

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 4.95 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: **2.23%**

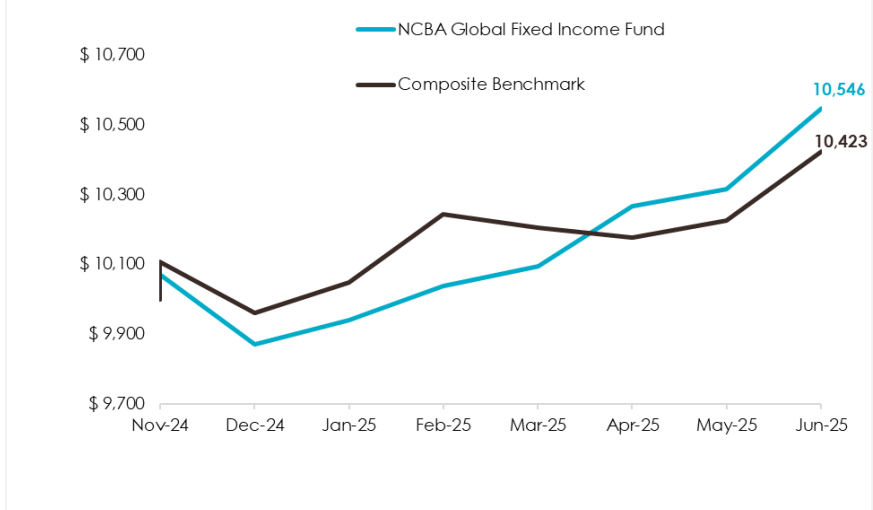
Sharpe Ratio (since inception): **0.11**

Maximum Drawdown (since inception): **-1.98%**

Performance

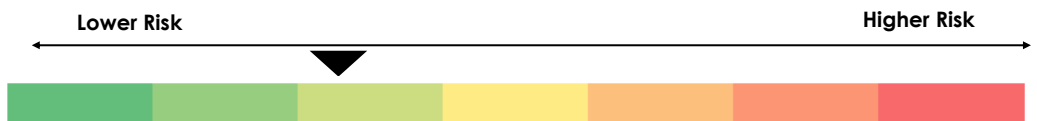
	Fund	Composite Benchmark
	Cumulative Return	Cumulative Return
1 month	2.23%	1.93%
3 months	4.47%	2.15%
6 months	6.84%	4.64%
Since Inception	5.46%	4.23%

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.

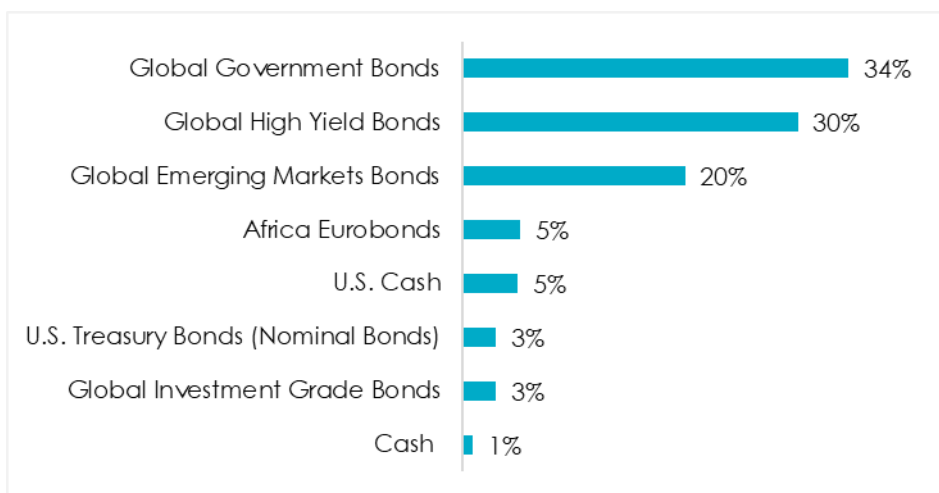
The returns are not guaranteed, and past performance is not a guarantee of future investment results.

