URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

End December 2025 Retirement Benefits Sector snapshot and commentary, focused analysis on asset allocation shifts, systemic destitution risks, and performance trends plus select articles

December 2025

THE PERSPECTIVE

Investment Magazine

1

Looking beyond Returns

The Role of Retirement Benefits Schemes in Implementing ESG Driven Strategies

2

Investment Oversight

At its core, investment governance is the system that ensures every decision made about the investment of a scheme's assets is deliberate, strategic, and executed with expertise

3

Infrastrutural Investment

Infrastructure bonds and other long-term assets, examining how retirement benefits schemes can finance Uganda's development agenda.

INSIDE THIS ISSUE:

FEATURES & INSIGHTS

A December 2025 investment snapshot of the Retirement Benefits sector – tracking Portfolio management, Systemic assessment, Contributions, Withdrawals, and Asset-class performance.

A dedicated ESG and investment governance section, showing how environmental, social and governance factors are being woven into mandates.

A focused feature on infrastructure bonds & Pirivate financing, examining how Retirement funds can finance Uganda's development agenda

INSIDE

REMARKS
ACCOUNTING OFFICER

It gives me great pleasure to introduce the 2025 issue of The Perspective Magazine. As at December 2025, the retirement benefits sector assets under management were over UGX 33.0 trillion. Behind that number are real people; workers, savers, and retirees who have entrusted the sector with their future.

Our responsibility, as a regulator, is to ensure that this growing pool of long-term savings is safe, well-governed, and productively invested for the good of members and the wider economy. In this issue, we unpack how these assets are allocated, how different portfolios have performed in recent months, and what this means for adequacy, sustainability, and long-term value for members.

You will find reflections on asset allocation trends, the balance between safety and return, and the role of domestic capital markets in absorbing nearly UGX 33.0 trillion in retirement savings in a responsible way.

We have also used this edition to step back and think about the bigger questions facing the sector. How do we strengthen investment governance in schemes as the numbers grow larger and the products more complex? How do we deepen our focus on environmental, social, and governance (ESG) factors without losing sight of our first duty to members' retirement security? And how can sector assets support infrastructure and other strategic investments, while maintaining the prudence and risk discipline expected of a retirement system?

These are not abstract debates - they are issues that trustees, fund managers, custodians, administrators, and regulators grapple with every day. I would like to thank the URBRA team and our stakeholders from across the industry who have invested time and thought in this publication. Their work reflects a shared commitment to a sector that is not only large in size, but stronger in governance, transparency, and accountability.

I recommend the 2025 issue of The Perspective to you and invite you to read it. The story of Uganda's retirement benefits sector is still being written; the choices we make today will be felt for decades. Let this publication be one of the tools that helps us make those choices wisely.

Rita F. Nansasi Wasswa (Mrs)
Accounting Officer

MANDATE

REGULATE

the establishment, management and operation of retirement benefits schemes in Uganda in both the private and public sectors.

PROTECT

the interests of members and beneficiaries of retirement benefits schemes.

SUPERVISE

To supervise retirement benefits schemes and service providers.

LICENSE

custodians, trustees, administrators and fund managers of retirement benefits schemes;

Implement Government Policy and Advise the Minister on matters relating to the Sector

