



INCOME FUND FACT SHEET

Date: February 2026

FUND NAME CORNERSTONE SHILLING INCOME FUND	FUND TRUSTEE & CUSTODIAN KCB Bank Uganda	INCEPTION DATE 10 th JANUARY 2024
FUND MANAGER CORNERSTONE ASSET MANAGERS LTD	AUDITOR BDO East Africa	CURRENCY USD
REGULATORY AUTHORITY Capital Markets Authority (CMA), Uganda	PORTFOLIO MANAGER Simon Kusiima Mwebaze, CFA	MANAGEMENT FEE 1% per annum

FUND OBJECTIVE:

The Cornerstone Dollar Income Fund Scheme's investment objective is to obtain a high level of current income while preserving investor's capital. The Fund aims to outperform the USD yield available on call and fixed deposits through investing in high quality money markets and fixed income securities with a maturity profile that ensures sufficient liquidity and competitive return.

Target Investors:

Suitable for investors who seek capital preservation with minimal volatility.

Investment Risk Profile:

The fund has a low to medium investment risk profile.

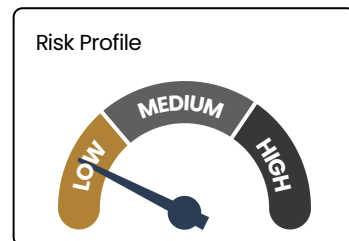
KEY FACTS

Minimum Investment

500 USD

Benchmark

Secured Overnight Financing Rate (SOFR)



Fund Size
(As at 28th February 2026)

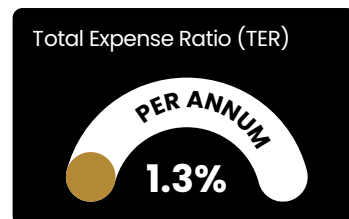
USD 1,170,328

Average Effective Annual Yield
(As at February 2026)