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	June performance	Year-to-Date performance	Weighted performance June	Weighted Performance Year-to-Date
iShares 0-3 Month Treasury Bond ETF	5%	(0.02%)	0.37%	(0.00%)	0.02%
iShares Global Government Bond Index Fund	34%	1.86%	6.78%	0.63%	2.31%
iShares Global Corp Bond UCITS ETF USD	3%	2.29%	5.11%	0.07%	0.15%
iShares Global High Yield Corp Bond UCITS ETF USD	30%	2.89%	7.96%	0.85%	2.35%
iShares J.P. Morgan USD EMD Bond ETF	20%	1.91%	2.21%	0.37%	0.43%
The SPDR® Portfolio Aggregate Bond ETF	3%	1.90%	5.61%	0.06%	0.17%
Old Mutual African Frontiers Flexible Income Fund Class D	5%	4.24%	8.86%	0.22%	0.45%
Benchmark					
Barclays Global Aggregate Bond Index	65%	1.54%	4.02%	1.00%	2.61%
Bloomberg USD Aggregate Emerging Markets Index	20%	1.91%	4.94%	0.38%	0.99%
Standard Bank ex South Africa Sovereign Bond Index	15%	3.64%	6.70%	0.55%	1.01%
				1.93%	4.61%

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 U.S. Consumer Price Index (CPI) rose 0.1% in May, following a 0.2% gain in April, and bringing annual inflation to 2.4%. Energy prices declined 1.0% over the month, helping to offset a 0.3% rise in food prices. Core inflation remained steady at 2.8%, indicating persistent underlying price pressures. This moderation occurred despite concerns over potential tariff-induced inflation, as the impact of pre-tariff import surges and subdued consumer spending contributed to the cooling trend.

In the Eurozone, inflationary pressures rose slightly, with annual inflation at 2.0% in June, up from 1.9% in May, meeting the European Central Bank's (ECB) 2% target for second consecutive month. Core inflation declined to 2.3% influenced by weaker economic activity.

While headline inflation continues to moderate, persistent core pressures underscore a complex backdrop for monetary policy—especially as tariff-related risks begin to materialize.

Interest Rates & Central Bank Policy

The Federal Reserve maintained its benchmark interest rate at 4.25%–4.50% during its June meeting, reflecting a cautious approach amid economic uncertainties. Despite President Trump's public criticism and calls for rate cuts, the Fed emphasized its commitment to data-driven policy decisions and independence.

The European Central Bank (ECB) implemented a 25 basis point rate cut, lowering the deposit facility rate to 2.0% signaling the possible end of its easing cycle for now. Concerns over weaker, economic growth amid global trade tension and risks such as renewed energy shocks remain.

The People's Bank of China (PBOC) continued its monetary easing efforts injecting 1.4 trillion yuan of liquidity, following the earlier rate cut in May to support the economy amid global trade challenges. The approach reflects a balanced easing strategy that supports growth financial stability, and currency stability.

Yield Curve Movements

In June 2025, global bond markets experienced a notable bull steepening of yield curves, with long-term yields rising across major economies and short-term rates holding steady or easing, especially in the U.S. This shift reflects investor concerns over fiscal sustainability, inflationary pressures, and central bank policy directions.

U.S. Treasury yields rose notably, with the 10-year yield climbing from around 4.2% at the end of May to approximately 4.4% before easing to close at 4.3%. This increase was driven by reduced expectations of near-term Federal Reserve rate cuts amid fiscal concerns.

The newly passed budget bill, which includes significant tax cuts and substantial increases in discretionary spending without offsetting revenue measures, is expected to significantly widen the U.S. fiscal deficit sharply, fueling concerns over long-term debt sustainability.

Investors are growing wary that the rising debt burden could weigh on Treasury supply and heighten inflationary risks over the medium term, contributing to the steepening of the yield curve.

Credit Conditions & Spreads

Credit spreads continued to tighten in June amid an improved risk backdrop as geopolitical and trade tensions eased. In the U.S., high yield spreads narrowed by approximately 25 bps to around 290–296 bps over US Treasuries, reflecting improved investor sentiment and appetite for riskier credit, supported by stable earnings and the fading of tariff-related tail risks.

Investment grade spreads also compressed slightly by about 5bps, benefiting from continued strong interest coverage ratios and proactive refinancing. Issuers remain supported by healthy balance sheets and sustained investor demand for yield in a low-rate environment.

Lower-rated issuers' yields still remain at an elevated level especially in sectors vulnerable to weaker growth and rising input costs. Broader credit conditions remain vulnerable to shifts in monetary policy and ongoing concerns about the sustainability of U.S. fiscal deficits.

European junk bond spreads slid to around 300 bps, supported by record high issuance volumes (€23 billion) as investors rotated capital from U.S. credit into Europe.

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