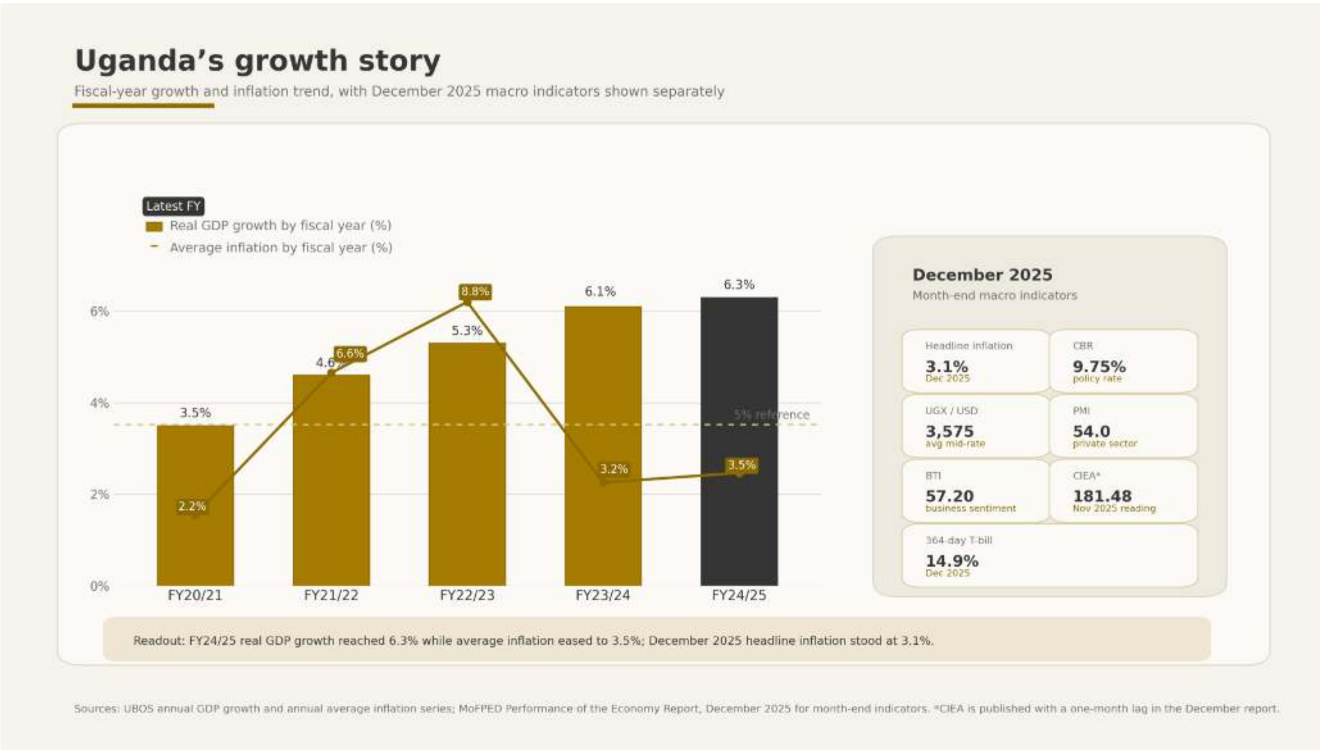
WHEN
TRUSTEES
GET IT RIGHT,
MEMBERS
MAY NEVER
KNOW—
BUT THEIR
RETIREMENT
WILL

ECONOMY

Economic Growth

Uganda closed the December 2025 quarter on a stronger footing, with real GDP expanding by 8.5% year-on-year, up from 5.4% in the the previous year. Industry led the expansion, growing 12.3%, supported by a 19.4% increase in construction and 8.9% growth in manufacturing, while agriculture advanced 8.8%, driven by a 12.6% rise in cash crop activity.

On the demand side, household consumption rose 20.1%, driving overall final consumption growth to 17.4%, while gross fixed capital formation increased 15.6%, signalling continued investment appetite. At the broader macro level, the IMF assessed Uganda's real GDP growth at 6.3% in FY2024/25, with inflation remaining below target, foreign exchange reserves & investor sentiments strengthening supported by resilient export earnings and portfolio inflows.



Government set out the 2026/27 agenda around the "full monetisation" of the economy, with priority areas spanning agriculture, tourism, minerals, services, infrastructure, industrialisation, market access, and digital expansion.

At the same time, Public expenditure for FY2026/27 is projected below the current year's level, planned domestic borrowing is expected to decline by 21.1% to about UGX 9 trillion, and government is targeting stronger revenue mobilisation, with collections projected to rise 9% to UGX 40.1 trillion. Uganda's principal macro vulnerability may no longer be inflation but the interplay between debt service, budget execution, and domestic financing costs.

The IMF's January 2026 assessment underscored this tension: public debt rose to 52.4% of GDP, while the overall fiscal deficit widened to 6.0% of GDP in FY2024/25, even as growth remained strong.

Oil remains Uganda's most important medium-term catalyst, but also its most important execution risk. The country is still targeting the start of crude production in late 2026.

At the same time, Uganda's external sector is becoming more diversified. The Bank of Uganda's decision to launch a domestic gold purchasing programme from March 2026, with an initial target of at least 100 kilogrammes between March 2026 and June 2026 reinforces gold's growing role in Uganda's foreign exchange earnings, reserve management, and broader external stability.

