense Ratio: **1.84%**

DEALING INFORMATION

Minimum Investment: **USD 1,000**

Minimum Top-Up: **USD 1,000**

Pricing: **Daily Net Asset Value (NAV)**

PORTFOLIO CHARACTERISTICS

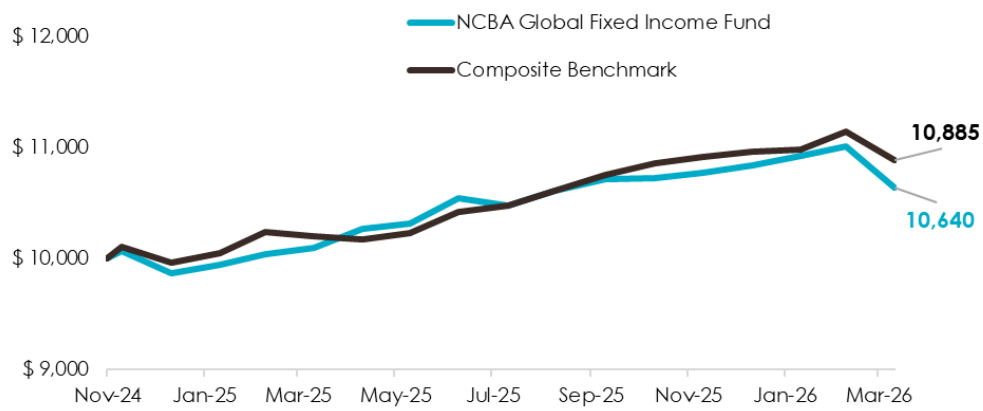
Sharpe Ratio (Since Inception): **-0.09**

Maximum Drawdown (Since Inception): **-3.34%**

FUND PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	Since Inception
Fund	-3.34%	-1.87%	-0.73%	5.40%	6.40%
Benchmark	-2.30%	-0.68%	1.22%	6.67%	8.85%

Cumulative Growth of US $10,000



The chart illustrates a hypothetical investment of USD 10,000, assuming reinvestment of interest.

PORTFOLIO MANAGER COMMENTARY

The Global Fixed Income Fund declined 3.34% in March, underperforming its benchmark return of -2.30%, primarily due to its positioning in higher-yielding and more credit-sensitive segments of the market. In a month dominated by a sharp rise in global yields and a pronounced risk-off shift, defensive core fixed income exposures outperformed, while spread products and emerging market debt came under increased pressure.

The Fund's relative underperformance was therefore driven by its overweight to credit and emerging markets, which detracted more significantly than the benchmark's more diversified and higher allocation to core government bonds. Additionally, the Fund's duration profile modestly weighed on performance as yields rose across the curve. While this positioning has historically supported income generation, it proved less resilient in March's environment of tightening financial conditions and elevated volatility.

Daniel C Ndung'u,
Portfolio Manager

Glossary of Terms

Maximum Drawdown *measures the largest percentage decline in value that an investment experiences from its highest point to its lowest point.*

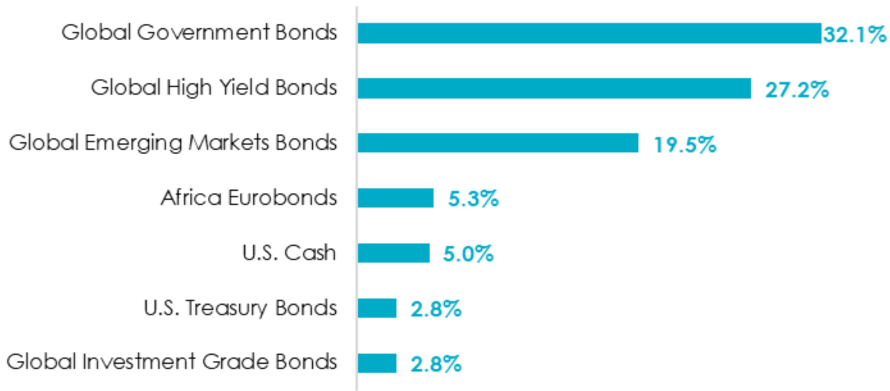
Sharpe Ratio *measures the return of an investment per unit of risk. The higher the ratio the higher the risk-adjusted return.*

Conservative - *Appropriate for investors with a low-risk tolerance and a time horizon less than or equal to 3 years*