5.16%

Recommended Investment Term

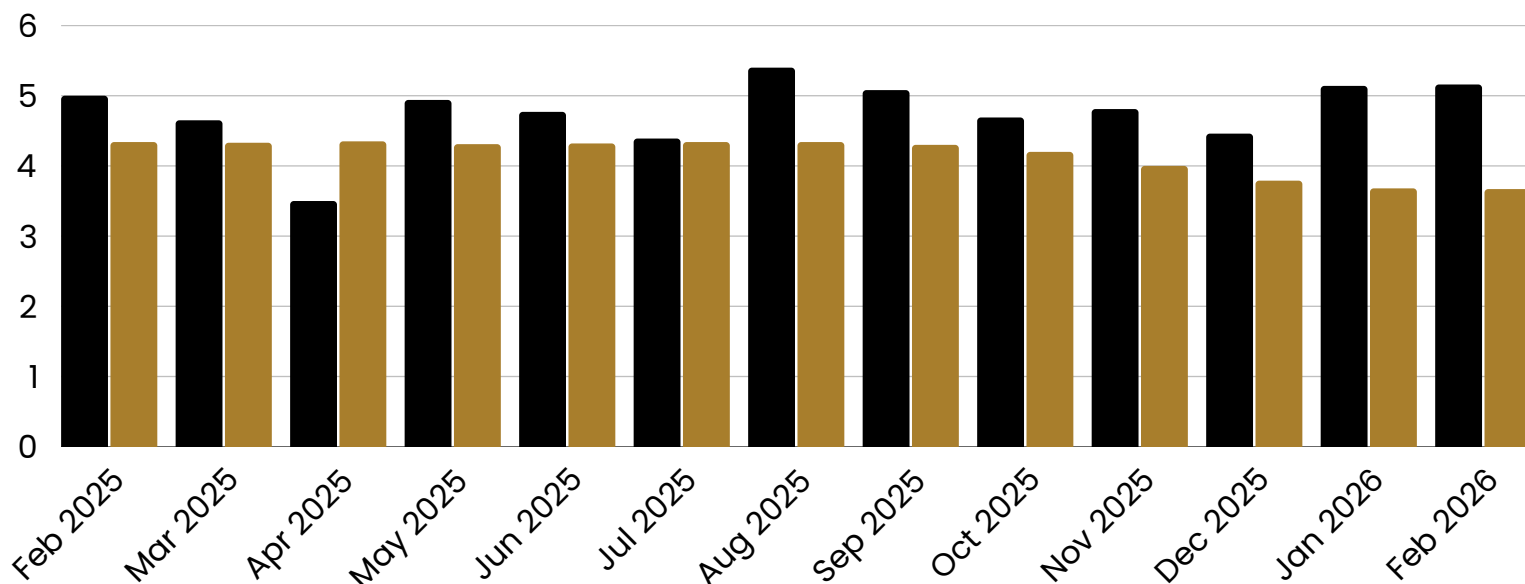
1 YEAR



FUND PERFORMANCE

Month	Fund Yield (Effective Annual Yield) %	Benchmark (SOFR)
February 2025	5.00	4.34
March 2025	4.65	4.33
April 2025	3.50	4.35
May 2025	4.94	4.31
June 2025	4.77	4.32
July 2025	4.39	4.34
August 2025	5.40	4.34
September 2025	5.08	4.30
October 2025	4.45	4.20
November 2025	4.81	4.00
December 2025	4.46	3.79
January 2026	5.14	3.68
February 2026	5.16	3.67

● Fund Yield (Effective Annual Yield) ● Benchmark (SOFR)



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.

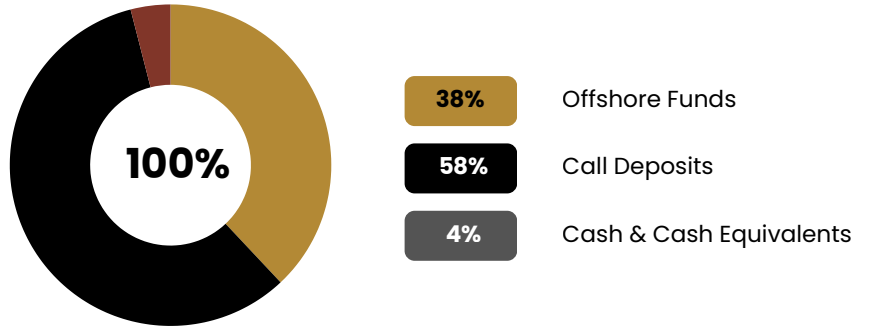
Outlook

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.

Portfolio Allocation (28/02/2026)

Instrument	Percentage (%)
Offshore Funds	38%
Call Deposits	58%
Cash & Cash Equivalents	4%
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.

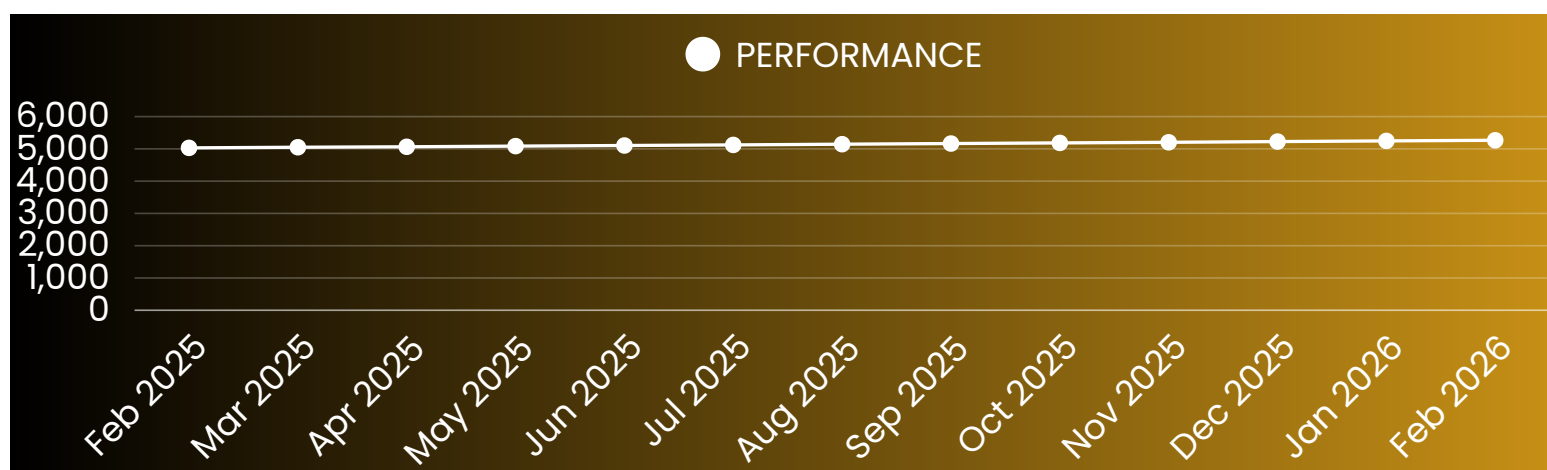
Exchange Rate Developments

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.

