

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 6.51 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)**

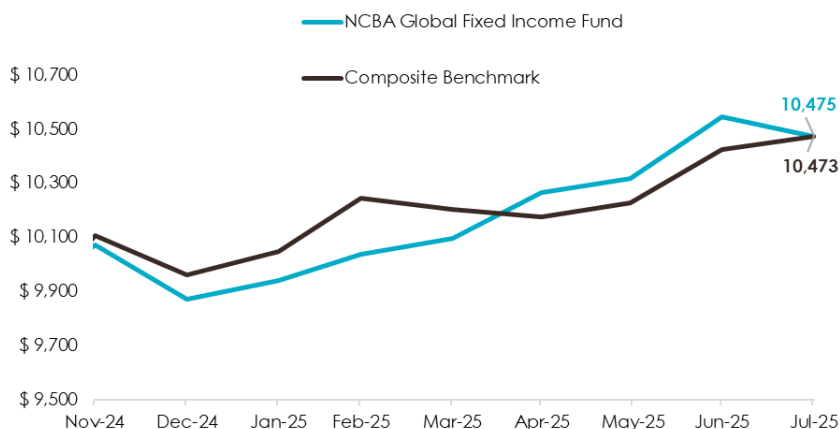
PORTFOLIO CHARACTERISTICS

Monthly Yield: **-0.68%**
 Sharpe Ratio (since inception): **0.0022**
 Maximum Drawdown (since inception): **-1.98%**

Performance

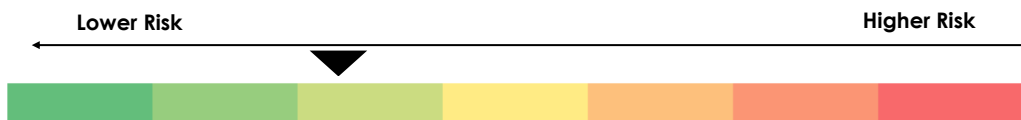
	Fund	Composite Benchmark
	Cumulative Return	Cumulative Return
1 month	-0.68%	0.47%
3 months	2.03%	2.91%
6 months	5.37%	4.22%
Since Inception	4.75%	4.73%

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)

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.

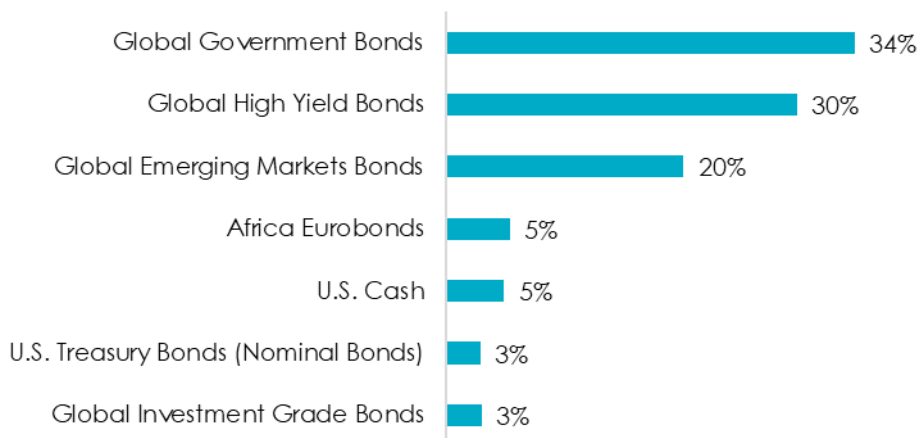
The returns are not guaranteed, and past performance is not a guarantee of future investment results.

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.

