



INCOME FUND FACT SHEET

Date: December 2025

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

FUND OBJECTIVE:

The Cornerstone Income Fund aims to deliver a balanced combination of steady current income and long-term capital appreciation by investing in a carefully diversified portfolio of fixed income instruments. To achieve this objective, the fund strategically allocates capital across a range of high quality, assets including treasury bills, government bonds, fixed deposits, call account deposits, corporate bonds, commercial paper, structured interest-bearing approved securities, and cash equivalents. This diversified approach is designed to optimise yield while managing risk, providing investors with a reliable income stream alongside potential growth over time.

Target Investors:

Investors who seek to invest in a portfolio offering exposure to a diversified portfolio of fixed income instruments.

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 30th December 2025)

UGX 116.1 bn

Average Effective Annual
Yield (As at December 2025)

14.95%

Recommended Investment
Term

1 YEAR

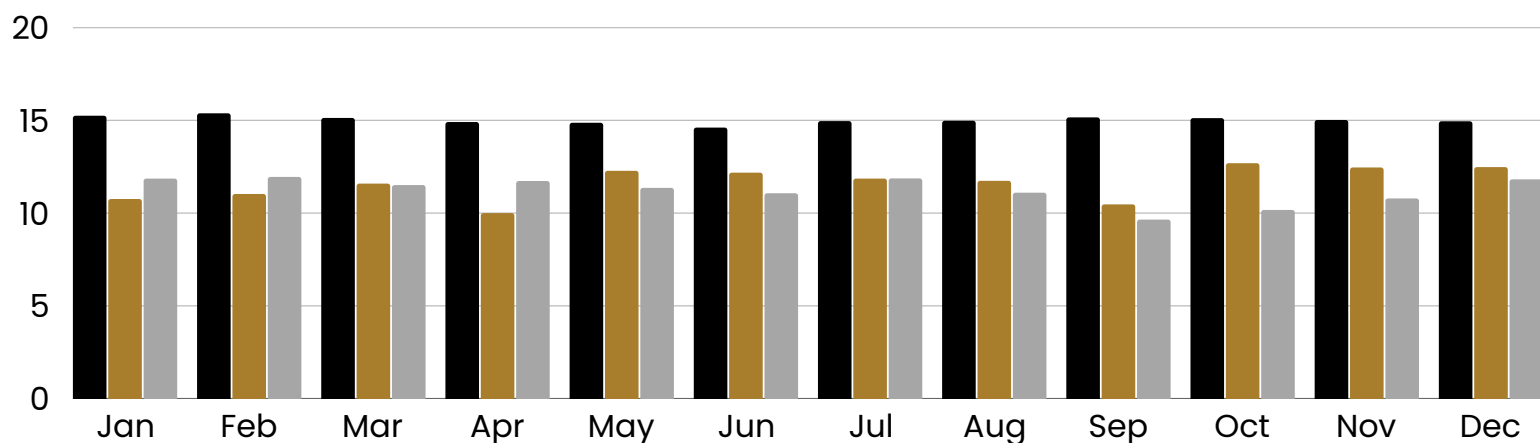
Total Expense Ratio (TER)



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
September	15.16	10.47	9.65
October	15.12	12.69	10.17
November	15.02	12.46	10.79
December	14.95	12.48	11.82

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



Macroeconomic Environment

By the end of December 2025, Uganda's economy remained resilient, supported by strong growth momentum and contained inflation. Real GDP expanded by an estimated 6.3% in FY 2024/25, driven by robust agricultural output, an industrial recovery, and resilient services sector activity. Growth prospects remained favourable, with projections of 6.0–6.5% in FY 2025/26, underpinned by continued investment activity, improving infrastructure, and steady domestic demand.

Inflation remained well below the Bank of Uganda's medium-term target of 5%, averaging 3.5–3.8% in late 2025. This performance reflected prudent monetary policy, a stable exchange rate, and easing supply-side pressures. In response, the Monetary Policy Committee maintained the Central Bank Rate (CBR) at 9.75%, signalling confidence in price stability and anchored inflation expectations.

External sector conditions improved, with foreign exchange reserves strengthening and export earnings rising—particularly from coffee and cocoa. However, fiscal pressures persisted, with a widening deficit and rising public debt levels. Despite these challenges, the medium-term outlook remained positive, supported by anticipated oil sector revenues and sustained foreign investment inflows.

