

**NCBA Fixed Income Fund** is a KES-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, treasury bills and bonds, commercial papers and corporate bonds.

### 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: **September 2006**  
 Base Currency: **KES**  
 Fund Size: **KES 34.18 billion**  
 Benchmark: **Average 91-day T-bill**  
 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: **2.72%**

### DEALING INFORMATION

Minimum Investment: **KES 1,000**  
 Minimum Top-Up: **KES 1,000**  
 Interest Distribution Frequency: **Daily**  
 Pricing: **Daily Net Asset Value (NAV)**

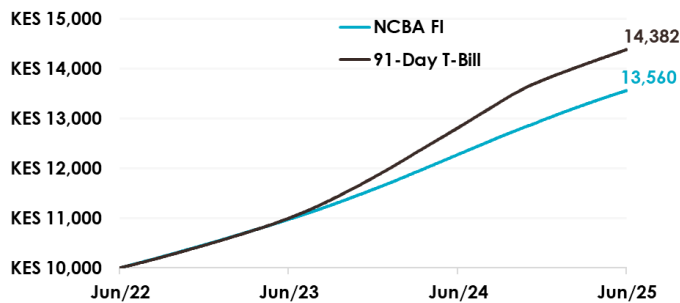
### PORTFOLIO CHARACTERISTICS

Average Daily Yield: **8.00%**  
 Sharpe Ratio (3 year period): **-1.69**  
 Maximum Drawdown (1 year period): **-4.85%**  
 Maximum Drawdown (3 year period): **-10.11%**

### Fund Performance

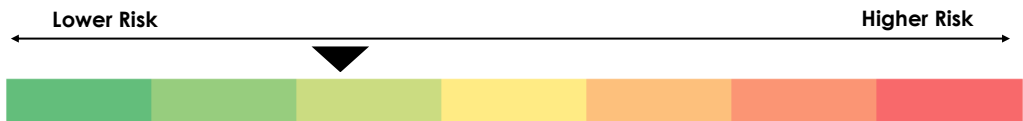
	1 Month	3 Months	6 Months	1YR	2YR	3YR
<b>Fund</b>	0.66%	2.13%	4.58%	10.47%	23.57%	35.60%
<b>91-day T-bill</b>	0.68%	2.11%	4.45%	12.26%	30.80%	43.82%

### Cumulative Growth of KES 10,000



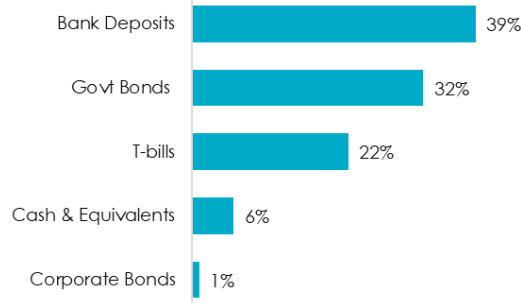
The chart illustrates a hypothetical investment of KES 10,000, assuming reinvestment of interest.

### 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.

### Inflation

Year-on-year inflation held steady at 3.8% in June, as lower energy prices offset rising food costs. Food inflation climbed to 6.6% year-on-year driven by sharp increases in key staples. Energy costs eased slightly, keeping the housing and utilities index flat month-on-month.

Core inflation rose to 3.0%, reflecting improving consumer demand and higher credit uptake. Overall, inflation is expected to stay within target in the near term, supported by currency stability and easing global oil prices, though fiscal pressures and geopolitical risks may limit further disinflation.

### Interest Rates

Treasury bill rates dipped further in June, with yields on the 91-, 182-, and 364-day tenors falling by 15bps, 10bps, and 28bps to 8.14%, 8.46%, and 9.72%, respectively. The softening in short-term rates was underpinned by the Central Bank's 25bps cut to the Central Bank Rate (CBR) to 9.75%. There was strong demand on the 364-day paper as investors sought to secure returns amid fiscal and rate policy uncertainties.

The yield curve showed mixed performance across tenors. Yields fell in the 1–6 and 8–13-year segments, but edged higher across the 14–18-year maturities. The movement was influenced by the reopening of two benchmark bonds: FXD1/2020/015 (9.7 years to maturity) and SDB1/2011/030 (15.7 years). The former saw aggressive bidding with a performance rate of 169.5% and a weighted average accepted yield of 13.49%, while the latter was moderately subscribed, closing at 13.99%.

This performance suggests a preference for mid-tenor papers, reflecting cautious duration positioning in a market still grappling with fiscal risk signals, budget execution pressures, and evolving guidance on external financing.

### Currency

In June, the Kenyan shilling remained broadly stable, with a marginal 0.01% appreciation against the US dollar. However, it depreciated by 1.93% against the pound and 3.42% against the euro. Year to date, the Kenya shilling has strengthened by 0.05% against the greenback and weakened significantly against the euro and pound by 12.93% and 9.40%, respectively.

This performance mirrors a broader foreign exchange theme in 2025, where the US dollar has been weakening with the dollar index down 10.70% year-to-date. The dollar's decline is driven by policy uncertainty and a global rotation into assets outside the US. Meanwhile, the euro and pound's rise is supported by renewed investor confidence in European macro-economic resilience.

### Contact Us

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