



# INCOME FUND FACT SHEET

Date: January 2026

<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 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 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> January 2026)

**UGX 123.2 bn**

Average Effective Annual  
Yield (As at January 2026)

**16.04%**

Recommended Investment  
Term

**1 YEAR**

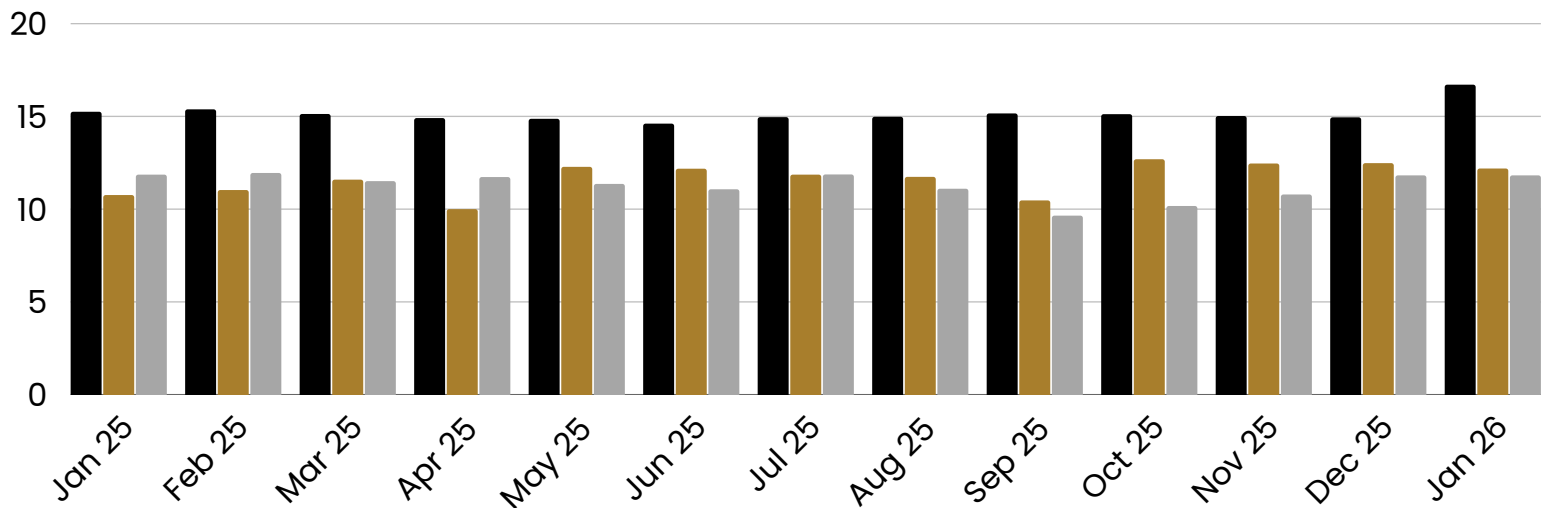
Total Expense Ratio (TER)



# FUND PERFORMANCE

Month	Fund Yield (Effective Annual Yield) %	Benchmark (91-day T-Bill + 1%)	Commercial Banks Time Deposits (7-12 months) %
January 2025	15.25	10.76	11.86
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

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



## Macroeconomic Environment

As of January 2026, Uganda's macroeconomic environment remains broadly stable, underpinned by resilient growth dynamics and sustained price stability. Real GDP growth is estimated to have reached approximately 6.2–6.5% in FY 2024/25, supported by strong agricultural performance, continued recovery in industrial production, and steady expansion in the services sector—particularly trade, transport, and financial services.

Looking ahead, economic growth in FY 2025/26 is projected to remain within the 6.0–6.5% range, driven by ongoing public and private investment, infrastructure development, and resilient domestic demand. The anticipated scaling-up of oil-related activities, alongside improved regional trade conditions, is expected to further support medium-term growth prospects.

Inflationary pressures remained well contained entering 2026. Headline inflation averaged below the Bank of Uganda's (BoU) 5% medium-term target, reflecting prudent monetary policy, relatively stable food prices, and limited exchange rate pass-through. In this context, the Monetary Policy Committee maintained the Central Bank Rate (CBR) at 9.75%, signaling confidence in macroeconomic stability and well-anchored inflation expectations.

On the external front, Uganda's position continued to improve, supported by stronger export earnings—particularly from coffee and other agricultural commodities—as well as resilient remittance inflows. Nonetheless, fiscal pressures persisted, driven by elevated debt servicing costs and ongoing financing needs. Despite these constraints, the medium-term outlook remains positive, bolstered by expected oil revenues and sustained foreign direct investment inflows.