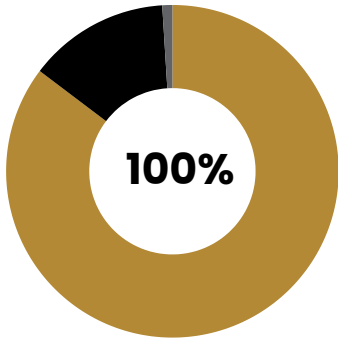
Inflation and Price Stability

Uganda maintained a stable price environment into late 2025. Headline inflation eased to around 3.1% by November 2025, while core inflation remained subdued, indicating limited underlying demand-driven pressures. This disinflationary trend reflected stable food prices, improved domestic supply conditions, and a relatively steady exchange rate.

The Bank of Uganda held the policy rate at 9.75%, reflecting confidence that inflation was firmly contained. Price stability helped sustain consumer and business confidence, supporting investment decisions and domestic demand. However, fiscal risks and external shocks—particularly from global commodity price movements—remained potential sources of upward pressure on prices going into 2026

Portfolio Allocation (31/12/2025)

Instrument	Percentage (%)
Bonds	85.30%
Call/ Fixed Deposits	13.72%
Cash & Cash Equivalents	0.98%
Total	100%



- 85.30%** Bonds
- 13.72%** Call/ Fixed Deposits
- 0.98%** Cash & Cash Equivalents

Interest Rates and Treasury Market

Uganda's interest rate environment remained tight but stable in 2025, reflecting the Bank of Uganda's commitment to anchoring inflation expectations and preserving exchange rate stability. The Monetary Policy Committee maintained the Central Bank Rate at 9.75%, signalling confidence that inflation was contained and that prevailing monetary conditions were appropriate. However, commercial lending rates remained elevated due to tight liquidity conditions, large government borrowing requirements, and persistent risk premiums, constraining private sector credit growth. In the government securities market, yields stayed high across maturities, with 91-day Treasury bills averaging 10–12%, 364-day bills at 14–16%, and Treasury bonds at 16–18%. Despite high yields, auction participation remained strong, reflecting sustained investor appetite for low-risk domestic assets amid limited alternative investment opportunities.

Exchange Rate Movements

The Ugandan shilling (UGX) remained broadly stable against major currencies in 2025, trading in the range of UGX 3,570–3,620 per US dollar. Exchange rate stability was supported by contained inflation, prudent monetary policy, and steady foreign exchange inflows from exports, remittances, and donor support. Although intermittent pressures emerged from import demand and global financial tightening, volatility remained limited due to timely central bank interventions and adequate foreign reserves. Over the course of 2025, the shilling recorded only modest depreciation, reflecting improving macroeconomic fundamentals and strengthening external buffers.

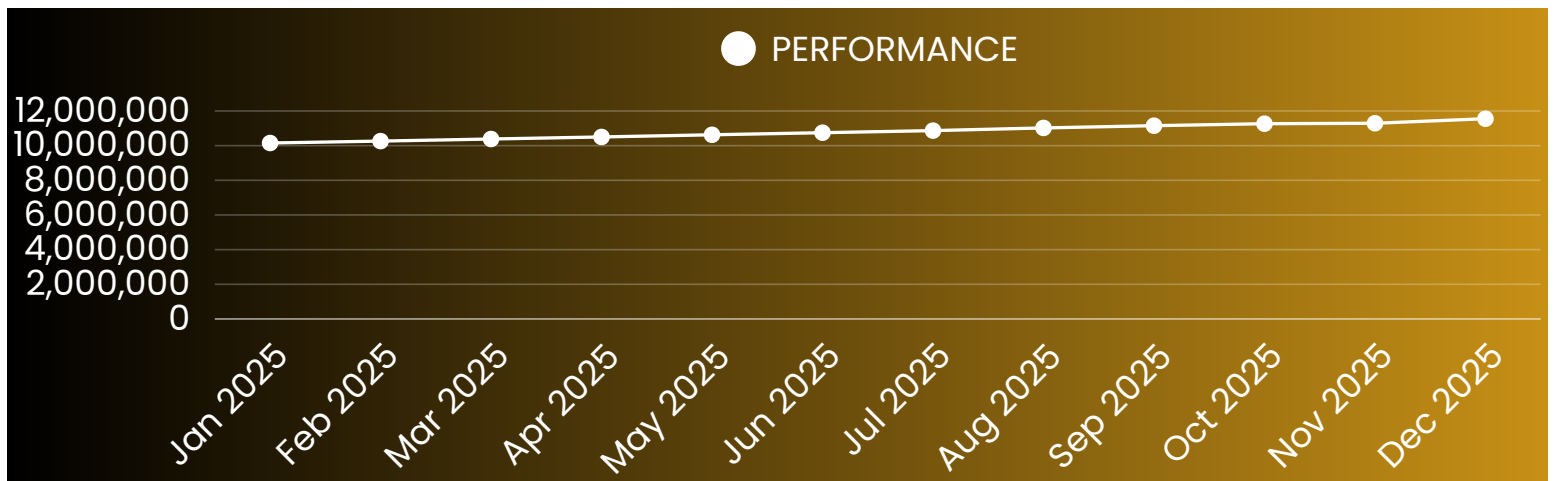
Overall, the stable exchange rate environment helped anchor inflation expectations and reinforced confidence among investors and businesses, despite ongoing fiscal and external sector vulnerabilities.

