

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 39.57 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: **2.21%**

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: **7.68%**

Valuation Distribution: **(0.31%)**

Sharpe Ratio (3 year period): **(0.76)**

Maximum Drawdown (1 year period): **(5.39%)**

Maximum Drawdown (3 year period): **(8.65%)**

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.

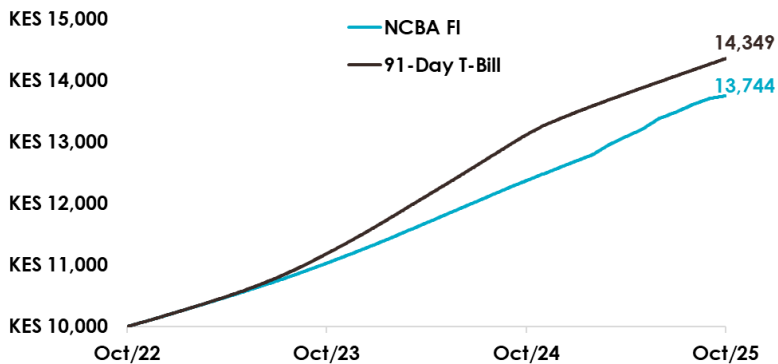
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FUND PERFORMANCE

	1 Month	3 Months	6 Months	1YR	2YR	3YR
Fund	0.33%	1.98%	5.10%	11.12%	24.62%	37.44%
91-day T-bill	0.67%	2.03%	4.16%	9.42%	28.32%	43.49%

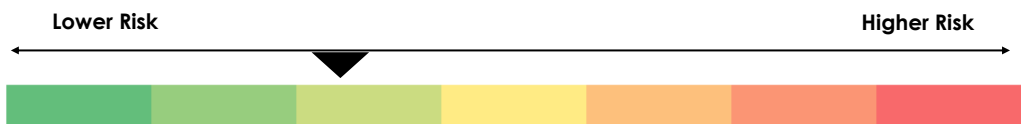
The fund's return was affected by a 0.31% valuation loss following changes in the market value of the underlying securities, which lowered the value of investment units.

Cumulative Growth of KES 10,000



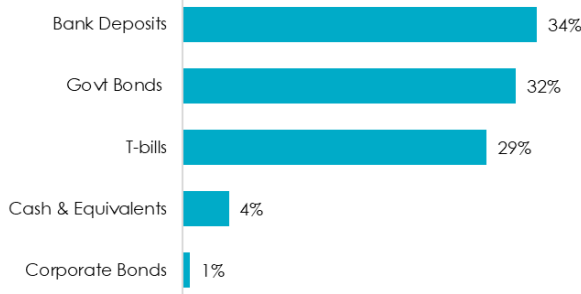
The chart illustrates a hypothetical investment of KES 10,000, assuming reinvestment of interest.

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



Inflation

October headline inflation remained sticky at 4.56% relative to 4.59% recorded in September. On a monthly basis, the consumer price index rose by 0.19%, driven by food prices which rose by 8.0% in October.

Non-core inflation rose to 9.9% from 9.6% while the core index declined by 20 basis points to 2.7% signifying reduced economic activity in the month. Overall, with elevated risks to the outlook, the risk of inflation breaching the 5% mid-point of the target in coming months have risen. This narrows the room for the central bank to cut further in December.

Interest Rates

The MPC committee met on the 6th of October and delivered yet another 25bps cut to bring the CBR rate to 9.25%. Following the cut, yields recorded mixed performance as the market assessed the inflation and fiscal outlook.

Treasury bill rates continued to ease in October by ~10bps, bringing the cumulative year-to-date decline for the 91– day, 182-day and 364-day papers to ~200bps to settle at 7.8%, 7.9%, and 9.3% respectively.

Yield curve movements were mixed across the month: short-term yields edged lower, while m-d tenor and long term yields saw upward pressure. 2–5 years) saw upward pressure. The long-end (15 years+) rallied notably by ~60bps. The movement was influenced by the reopening of two bonds: FXD1/2018/015 (7.5 years to maturity) and FXD1/2021/020 (16 years) which saw aggressive bidding with a performance rate of 237.8% and a weighted average accepted yield of 12.65% and 13.53%, respectively.

This performance reflects investor's seeking compensation for duration and term premium in a market still grappling with fiscal risk signals, budget execution pressures, and evolving guidance on external financing.

Currency

The Kenyan shilling held steady against the US dollar, with no change recorded over the month. It, however, appreciated by 1.93% against the pound and 1.33% against the euro. Year to date, the Kenya shilling has strengthened by 0.04% against the greenback and weakened against the euro and pound by 7.24% and 12.99%, respectively.

This performance aligns with global currency shifts in July. The US dollar rebounded, with the dollar index (DXY) rising 2.08%, driven by renewed certainty around trade policy. Still, the DXY is down 7.62% year to date, reflecting the broader 2025 trend of capital rotation away from the US. The euro and pound weakened as European sentiment cooled, while the shilling continues to get support from CBK interventions and stable foreign inflows.

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