INCOME FUND FACT SHEET

USD

Date: July 2026

FUND NAME CORNERSTONE SHILLING INCOME FUND	**FUND TRUSTEE & CUSTODIAN** KCB Bank Uganda	**INCEPTION DATE** 10th 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.

Investment Suitability:

The Fund is suitable for investors seeking to preserve their capital while maintaining a stable investment with minimal volatility.

Investment Risk Profile:

The fund has a low to medium investment risk profile.

KEY FACTS

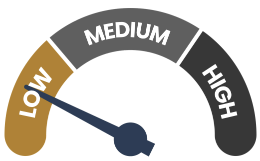
Minimum Investment

500 USD

Benchmark

Secured Overnight Financing Rate (SOFR)

Risk Profile



Fund Size
(As at 31st July 2026)

USD 1,102,185

Average Effective Annual Yield (As at July 2026)

4.66%

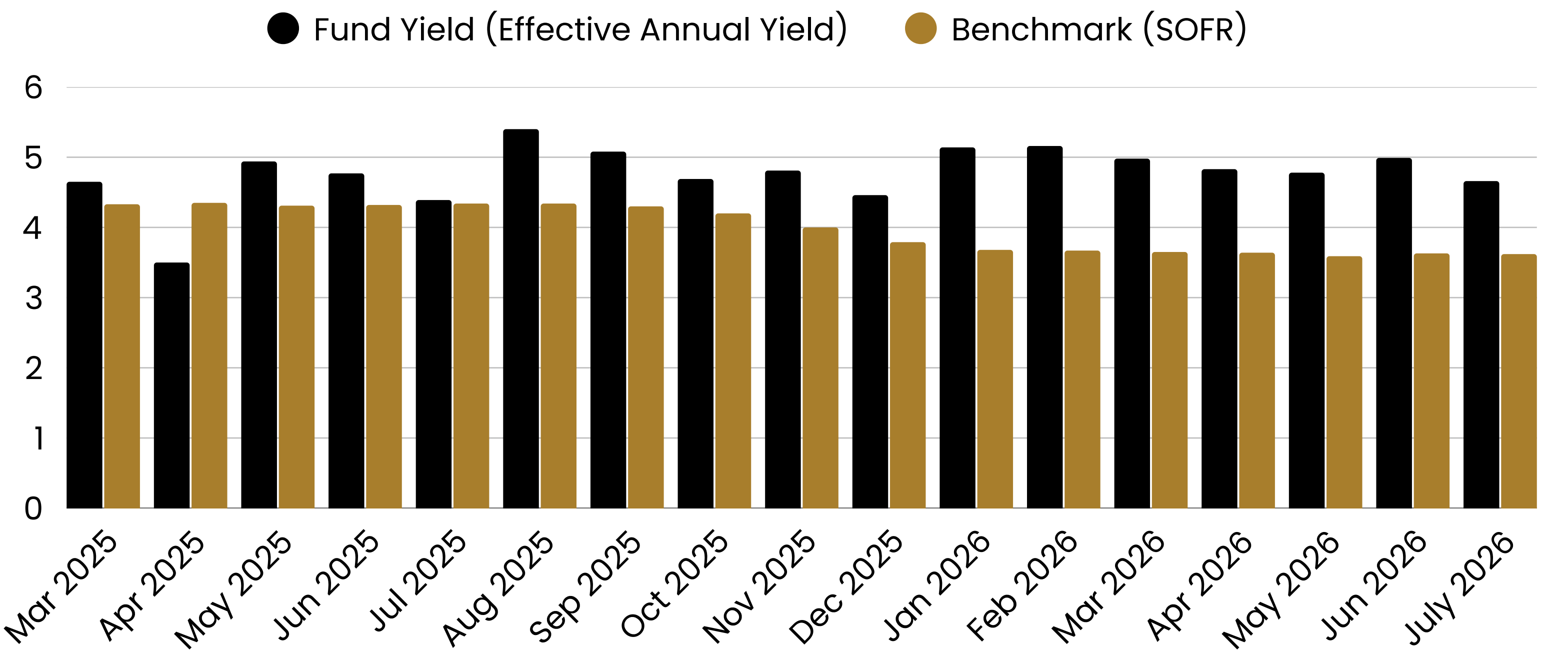
Recommended Investment Term

1 YEAR

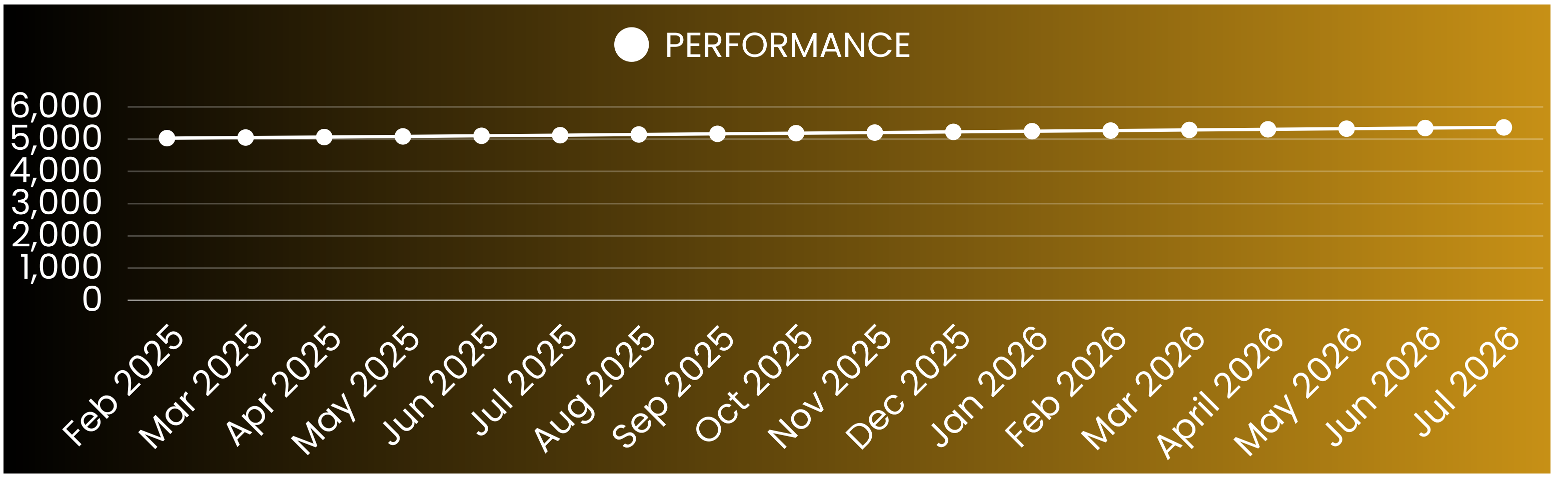
Total Expense Ratio (TER)

