



INCOME FUND FACT SHEET

Date: September 2025

FUND NAME CORNERSTONE SHILLING INCOME FUND	FUND TRUSTEE & CUSTODIAN KCB Bank Uganda	INCEPTION DATE 24 TH DECEMBER 2024
FUND MANAGER CORNERSTONE ASSET MANAGERS LTD	AUDITOR BDO East Africa	CURRENCY UGX
REGULATORY AUTHORITY Capital Markets Authority (CMA), Uganda	PORTFOLIO MANAGER Simon Kusiima Mwebaze, CFA	MANAGEMENT FEE 2% per annum

FUND OBJECTIVE:

The investment objective of the Cornerstone Income Fund is to achieve a reasonable level of current income and offer investors long term capital growth by investing in a diversified spread of fixed income securities. To achieve this, the fund will invest in treasury bills, bonds, fixed deposits, call account deposits, corporate bonds, commercial paper, structured interest-bearing approved securities and cash. The Unit Trust Scheme may invest over 35% in Government Securities. This fund will have a focus on fixed income securities. The portfolio may have a maximum of 10% direct and/or indirect exposure to East African investments as a hedge against inflation.

Target Investors:

For investors who value stability and steady performance, the Cornerstone Shilling Income Fund offers a disciplined path to sustainable income and long-term capital security.

Investment Risk Profile:

The fund has a low to medium investment risk profile.

KEY FACTS

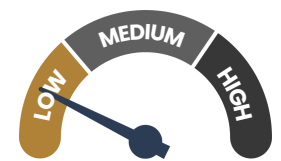
Minimum Investment

100,000 UGX

Benchmark

91-day T-Bill +1%

Risk Profile



Fund Size
(As at 30th September 2025)

UGX 72.09 bn

Average Effective Annual
Yield (As at September 2025)

15.16%



Fund Weighted Average
Maturity

13.87 YRS

Total Expense Ratio (TER)

