



# INCOME FUND FACT SHEET

Date: August 2025

<b>FUND NAME</b> CORNERSTONE SHILLING INCOME FUND	<b>FUND TRUSTEE &amp; CUSTODIAN</b> KCB Bank Uganda	<b>INCEPTION DATE</b> 24 <sup>TH</sup> DECEMBER 2024
<b>FUND MANAGER</b> CORNERSTONE ASSET MANAGERS LTD	<b>AUDITOR</b> BDO East Africa	<b>CURRENCY</b> UGX
<b>REGULATORY AUTHORITY</b> Capital Markets Authority (CMA), Uganda	<b>PORTFOLIO MANAGER</b> Simon Kusiima Mwebaze, CFA	<b>MANAGEMENT FEE</b> 2% per annum

## FUND OBJECTIVE:

The investment objective of the Cornerstone Income Fund is to achieve a reasonable level of current income and offer investors long term capital growth by investing in a diversified spread of fixed income securities. To achieve this, the fund will invest in treasury bills, bonds, fixed deposits, call account deposits, corporate bonds, commercial paper, structured interest-bearing approved securities and cash. The Unit Trust Scheme may invest over 35% in Government Securities. This fund will have a focus on fixed income securities. The portfolio may have a maximum of 10% direct and/or indirect exposure to East African investments as a hedge against inflation.

## Target Investors:

For investors who value stability and steady performance, the Cornerstone Shilling Income Fund offers a disciplined path to sustainable income and long-term capital security.

## Investment Risk Profile:

The fund has a low to medium investment risk profile.

## KEY FACTS

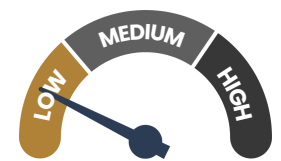
Minimum Investment

**100,000** UGX

Benchmark

**91-day T-Bill +1%**

Risk Profile



Fund Size  
(As at 31<sup>st</sup> August 2025)

**UGX 43.38 bn**

Average Effective Annual  
Yield (As at August 2025)

**14.98%**



Fund Weighted Average  
Maturity

**14.01 YRS**

Total Expense Ratio (TER)



RECOMMENDED INVESTMENT TERM: 1 YEAR.

# FUND PERFORMANCE

Month	Fund Yield (Effective Annual Yield) %	Benchmark (91-day T-Bill + 1%)	Commercial Banks Time Deposits (7-12 months) %
January	15.25	10.76	11.86
February	15.38	11.03	11.95
March	15.13	11.59	11.51
April	14.91	10.00	11.73
May	14.87	12.28	11.36
June	14.61	12.18	11.07
July	14.96	11.86	11.87
August	14.98	11.74	11.10

Fund Yield (Effective Annual Yield)
  Benchmark (91-day T-Bill + 1%)
  Commercial Banks Time Deposits (7-12 months)

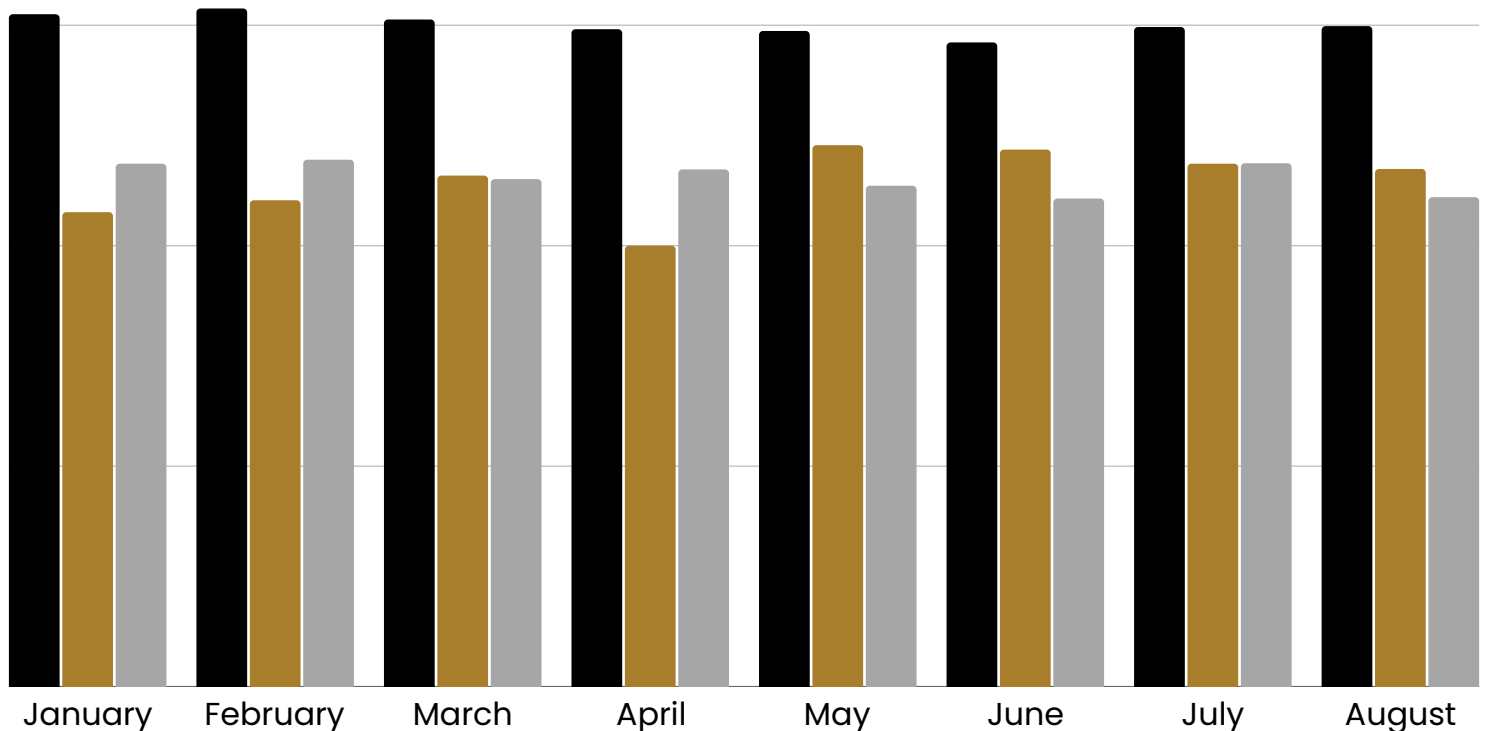
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## Portfolio Manager's Commentary (August 2025)

