



INCOME FUND FACT SHEET

Date: February 2026

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 optimize 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-sized investment risk profile.

KEY FACTS

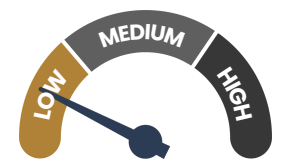
Minimum Investment

100,000 UGX

Benchmark

91-day T-Bill + 1%

Risk Profile



Fund Size
(As at 28th February 2026)

UGX 123.34 bn

Average Effective Annual
Yield (As at February 2026)

15.75%

Recommended Investment
Term

1 YEAR

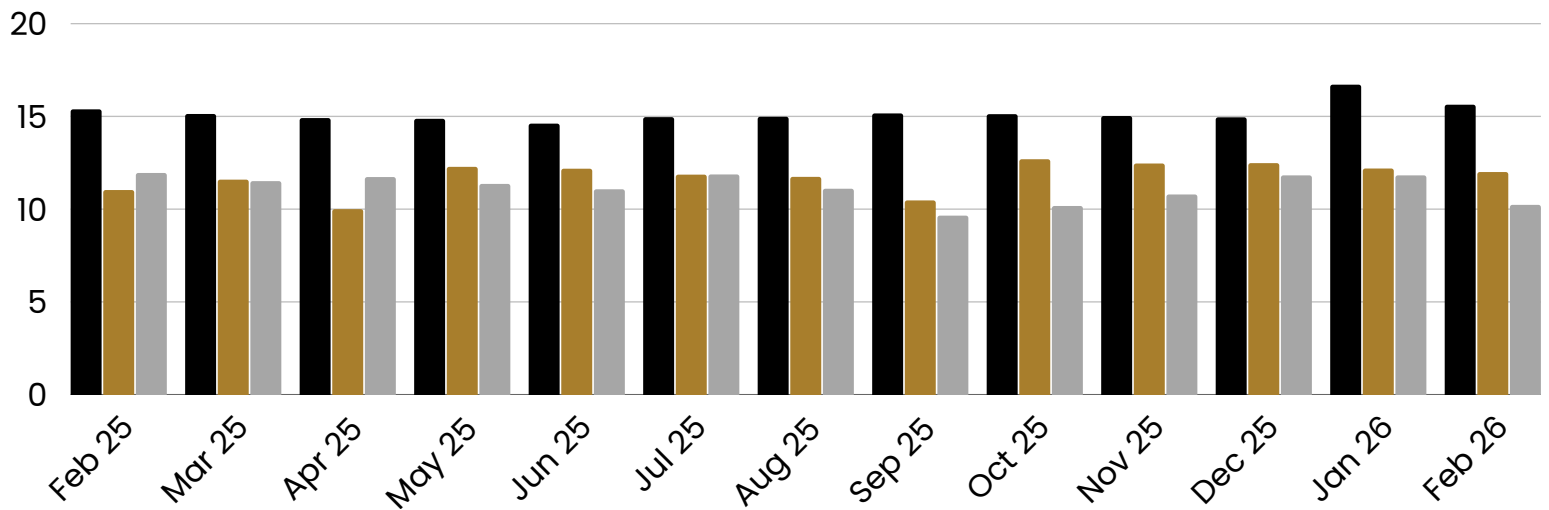
Total Expense Ratio (TER)

PER ANNUM
2.6%

FUND PERFORMANCE

Month	Fund Yield (Effective Annual Yield) %	Benchmark (91-day T-Bill + 1%)	Commercial Banks Time Deposits (7-12 months) %
February 2025	15.38	11.03	11.95
March 2025	15.13	11.59	11.51
April 2025	14.91	10.00	11.73
May 2025	14.87	12.28	11.36
June 2025	14.61	12.18	11.07
July 2025	14.96	11.86	11.87
August 2025	14.98	11.74	11.10
September 2025	15.16	10.47	9.65
October 2025	15.12	12.69	10.17
November 2025	15.02	12.46	10.79
December 2025	14.95	12.48	11.82
January 2026	16.71	12.19	11.82
February 2026	15.63	12.00	10.23

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



Portfolio Manager's Commentary – February 2026

Macroeconomic Environment

Uganda's macroeconomic environment remained stable in February 2026, supported by sustained growth momentum and continued price stability. Economic activity remains underpinned by resilient agricultural production, steady services sector expansion, and ongoing infrastructure investment. Early indicators suggest that FY 2025/26 growth remains on track within the projected 6.0–6.5% range, supported by domestic demand and oil-sector related investments.

Monetary policy conditions remained unchanged during the month, with the Central Bank Rate (CBR) maintained at 9.75%, reflecting confidence in well-anchored inflation expectations and stable macroeconomic fundamentals. On the fiscal side, domestic borrowing remains elevated, though manageable within the broader macro framework. External sector performance continues to benefit from export receipts and remittance inflows, supporting foreign exchange liquidity conditions.

