

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.

KEY FACTS

Inception Date: **October 2018**

Base Currency: **USD**

Fund Size: **USD 49.52 million**

Benchmark: **Overnight SOFR**

Fund Manager: **NCBA Investment Bank**

Custodian: **ABSA Bank Kenya Limited**

Trustees: **KCB Bank Kenya Limited**

Auditor: **Deloitte**

FEES

Initial & Redemption Fee: **0%**

YTD Total Expense Ratio: **1.49%**

DEALING INFORMATION

Minimum Investment: **USD 100**

Minimum Top-Up: **USD 100**

Interest Distribution Frequency: **Daily**

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

PORTFOLIO CHARACTERISTICS

Average Daily Yield: **2.90%**

Sharpe Ratio (3 year period): **0.18**

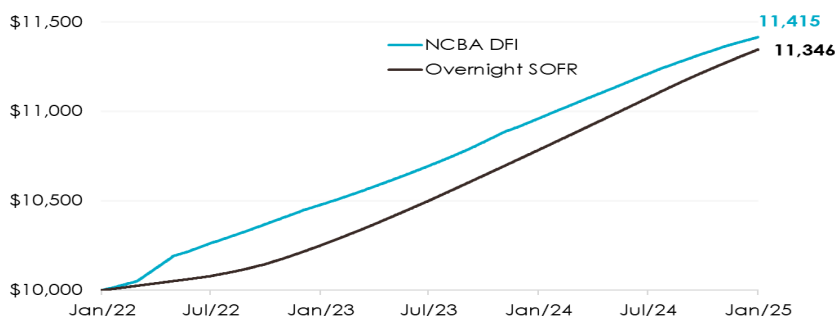
Maximum Drawdown (1 year period): **-7.23%**

Maximum Drawdown (3 year period): **-24.86%**

Fund Performance

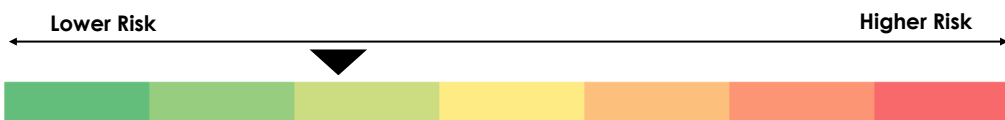
	MTD	QTD	YTD	1YR	2YR	3YR
Fund	0.25%	0.25%	0.25%	4.14%	8.95%	14.15%
SOFR	0.37%	0.37%	0.37%	5.20%	10.69%	13.46%

Cumulative Growth of US \$10,000



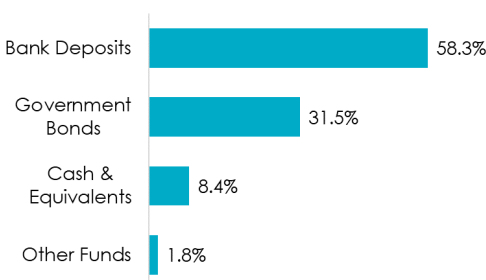
The chart illustrates a hypothetical investment of USD10,000, assuming reinvestment of interest.

Risk Rating: Moderately Conservative**



** - The risk indicator is based on the volatility of historical performance of the fund over the last five years. The risk category may change over time and returns are not guaranteed. The lowest category, referencing treasury bills, does not equate to a risk-free investment

Asset Allocation



Glossary of Terms

Maximum Drawdown measures the largest percentage decline in value that an investment experiences from its highest point to its lowest point. It indicates the worst historical loss an investment has experienced over a specified period.

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)

The content of this document and any other materials is for information purposes only and should not be construed as financial, investment, legal or tax advice.

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.

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

U.S. Inflation

The U.S. Consumer Price Index for All Urban Consumers (CPI-U) increased 0.4% in December, after rising 0.3% in November, and rose 2.9% over the last 12 months. The energy index rose 2.6% over the month, while the food index rose 0.3%. Excluding food and energy, core CPI rose 0.2% in December and 2.9% over the last 12 months.

U.S. Interest Rates

Amid stable low unemployment, a solid labor market, and persistently elevated inflation (and expectations of inflationary Trump 2.0 policies), the Fed held rates at 4.25% - 4.50%. Markets are pricing in a high probability of rates remaining unchanged in the March and May 2025 meetings, with the first cut expected in June. Overall, from their December 2024 projections, the Fed pencilled in a total of 50bps in rate cuts for 2025.

U.S. Benchmark Bonds Performance

U.S. benchmark bond yields dipped an average of 2.8 bps in January, following an average 33bps rise in December. Despite the first aggressive rate cut in September 2024, yields remained elevated, supported by the resilience of the U.S. economy, which grew by 3.1% in Q3 2024. In Q4, GDP slowed to 2.3%, contributing to the slight decline in yields.

Currency Market

The USD Currency Index dropped by 0.11%, closing the month at 108.37. The US Dollar also weakened slightly against the Euro, depreciating 0.08% to close at EUR/USD 1.04. The dollar started the year well-supported by a combination of solid U.S. economic growth prospects and fading expectations of aggressive Fed rate cuts in 2025. The dollar's resilience was reinforced after the Fed held rates steady during its January 29th meeting. However, a selloff in technology stocks, triggered by news of Deepseek — China's AI tool and potential ChatGPT rival — momentarily shook the dollar.

Eurobond Market

Kenyan Eurobond yields declined over the month, closing the month at KE2027 — 7.56% (December — 7.64%), KE2028 — 8.79% (December — 8.91%), KE2031 — 9.89% (December — 9.93%), KE2032 — 9.64% (December — 9.76%), KE2034 — 9.77% (December — 9.88%) and KE2048 — 10.22% (December — 10.27%). Bond yields have been range-bound, with investors waiting to price in the impact of sovereign credit ratings in the coming weeks.

Contact Us

Client Services Team

NCBA Investment Bank - Wealth Management

NCBA Annex, Hospital road – Upper Hill,

P.O. Box: **44599 – 00100 Nairobi, Kenya**

Tel: **+254 020 2884444**

Email: unitrustsfunds@ncbagroup.com



[Join our WhatsApp Channel](#)