



# INCOME FUND FACT SHEET

Date: October 2025

<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> USD
<b>REGULATORY AUTHORITY</b> Capital Markets Authority (CMA), Uganda	<b>PORTFOLIO MANAGER</b> Simon Kusiima Mwebaze, CFA	<b>MANAGEMENT FEE</b> 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

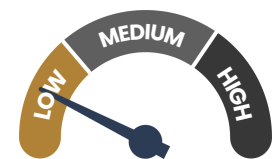
**500**

USD

Benchmark

**Secured Overnight Financing Rate (SOFR)**

Risk Profile



Fund Size  
(As at 31<sup>st</sup> October 2025)

**USD 876,187.54**

Average Effective Annual Yield  
(As at October 2025)

**4.69%**



Recommended Investment Term

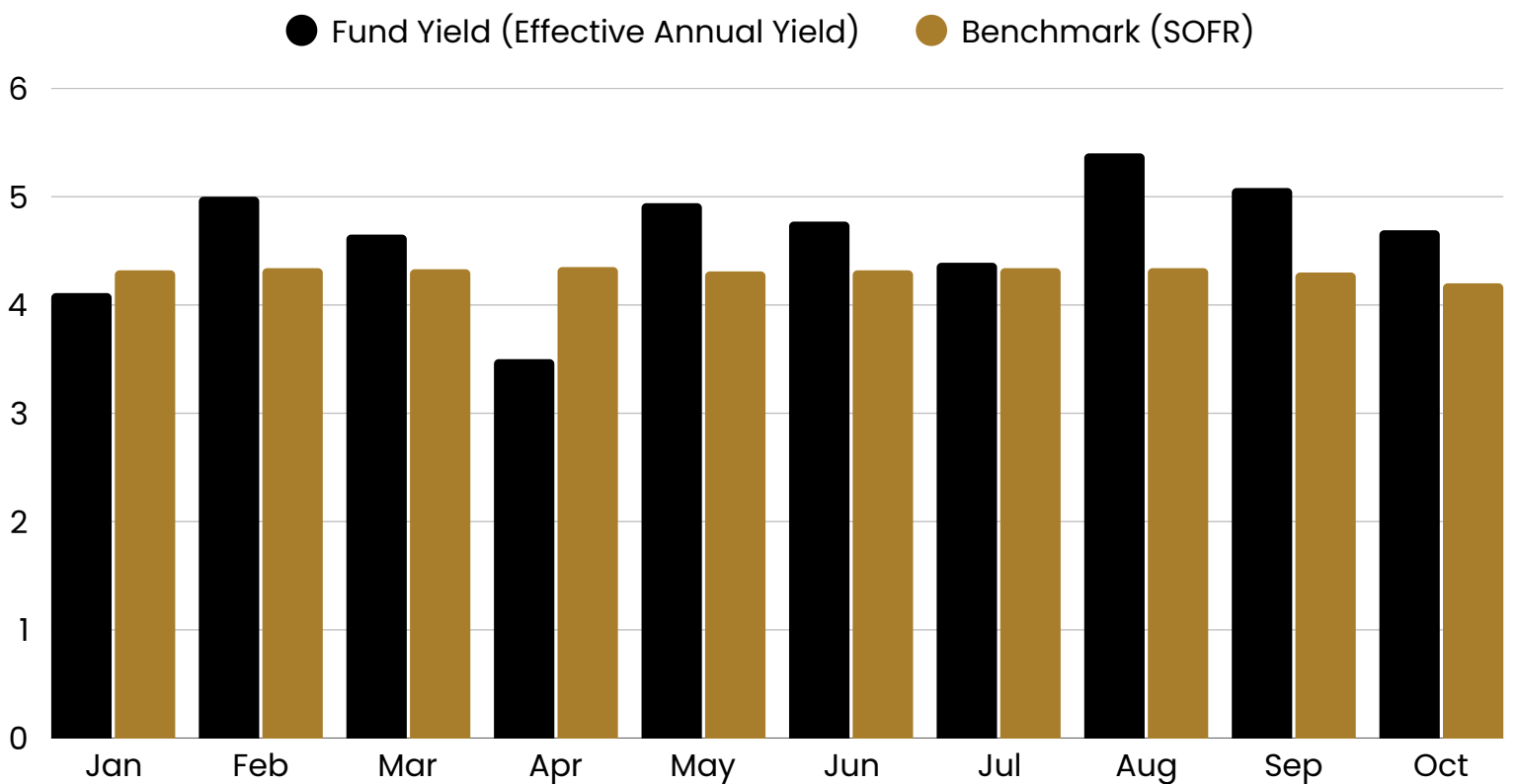
**1 YEAR**

Total Expense Ratio (TER)



# FUND PERFORMANCE

Month	Fund Yield (Effective Annual Yield) %	Benchmark (SOFR)
January	4.11	4.32
February	5.00	4.34
March	4.65	4.33
April	3.50	4.35
May	4.94	4.31
June	4.77	4.32
July	4.39	4.34
August	5.40	4.34
September	5.08	4.30
October	4.45	4.20



## Portfolio Manager's Commentary (October 2025)

### Inflation

In October, headline inflation remained elevated with the Consumer Price Index (CPI) increasing year-on-year by approximately 2.96%, consistent with a modest rise from 3.0% in September.

Core inflation, excluding food and energy, held steady around 2.99%, highlighting persistent price pressures in categories such as clothing and household furnishings.

