



# INCOME FUND FACT SHEET

# USD

Date: May 2026

<b>FUND NAME</b> CORNERSTONE SHILLING INCOME FUND	<b>FUND TRUSTEE &amp; CUSTODIAN</b> KCB Bank Uganda	<b>INCEPTION DATE</b> 10 <sup>th</sup> JANUARY 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.

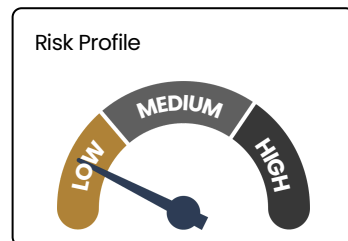
## KEY FACTS

Minimum Investment

**500** USD

Benchmark

**Secured Overnight Financing Rate (SOFR)**



Fund Size  
(As at 31<sup>st</sup> May 2026)

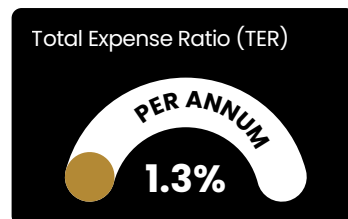
**USD 967,594.04**

Average Effective Annual Yield  
(As at May 2026)

**4.78%**

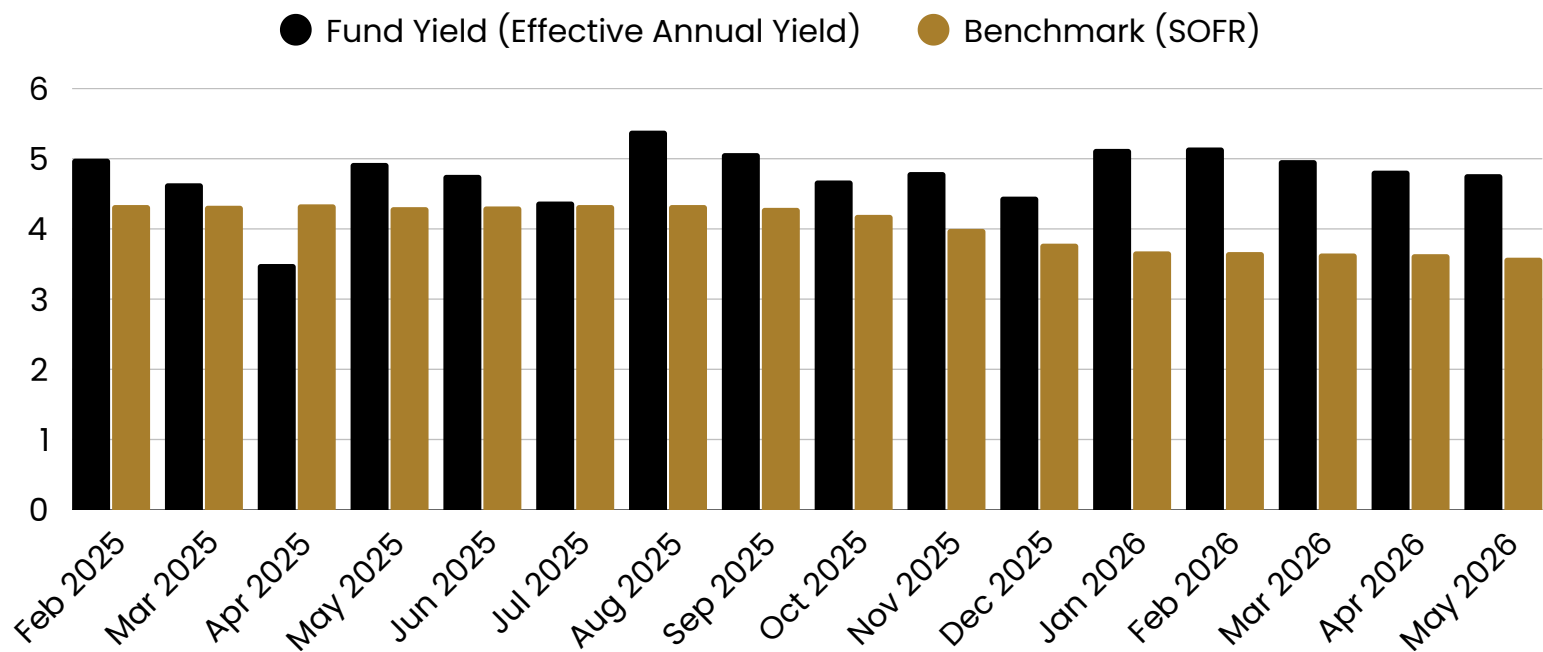
Recommended Investment Term

**1 YEAR**



# FUND PERFORMANCE

Month	Fund Yield (Effective Annual Yield) %	Benchmark (SOFR)%
May 2025	4.94	4.31
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



## Portfolio Manager's Commentary (May 2026)

### Macroeconomic Environment

Uganda's macroeconomic environment remained broadly stable in May 2026, supported by sustained domestic economic activity and continued price stability. Growth momentum remained solid, underpinned by resilient agricultural performance following favorable weather conditions, steady expansion in the services sector, and continued implementation of both public and private infrastructure projects particularly those linked to oil-sector development. High-frequency indicators suggest that FY 2025/26 growth remains on track within the projected 6.3–6.5% range, supported by firm domestic demand conditions and sustained capital inflows related to oil investments.

