INCOME FUND FACT SHEET

USD

Date: June 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.

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

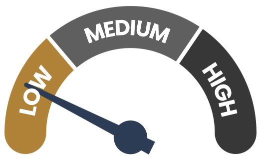
Minimum Investment

500 USD

Benchmark

Secured Overnight Financing Rate (SOFR)

Risk Profile



Fund Size (As at 30th June 2026)

USD 999,542.00

Average Effective Annual Yield (As at June 2026)

4.99%

Recommended Investment Term

1 YEAR

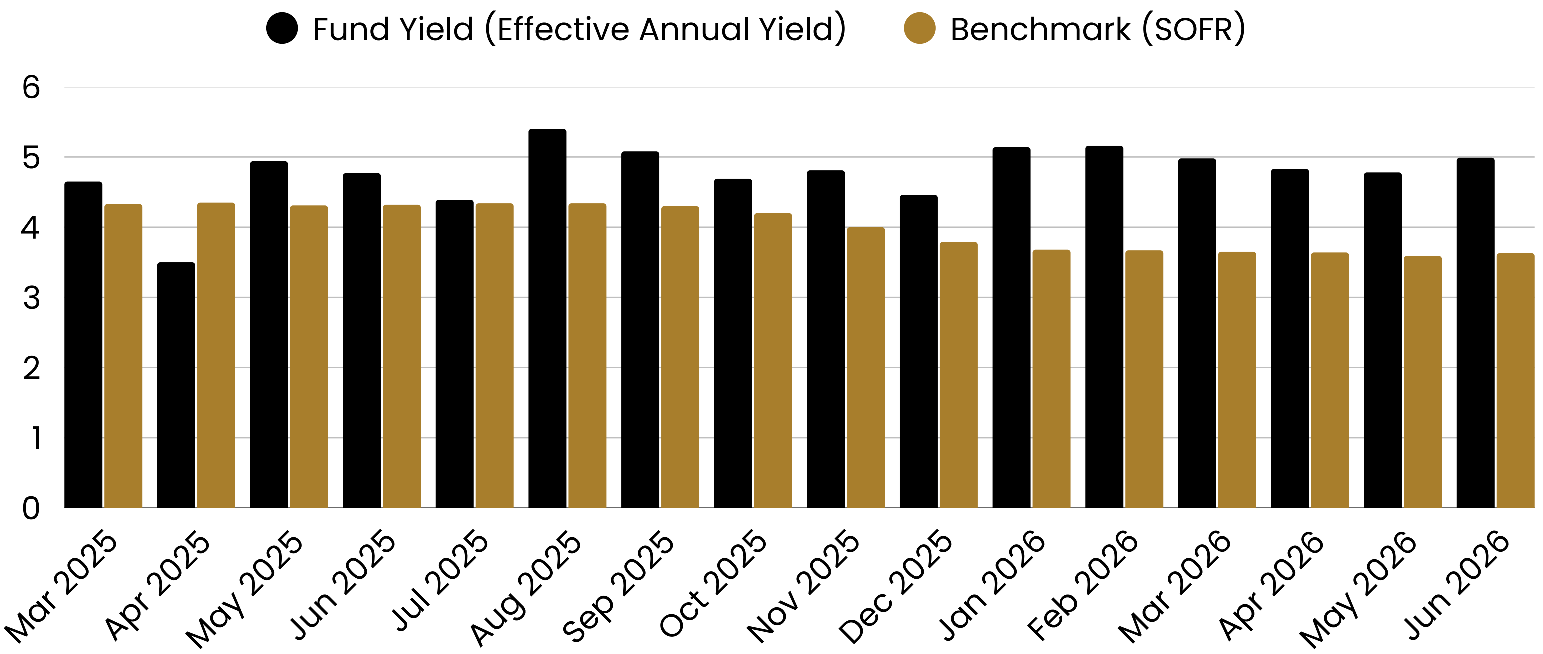
Total Expense Ratio (TER)

PER ANNUM

1.3%

FUND PERFORMANCE

Month	Fund Yield (Effective Annual Yield) %	Benchmark (SOFR)%
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
March 2026	4.98	3.65
April 2026	4.83	3.64
May 2026	4.78	3.59
June 2026	4.99	3.63