Outlook

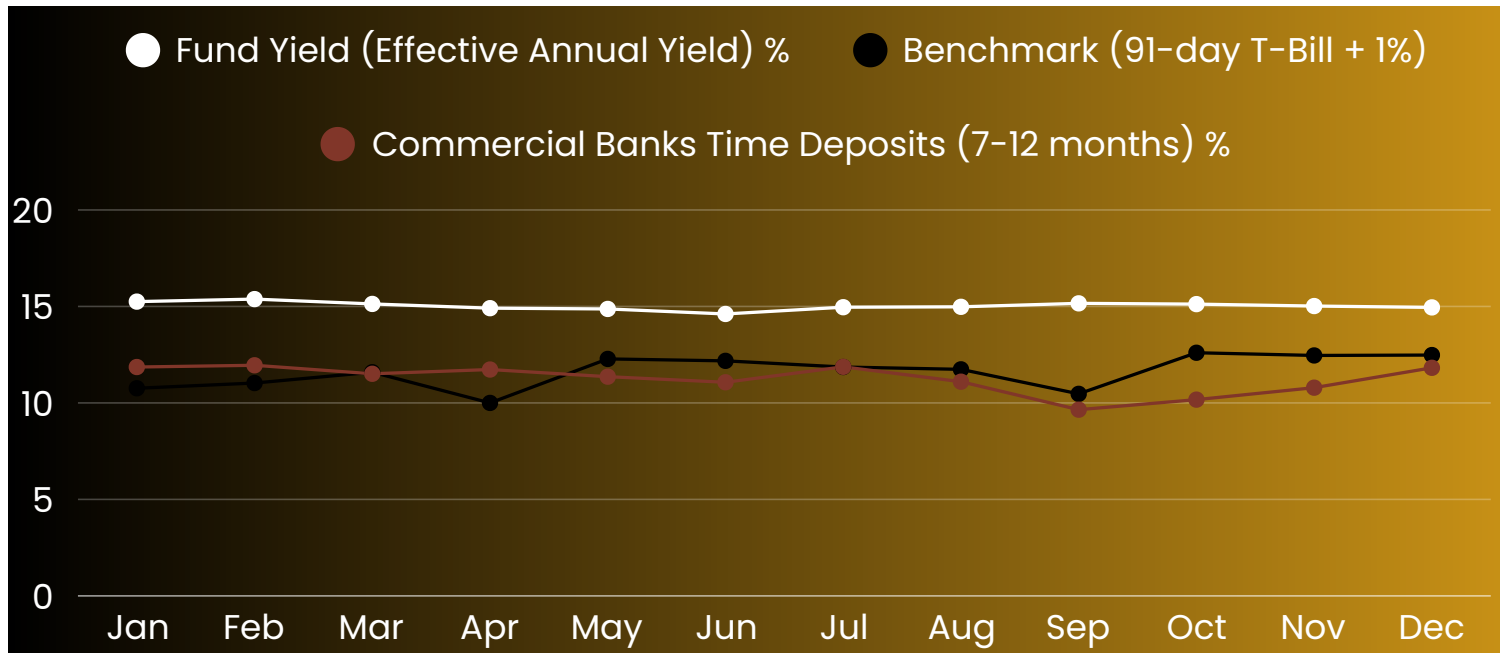
Uganda's macroeconomic outlook remains cautiously positive, supported by prudent monetary policy, contained inflation, and continued foreign exchange inflows from exports, remittances, and services. The Ugandan shilling is expected to remain broadly stable against major currencies, underpinned by steady export performance, resilient remittance inflows, and adequate foreign exchange reserves. However, downside risks persist, including global financial tightening, commodity price volatility, and rising fiscal financing pressures. Domestically, high public debt and elevated borrowing needs may continue to weigh on private sector credit and investment. Overall, the outlook is cautiously neutral, with limited exchange rate volatility but sensitivity to external developments and fiscal consolidation efforts.

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
Tuesday, September 30, 2025	11,151,225
Friday, October 31, 2025	11,265,798
Sunday, November 30, 2025	11,290,561
Wednesday, December 31, 2025	11,554,380



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	13.86%	10.00%	9.65%

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.

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