Electricity and food prices continued to experience upward momentum, affected by seasonal supply disruptions and ongoing tariff-related cost pressures. Importantly, the official October CPI release was delayed due to the ongoing government shutdown, limiting fresh data but with inflation expectations showing a slight decline at the short-term horizon while remaining stable over medium to long terms.

### Interest Rates

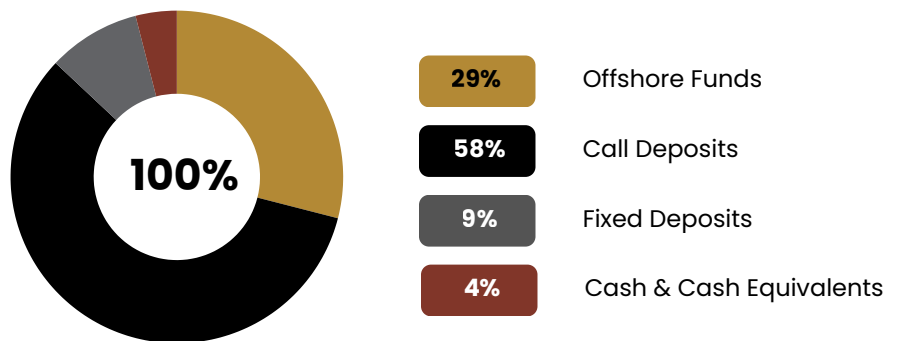
Following a 25 basis point cut in September, the Federal Reserve implemented another 25 basis point reduction in October, lowering the federal funds target range to 3.75%-4.00%.

Fed Chair Jerome Powell reiterated that these moves are "risk management" actions, balancing persistent inflation pressures with emerging signals of labour market softness and economic uncertainty.

The Fed's outlook remains data-dependent, with no certainty on further cuts beyond 2025 year-end. Treasury yields reflected these dynamics: the 2-year yield saw a slight increase amid improved economic data and labour market concerns, while the 10-year yield maintained relative stability around 4.0%-4.1%, reflecting cautious investor demand for longer-duration, safer assets amid fiscal uncertainty.

## Portfolio Allocation (31/10/2025)

Instrument	Percentage (%)
Offshore Funds	29%
Call Deposits	58%
Fixed Deposits	9%
Cash & Cash Equivalents	4%
<b>Total</b>	<b>100%</b>



### Outlook

The US government shutdown, which by early November 2025 became the longest in history at 40 days, significantly disrupted economic reporting, delaying not only October's CPI release but also key labour market data like nonfarm payrolls.