Portfolio Manager's Commentary (June 2026)

Macroeconomic Environment

The FY2026/27 budget was set at UGX 84.3 trillion, aiming for 10.2% economic growth through industrialization, oil production and full monetization of the economy. This is combined with the UGX 9 trillion domestic borrowing target – if supplementary budget pressures emerge early in the fiscal year, the target could be revised upwards and yields to respond. Furthermore, Uganda is targeting a new Extended Credit Facility to replace the program that expired in 2024, with the Permanent Secretary citing its role in preventing over-reliance on expensive domestic borrowing.

The first supplementary budget of the fiscal year will be the earliest and most honest signal of whether the discipline underpinning this narrative is structural or simply the optimism of a new budget cycle.

Monetary policy

Conditions remained unchanged during the month, with the Central Bank Rate (CBR) held at 9.75%. This reflects the Bank of Uganda's continued confidence in well-anchored inflation expectations and the adequacy of the current policy stance amid persistent global uncertainties, including elevated energy prices and tightening financial conditions. The Monetary Policy Committee maintained a cautious tone, highlighting balanced risks around fiscal expansion and external sector dynamics.

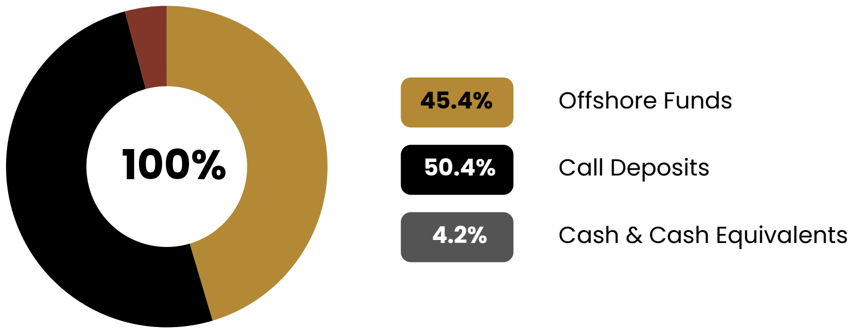
Inflation and Price Stability

Inflation rose moderately in June 2026, with headline inflation increasing to 3.7% year-on-year from 3.2% in May, while core inflation edged up to 3.4% from 3.0%. The increase was driven mainly by higher Energy, Fuel and Utilities (EFU) inflation, helping to contain overall price pressures. Despite the increase, both headline and core inflation remained comfortably below the Bank of Uganda's 5% medium-term target, indicating that inflation expectations remain well anchored. Economic activity also remained resilient, with FY2025/26 GDP growth estimated at 6.4%, supported by agriculture, services, and continued oil-sector investment.

Looking ahead, inflation is expected to remain within the target range, although higher global energy prices, exchange rate passthrough, and fiscal-related liquidity expansion pose upside risks. Favorable weather conditions and easing global commodity prices could help moderate inflationary pressures. Overall, moderate inflation and resilient growth continue to support positive real interest rates and a favorable environment for fixed-income investments.

Portfolio Allocation (30/06/2026)

Instrument	Percentage (%)
Offshore Funds	45.4%
Call Deposits	50.4%
Cash & Cash Equivalents	4.2%
Total	**100%**



Interest Rates and Government Securities Market

Interest rate conditions remained stable in June 2026 as the Central Bank Rate (CBR) was maintained at 9.75%. Despite a modest increase in inflation, both headline and core inflation remained below the 5% target, supporting positive real interest rates and the attractiveness of government securities.

Investor demand for government securities remained strong throughout the month. Treasury bill yields were broadly stable, while Treasury bond auctions were oversubscribed across all maturities, reflecting sustained appetite for medium- and long-term instruments. Particularly auctions also recorded strong demand, particularly for the 91-day and 364-day tenors, with sizeable, rejected bids for the 182-day, indicating competitive bidding and ample market liquidity.

Overall, the government securities market remained well supported by stable monetary policy, low inflation, and continued investor demand for attractive real returns.