### 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 outcomes rose marginally in May 2026, although overall price stability remained firmly intact. Headline inflation edged up slightly to approximately 3.2% year-on-year from 3.0% recorded in April, while core inflation remained stable at around 3.0%. Both measures remain comfortably below the Bank of Uganda's medium-term target of 5%.

The stable inflation environment continues to support consumer purchasing power and provides policy flexibility for the central bank to maintain a cautious but steady stance. Nonetheless, inflation risks remain moderately tilted to the upside, driven primarily by energy price pressures, exchange rate pass-through risks, and potential increases in global commodity prices. Fiscal-related liquidity expansion also remains a factor to monitor.

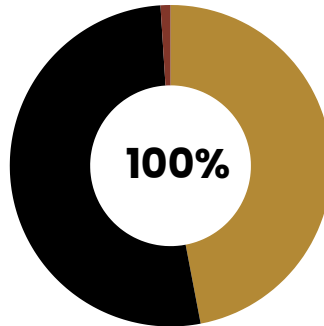
### Outlook

Uganda's near-term macroeconomic outlook remains stable but cautiously balanced. Inflation is expected to remain within the target band, supported by adequate domestic food supply, prudent monetary policy, and limited exchange rate pass-through. The exchange rate is expected to remain broadly stable, although it remains sensitive to external developments, particularly global energy prices, fiscal financing pressures, and international financial conditions. Continued performance in exports and remittance inflows is expected to provide structural support to the shilling. In the fixed income market, real yields remain highly attractive in the context of low inflation, supporting sustained investor demand for government securities. However, fiscal financing needs and global monetary policy developments remain key risks to monitor.

Overall, May 2026 data reinforce a stable macroeconomic environment, characterized by contained inflation, manageable exchange rate pressures, and continued support for fixed income investment opportunities.

## Portfolio Allocation (31/05/2026)

Instrument	Percentage (%)
Offshore Funds	47%
Call Deposits	52%
Cash & Cash Equivalents	1%
<b>Total</b>	<b>100%</b>



47%

Offshore Funds

52%

Call Deposits

1%

Cash & Cash Equivalents

### Interest Rates and Government Securities Market

Interest rate conditions in May 2026 remained relatively tight but stable. With inflation anchored near 3%, real interest rates remained strongly positive, continuing to support robust demand for government securities. Treasury bill yields remained attractive across all maturities, while government bond yields showed further signs of stabilization, supported by consistent oversubscription in primary market auctions. The low inflation environment sustained investor preference for medium- to long-term bonds, as market participants sought to lock in elevated real returns. Commercial lending rates remained relatively high, reflecting structural liquidity conditions and continued government borrowing. This has sustained mild crowding-out effects, limiting the pace of private sector credit expansion.

### Exchange Rate Developments

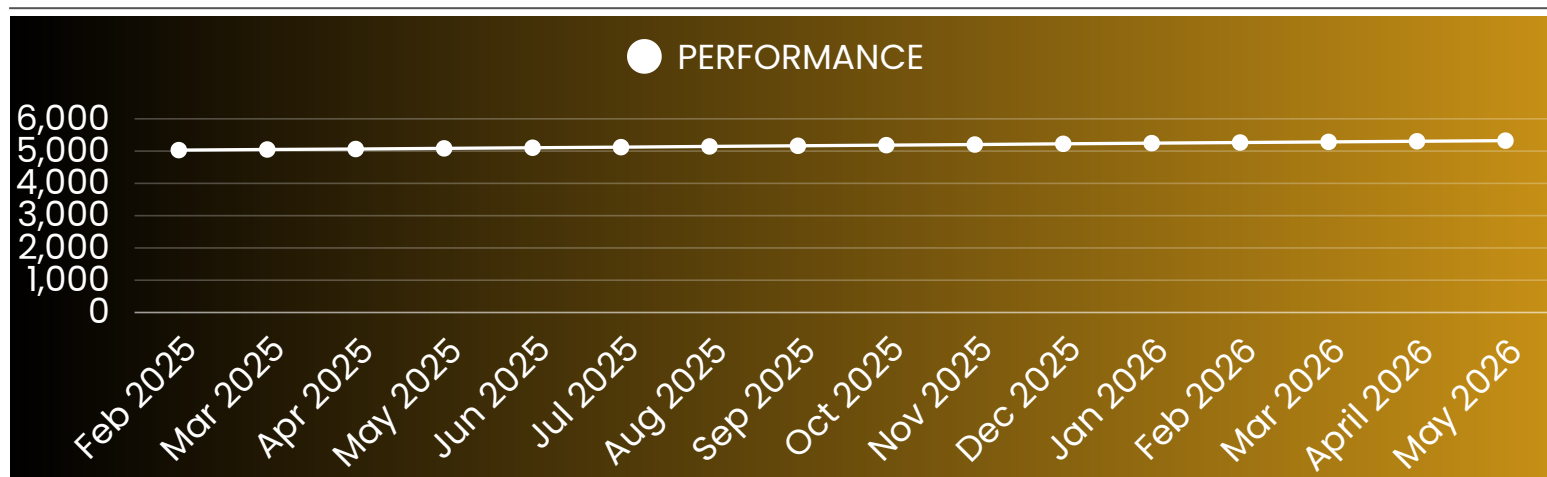
The Uganda Shilling exhibited a mild depreciation bias in May 2026, with movements remaining orderly. The currency traded within a range of approximately UGX 3,750–3,790 per US dollar, closing the month slightly weaker compared to April levels. The depreciation trend was consistent with seasonal import demand and elevated demand for foreign exchange to support energy and capital goods imports. Despite these pressures, foreign exchange inflows from exports and remittances continued to provide underlying support, while central bank liquidity operations helped maintain orderly market conditions. As a result, exchange rate volatility remained contained.