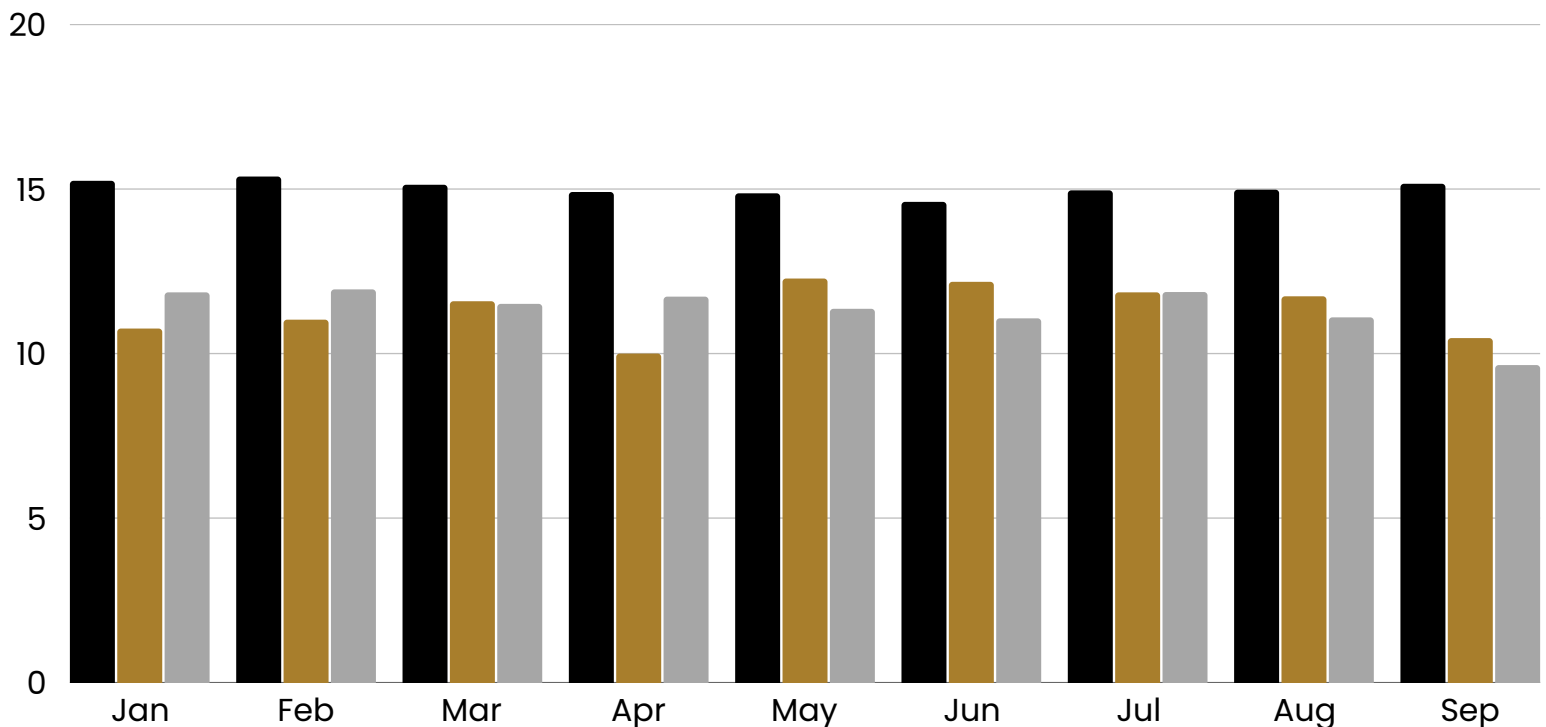


RECOMMENDED INVESTMENT TERM: 1 YEAR.

FUND PERFORMANCE

Month	Fund Yield (Effective Annual Yield) %	Benchmark (91-day T-Bill + 1%)	Commercial Banks Time Deposits (7-12 months) %
January	15.25	10.76	11.86
February	15.38	11.03	11.95
March	15.13	11.59	11.51
April	14.91	10.00	11.73
May	14.87	12.28	11.36
June	14.61	12.18	11.07
July	14.96	11.86	11.87
August	14.98	11.74	11.10
September	15.16	10.47	9.65

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



Portfolio Manager's Commentary (September 2025)

This commentary delivers a focused overview of Uganda's key macroeconomic data in September 2025 and its implications for investors monitoring the economic landscape.

Macroeconomic Environment

Uganda's economy demonstrated strong resilience in FY 2024/25, achieving real GDP growth of 6.3%, up from 6.1% in the previous year, according to the Bank of Uganda's Integrated Annual Report. Looking ahead, the Ministry of Finance, Planning and Economic Development projects GDP growth for FY 2025/26 at 7.0%, while the Bank of Uganda offers a slightly more conservative forecast of 6.0% to 6.5%.

This expected growth is supported by the imminent commencement of commercial oil production, increasing foreign direct investment in the extractive sector, and sustained government-led initiatives to develop commercial agriculture and infrastructure.

These initiatives align with the broader National Development Plan IV and Vision 2040, which emphasize inclusive growth, industrialization, and the ambitious goal of reaching upper-middle-income status by 2040 through a "tenfold growth" strategy targeting a GDP expansion to USD 500 billion.

Inflation and Price Stability

Headline inflation rose moderately to 4.0% year-on-year in September 2025, increasing from 3.8% in August. The uptick was primarily driven by elevated prices for food crops and related items, which surged to 7.4% amid supply constraints for staples such as matooke, tomatoes, onions, and fresh vegetables.

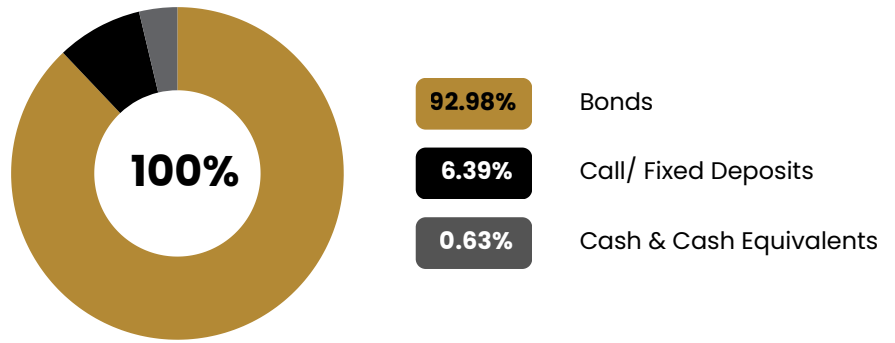
In contrast, core inflation—excluding volatile food and energy components—eased slightly to 4.0% from 4.1%, reflecting subdued pressures in non-food goods, including cooking oil and dried fish, alongside stable service costs. Overall, inflation remains well within the Bank of Uganda's 5% medium-term target range (± 2 percentage points), allowing for a measured monetary policy stance that balances growth support with price stability.