Monetary Policy and CBR

The Bank of Uganda's Monetary Policy Committee on 10 November 2025, maintained the Central Bank Rate (CBR) at 9.75%. The rationale was driven by inflation being contained, the exchange rate strengthening, and the domestic economy improving. In the November 2025 statement, the Central Bank reported that over the preceding twelve months, headline inflation averaged 3.6% and core inflation averaged 3.9%, both below BOU's 5% medium-term target.

It also noted that October 2025 headline inflation had eased to 3.4% from 4.0% in September, while core inflation declined to 3.4% from 4.0%.

The Central Bank highlighted upside risks from geopolitical tensions, possible disruptions to global energy and food supply chains, adverse weather, and potential exchange rate pressure if capital inflows weakened or oil revenues were delayed.

Currency

Uganda closed December 2025 with a firmer currency and stronger export position than a year earlier. The Uganda shilling averaged UGX 3,575 per US dollar in December 2025 compared to UGX 3,664 per US dollar average recorded in December 2024. Against the Kenyan shilling, the cross-rate was UGX 28.06 per KES on December 2025, compared with UGX 28.41 per KES on December 2024.

Uganda benefited from strong export receipts, portfolio inflows. The IMF noted that reserves had strengthened in 2025, supported by higher exports, capital inflows and stepped-up foreign exchange purchases by the Bank of Uganda. Also, Uganda's merchandise exports increased to US$1.395 billion in December 2025, up 83.5% from US$760.31 million in December 2024.

Bank of Uganda reported that gold exports rose 75.8% to US$5.8 billion in 2025 from US$3.3 billion in 2024, overtaking coffee as the country's largest foreign exchange earner.

Quoted Equities

On the Uganda Securities Exchange, domestic market capitalisation rose to UGX 15.92 trillion at end-December 2025 from UGX 12.66 trillion a year earlier, a 25.7% year-on-year increase. The USE Local Counter Index (LCI), climbed to 387.45 points from 306.99 points, a 26.2% gain over the year, while equity turnover improved to UGX 33.7 billion from UGX 29.8 billion, up 13.3% year-on-year.

The Capital Market Authority's (CMA) review attributed the rise in domestic market capitalisation to quarter-on-quarter gains in DFCU (+15.3%), MTN Uganda (+7.7%), Bank of Baroda Uganda (+11.9%), and Airtel Uganda (+5.9%), while year-on-year share price performance was strongest in Bank of Baroda Uganda (+111.2%), Quality Chemical Industries (+82.7%), Airtel Uganda (+46.6%), DFCU (+33.8%), and MTN Uganda (+14.5%).

CMA Uganda's regional comparison shows NSE domestic market capitalisation rising to US$22.82 billion at end-December 2025 from US$15.0 billion a year earlier, a 52.1% increase, while equity turnover jumped to US$334.99 million from US$137.6 million, up 143.5% year-on-year.

The same CMA review noted that in Q4 2025 the NSE All Share Index rose 5.6% quarter-on-quarter, supported by domestic investor appetite, earnings resilience, and a rotation out of fixed income as yields declined. The drivers were a more stable Kenyan shilling, strong bank earnings, lower policy rates, and reallocation away from fixed income.

Fixed Income

By December 2025, Treasury bill yields stood at 11.5% on the 91-day, 13.7% on the 182-day, and 14.9% on the 364-day, compared to 10.4%, 13.4% and 15.0% respectively in December 2024.

Further out the curve, bond yields finished the year above December 2024 levels across most maturities: the 2-year stood at 15.8%, the 3-year rose to 16.0% from 15.7%, the 5-year to 16.25% from 16.0%, the 10-year to 17.2% from 16.4%, the 15-year to 17.75% from 16.8%, and the 20-year and the 25 year bond both stood at 17.95%.

Investment SNAPSHOT 2025

Quarter End December 2025

UGX 33.04 Tn

2024: 27.5 Tn

▲ 20.3%

Sector Portfolio

All figures in UGX

Asset Class	December 2024 Amount (Millions)	December 2024 %	December 2025 Amount (Millions)	December 2025 %
Cash and Demand	48,695	0.2	74,414	0.2
Fixed Deposits	238,719	0.9	619,378	1.9
Other Fixed Income*	351,124	1.3	298,952	0.9
Government Securities	21,661,128	78.9	25,853,129	78.2
Quoted Equities	3,140,911	11.4	4,355,342	13.2
Unquoted Equities	413,468	1.5	206,591	0.6
Immovable Property	1,595,294	5.8	1,616,626	4.9
Other Investment**	21,557	0.1	15,622	0.0
Total	27,470,895	100	33,040,054	100

