

**NCBA Dollar Money Market Fund** is a USD-denominated collective investment scheme that invests in a diversified portfolio of interest income earning assets, while ensuring low risk on the principal investment and access to funds on demand.

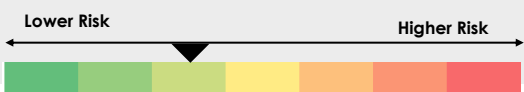
The fund invests in a diversified pool of interest income-earning securities and money market instruments, East African government securities, USD denominated corporate bonds and commercial and USD denominated offshore debt securities.

#### FUND PHILOSOPHY

**1. Investment Focus:** The fund focuses on generating stable interest income with minimal credit risk over capital gains.

**2. Subscriptions and redemptions:** The fund offers daily subscriptions and top-ups, while maintaining high liquidity to ensure investors can redeem their units on a T+2 day basis.

#### RISK RATING: Moderately Conservative



#### FUND INFORMATION

Inception Date: **February 2026**  
 Base Currency: **USD**  
 Fund Size: **USD 1.02 million**  
 Benchmark: **Secured Overnight Financing Rate**  
 Fund Manager: **NCBA Investment Bank**  
 Custodian: **ABSA Bank Kenya Limited**  
 Trustees: **KCB Bank Kenya Limited**  
 Auditor: **Deloitte**

#### FEES (calculated as a % of fund value)

Initial & Redemption Fee: **0%**  
 YTD Total Expense Ratio: **1.03%**

#### DEALING INFORMATION

Minimum Investment: **USD 100**  
 Minimum Top-Up: **USD 50**  
 Interest Distribution Frequency: **Daily**  
 Pricing: **Daily Yield**

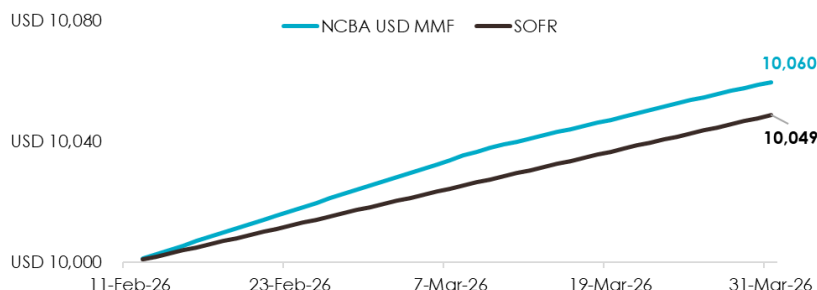
#### PORTFOLIO CHARACTERISTICS

Average Daily Yield: **4.48%**  
 Sharpe Ratio (Since Inception): **1.21**  
 Maximum Drawdown (Since Inception): **0.00%**

#### FUND PERFORMANCE

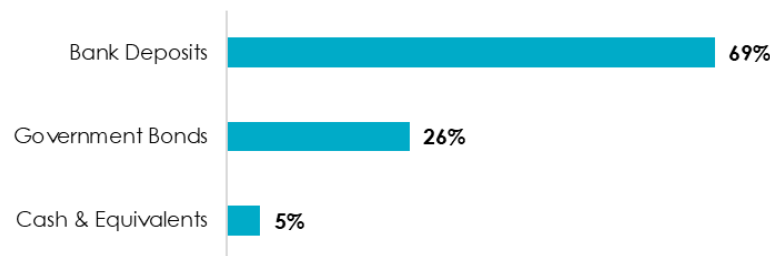
	1 Month	Since Inception
<b>Fund</b>	0.36%	0.60%
<b>SOFR</b>	0.31%	0.49%

#### Cumulative Growth of USD 10,000



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

#### ASSET ALLOCATION



#### PORTFOLIO MANAGER'S COMMENTARY

The Fund delivered a 0.36% return in March, and 0.60% since inception, outperforming the benchmark. As a newly launched fund, performance reflects the progressive deployment of capital into high-quality, near-term instruments, with a focus on liquidity and capital preservation, all while maintaining flexibility in a dynamic interest rate environment.

Looking ahead, with U.S. rates expected to remain elevated amid persistent inflation risks, the Fund is well positioned to continue benefiting from attractive short-term yields, while maintaining a disciplined approach to liquidity, credit quality, and capital stability as the portfolio scales.

**Kenneth Mugira**  
 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 5 years)

#### Disclaimer

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### U.S. Inflation & Interest Rate Trends

Investors are slashing bets that the Federal Reserve will cut interest rates this year, as 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.

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, reversing prior easing assumptions. This pivot underscores the re-emergence of policy trade-offs between inflation control and growth support.

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.

### U.S. Dollar Performance

The U.S. dollar reaffirmed its status as a safe-haven asset, as investors exhibited a marked preference for USD cash, with the dollar index appreciating by over 2% during the month amid global uncertainty and tightening financial conditions. The greenback registered broad-based gains against most currency pairs, largely driven by a "higher-for-longer" policy rate outlook and the United States' relative energy independence.

Before the onset of the conflict, investors had begun allocating assets away from the U.S. toward other markets, exerting downward pressure on the dollar. This trend may re-emerge once the conflict concludes.

### Eurobond Markets

The Kenyan Eurobond market experienced significant downward pressure in March, with prices across the entire curve retreating as global investors moved into defensive, "de-risking" positions. Yields rose by an average of 15–33 basis points weekly throughout March, reflecting a shift in investor appetite for frontier market issues. This trend largely follows the script seen in the broader selloff in global government bonds, driven by sticky U.S. inflation data and heightened geopolitical tensions in the Middle East.

Investors opted for the "safety" of USD cash and short-dated D.M. (Developed Market) treasuries, leading to the liquidation of positions in higher-yielding Emerging Market assets.

Until global inflation cooling is confirmed and Middle East tensions de-escalate, Kenyan sovereign debt will likely continue to trade with a "war premium," keeping prices suppressed in the near term.

### Contact Us

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