This has introduced heightened uncertainty for markets and complicated the Federal Reserve's policy assessment. The shutdown's wider economic impacts include constraints on local government funding and delays in critical programs, increasing risk aversion among investors. Market positioning remains cautious and range-bound, as investors weigh persistent inflation risks, ongoing labour market signals, and fiscal pressures.

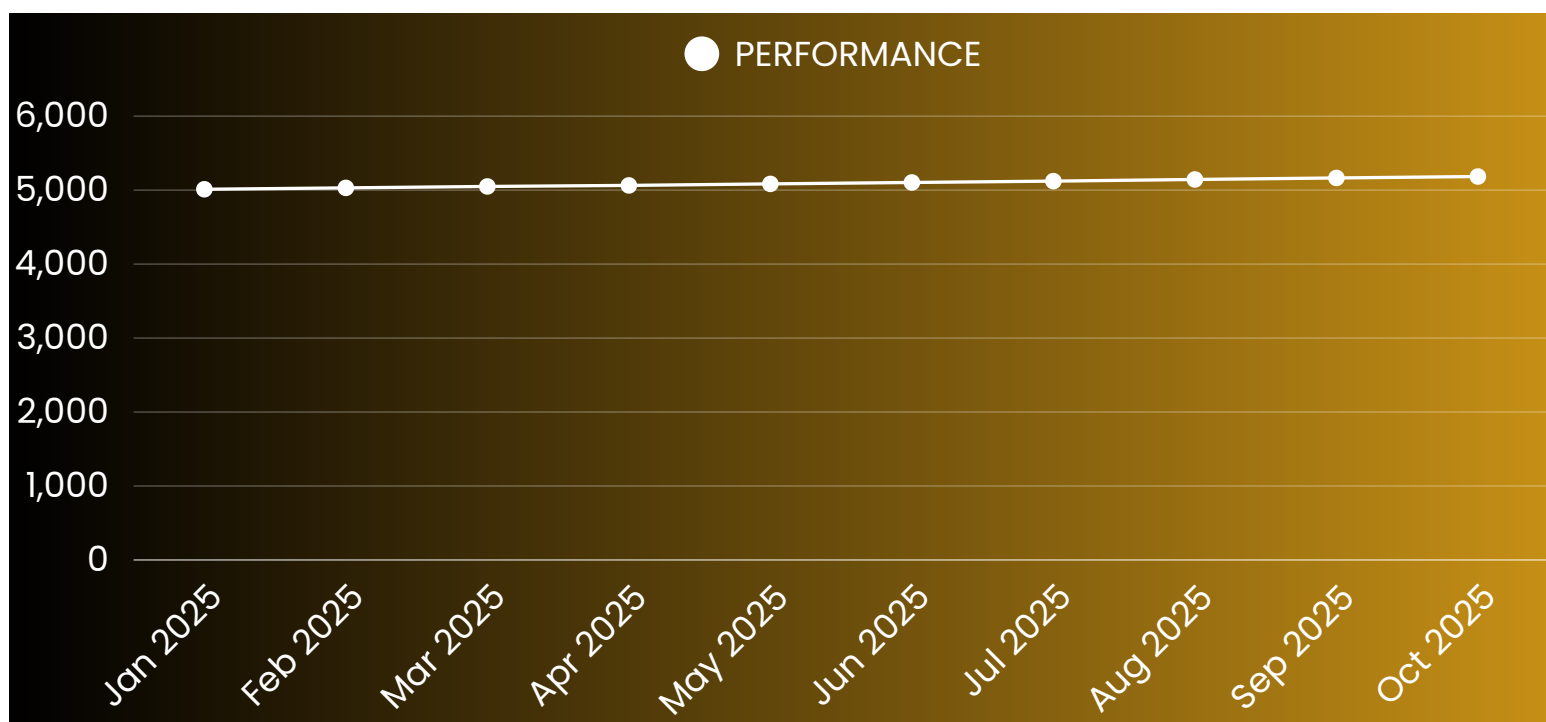
Looking ahead to Q4 2025, Treasury markets are expected to remain volatile and sensitive to further fiscal developments and incoming economic data as delayed reports are released. The Federal Reserve is poised to continue its data-dependent, cautious easing approach, with the potential for incremental rate cuts tempered by the stubborn persistence of inflation, particularly in core goods and services affected by tariffs and supply chain issues. Yields are likely to be supported near current levels with limited upward potential, reflecting subdued economic momentum amid ongoing fiscal and labour market uncertainties.