FUND PERFORMANCE

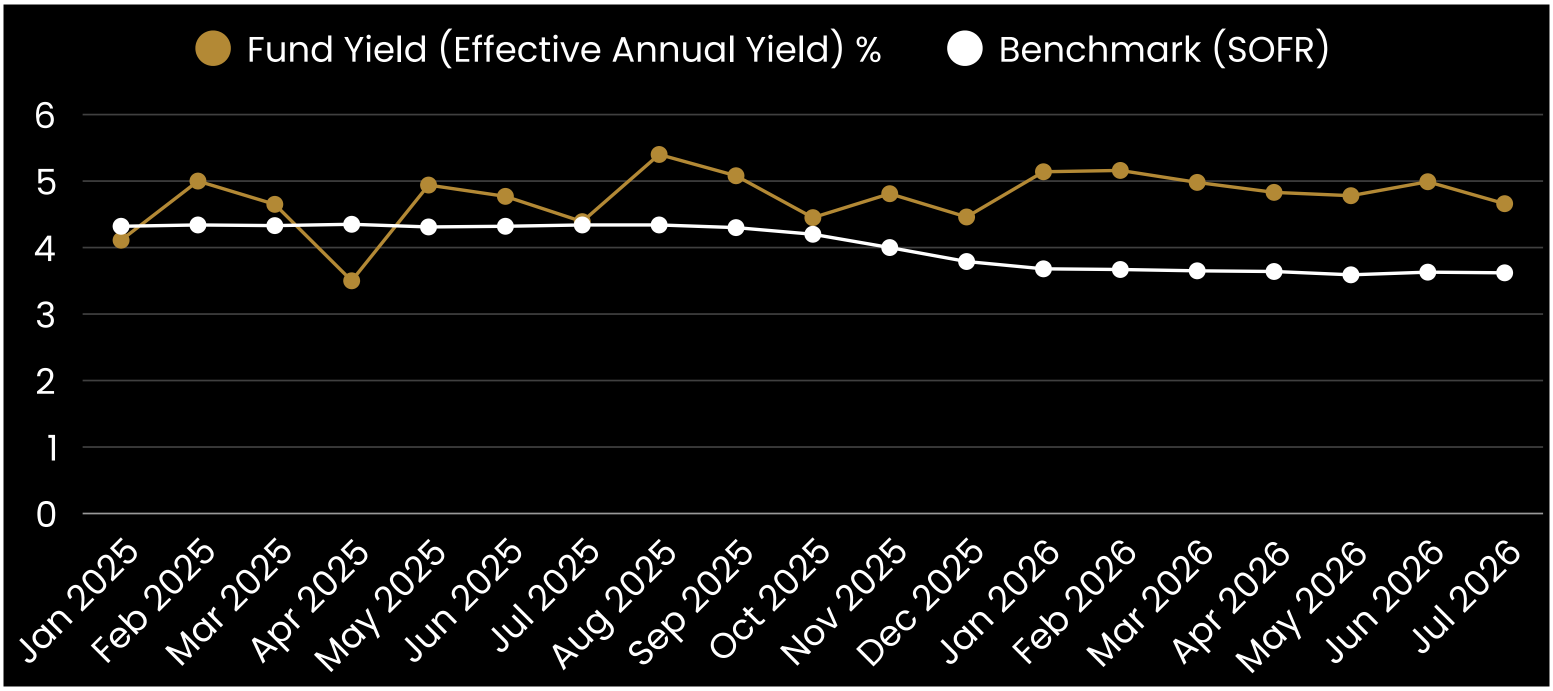
Month	Fund Yield (Effective Annual Yield) %	Benchmark (SOFR)%
July 2025	4.39	4.34
August 2025	5.40	4.34
September 2025	5.08	4.30
October 2025	4.45	4.20
November 2025	4.81	4.00
December 2025	4.46	3.79
January 2026	5.14	3.68
February 2026	5.16	3.67
March 2026	4.98	3.65
April 2026	4.83	3.64
May 2026	4.78	3.59
June 2026	4.99	3.63
July 2026	4.66	3.62



VALUE OF USD 5,000 SINCE INCEPTION



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%	3.59%

Portfolio Manager's Commentary (July 2026)

Macroeconomic Environment

Uganda entered FY2026/27 with resilient growth and still-manageable price pressures. Preliminary official estimates place real GDP growth at 6.4% in FY2025/26, supported by broad-based activity and continued investment in the extractive sector. The approved FY2026/27 budget provides a substantial fiscal impulse; however, its impact on liquidity, domestic interest rates and private-sector credit will depend on the pace and composition of execution.

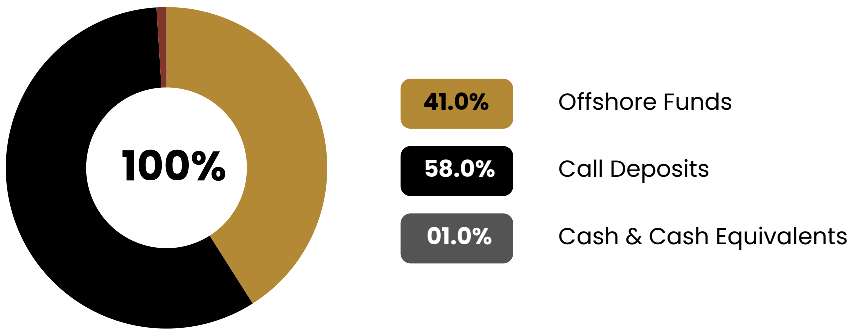
For investors, the key macro question is whether revenue performance and external financing can contain recourse to the domestic market. Any faster-than-planned local borrowing or early supplementary spending would place upward pressure on government-security yields, while disciplined execution would support a more stable rate environment.

Monetary policy

There was no scheduled Monetary Policy Committee decision in July. Accordingly, the Central Bank Rate remained at 9.75%, the level set at the May 2026 meeting, while the Cash Reserve Requirement remained at 11%. The stance continued to balance below-target core inflation against upside risks from fuel prices, exchange-rate movements and fiscal liquidity. The next regular policy review was scheduled for August, making incoming inflation and financial-market data particularly important.