This commentary delivers a focused overview of Uganda's key macroeconomic data in August 2025 and its implications for investors monitoring the economic landscape.

### Macroeconomic Environment

Uganda's economy sustained solid growth momentum in August 2025, with FY 2025/26 GDP growth projected between 6.0% and 7.0% by official sources.

Growth drivers include significant government spending on agriculture, focusing on mechanization and value addition, infrastructure upgrades enhancing transport networks, and strategic investments catalyzing digital transformation.

These efforts align with Uganda's Ten-Fold Growth Strategy targeting middle-income status by 2040, illustrating continued policy support for diversified, inclusive development.

### Inflation and Price Stability

Headline inflation held steady at approximately 3.7% to 3.8% in August 2025, marginally lower than July's 3.8%-3.9%, mainly due to favorable harvests easing food prices.

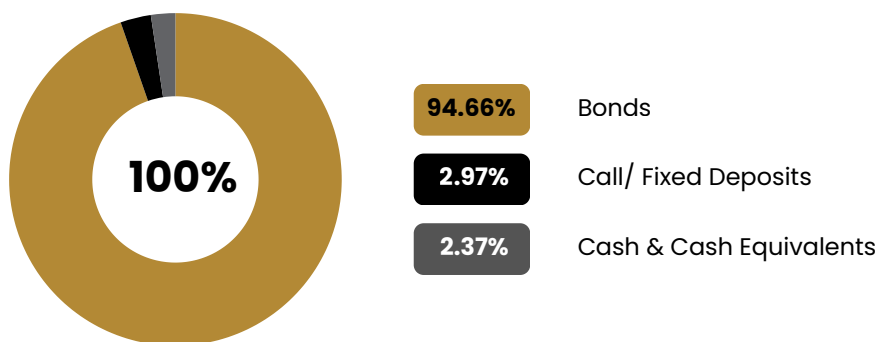
Core inflation, excluding volatile food and energy components, remained contained near 4.0% to 4.1%, supported by stable transport and accommodation costs.

Inflation persists comfortably within the Bank of Uganda's target band (~5%), enabling the central bank to maintain its current cautious monetary policy stance.

September inflation is likely to remain stable unless disrupted by external price shocks or currency volatility.

## Portfolio Allocation (31/08/2025)

Instrument	Percentage (%)
Bonds	94.66%
Call/ Fixed Deposits	2.97%
Cash & Cash Equivalents	2.37%
<b>Total</b>	<b>100%</b>



### Interest Rates and Monetary Policy

Government securities yields exhibited mixed dynamics amid fiscal concerns linked to the election cycle. Short-term Treasury bill yields, including the 91-day bill, hovered around 10.8% to 11.6%, reflecting demand for liquid, low-risk assets.

Longer-term bond yields edged up, reflecting risk premiums from anticipated government borrowing and fiscal deficits.

The Bank of Uganda maintained the Central Bank Rate at 9.75%, balancing inflation control and economic growth support. Yields may remain elevated and volatile near term due to fiscal uncertainties, with policy likely unchanged absent sharp inflation shifts.