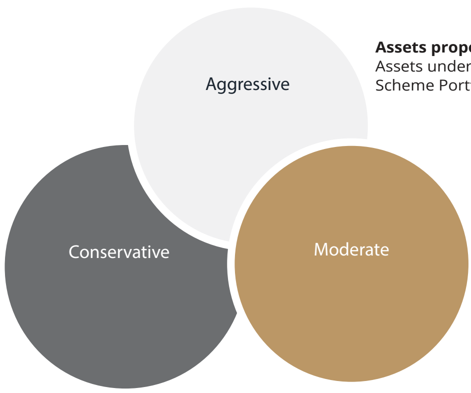
* Represents Commercial Paper, Corporate bonds, Asset Backed Securities, Collective Investment Schemes.
**Represents other approved assets

Mandatory Scheme Portfolio

Asset Class	NSSF Amount (Millions)	NSSF %	Parliamentary Pension Scheme Amount (Millions)	Parliamentary Pension Scheme %	Makerere University Amount (Millions)	Makerere University %
Cash and Demand	61,907	0.2	3,932	0.6	11	0.0
Fixed Deposits	402,056	1.4	24,710	3.8	328	0.1
Other Fixed Income	-	-	128,404	19.9	53,502	10.5
Government Securities	22,049,171	77.6	449,381	69.6	444,056	87.1
Quoted Equities	4,091,091	14.4	23,660	3.7	1,808	0.4
Unquoted Equities	205,589	0.7	-	-	24	0.0
Immovable Property	1,606,417	5.7	-	-	9,858	1.9
Other Investment		-	15,622	2.4		-
Total	28,416,231	100	645,708	100	509,588	100

Risk Profile

The Conservative risk profile is composed of portfolios with allocation of over 70% in Fixed Income , while Moderate and Aggressive profiles are composed of portfolios with allocation between 70% - 50% and less than 50% respectively.



Assets proportion - 0.01%
Assets under management - 4.3 Billion
Scheme Portfolios - 1

Assets proportion - 99.99%
Assets under management - 33.0 Trillion
Scheme Portfolios - 63

Assets proportion - 0.0%
Assets under management - 0 Billion
Scheme Portfolios - 0

All figures in UGX

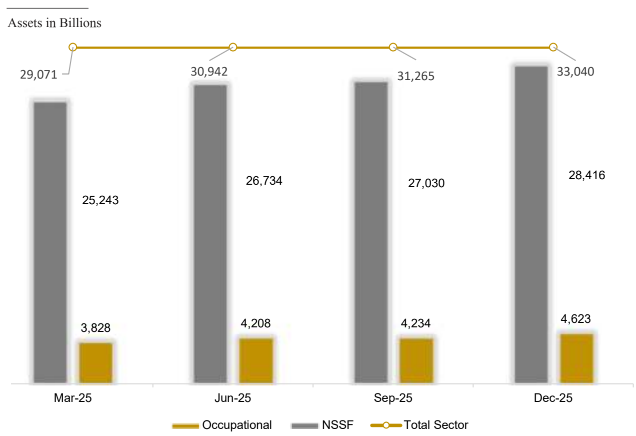
Fund Manager's Holding (Billions)

			Asset Class			
Fund Manager		**Total Assets**	**Fixed Income**	**Money Market**	**Equites**	**Others**
NSSF	Dec 25, UGX Billions	28,383	22,016	464	4,297	1,606
	Sept 25, UGX Billions	27,030	21,403	246	3,757	1,625
	QoQ Change, %	5.0%	2.9%	88.8%	14.4%	-1.1%
Britam	Dec 25, UGX Billions	201	181	18	1	-
	Sept 25, UGX Billions	303	266	33	4	-
	QoQ Change, %	-33.6%	-31.9%	-43.6%	-66.4%	-
Sanlam	Dec 25, UGX Billions	1,635	1,397	112	127	-
	Sept 25, UGX Billions	1,524	1,284	129	111	-
	QoQ Change, %	7.3%	8.8%	-13.2%	13.6%	-
Genafrica	Dec 25, UGX Billions	1,607	1,317	178	102	10
	Sept 25, UGX Billions	1,340	1,079	157	94	10
	QoQ Change, %	19.9%	22.1%	13.0%	8.5%	-4.4%
ICEA	Dec 25, UGX Billions	316	234	70	11	-
	Sept 25, UGX Billions	283	203	70	10	-
	QoQ Change, %	11.4%	15.3%	0.7%	8.0%	-
Old Mutual	Dec 25, UGX Billions	883	680	179	24	-
	Sept 25, UGX Billions	768	600	150	18	-
	QoQ Change, %	14.9%	13.2%	19.2%	35.8%	-