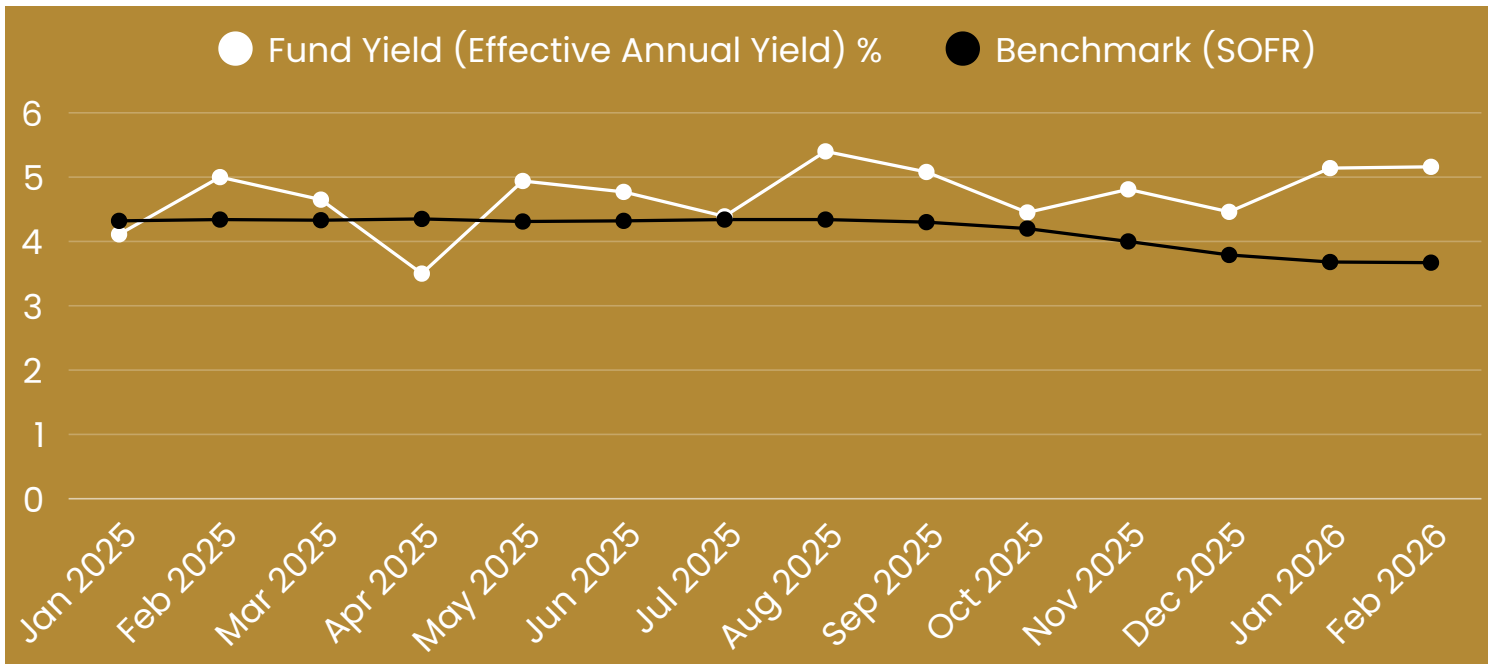
The modest depreciation toward month-end reflects normal market demand dynamics rather than structural pressures. Overall volatility remained contained, supported by steady foreign exchange inflows from exports and remittances, alongside prudent central bank liquidity management. Exchange rate stability continues to play a key role in anchoring inflation expectations and preserving investor confidence.

VALUE OF USD 5,000 SINCE INCEPTION

Date	Value
Friday, February 28, 2025	5,030.7
Monday, March 31, 2025	5,050.0
Wednesday, April 30, 2025	5,064.2
Saturday, May 31, 2025	5,084.7
Monday, June 30, 2025	5,103.9
Wednesday, July 30, 2025	5,122.1
Sunday, August 31, 2025	5,144.5
Tuesday, September 30, 2025	5,164.9
Friday, October 31, 2025	5,184.4
Sunday, November 30, 2025	5,203.2
Wednesday, December 31, 2025	5,225.6
Saturday, January 31, 2026	5,246.4
Saturday, February 28, 2026	5,265.7



Performance Vs Benchmark



Risk Measures	Fund	Benchmark (SOFR)
Percentage Positive Months	100%	100%
Highest Annual Return	5.46%	4.45%
Lowest Annual Return	2.67%	3.67%

Risk Notice

Investment in the Cornerstone USD Income Fund should be regarded as a medium-term investment. The Fund's investments are subject to normal market fluctuations, interest rate risks, and foreign exchange (FX) risk inherent in investments denominated in US dollars. Interest rates and currency exchange rates may from time to time go down as well as up. For this reason, the price of units of the Fund and the income from them can go down as well as up. Any investor who is in 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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