Outlook

The Bank of Uganda is expected to maintain a cautious yet accommodative monetary policy stance throughout Q4 2025, keeping the Central Bank Rate steady at 9.75% to anchor inflation expectations amid global uncertainties such as trade tensions and geopolitical risks. Headline inflation is projected to average between 4.5% and 5.0% in FY 2025/26, converging toward the 5% target. The shilling is forecast to remain broadly stable, though election-related fiscal pressures may lift long-term yields moderately, necessitating vigilant portfolio management focused on duration and credit spread risks. In this environment, the fund's investment strategy prioritizes high-quality fixed-income assets, aiming to optimize yield while preserving capital during this transitional macroeconomic phase.

Portfolio Allocation (30/09/2025)

Instrument	Percentage (%)
Bonds	92.98%
Call/ Fixed Deposits	6.39%
Cash & Cash Equivalents	0.63%
Total	100%



Interest Rates and Treasury Market

Yields in the treasury market displayed mixed dynamics in September 2025, influenced by ample liquidity, ongoing fiscal consolidation efforts, and anticipation of pre-election spending pressures. Short-term rates softened amid strong investor demand: the 91-day Treasury bill yield dipped to approximately 10.0%, while the 182-day yield fell more notably to around 11.5%. On the longer end, the 2-year bond yield declined modestly to about 14.5%, signalling market confidence in near-term stability.

However, the 5-year and 10-year yields edged higher to roughly 15.5% and 16.5%, respectively, reflecting repricing due to expected fiscal expansion in Q4 ahead of the January 2026 general elections. Though yields are projected to stabilize through year-end, mild upward pressure remains likely due to increased borrowing needs.