Fund Managers	Cash and Demand	Fixed Deposits	Other Fixed Income	Government Securities	Quoted Equities	Unquoted Equities	Immovable Property	Other	Total
Britam	4,130	-	13,152	181,046	1,480	-	-	-	200,954
Genafrica	3,282	36,027	122,601	1,333,058	101,867	-	9,858	-	1,606,692
ICEA	10	55,876	4,008	244,553	11,179	-	-	-	315,627
Sanlam	384	82,097	29,146	1,396,613	125,593	978	350	-	1,635,160
Old Mutual	4,702	42,177	130,045	681,557	24,132	24			882,638
PPS Loan Management	-	-	-	-	-	-	-	15,622	15,622
Cornerstone*	-	-	-	-	-	-	-	-	-
Xeno*	-	-	-	-	-	-	-	-	-
SBG Securities*	-	-	-	-	-	-	-	-	-
Total	12,508	217,322	298,952	3,836,827	264,251	1,002	10,208	15,622	4,656,692

*Licensed Fund Managers that didn't manage any Retirement Benefits Schemes as at December 2025.

Sector Growth (%)

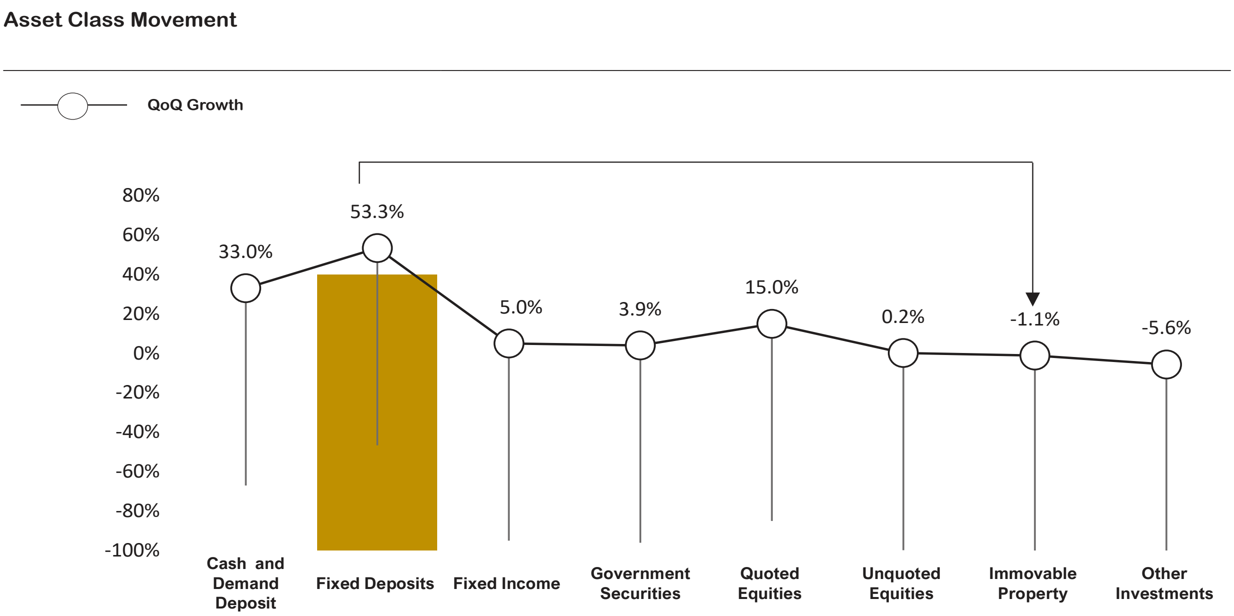


Schemes	June-24	Mar-24	Sept-25	Dec-25	QAGR
Occupational	0.23%	9.94%	0.62%	9.19%	5.00%
NSSF	6.73%	5.91%	1.11%	5.13%	4.72%
Sector	5.82%	6.44%	1.04%	5.68%	4.75%

QAGR: Quarterly Average Growth Rate

The retirement benefits sector remained on a strong growth path, with total assets rising from UGX 27.47 trillion in December 2024 to UGX 33.04 trillion in December 2025, bringing the two-year Compound Annual Growth Rate (CAGR) to 21.14%. NSSF continued to anchor this expansion, growing by 20.14% in 2025 and recording a two-year CAGR of 21.81%, while occupational schemes also posted improved momentum, with assets increasing by 21.07% to UGX 4.62 trillion. Quarterly trends show that, despite a slower September 2025 quarter, sector growth recovered in December 2025 with QoQ growth of 5.68%.

