

**The Fund:** NCBA Dollar Money Market Fund is **USD denominated** collective investment Scheme that invests in a diversified portfolio of interest income earning assets, while ensuring low risk on principal investment and access to funds on demand.

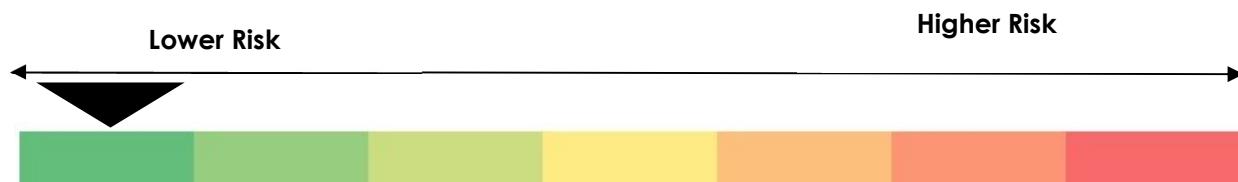
The fund is regulated by the Capital Markets Authority.

## 1. Fund Philosophy and Salient Features

<ul style="list-style-type: none"> <li><b>Fund Currency:</b> United States Dollars</li> <li><b>Minimum Investment:</b> USD100</li> <li><b>Minimum Top-up:</b> USD50</li> <li><b>Nature of investment returns:</b> Total return (Interest Income) calculated daily</li> <li><b>Investment Philosophy:</b> The fund investment philosophy is to prioritize earning of stable interest income with limited credit risk over capital gains.</li> <li><b>Qualifying assets:</b> The fund invests in a diversified pool of interest income earning securities and money market instruments, East African government securities, USD denominated corporate bonds and commercial and USD denominated Offshore debt securities</li> </ul>	<ul style="list-style-type: none"> <li><b>Liquidity:</b> The fund maintains a high degree of liquidity to meet daily redemptions enabling Investors to access their units on demand.</li> <li><b>Subscription and redemptions:</b> The fund offer investors an opportunity to subscribe/top up investments on a daily basis or redeem their investments on a T+2 -day basis.</li> <li><b>Fund/Units Pricing:</b> The fund is priced daily and the Yield quoted shall be the net asset value of the Fund. The prices/returns are published on the NCBA Website.</li> </ul>
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## 2. Risk and Reward Profile

### 2.1. Risk Rating: Moderately Conservative\*\*



\*\* - The risk indicator is based on the volatility 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

### 2.2. Key Risk Metrics

Key Risk	Mitigation
<ul style="list-style-type: none"> <li>Counterparty Risks – Risk of default, failure of settlement or reputation loss related to Fraud, AML etc.</li> </ul>	<ul style="list-style-type: none"> <li>All counterparties, including banks &amp; corporates, with which the funds are invested are pre-vetted and approved by the Board of Directors.</li> </ul>

Key Risk	Mitigation
<ul style="list-style-type: none"> <li>Concentration Risk – Risk of loss of funds should one investment loose value or counterparty fail to honor its obligations</li> </ul>	<ul style="list-style-type: none"> <li>The risk is managed by ensuring adequate diversification of investment between and within asset classes, counterparties, investment type, tenures and maturities in line with the Collective Investment Schemes Guidelines.</li> </ul>
<ul style="list-style-type: none"> <li>Liquidity Risk – Risk of failure of the fund to settle maturing obligations or redemption requests</li> </ul>	<ul style="list-style-type: none"> <li>The risk is managed through retaining portion of the assets in highly liquid assets e.g. call deposit, duration management for bond investments and establishment of a maturity ladder for all fund's investments.</li> </ul>
<ul style="list-style-type: none"> <li>Default Risk - Risk of counterparty default on maturing obligations</li> </ul>	<ul style="list-style-type: none"> <li>This will be addressed through credit analysis of counterparties prior to investment and periodically during the tenure of investment.</li> </ul>
<ul style="list-style-type: none"> <li>Market/Price Risk</li> </ul>	<ul style="list-style-type: none"> <li>A portion of up to 80% of funds invested in short-term assets with low market risk.</li> </ul>
<ul style="list-style-type: none"> <li>Yield volatility – The yield on the MMF is determined on a daily basis and may vary substantially failing to meet client return objectives</li> </ul>	<p>Active monitoring of the underlying assets to ensure they are optimally invested to generate a consistent return.</p> <ul style="list-style-type: none"> <li>Ensuring that liquidity position is retained at a minimal amount to ensure low drag on the daily yield.</li> </ul>
<ul style="list-style-type: none"> <li>Pricing errors</li> </ul>	Daily review of daily pricing with appropriate sign-off of prices.

### 3. Fund Charges

The fund fees are summarized below (% of fund value Excluding taxes);

• Fund Management fees:	: 1.0% p.a.
• Custodial fees:	: 0.135%
• Trustee fees;	: 0.10%
• Other expenses include audit fees, publication fees etc.	: Annual
• Initial and redemption fees	: 0%

### 4. Other Information

**Taxation of returns** - The interest income earned from the fund is subject to Withholding Tax.

**Reporting:** All unit holders will receive a monthly statement of their investment and a fact sheet within 10days after end of the month

**Access to fund information:** Approved financial statements, fund trust deeds and Information Memorandum

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are available to unit holders on our company's website and at the Trustee and fund manager's registered offices.

#### **Service Providers**

- Fund Sponsor and Manager - NCBA Investment Bank Limited
- Fund Trustee - KCB Bank Kenya Limited
- Fund Custodian - ABSA Bank Kenya Limited
- Fund Auditors—Deloitte

**Contact Information:** Further details about the Fund can be obtained free of charge from

- The Fund's Trustee, **KCB Bank Kenya Limited**, P. O. Box 30664-00100 Nairobi, Email: [trustee@kcbgroup.com](mailto:trustee@kcbgroup.com), or
- The Fund Manager, **NCBA Investment Bank**, P.O Box 44599-00100, Nairobi Kenya, website <https://investment-bank.ncbagroup.com> or by email [InvestmentTeam@ncbagroup.com](mailto:InvestmentTeam@ncbagroup.com)

#### **Disclaimer**

This document is for informational purposes only and does not constitute marketing or investment advice. The information is required by regulations to provide the salient features of the fund and the risks of investing in this fund.