

**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.

**KEY FACTS**

Inception Date: **November 2024**

Base Currency: **USD**

Fund Size: **USD 7.97 million**

Benchmark: **Composite Benchmark**

Fund Manager: **NCBA Investment Bank**

Investment Advisor: **RisCura Solutions Limited**

Custodian: **NCBA Bank Kenya Limited**

Trustees: **KCB Bank Kenya Limited**

Auditor: **Deloitte**

**FEES**

Initial & Redemption Fee: **0%**

YTD Total Expense Ratio: **1.89%**

**DEALING INFORMATION**

Minimum Investment: **USD 10,000**

Minimum Top-Up: **USD 10,000**

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

**PORTFOLIO CHARACTERISTICS**

Monthly Yield: **1.33%**

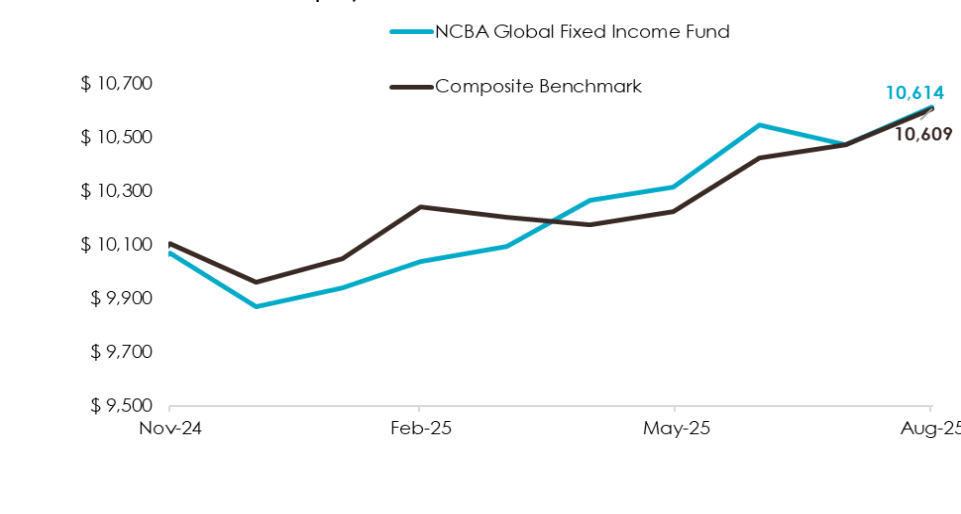
Sharpe Ratio (since inception): **0.01**

Maximum Drawdown (since inception): **-1.91%**

**Performance**

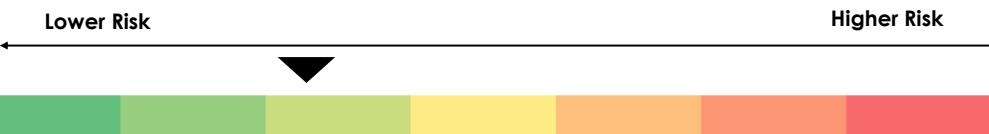
	<b>Fund</b>	<b>Composite Benchmark</b>
	<b>Cumulative Return</b>	<b>Cumulative Return</b>
1 month	1.33%	1.30%
3 months	2.89%	3.74%
6 months	5.74%	3.58%
Year-To-Date	7.53%	6.50%
Since Inception	6.14%	6.09%

**Cumulative Growth of US \$10,000**



The chart illustrates a hypothetical investment of USD10,000, assuming reinvestment of interest.

**Risk Rating: Moderately Conservative\*\***



\*\* - The risk indicator reflects the volatility of expected returns from the underlying assets. It may change over time, and returns are not guaranteed.

**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)

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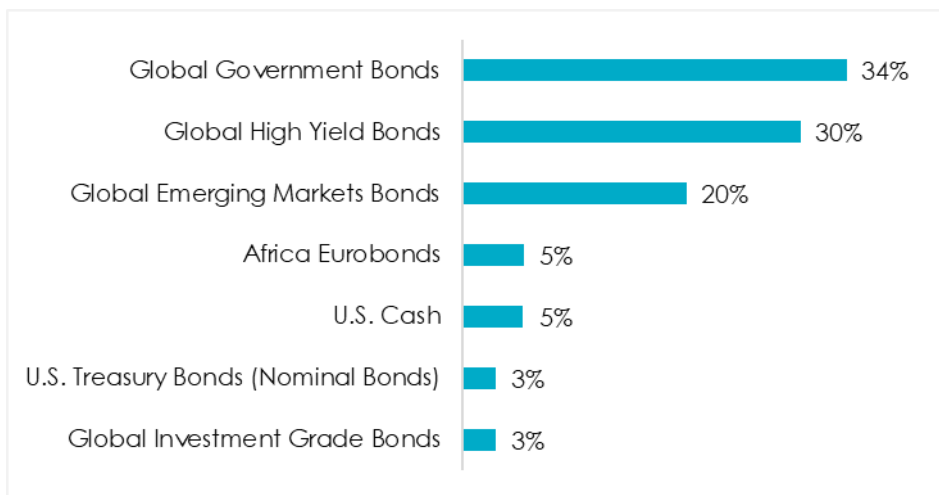
The returns are not guaranteed, and past performance is not a guarantee of future investment results.

