NCBA Dollar Fixed Income Fund

October 2025 Fact Sheet

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 49.36 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: **1.54%**

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: **3.67%**

Valuation Distribution: **0.03%**

Sharpe Ratio (3 year period): **(0.56)**

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

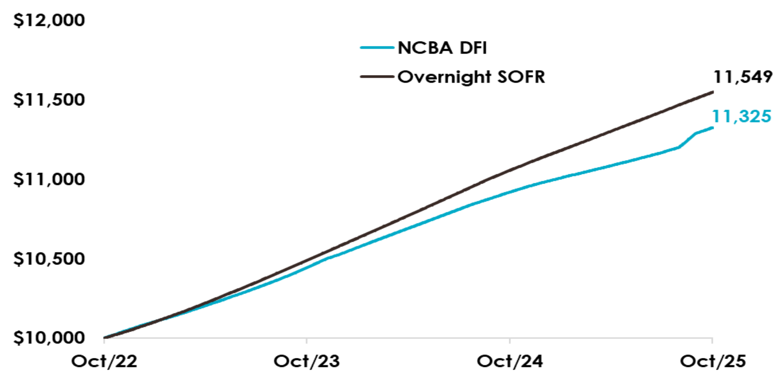
Maximum Drawdown (3 year period): **(14.27%)**

FUND PERFORMANCE

	1 Month	3 Months	6 Months	1YR	2YR	3YR
Fund	0.33%	1.41%	2.17%	3.72%	8.44%	13.25%
SOFR	0.36%	1.08%	2.19%	4.45%	10.10%	15.49%

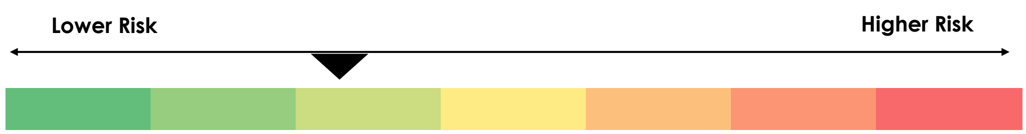
The fund's return was supported by a 0.03% valuation gain following changes in the market value of the underlying securities, which increased the value of investment units.

Cumulative Growth of USD 10,000



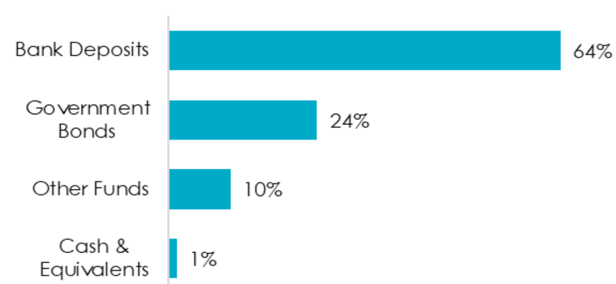
The chart illustrates a hypothetical investment of USD10,000, assuming reinvestment of interest.

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 5years)*

U.S. Inflation & Macroeconomic Trends

U.S. inflation held at 3.0% in October, with core pressures proving sticky as services and wages keep prices buoyant. Growth momentum remains surprisingly firm as consumers are still spending.

The economy continues to show surprising resilience at around 4% annualised growth and activity indicators point to solid momentum heading into year-end even with trade distortions impacting exports.

U.S. Interest Rates

The Federal Reserve delivered another 25bps rate cut in its October meeting, in line with broad expectations, marking the second cut in 2025. Guidance, however, points to a likely hold in December, contingent on inflation and labour market dynamics. While the decision reflected confidence that inflation is gradually trending lower, policymakers remain cautious about declaring a full pivot.

Following the October rate cut, paradoxically Treasury yields have ticked up rather than down. The 10-year yield closed around 4.10%, reflecting markets betting that the Fed's easing path is short and policy rates may stay elevated for longer.

U.S. Dollar Performance

The dollar firmed through October, with the U.S. Dollar Index (DXY) rising by 2.1% as resilient U.S. data and higher yields reinforced its appeal. The greenback's strength reflected not just rate differentials but also a broader re-pricing of global risk as investors rotated back toward U.S. assets reaffirming the U.S. as a safe haven for foreign capital.

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 maturities with month-on-month compressions ranging from 9bps to 23bps, reflecting positive investor sentiment. The softening in yields was largely driven by renewed foreign investor inflows, supported by FX stability.

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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