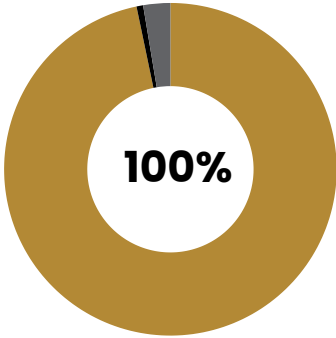
## Inflation and Price Stability

Uganda entered 2026 with a stable inflation environment. Headline inflation moderated to around 3.0–3.3% by end-2025, while core inflation remained subdued, indicating limited underlying demand-side pressures. This disinflationary trend was supported by improved domestic supply conditions, stable energy prices, and a relatively steady exchange rate.

The Bank of Uganda's decision to hold the policy rate at 9.75% reflects confidence that inflation is firmly under control. Price stability continues to support consumer confidence and business planning, thereby underpinning domestic demand and investment activity. However, inflation risks remain tilted slightly to the upside. Potential pressures could arise from global commodity price volatility, exchange rate shocks, or fiscal slippage that increase domestic financing requirements. As such, monetary policy is expected to remain cautiously tight in the near term.

## Portfolio Allocation (31/01/2026)

Instrument	Percentage (%)
Bonds	96.73%
Call/ Fixed Deposits	0.64%
Cash & Cash Equivalents	2.63%
<b>Total</b>	<b>100%</b>



<b>96.73%</b>	Bonds
<b>0.64%</b>	Call/ Fixed Deposits
<b>2.63%</b>	Cash & Cash Equivalents

## Interest Rates and Treasury Market

Interest rate conditions in early 2026 remain tight but broadly stable. The Bank of Uganda has maintained a restrictive monetary stance to preserve price and exchange rate stability. While policy rates have remained unchanged, commercial lending rates continue to be elevated, reflecting tight liquidity conditions, government crowding-out effects, and persistent credit risk premiums. This has constrained private sector credit growth, particularly for small and medium-sized enterprises.

In the government securities market, yields remained attractive across the yield curve. 91-day Treasury bill yields averaged 10–12%, 364-day bills traded at around 14–16%, while Treasury bond yields ranged between 16–18%, depending on tenor. Investor demand for government securities remained strong, supported by high real yields and limited alternative low-risk investment opportunities.

However, sustained reliance on domestic borrowing continues to pose risks to financial intermediation and private investment, reinforcing the importance of gradual fiscal consolidation.

## Exchange Rate Movements

The Ugandan shilling remained broadly stable into January 2026, trading within the range of UGX 3,580–3,650 per US dollar. Exchange rate stability was supported by contained inflation, prudent monetary policy, and steady foreign exchange inflows from exports, remittances, and development financing.

While periodic pressures emerged from import demand and external financial tightening, volatility remained limited due to timely central bank interventions and adequate foreign exchange reserves. Overall, the shilling recorded only modest depreciation over 2025, reflecting improving macroeconomic fundamentals and strengthening external buffers.

A stable exchange rate environment continues to play a key role in anchoring inflation expectations and supporting investor confidence, despite lingering fiscal and external vulnerabilities.

## Outlook

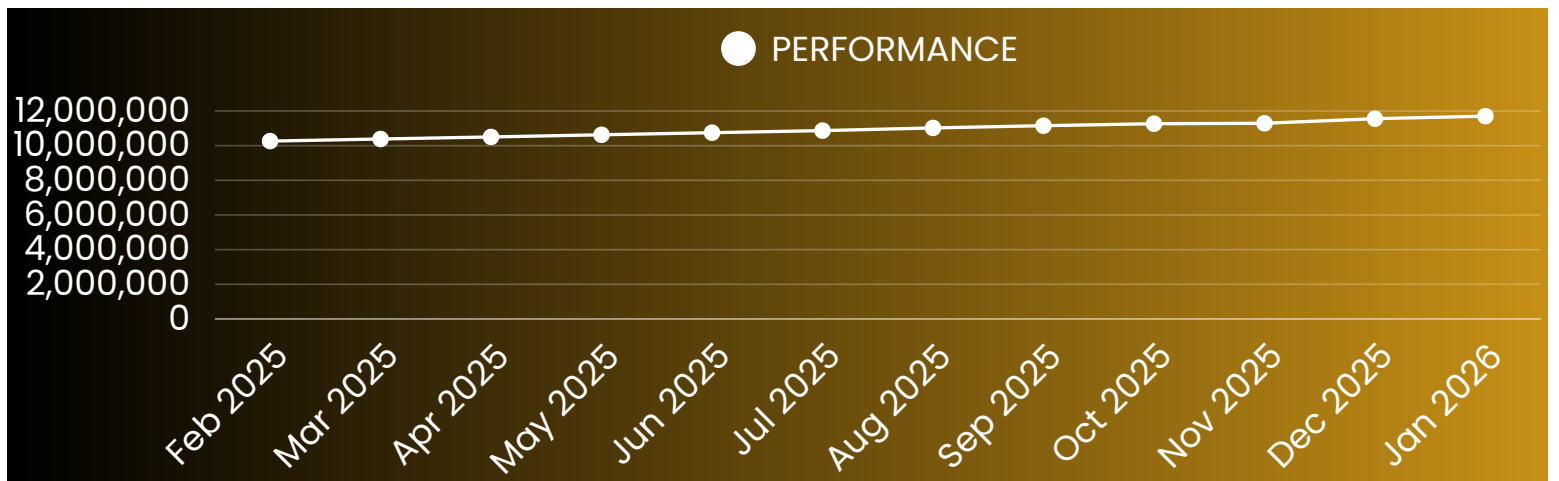
Uganda's macroeconomic outlook in early 2026 is cautiously positive, supported by sustained economic growth, contained inflation, and stable exchange rate dynamics. The Ugandan shilling is expected to remain broadly stable in the near term, underpinned by steady export performance, resilient remittance inflows, and adequate foreign exchange reserves.