There are risks involved in investing in securities, and in certain circumstances, the right to redeem units may be suspended with possible loss of principal.

The Capital Markets Authority does not take responsibility for the financial soundness of the scheme or for the correctness of any statements made or opinions expressed in this regard.

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## Asset Allocation



## ETF Holdings

Fixed Income	Weight	August performance	Year-to-Date performance	Weighted performance August	Weighted Performance Year-to-Date
iShares 0-3 Month Treasury Bond ETF	5%	0.02%	0.40%	0.00%	0.02%
iShares Global Government Bond Index Fund	34%	1.33%	4.77%	0.45%	1.61%
iShares Global Corp Bond UCITS ETF USD	3%	1.02%	4.74%	0.03%	0.14%
iShares Global High Yield Corp Bond UCITS ETF USD	30%	1.92%	7.31%	0.57%	2.18%
iShares J.P. Morgan USD EMD Bond ETF	20%	0.98%	3.18%	0.19%	0.63%
The SPDR® Portfolio Aggregate Bond ETF	3%	(0.12%)	4.08%	(0.00%)	0.12%
Old Mutual African Frontiers Flexible Income Fund Class D	5%	2.68%	12.35%	0.14%	0.66%
<b>Benchmark</b>					
Barclays Global Aggregate Bond Index	65%	1.20%	4.99%	0.78%	3.24%
Bloomberg USD Aggregate Emerging Markets Index	20%	1.34%	7.32%	0.27%	1.46%
Standard Bank ex South Africa Sovereign Bond Index	15%	1.70%	11.75%	0.25%	1.76%
				<b>1.30%</b>	<b>6.47%</b>

Weights are as of the date indicated and may be adjusted at the discretion of the investment team in response to market dynamics, macroeconomic conditions, and portfolio optimization considerations.

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### Inflation Trends

U.S. inflation eased further in July, with the Consumer Price Index (CPI) rising just 0.1% month-on-month, slowing from June's 0.2%. On an annual basis, headline inflation moderated to 2.2%, down from 2.4% in June, reflecting softer energy prices which declined by 1.3% over the month. Core CPI, which excludes food and energy, remained stable at 2.7% year-on-year, suggesting that underlying price pressures persist despite cooling headline figures.

In the Eurozone, inflation held steady at 2.0% in July, unchanged from June and in line with the European Central Bank's (ECB) target. However, core inflation edged lower to 2.2%, reflecting weaker consumer demand and subdued goods price growth.

While headline inflation continues to moderate, persistent core pressures leave policymakers cautious.

### Interest Rates & Central Bank Policy

The Federal Reserve maintained its benchmark interest rate at 4.25%–4.50%, reflecting a cautious approach amid economic uncertainties. Despite President Trump's public criticism and calls for rate cuts, the Fed emphasized its commitment to data-driven policy decisions and independence.

The European Central Bank (ECB) likewise kept its deposit rate unchanged at 2.0%. Inflationary pressures remain contained, giving the bank cover to sit tight for now as growth momentum in the eurozone stays subdued.

The People's Bank of China (PBOC) left its loan prime rates unchanged for a third month, leaning on selective liquidity injections and targeted support measures instead of broad easing. The approach reflects a balanced easing strategy that supports growth, financial stability, and currency stability.

### Yield Curve Movements

In August 2025, global bond markets extended their steepening trend as long-term yields pushed higher while front-end rates stayed anchored by cautious central banks. Fiscal and inflation concerns remained dominant themes, reinforcing upward pressure on longer-dated securities.

In the U.S., the 10-year Treasury climbed to 4.6%, while the 2-year held near 4.4%, extending the curve steepening. Markets remain wary of the budget bill's mix of tax cuts and higher spending, which is expected to widen deficits and boost Treasury supply.

Investors are growing wary that the rising debt burden could weigh on Treasury supply and heighten inflationary risks over the medium term, contributing to the steepening of the yield curve.

### Credit Conditions & Spreads

Credit spreads tightened further in August, reflecting strong investor demand. In the U.S., investment-grade spreads narrowed to about 74 bps while high-yield spreads fell to around 284 bps over Treasuries, underpinned by steady earnings and limited new issuance.

European credit markets followed the same trend, with spreads grinding lower as global investors rotated into euro credit for relative value. Emerging markets also benefited, with corporate issuance outside China reaching nearly US \$250 billion by July, supported by ample liquidity and resilient inflows. However, vulnerabilities persist in real estate, leveraged loans, and lower-rated issuers, where funding costs remain elevated.

While conditions remain favourable, spreads now sit at multi-year tightness, leaving valuations vulnerable to shocks from slowing growth, fiscal risks, or renewed volatility.

### Contact Us

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