Moderate - *Appropriate for investors with medium risk tolerance and a time horizon not longer than 5 years*

Aggressive - *Appropriate for investors with a high-risk tolerance and a longer time horizon (at least 5years)*

NCBA Global Fixed Income Fund Asset Allocation



PERFORMANCE ATTRIBUTION

Global Fixed Income	Weight	March Performance	Year-to-Date performance	Weighted Performance March	Weighted Performance
Global Government Bonds	33.88%	(3.02%)	(1.17%)	(1.02%)	(0.40%)
Global High Yield Corporate Bonds	28.77%	(5.98%)	(4.93%)	(1.72%)	(1.42%)
Global Emerging Markets Bonds	20.58%	(4.47%)	(3.90%)	(0.92%)	(0.80%)
Africa Eurobonds	5.61%	(5.01%)	(1.04%)	(0.28%)	(0.06%)
U.S. Cash	5.30%	0.02%	0.28%	0.00%	0.01%
U.S. Treasury Bonds	2.95%	(3.04%)	(2.63%)	(0.09%)	(0.08%)
Global Investment Grade Bonds	2.92%	(5.12%)	(3.59%)	(0.15%)	(0.10%)
Global Fixed Income benchmarks					
Barclays Global Aggregate Bond Index	65.00%	(1.76%)	(0.05%)	(1.15%)	(0.03%)
Bloomberg USD Aggregate Emerging Markets Index	20.00%	(2.89%)	(1.35%)	(0.58%)	(0.27%)
Standard Bank ex South Africa Sovereign Bond Index	15.00%	(3.86%)	(2.52%)	(0.58%)	(0.38%)
				(2.30%)	**-0.68%**

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Global Fixed Income Markets in March 2026

Global fixed income markets in March were defined by a sharp repricing of inflation and interest rate expectations, triggered by an energy supply shock stemming from escalating Middle East tensions. The closure of the Strait of Hormuz, a critical channel for global oil flows, drove crude prices sharply higher, reintroducing inflation risk at a time when markets had been positioned for policy easing. This shift forced a rapid unwind of dovish expectations across developed markets. Inflation expectations in the U.S. have been repriced upwards to 3.2% for 2026. The surge in energy prices, compounded by the potential 15% global tariff, has created some strain for consumer prices

Investors moved to price out rate cuts from the Federal Reserve, while expectations in Europe and the UK swung toward additional tightening, reversing prior easing assumptions. This pivot underscores the re-emergence of policy trade-offs between inflation control and growth support, particularly in energy-importing economies. The result of this policy shift was a broad-based sell-off in government bonds, with yields rising significantly across the curve as markets adjusted to a "higher-for-longer" policy environment. At the same time, rising term premia and increased sovereign issuance added pressure to longer-duration bonds, while front-end yields surged in response to shifting policy expectations.

Against this backdrop, fixed income markets transitioned from a narrative of disinflation and easing toward one of renewed inflation uncertainty, policy constraint, and heightened volatility, with duration risk and liquidity conditions emerging as key drivers of performance heading into Q2.

Predictions of continued instability through mid-May and into late June emerged following Trump's comments on April 1. A blockade of the Strait of Hormuz lasting over three months could trigger recessionary effects. As the May U.S. Memorial Day holiday approaches, with its customary surge in travel, markets are anticipating increased consumer demands on policymakers to address rising energy costs.

Credit Conditions & Spreads

Investment-grade issuance reached a record $65 billion on March 11th, largely fueled by Amazon's $37 billion AI-focused capital raise. In contrast, signs of stress are beginning to emerge in the private credit market, where default rates are expected to double. J.P. Morgan's downward adjustments to valuations of software-linked loans point toward a potentially difficult period ahead, particularly as disruptions related to artificial intelligence threaten the cash flows of mid-market borrowers.

Emerging market central banks are responding by using foreign exchange reserves to stabilize their currencies and meet rising energy import costs. Meanwhile, private credit markets face increased pressure, especially for exposures tied to software and those vulnerable to AI-driven changes.

Concerns over mounting default risks are intensifying, with some forecasts suggesting that default rates may double in the coming years. Liquidity challenges are also surfacing: redemption demands have increased in semi-liquid private credit funds, and major asset managers have instituted withdrawal restrictions.

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