Exchange Rate Developments

The Ugandan Shilling appreciated by 2.8% against the US Dollar in June 2026, strengthening from UGX 3,770.33/USD at the start of the month to UGX 3,665.14/USD by month-end. The appreciation was supported by strong coffee export earnings, sustained oil-sector investment—now approximately 95% complete which continued to attract FDI and boost demand for government securities, as well as steady remittance inflows.

Externally, the US Federal Reserve adopted a more hawkish outlook, revising its year-end policy rate forecast to 3.8% from 3.4% in March, reflecting inflationary pressures driven by higher energy prices. While Shilling's medium-term outlook remains supported by export earnings, oil-sector investment, and remittances, higher US interest rates could strengthen the US Dollar and create short-term depreciation pressures through capital outflows.

On The Fiscal Side

Domestic borrowing pressure is structurally elevated but directionally improving; the government is signaling a pivot toward external and oil-backed financing and in response to that, yields are easing while private credit is expanding at the margin. The central risk for investors is fiscal discipline slipping before oil revenues arrive to validate what remains, for now, a promissory note.

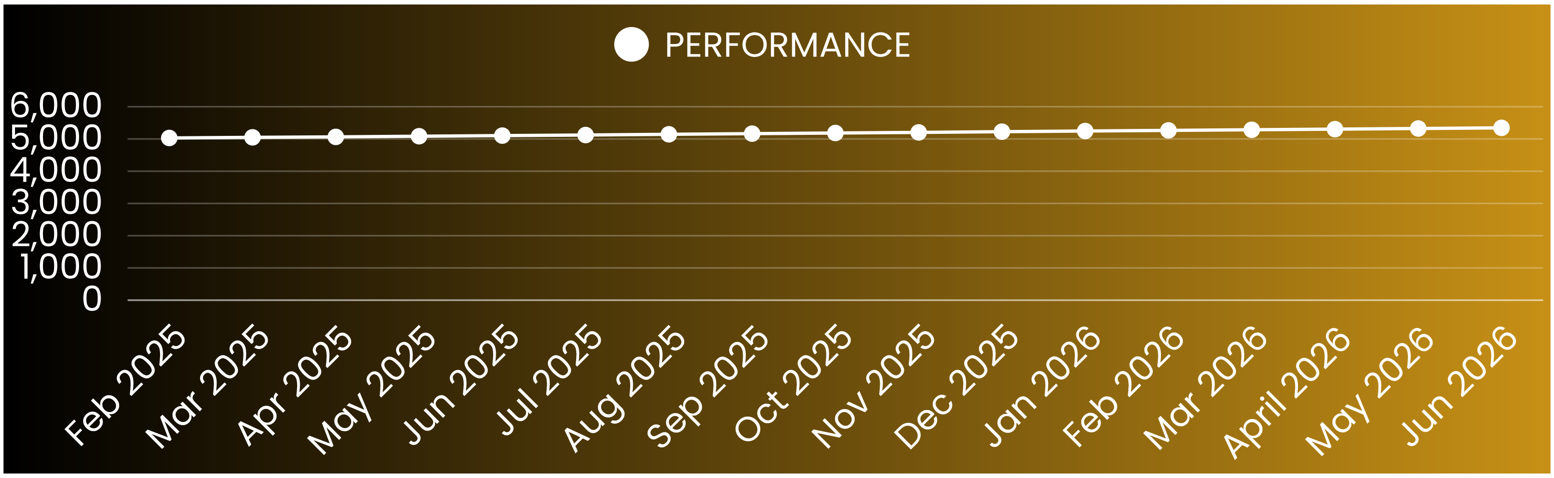
Outlook

Uganda's near-term macroeconomic outlook remains favorable, supported by resilient economic growth, moderate inflation, and a stable monetary policy stance. Inflation is expected to remain within the Bank of Uganda's target range, although higher global energy prices, fiscal expansion, and exchange rate passthrough remain key upside risks. The exchange rate is expected to remain broadly stable, supported by strong coffee export earnings, sustained remittance inflows, and continued oil-sector investment. However, tighter global financial conditions, particularly the possibility of higher US interest rates, could exert short-term pressure on the shilling. In the fixed income market, positive real interest rates and strong investor demand are expected to continue supporting government securities. Nevertheless, fiscal financing needs, particularly domestic borrowing and any supplementary budget requirements, remain key factors that could influence yields.