Inflation and Price Stability

Inflation remained firmly contained in February 2026. Headline inflation declined to 2.87% year-on-year, while core inflation registered 2.99%, both comfortably below the 5% medium-term target.

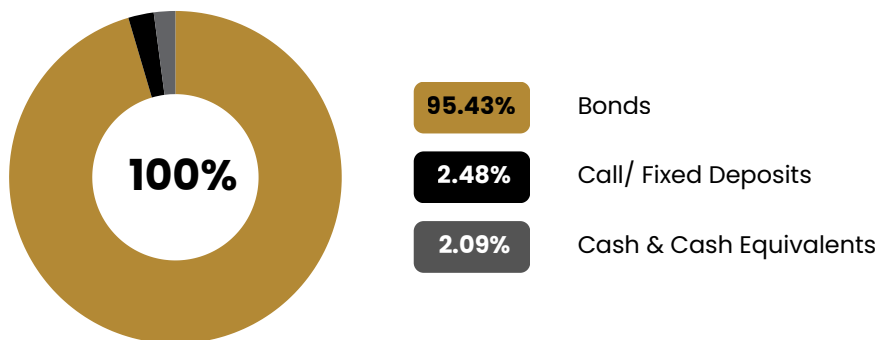
The moderation in inflation reflects stable food prices, contained imported inflation, and exchange rate stability. The convergence of headline and core inflation indicates limited underlying demand-side pressures within the economy.

The current low and stable inflation environment supports consumer purchasing power and provides policy space for the central bank to maintain its cautious but steady monetary stance.

However, inflation risks remain moderately tilted to the upside, particularly from potential exchange rate volatility, global commodity price movements, or fiscal-driven liquidity pressures.

Portfolio Allocation (28/02/2026)

Instrument	Percentage (%)
Bonds	95.43%
Call/ Fixed Deposits	2.48%
Cash & Cash Equivalents	2.09%
Total	100%



Interest Rates and Government Securities Market

Interest rate conditions remained relatively tight but stable during February. With inflation below 3%, real interest rates remain firmly positive, sustaining strong investor demand for government securities.

Treasury bill yields remained attractive across tenors, while bond yields showed signs of stabilization following strong subscription levels in recent auctions. The disinflationary environment has supported demand for longer-dated instruments as investors seek to lock in elevated real yields.

Commercial lending rates remain elevated, reflecting structural liquidity dynamics and continued government financing requirements, which continue to exert mild crowding-out effects on private sector credit growth.

Exchange Rate Developments

The Uganda Shilling remained broadly stable during February 2026 with the period average exchange rate standing at UGX 3,568.23 per US dollar. The end-of-period rate closed at UGX 3,600 per US dollar.

The modest depreciation toward month-end reflects normal market demand dynamics rather than structural pressures. Overall volatility remained contained, supported by steady foreign exchange inflows from exports and remittances, alongside prudent central bank liquidity management.

Exchange rate stability continues to play a key role in anchoring inflation expectations and preserving investor confidence.

Outlook

Uganda's near-term macroeconomic outlook remains stable and cautiously constructive. Inflation is expected to remain within the target band in the coming months, supported by stable exchange rate conditions and adequate domestic supply.

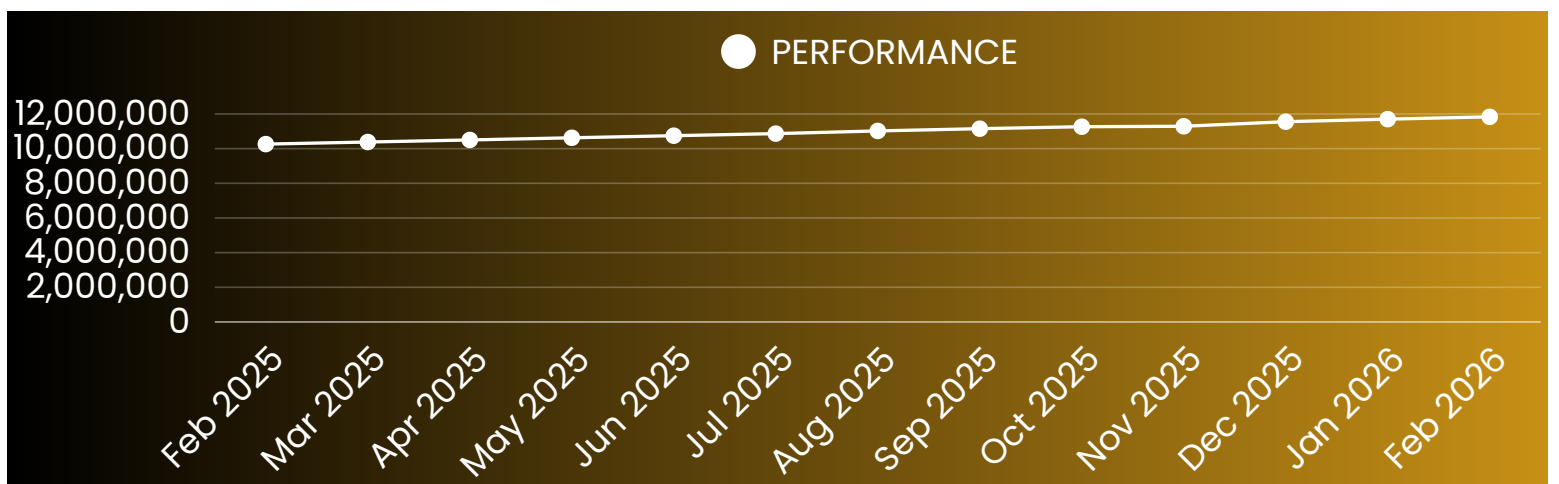
The exchange rate is projected to remain broadly stable, barring significant external shocks. Continued export performance and remittance inflows should provide underlying support to the currency.

