

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 49.79 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: **1.51%**

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: **3.00%**

Sharpe Ratio (3 year period): **-0.86**

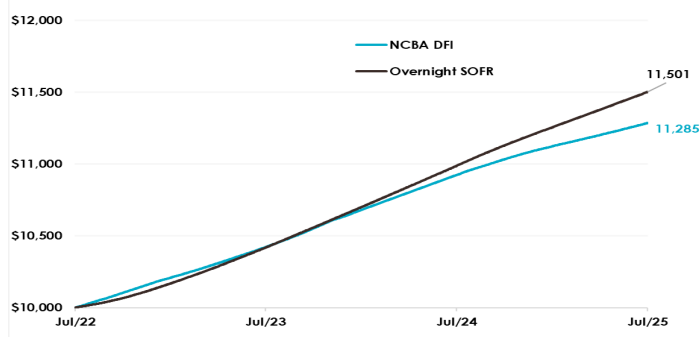
Maximum Drawdown (1 year period): **-7.68%**

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

Fund Performance

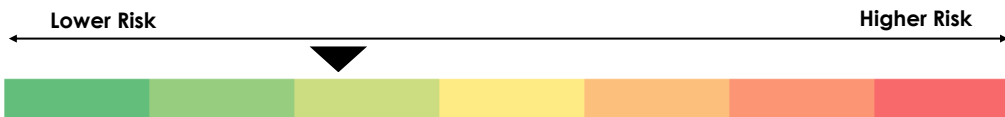
	1 Month	3 Months	6 Months	1YR	2YR	3YR
Fund	0.26%	0.75%	1.44%	3.30%	8.27%	12.85%
SOFR	0.37%	1.09%	2.17%	4.66%	10.39%	15.01%

Cumulative Growth of US \$10,000



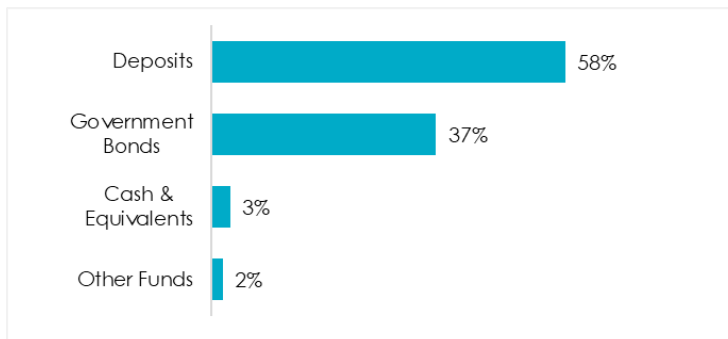
The chart illustrates a hypothetical investment of USD10,000, assuming reinvestment of interest.

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.

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 & Macroeconomic Trends

The U.S. Consumer Price Index (CPI) rose 0.3% in June, following a 0.1% gain in May, and bringing annual inflation to 2.7%. Energy prices rebounded 0.9% while food prices rose 0.3%, supporting the uptick in headline inflation. Core CPI (excluding food and energy), also ticked up 0.2% in June and 2.9% year-over-year.

Economic growth in Q2 held strong, with GDP expanding roughly 3% annualized amid resilient labour market conditions. Tariffs remained the key macro theme as tariff pressures drove the modest inflation acceleration. The Fed, maintaining a cautious stance, warn this could add to inflation and cloud the path to monetary easing.

U.S. Interest Rates

The Federal Reserve held its policy rate steady at 4.25%–4.50% in its July meeting, in line with broad expectations, marking the fifth consecutive hold in 2025. Markets continue to price in two cuts by year-end, with the first potentially in September, depending on inflation and labour market signals.

The Fed remains cautious amid ongoing uncertainty around how tariffs may affect inflation and growth, and the implications for future rate decisions. Despite pressure from President Trump to lower rates, the Fed maintains a data-dependent approach, seeking greater clarity on trade policy developments and the broader economic response.

Yields on long-term U.S. Treasuries moderated slightly over the month, with the 10-, 20-, and 30-year bonds trading in the range 4.3%–4.8% reflecting subdued market reaction while maintaining elevated term premiums.

U.S. Dollar Performance

The U.S. Dollar Index (DXY) rose by 2.1% in July as the greenback drew support from easing tariff tensions after the U.S. made several trade agreements.

This reflects renewed confidence in U.S. growth resilience and relative rate stability, particularly as other developed markets show signs of economic cooling.

Long-term risks tied to fiscal deficits and global de-dollarization trends remain, however, strong foreign holdings in U.S. assets and positive earnings momentum continue to act as anchors for short-term dollar stability.

Eurobond Market

Kenya's Eurobond yields declined across all tenors in July, with month-on-month compressions ranging from 15bps to 37bps. The most notable declines were on the 2028, 2031, and 2032 papers, which fell by over 30bps.

The softening in yields was largely driven by renewed foreign investor inflows, supported by FX stability and investor positioning in the short- and mid-end of the curve.

Concerns around fiscal consolidation and high debt servicing costs particularly with external debt repayments still sizeable remain key drivers of future spread movements.

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