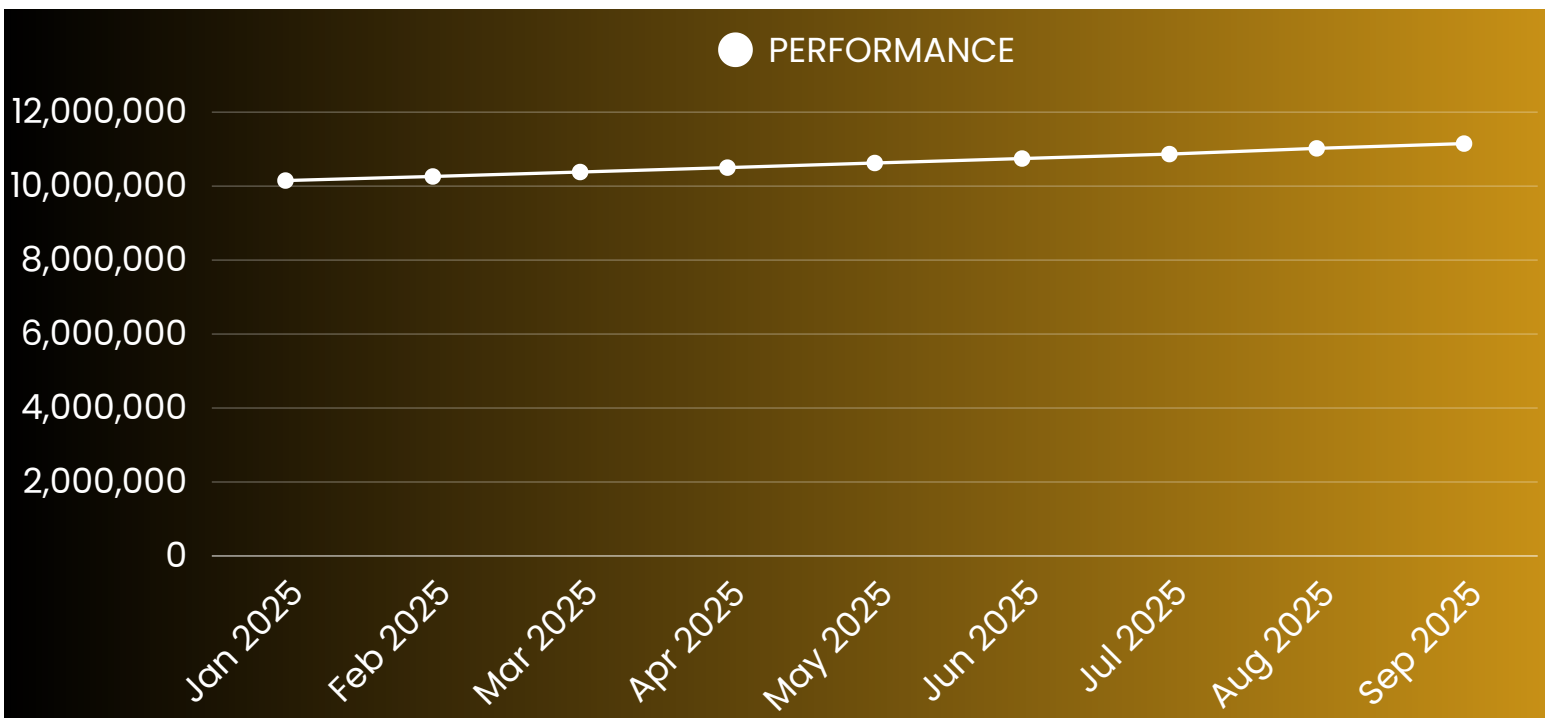
Exchange Rate Movements

The Ugandan shilling appreciated against the US dollar by about 1.7% in September 2025, closing near UGX 3,490 per USD—its strongest level since mid-2024. This strengthening was driven by robust foreign exchange inflows from portfolio investments, remittances, NGO funding and boosted gold exports, which offset weaker coffee export revenues amid seasonal dips and global price volatility.

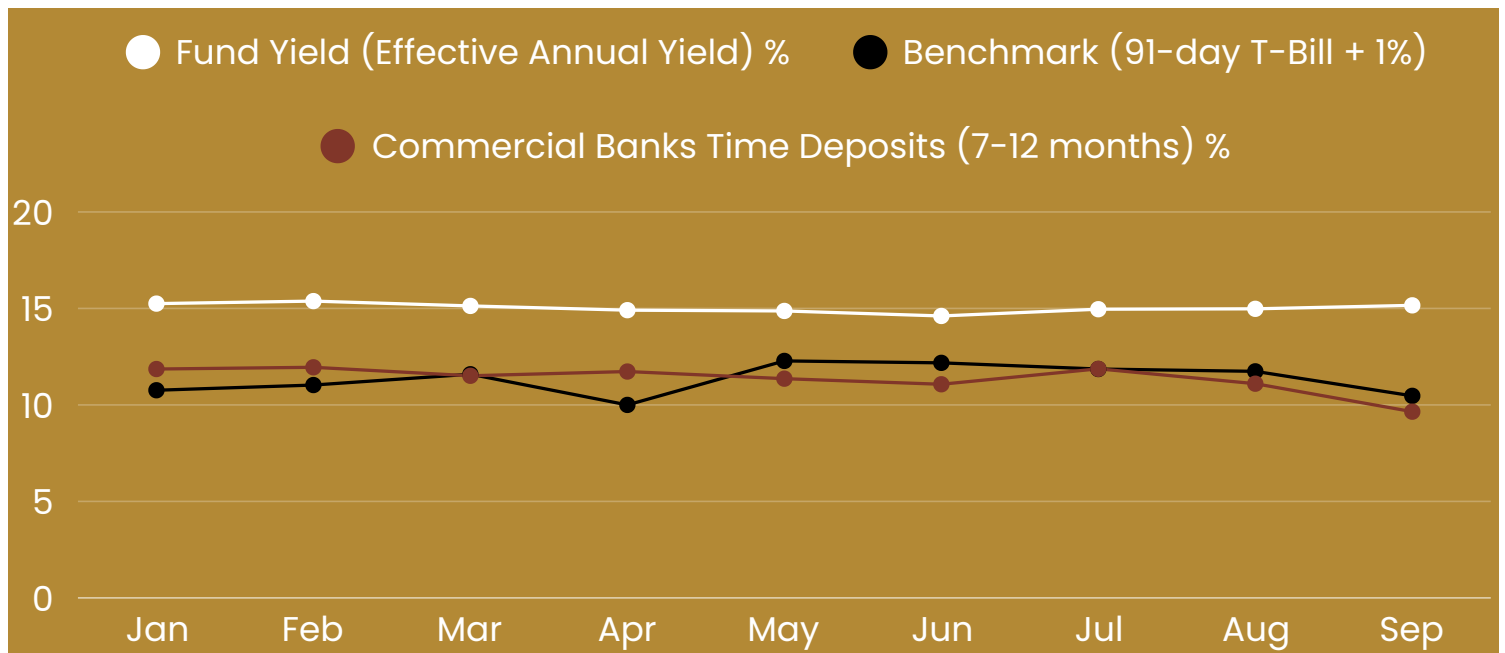
Near-term forecasts suggest continued stability, though gradual depreciation of around 2–3% by Q1 2026 remains a risk due to heightened import demand, seasonal trade deficits, and increased political spending ahead of the January 2026 presidential and parliamentary elections.

VALUE OF 10 MILLION UGX SINCE INCEPTION

Date	Value
Friday, January 31, 2025	10,151,477
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



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	15.38%	12.28%	11.95%
Lowest Annual Return	14.61%	10.00%	11.07%

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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