### Exchange Rate Movements

The Ugandan shilling traded within a narrow, stable range against the US dollar in August, buoyed by robust foreign exchange inflows.

Key supporting factors included strong export receipts from coffee, gold, and cocoa amid favorable global commodity prices, steady diaspora remittances, and ongoing monetary policy prudence. Investor confidence and foreign exchange market reforms also contributed to currency resilience.

Looking forward, the shilling is expected to maintain relative stability barring major global shocks such as dollar strength or geopolitical tensions.

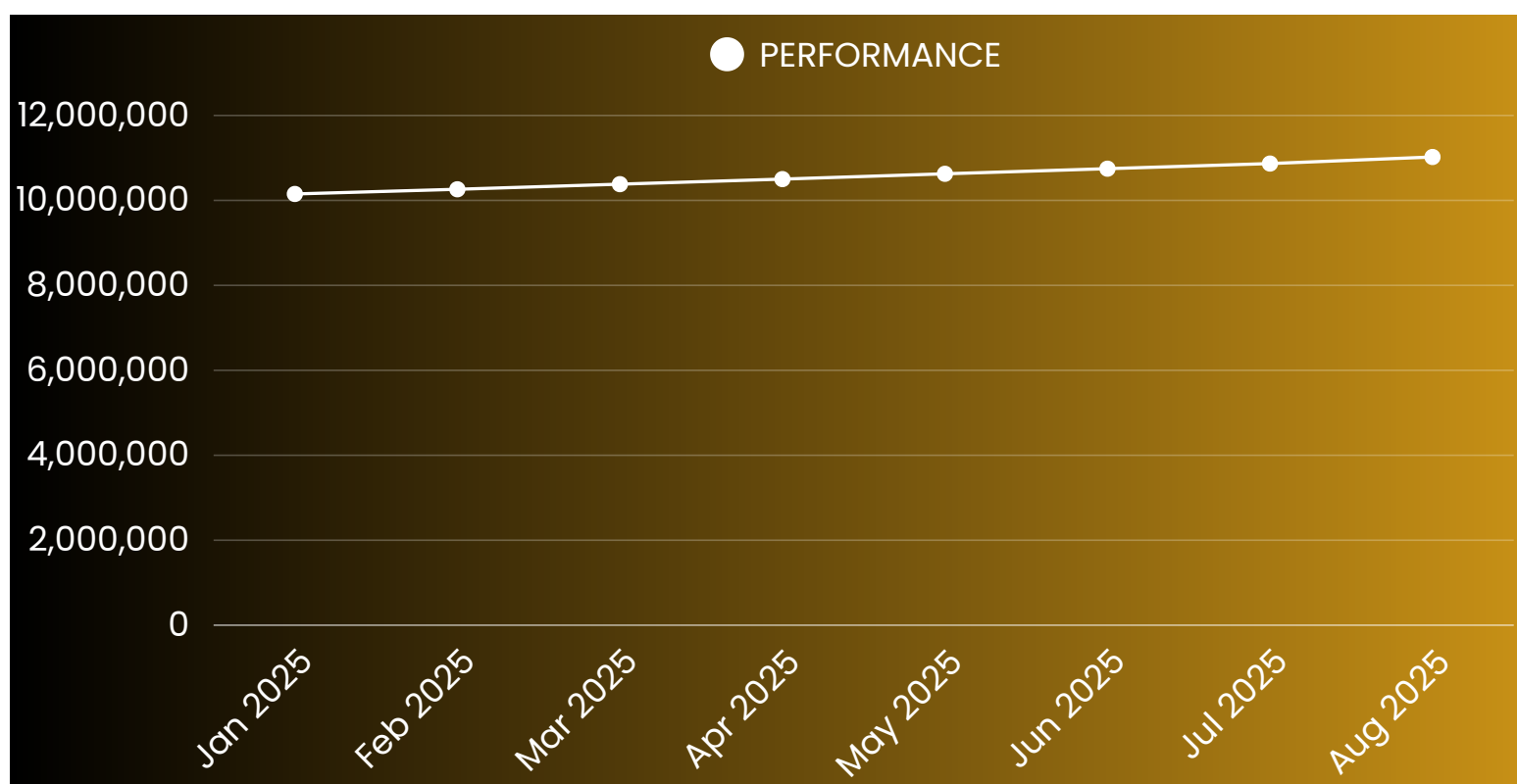
## Outlook

In the near term, the Bank of Uganda is expected to maintain its steady policy stance amid stable inflation and a resilient exchange rate. However, election-driven fiscal pressures may keep longer-term bond yields elevated, necessitating prudent duration and risk management. Our portfolio focus remains on high-quality fixed-income securities offering attractive yield, liquidity, and capital protection.