### Risk Notice

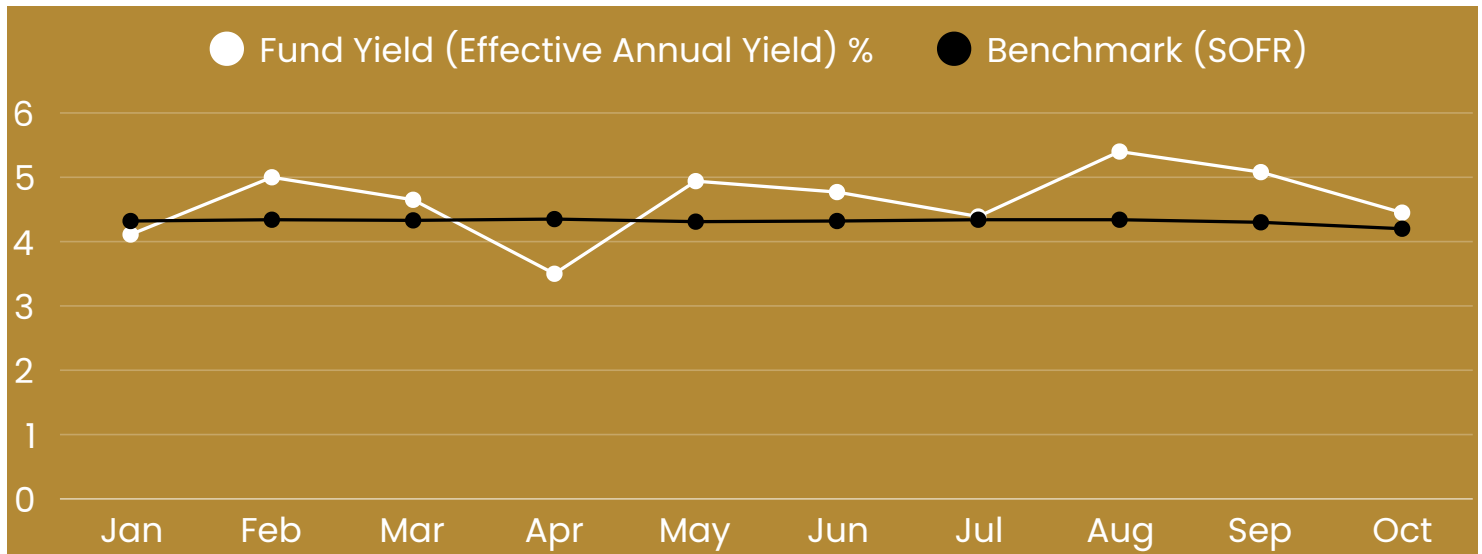
Investment in the Cornerstone USD Income Fund should be regarded as a medium-term investment. The Fund's investments are subject to normal market fluctuations, interest rate risks, and foreign exchange (FX) risk inherent in investments denominated in US dollars. Interest rates and currency exchange rates 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.

## VALUE OF USD 5,000 SINCE INCEPTION

Date	Value
Friday, January 31, 2025	5,012.0
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



# Performance Vs Benchmark



Risk Measures	Fund	Benchmark (SOFR)
Percentage Positive Months	100%	100%
Highest Annual Return	5.40%	4.35%
Lowest Annual Return	3.50%	4.20%

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### 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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