

**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.

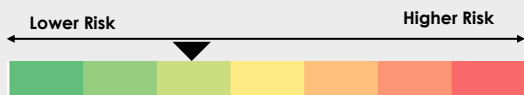
The fund aims to offer investors diversified exposure to fixed-income securities while targeting benchmark-beating performance.

### 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 11.89 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: **1.70%**

### DEALING INFORMATION

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

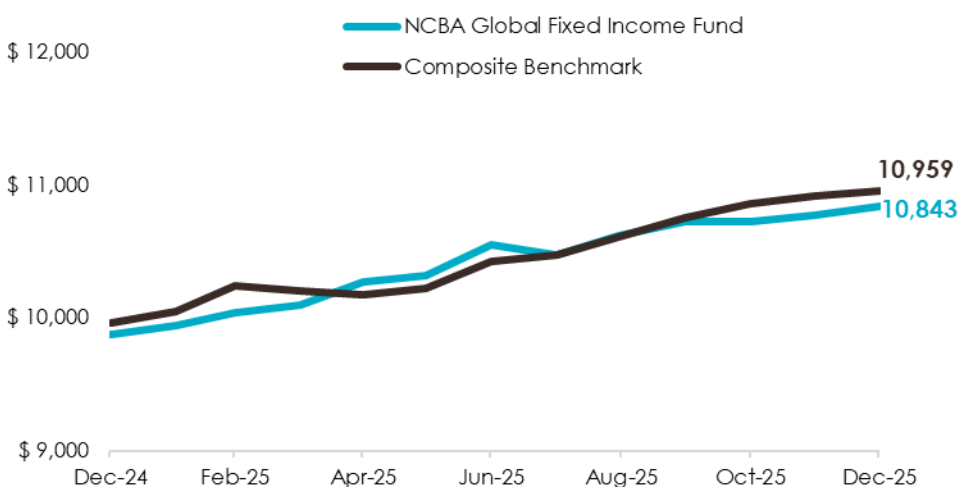
### PORTFOLIO CHARACTERISTICS

Sharpe Ratio (3 year period): **-0.07**  
 Maximum Drawdown (3 year period): **(1.98%)**

### FUND PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	Since Inception
<b>Fund</b>	0.62%	1.15%	2.81%	9.85%	8.43%
<b>Benchmark</b>	0.37%	1.91%	5.13%	10.01%	9.59%

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



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

### PORTFOLIO MANAGER COMMENTARY

The fund delivered a modest gain in December, outperforming the benchmark, driven by strong contributions from high-yield corporates and select frontier-market sovereign bonds benefited from steady inflows. Global government bonds and U.S. Treasuries provided muted support, while short-term holdings modestly detracted amid low yields.

As rate cuts filter through markets, the fund stands to benefit from improved bond valuations and the gradual alignment of local USD rates.

Our diversified exposure across the yield curve and investment grade bonds has supported the fund's return profile.

We maintain flexibility to increase credit risk selectively should dislocations emerge as fiscal pressures and rate expectations evolve.

**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

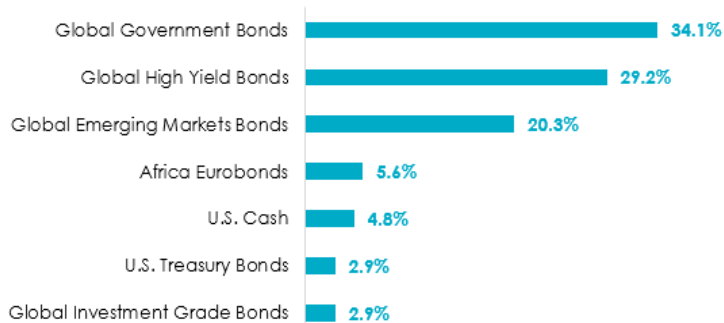
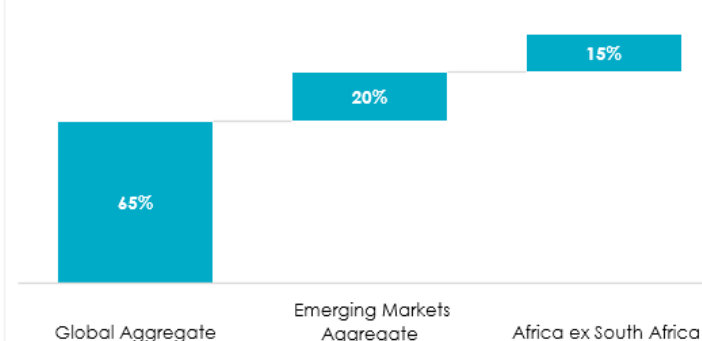
**Moderate** - Appropriate for investors with medium risk tolerance and a time horizon not longer than 5 years

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

### Disclaimer

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NCBA Investment Bank is licensed as a Fund Manager by the Capital Markets Authority.