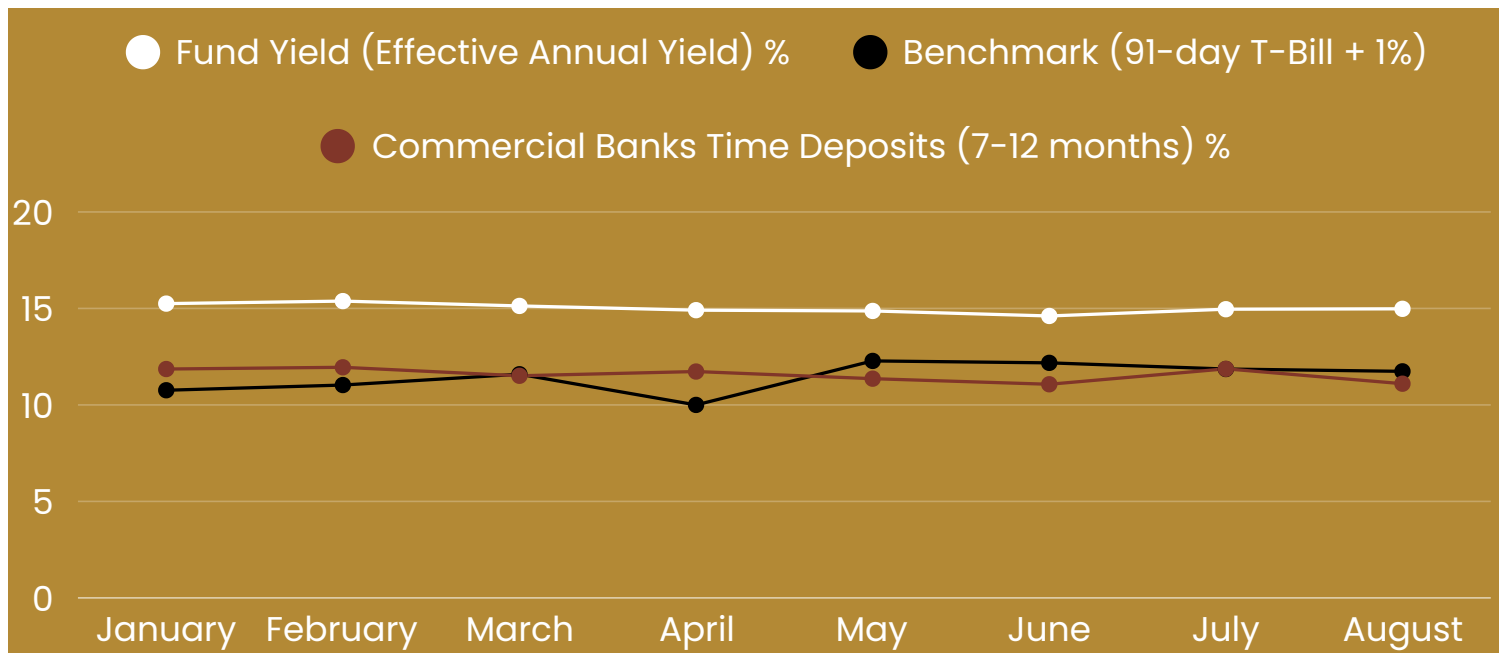
This approach aims to optimize returns while thoughtfully navigating Uganda's evolving macroeconomic and fiscal environment.

## VALUE OF 10 MILLION UGX SINCE INCEPTION

Date	Value
Friday, January 31, 2025	10,151,477
Friday, February 28, 2025	10,261,869
Monday, March 31, 2025	10,382,238
Wednesday, April 30, 2025	10,501,130
Saturday, May 31, 2025	10,626,171
Monday, June 30, 2025	10,746,641
Wednesday, July 30, 2025	10,867,237
Sunday, August 31, 2025	11,021,870



# Performance Vs Benchmark



Risk Measures	Fund	Benchmark (91-day T-Bill + 1%)	Commercial Banks Time Deposits (7-12 months)
Percentage Positive Months	100%	100%	100%
Highest Annual Return	15.38%	12.28%	11.95%
Lowest Annual Return	14.61%	10.00%	11.07%

## Risk Notice

Investment in the Cornerstone Income Fund should be regarded as a medium-term investment. The Fund's investments are subject to normal market fluctuations and risks inherent in all investments. Interest rates may from time to time, go down as well as up. For this reason, the price of units of any Fund and the income from them can go down as well as up. Any investor who is in any doubt about the risks of investing in the Fund should consult his or her own Financial Advisor. Past performance is not a reliable indicator of future results.

### Disclaimer

Past performance does not guarantee future results. Investments in collective investment schemes are subject to market risks. Please consult an investment advisor before investing. For more information, visit [www.cornerstone.co.ug](http://www.cornerstone.co.ug).

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