

NCBA Dollar Fixed Income 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.

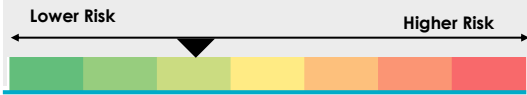
The fund invests in a diversified pool of interest income-earning securities and money market instruments such as bank deposits, Eurobonds, mutual funds and fixed income securities.

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+1 day basis.

RISK RATING: Moderately Conservative



FUND INFORMATION

Inception Date: **October 2018**
 Base Currency: **USD**
 Fund Size: **USD 49.88 million**
 Benchmark: **Overnight SOFR**
 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: **1.36%**

DEALING INFORMATION

Minimum Investment: **USD 1,000**
 Minimum Top-Up: **USD 100**
 Interest Distribution Frequency: **Daily**
 Pricing: **Daily Net Asset Value (NAV)**

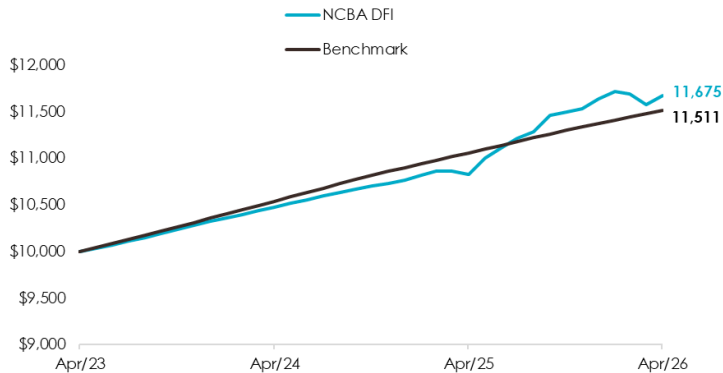
PORTFOLIO CHARACTERISTICS

Average Daily Yield: **3.83%**
 Monthly Valuation Distribution: **0.49%**
 Sharpe Ratio (3 year period): **0.09**
 Maximum Drawdown (1 year period): **-6.71%**
 Maximum Drawdown (3 year period): **-11.62%**

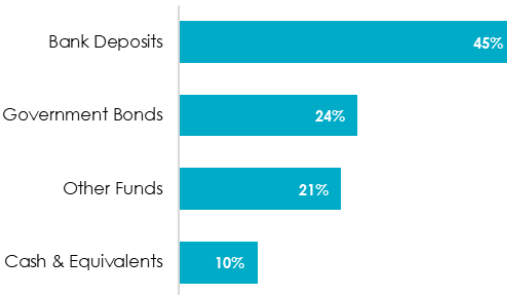
FUND PERFORMANCE

	1 Month	3 Months	6 Months	1 YR	2YR (annualized)	3YR (annualized)
Fund (Total Return)	0.84%	-0.12%	1.50%	7.75%	6.04%	7.52%
Benchmark	0.31%	0.90%	1.87%	4.10%	4.60%	5.03%

Cumulative Growth of of USD10,000 assuming reinvestment of interest



ASSET ALLOCATION



PORTFOLIO MANAGER'S COMMENTARY

The Fund delivered a positive return, outperforming its benchmark as gains from its Eurobond allocation more than offset the impact of elevated global fixed income volatility during the month. The Fund's allocation to bank deposits and shorter-duration instruments continued to provide portfolio stability and liquidity, helping cushion against broader market volatility.

Global fixed income markets remained volatile during the month as U.S. Treasury yields moved higher, particularly across the short- and medium-term segments of the curve, following persistent inflation concerns, and the U.S. Federal Reserve's cautious "wait-and-see" stance.

Looking ahead, the Fund remains positioned with a focus on high-quality income generation, prudent duration management, and liquidity flexibility as markets continue to navigate evolving inflation expectations, global monetary policy uncertainty, and shifting investor risk sentiment.

David Kiruri
 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.

Disclaimer

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U.S. Inflation & Interest Rate Trends

U.S. inflation dynamics in April 2026 were shaped by renewed energy-driven pressures, as ongoing Middle East tensions and the disruptions linked to the Strait of Hormuz pushed oil prices higher and reintroduced upside risks to inflation. Recent data and market indicators suggest inflation remains sticky around ~3% and trending higher, with risks of further acceleration driven by energy costs.

At its April meeting, the Federal Reserve held interest rates steady at 3.50%–3.75%, adopting a cautious “wait-and-see” stance amid elevated inflation and heightened uncertainty. The decision reflected growing concern that conflict-driven energy shocks could sustain inflation above target, complicating the path toward policy easing.

As a result, markets scaled back expectations for rate cuts in 2026, with investors now anticipating a prolonged pause. This marks a clear shift from earlier in the year when two cuts had been priced in, highlighting a repricing toward the “higher-for-longer” policy.

U.S. Dollar Performance

The U.S. dollar softened in April 2026, with the U.S. Dollar Index declining by 1.00% in April, as shifting geopolitical dynamics and policy expectations tempered safe-haven demand. While Middle East tensions continued to underpin the dollar strength at various points, driving intermittent safe-haven inflows, periods of ceasefire optimism and de-escalation led to bouts of dollar weakness during the month.

At the same time, the Federal Reserve’s decision to hold rates steady reinforced a “higher-for-longer” stance but failed to provide additional upside support, as markets had largely priced in the pause and began reassessing the need for further tightening. Despite the monthly decline, the dollar remains marginally stronger on a year-to-date basis (+0.65%), as underlying support factors relatively tight U.S. monetary policy and economic resilience remain intact.

Eurobond Markets

The Kenyan Eurobond market staged a rebound in April, reversing part of March’s risk-off selloff, as global conditions improved and demand for frontier sovereign risk recovered. Yields declined sharply across the curve, falling by ~41–80 basis points, with the most pronounced compression seen in the mid-to-long end (notably the 2031 and 2034 maturities).

Despite the strong April performance, spreads remain elevated relative to earlier in the year, indicating that while the “war premium” has eased, it has not fully dissipated. The market is effectively shifting from stress pricing to cautious normalization, rather than a full rerating.

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