**NCBA Global Fixed Income Fund Asset Allocation**

**Composite Benchmark Weights**

**PERFORMANCE ATTRIBUTION**

Global Fixed Income	Weight	December Performance	Year-to-Date performance	Weighted Performance December	Weighted Performance Year-to-Date
Global Government Bonds	34.13%	0.21%	6.97%	0.07%	2.38%
Global High Yield Corporate Bonds	29.24%	0.99%	8.68%	0.29%	2.54%
Global Emerging Markets Bonds	20.28%	0.26%	7.17%	0.05%	1.45%
Africa Eurobonds	5.60%	2.60%	26.39%	0.15%	1.48%
U.S. Cash	4.76%	(0.29%)	0.06%	(0.01%)	0.00%
U.S. Treasury Bonds	2.92%	0.40%	4.94%	0.01%	0.14%
Global Investment Grade Bonds	2.94%	0.41%	5.96%	0.01%	0.18%
<b>Global Fixed Income benchmarks</b>					
Barclays Global Aggregate Bond Index	65.00%	(0.15%)	7.30%	(0.10%)	4.75%
Bloomberg USD Aggregate Emerging Markets Index	20.00%	0.43%	11.11%	0.09%	2.22%
Standard Bank ex South Africa Sovereign Bond Index	15.00%	2.57%	20.39%	0.38%	3.06%
				<b>0.37%</b>	<b>10.03%</b>

**Contact Us**

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### U.S. Inflation Trends

U.S. inflation trends continued to show signs of moderation in December, with the headline Consumer Price Index rising approximately 2.9% year-over-year, a slight uptick from the 2.7% seen in November but still consistent with a decelerating inflation backdrop. Core inflation remained subdued at 2.6% year-over-year underscoring easing price pressures.

Despite tariff pass-through and other cost pressures, inflationary dynamics have stayed relatively contained relative to prior peaks, supporting a monetary easing backdrop.

### Interest Rates & Central Bank Policy

The Fed delivered its third rate cut of the year in December, lowering the federal funds target range by 25 bps to 3.50%–3.75%. While the move was in line with expectations, policymakers struck a cautious tone, signalling limited scope for further easing amid lingering inflation risks and a resilient labour market.

In Europe, the ECB kept policy rates unchanged, offering little forward guidance on the timing or direction of future moves as it assesses the lagged impact of prior easing. In contrast, the BoE cut rates by 25 bps, emphasizing that subsequent policy decisions will remain data-dependent, as guided by incoming inflation and growth dynamics.

With the path for future central bank decisions uncertain, readiness to adjust remains critical and yield seeking in cross-border sovereign bonds, particularly in regions where growth and inflation appear relatively benign.

### Yield Curve Movements

U.S. Treasury yields continued to reflect the interplay between interest-rate expectations and elevated term premiums. The benchmark 10-year Treasury yield hovered around 4.2%, modestly lower on cooler inflation but still well above pre-cut levels, while the 2-year yield remained anchored near 3.50% as markets priced future cuts.

Comparatively, yields in the U.S. remain higher than in Europe, UK, and Japan, anchored by fiscal policy concerns, offering a better risk-reward profile.

### Credit Conditions & Spreads

Credit spreads drifted modestly over the month, generally tight and near historically narrow levels, underpinned by resilient corporate earnings and supportive demand from investors.

U.S. high-grade spreads tightened toward multi-month lows, reflecting strong technical demand and confidence in credit fundamentals, helping compress risk premia despite broader macro uncertainty.

In Europe, credit conditions remained constructive, with investment-grade spreads staying contained and high-yield spreads relatively resilient amid stable growth expectations. Across global markets, elevated all-in yields have attracted sustained investor interest, even as supply dynamics introduce technical headwinds in some sectors.

We expect spreads to remain tight in high yield and investment-grade short maturities as near-term economic conditions are stable and default risk remains well contained.

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