### On The Fiscal Side

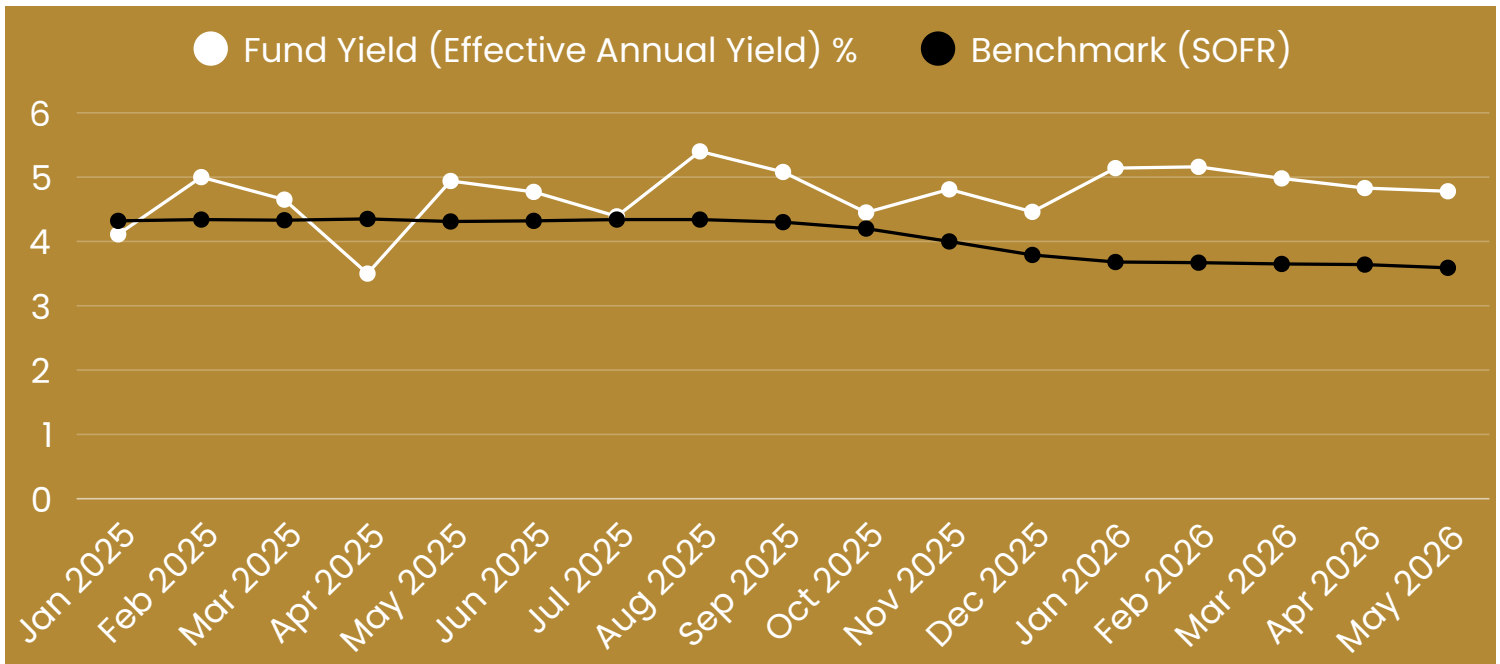
Domestic borrowing pressures remained elevated due to ongoing financing requirements for infrastructure and development projects. However, these pressures continued to be managed within the broader macroeconomic framework. The external sector remained relatively supportive, with export earnings particularly from coffee and gold alongside steady remittance inflows, contributing to improved foreign exchange liquidity and helping to contain excessive volatility in the currency market.

## VALUE OF USD 5,000 SINCE INCEPTION

Date	Value
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
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



# 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%	3.64%

## 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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