

## **NABO AFRICA FIXED INCOME FUND USD**

Managed By Nabo Capital Limited

# KEY INVESTOR INFORMATION DOCUMENT

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision and whether to invest.

## **OBJECTIVES AND INVESTMENT POLICY STATEMENT**

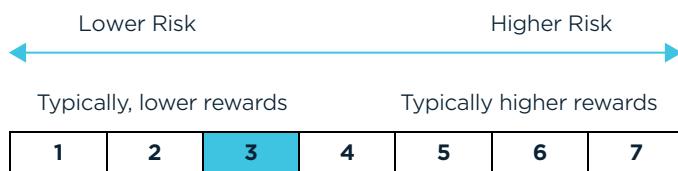
## Investment Objective

To maximize total return and achieve a return in excess of the government bond markets of Kenya by investing primarily in a diversified portfolio of hard and local currency intermediate and long-term debt securities issued by African sovereigns and corporates.

## Investment Policy

**Investment Policy**  
At least 70% of the Fund's total assets (excluding cash and cash equivalents) will be invested, either directly or through the use of financial derivative instruments in fixed and floating rate debt securities issued or guaranteed by "emerging and frontier" African governments (excludes South Africa) or their agencies and by companies that are incorporated under the laws of, and have their registered office in, "emerging and frontier" Africa, or that derive a predominant part of their economic activity from Africa, even if listed elsewhere. Such debt securities may be denominated in any currency, including in the local market currency. The Fund may invest, to an unlimited extent, in below investment grade securities, unrated securities and securities from emerging markets. There are no credit quality or maturity restrictions with respect to the securities in which the Fund may invest. The Fund will maintain an average weighted maturity between 1 and 5 years, although may lengthen duration if deemed attractive. The Fund may use financial derivative instruments to achieve its investment objective. These may include credit linked instruments, swap contracts and other fixed income, currency and credit derivatives. Financial derivatives may also be used for hedging purposes. Short-term money market instruments and deposits with credit institutions may be held on an ancillary basis. In principle, a substantial part of the assets of the Fund will be denominated in or hedged into USD.

## RISK AND REWARD PROFILE



### **Why is this Fund in Category 2?**

This bond Fund invests primarily in African sovereign and corporate debt securities, which carry a risk of downgrade or default. Investment in African sovereign and corporate bonds is accompanied by higher risks including significant price fluctuation and an increased risk of capital loss, due to the political, interest rate and credit risks associated with investing in the asset class.

Non-investment grade bonds are accompanied by higher risks, due to the greater balance sheet and credit risks associated with investing in the asset class, but they can also potentially enhance income and return for investors.

Corporate bond prices can fluctuate significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the creditworthiness of the issuer.

The Fund may use financial derivative instruments to achieve its investment objective.

## What do these numbers mean?

They rate how a fund might behave and how much risk there is to your capital. Generally, the chance to make large gains means a risk of suffering large losses.

A **Category 1** fund is not a risk-free investment – the risk of losing your money is small, but the chance of making gains is also limited. With a **Category 7** fund, the risk of losing your money is high but there is also a chance of making higher gains. The seven-category scale is complex (for example, 2 is not twice as risky as 1.)

## More about this rating

This rating system is based on the average fluctuations of the prices of funds over the past 5 years, that is, by how much the value of their assets taken together has moved up and down. Historical data, such as used in calculating the synthetic risk indicator, may not be a reliable indication of the Fund's future risk profile.

For a more detailed explanation of risks, please refer to the "Risk Factors" section of the prospectus.

CHARGES	
<b>One Off Fees</b>	
Entry Fees	Nil
Exit Fees	0.25%
Switching Fees	Nil
<b>Annual Fees</b>	
Annual Management Fees	2.00%
<b>Performance Fees</b>	
Performance Fee	Nil

These charges are used to pay the costs of running the Fund, including the costs of marketing and selling. Overall, they reduce the growth of your investment. The entry and exit charges shown are the maximum figures. In some cases, you might pay less, you can find this out from your financial adviser. The ongoing charge shown is an estimate. This figure, which excludes portfolio transaction costs, may vary from year to year. You can find out more details about the charges by looking at the "Charges and Expenses" section of the prospectus.

## PAST PERFORMANCE



Year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Annualized
2014	-	-	-	-	-	-	-	-	-0.6%	0.7%	0.1%	0.7%	3%
2015	-0.3%	1.4%	-0.8%	-1.4%	-2.2%	-1.5%	-0.9%	-2.0%	0.6%	2.0%	1.4%	-0.5%	-4%
2016	-1.0%	0.7%	0.5%	0.7%	0.6%	0.4%	0.4%	0.3%	0.8%	0.7%	0.3%	0.6%	5%
2017	0.0%	0.9%	0.3%	0.5%	0.4%	0.4%	0.4%	1.0%	0.0%	0.5%	0.9%	1.1%	6%
2018	1.3%	0.2%	0.8%	1.7%	0.0%	1.4%	0.7%	0.4%	0.4%	1.3%	-0.5%	1.4%	9%
2019	0.7%	1.6%	0.8%	0.8%	1.1%	0.4%	-1.0%	1.9%	0.3%	0.7%	0.9%	1.4%	10%
2020	0.7%	0.3%	-0.4%	-0.0%	0.4%	0.4%	0.4%	0.5%	0.4%	0.7%	0.5%	0.5%	4%
2021	0.4%	0.3%	0.3%	0.5%	0.3%	0.3%	0.3%	0.4%	0.3%	0.4%	0.4%	0.5%	4%
2022	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.4%	5%
2023	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	6%
2024	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.4%	0.4%	6%

Past performance is not a reliable indicator of future performance.

## PRACTICAL INFORMATION

### Fund Custodian

Stanbic Bank Kenya PLC  
Standard Chartered Bank  
Kenya Commercial Bank

### About the Fund

- The Nabo Africa Fixed Income Fund “the Fund” is a Collective Investment Scheme (CIS) product established and registered under the Capital Markets regulations as a unit trust under the provisions of the Capital Markets (Collective Investments Schemes) Regulations 2023 (“the CIS Regulations”).
- This Fund is subject to tax laws and regulations of Kenya. Depending on your home country of residence, this might have an impact on your personal tax position. For further details, please consult your adviser.
- The Fund shall operate as an open-ended fund and its units shall therefore be continuously offered through the Fund Manager and its authorized agents.
- Nabo Capital Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate, or inconsistent with the relevant parts of the Information Memorandum.
- This Sub-Fund is denominated in USD.

### Find Out More

- Further information about the Fund, copies of the Information Memorandum, annual and half-year reports may be obtained free of charge in English. Write to the Manager, at Nabo Capital Limited, International House, 5th Floor, Mama Ngina Street Nairobi or visit the website at [www.nabocapital.com](http://www.nabocapital.com)
- Other practical information including the latest share prices are available at the registered office of the Manager and the Trustee, KCB Trustee Services, KCB Towers, 7th Floor, Kenya Road, Upper Hill during normal business hours and will be published on the Nabo Capital website, [www.nabocapital.com](http://www.nabocapital.com)

This Fund is registered and authorised in the Republic of Kenya and regulated by the Capital Markets Authority of Kenya. Nabo Capital Limited is regulated by the Capital Markets Authority, Retirement Benefits Authority & the REITS Association of Kenya.

This Key Investor Information Document is accurate as at **30 January 2025**.