Nonetheless, downside risks persist. These include global financial tightening, commodity price volatility, and elevated fiscal financing pressures. Domestically, rising public debt and continued government borrowing may weigh on private sector credit growth and investment.

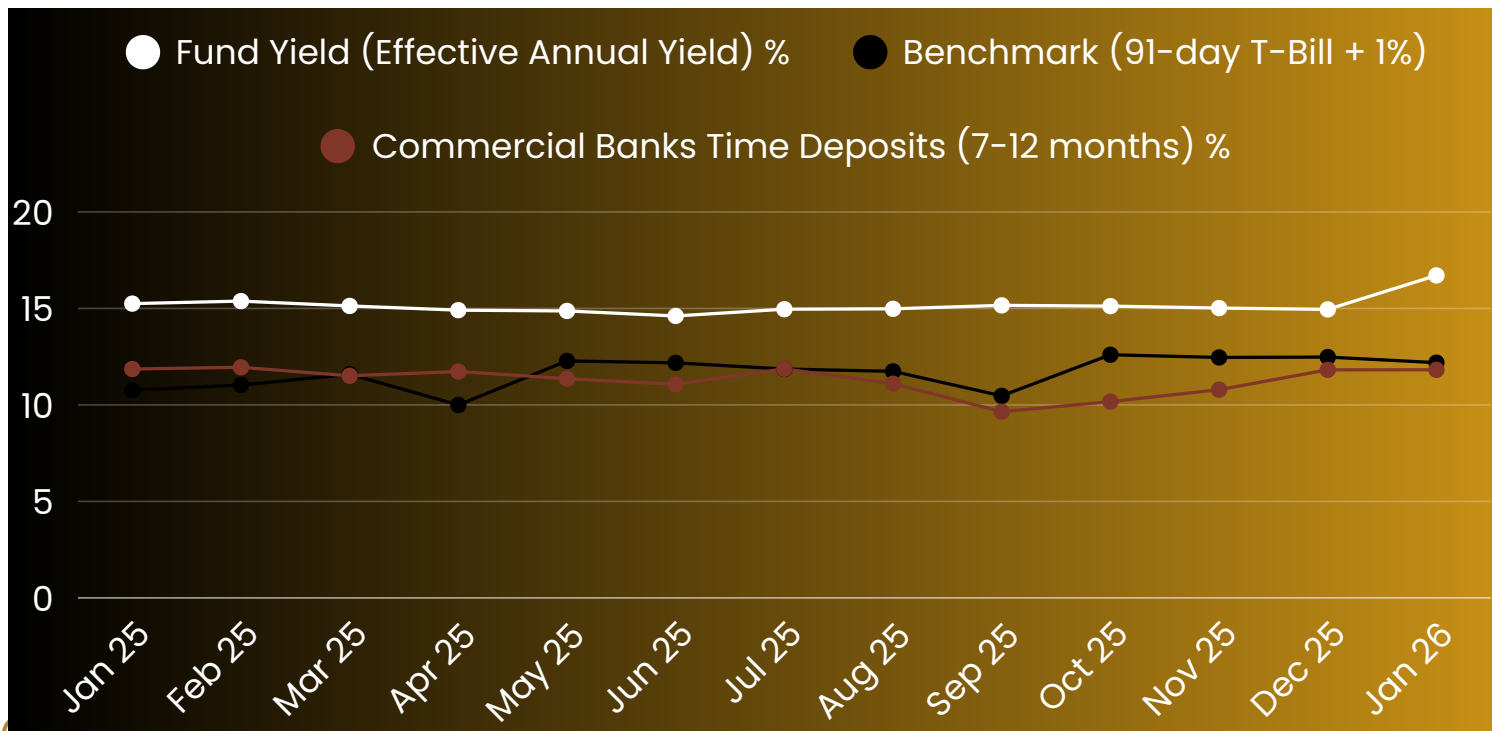
Overall, the outlook remains cautiously neutral, characterised by limited exchange rate volatility and stable inflation, but with heightened sensitivity to external shocks and the pace of fiscal consolidation.

## VALUE OF 10 MILLION UGX SINCE INCEPTION

Date	Value
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
Saturday, January 31, 2026	11,702,122



# 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%	12.50%	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](http://www.cornerstone.co.ug).

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