Portfolio Allocation (31/07/2026)

Instrument	Percentage (%)
Offshore Funds	41.0%
Call Deposits	58.0%
Cash & Cash Equivalents	01.0%
Total	**100%**



Interest Rates and Government Securities Market

Interest-rate conditions remained broadly stable in July, with the policy rate unchanged and inflation still below target. Government-security activity remained liquid, supported by institutional investor demand and the attraction of positive real returns. The July Treasury-bill calendar was executed against the backdrop of the new fiscal year's financing programme, keeping market attention focused on accepted yields and the Government's borrowing pace.

For the Fund, the domestic market backdrop remained supportive for liquidity management, although offshore US-dollar instruments were the more relevant opportunity set. Portfolio allocation at month-end was concentrated in call deposits at 58% and offshore funds at 41%, with 1% in cash and cash equivalents. This positioning preserved liquidity while maintaining exposure to income-generating USD assets.

The Fund delivered an effective annual yield of 4.66% in July compared with the SOFR benchmark of 3.62%, an outperformance of 1.04 percentage points. The value of an initial USD 5,000 investment increased to USD 5,363.7 by month-end, while the Fund's assets reached USD 1,102,185.

Inflation and Price Stability

Annual headline inflation rose to 4.0% in July 2026 from 3.7% in June, while core inflation remained unchanged at 3.4%. The increase was driven mainly by Energy, Fuel and Utilities inflation, which accelerated to 14.9% from 11.9%, and by Food Crops and Related Items inflation, which rose to 1.6% from 0.0%. Within the energy category, annual petrol and diesel inflation increased to 29.0% and 39.0%, respectively.

Despite the uptick, headline inflation remained below the Bank of Uganda's 5% medium-term target and core inflation stayed contained. The composition of the increase nevertheless warrants monitoring because fuel, electricity and water costs can pass through to transport, production and services. Favourable food supply and a stable shilling would help limit second-round effects.

Exchange Rate Developments

The Uganda shilling remained supported during July by export receipts, remittances and foreign direct investment linked to oil-sector activity. Bank of Uganda's daily indicative rates continued to show a relatively orderly foreign-exchange market. A stable local currency helped moderate imported inflation and supported confidence in domestic financial assets, although developments in global oil prices and the US dollar remained key risks.

For USD investors, the external-rate environment remained favourable but sensitive to US monetary-policy expectations. US inflation remained above the Federal Reserve's 2% objective, while the Federal Reserve maintained its policy-rate range at 3.50%–3.75% in July; this supported SOFR-linked returns but kept the outlook for offshore yields sensitive to incoming inflation data. Higher-for-longer US rates would support yields on offshore cash instruments, while also raising the risk of renewed dollar strength and short-term pressure on emerging-market currencies.

On The Fiscal Side

The new fiscal year began under an expansionary budget framework, with sizeable financing requirements and a continued role for domestic borrowing. July therefore marked an important test of cash management and auction discipline. A predictable issuance programme and stronger revenue mobilisation would reduce crowding-out risks; conversely, expenditure overruns or delayed external financing could increase reliance on Treasury securities and lift yields.

Outlook

The near-term outlook remains constructive, underpinned by solid economic growth, contained core inflation and a stable policy stance. Headline inflation may remain elevated by fuel and utility costs, but the absence of broad-based core pressure gives the Bank of Uganda room to remain measured at its August policy review.

Currency stability should continue to benefit from export earnings, remittances and oil-related inflows, although global risk aversion and a stronger US dollar could generate intermittent volatility. Fiscal execution will be the principal domestic market risk: heavier-than-planned borrowing would raise yields and tighten financial conditions.

The Fund will continue to prioritise capital preservation and liquidity while seeking competitive USD income. The July portfolio mix and the 104-basis-point yield premium over SOFR demonstrate the benefit of disciplined allocation across offshore funds and call deposits. Overall, July 2026 combined resilient growth, headline inflation of 4.0%, stable core inflation and continued financial-market liquidity.

These conditions remain supportive of the Fund's objective of delivering current income while preserving investor capital, subject to fiscal, energy-price and global interest-rate risks.

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.

Contact Us:

+256 767 936 167
investment@cornerstone.co.ug
Plot 16 A, Ntinda II Road, Naguru, Kampala (U)