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Asset Allocation



ETF Holdings

Fixed Income	Weight	July performance	Year-to-Date Performance	Weighted Performance July	Weighted Performance Year-to-Date
iShares 0-3 Month Treasury Bond ETF	5%	0.03%	0.40%	0.00%	0.02%
iShares Global Government Bond Index Fund	34%	(1.88%)	4.77%	(0.65%)	1.64%
iShares Global Corp Bond UCITS ETF USD	3%	(0.35%)	4.74%	(0.01%)	0.14%
iShares Global High Yield Corp Bond UCITS ETF USD	30%	(0.60%)	7.31%	(0.18%)	2.16%
iShares J.P. Morgan USD EMD Bond ETF	20%	0.95%	3.18%	0.19%	0.64%
The SPDR® Portfolio Aggregate Bond ETF	3%	(1.43%)	4.10%	(0.04%)	0.12%
Old Mutual African Frontiers Flexible Income Fund Class D	5%	3.20%	12.35%	0.17%	0.67%
Benchmark					
Barclays Global Aggregate Bond Index	65%	(0.26%)	3.75%	(0.17%)	2.44%
Bloomberg USD Aggregate Emerging Markets Index	20%	0.92%	5.90%	0.18%	1.18%
Standard Bank ex South Africa Sovereign Bond Index	15%	3.02%	9.93%	0.45%	1.49%
				0.47%	5.11%

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

The latest data for the Federal Reserve's preferred inflation measure, core PCE, printed inflation at 2.8%. Inflation remains stubbornly above the Fed's 2% target, rising for the second straight month. Tariff imprint on the headline figure was evident in June, with expectations of further pass-through in July and August as tariff deadlines are pushed further into August.

In Europe, inflation remained sticky at 2% in July, defying forecasts of a slight fall. Inflation data did not significantly shift bets on interest rate cuts. We expect one quarter basis point rate reduction by the end of the year. In the UK, inflation came in hotter at 3.6% in June, with short-term inflation expectations rising to 4%.

Interest Rates & Central Bank Policy

Central banks in China, Japan, Europe and the U.S. elected to hold interest rates at their July meetings. While the ECB noted that the slowing growth trajectory is expected to justify a cut in September, the Fed sees no rush to cut, with markets further dialing back bets of a cut to the September meeting.

The July jobs report could be a déjà vu moment for the Fed. Last July, the Fed decided against cutting rates, but the employment report that came in two days later suggested that the labor market was not as strong as it looked. Fed officials made up for it by cutting rates by 50bps at their subsequent September meeting.

Bank of England is still expected to deliver two more rate cuts by year end, in August and November. The Bank of Japan raised its inflation forecast for the year, and signaled optimism on the growth outlook. Seemingly, we expect at least two hikes by year-end.

Yield Curve Movements

The 10-year U.S. treasury yield increased by 15 basis points over the month to close at 4.37%. Investors priced in expectations of fiscal expansion from the passage of Trump's One Big Beautiful Bill (now Act), the several trade agreements and reimposition of some reciprocal tariffs. Expectations of continued fiscal spending were a headwind for bond markets. The global aggregate bond index lost 0.26% as yields increased, while FX moves contributed negatively due to U.S. dollar strength in July.

The two-year treasury yield, which tends to track interest rate expectations, rose 24 bps to 3.96%, as markets dialled back bets of a Fed rate cut in July.

Eurozone government bond yields drifted higher on positive growth sentiment. It remains to be seen if the USD 1.35 trillion investment promise contained in the US-EU trade deal will prove a headwind for European bond markets over the coming months. In the UK, gilt markets were faced with a relatively hot inflation print, as 10-year yields increased to 4.6% over the month.

Japan's 10-year bond yields have steadily increased, driven by growing fiscal concerns. These became material after President Trump announced a trade deal, where it appears that Japan may be covering part of the cost of car import tariffs by using its own investment funds.

Credit Conditions & Spreads

As investors continue pricing in U.S. government fiscal concerns, they are increasingly piling funds into corporate debt. The consistent tightening of both USD and euro-denominated corporate bond spreads over the recent months is a clear indication of government debt looking relatively weaker.

Additionally, corporate profits remain relatively strong, driving sentiment that these earnings can adequately cover repayment obligations. Valuations for company debt have also been high, indicating investor demand for debt. However, there is still need for caution for the risk-return trade-off with such slim spreads.

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