In the fixed income market, real yields remain attractive given sub-3% inflation, suggesting continued investor appetite for government securities. However, fiscal financing pressures and global financial conditions remain key risks to monitor.

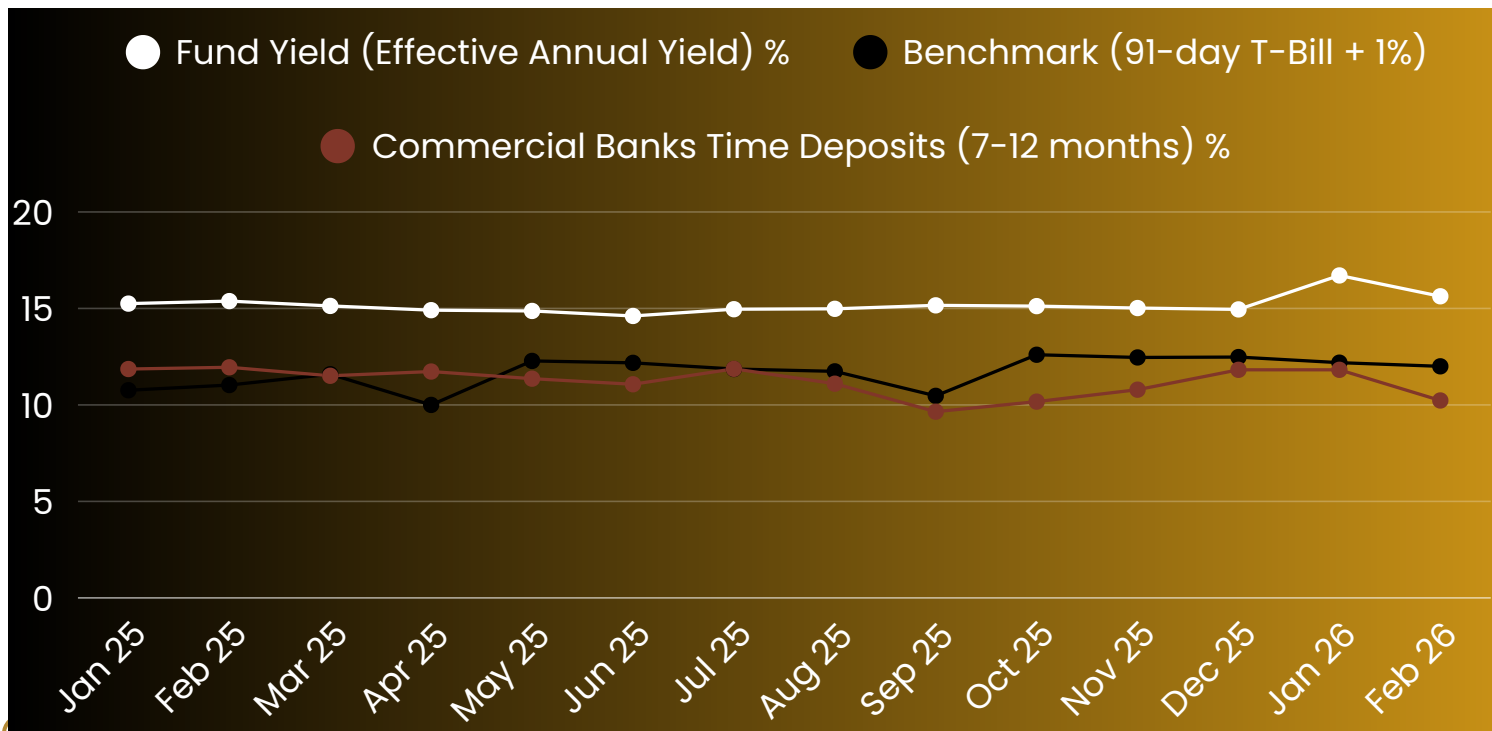
Overall, the February data reinforces a stable macroeconomic backdrop, characterized by contained inflation, manageable exchange rate movements, and supportive conditions for fixed income investments.

VALUE OF 10 MILLION UGX SINCE INCEPTION

Date	Value
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
Saturday, January 31, 2026	11,702,122
Saturday, February 28, 2026	11,834,910



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	16.71%	12.69%	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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