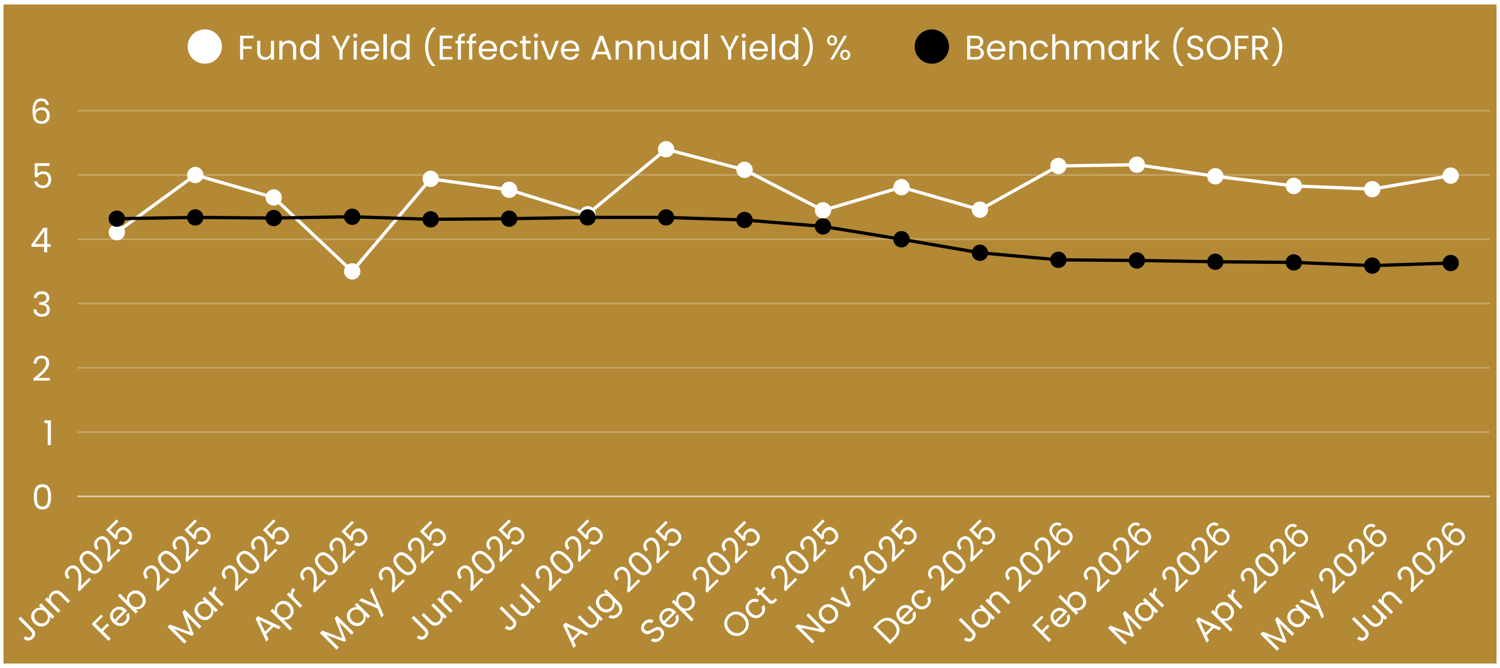
Overall, June 2026 data point to a resilient macroeconomic environment characterized by contained inflation, a stronger shilling, and sustained demand for government securities, reinforcing the outlook for attractive fixed income investment opportunities.

VALUE OF USD 5,000 SINCE INCEPTION

Date	Value
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
Tuesday, March 31, 2026	5,285.0
Thursday, April 30, 2026	5,304.4
Sunday, May 31, 2026	5,324.274
Tuesday, June 30, 2026	5,344.3



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%

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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