Asset Class Movement



As at December 2025, the sector remained anchored in government securities, which rose 4% QoQ to UGX 25.85 trillion, although their portfolio share eased to 78.2% from 78.9% as other asset classes grew faster. Quoted equities were up 15% QoQ to UGX 4.35 trillion, in line with a stronger fourth quarter on the NSE & USE, where telecom and financial counters notably MTN, Airtel, DFCU, Bank of Baroda and Stanbic supported both price gains and turnover.

Fixed Deposits also expanded by 53%, pointing to allocation into short-duration placements, “Other investments” is largely Parliamentary Pension scheme-loan exposure, the 5.6% drop was consistent with expected loan repayments as 2026 elections drew closer.

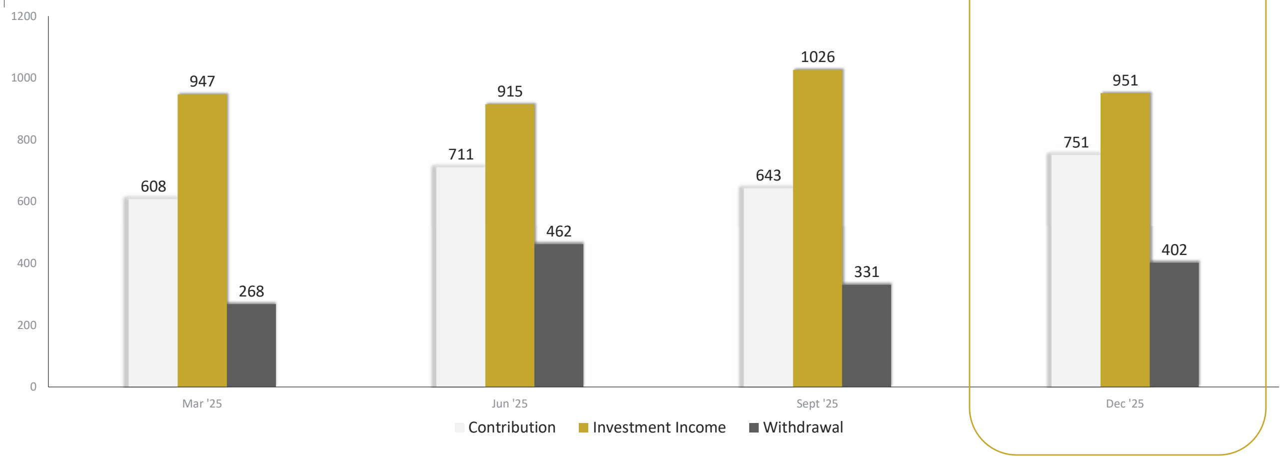
Assets Held by Umbrella Schemes

All figures in UGX

	Sept 2025 (Billions)	December 2025 (Billions)	Growth (%)
Britam Umbrella Scheme	37,729	35,442	-6.1%
Enwealth Uganda Umbrella Retirement Scheme	21,771	22,039	1.2%
ICEA (U) Limited Retirement Benefits Scheme	232,616	264,093	13.5%
ICEA Lion Teleka Umbrella Fund	23,521	23,648	0.5%
Jubilee Life Umbrella Retirement Scheme	32,363	35,265	9.0%
Octagon Uganda Umbrella Retirement Benefits Scheme	20,543	21,804	6.1%
Sara Umbrella Retirement Benefits Scheme	4,185	4,376	4.5%
The Liaison Umbrella Fund	21,916	22,845	4.2%
UAP Life Umbrella Retirement Benefits Scheme	101,827	105,608	3.7%
Zamara Retirement Fund	98,757	103,564	4.9%
Total	595,228	638,682	7.3%

Umbrella schemes closed the period with total assets rising by 7.3% to UGX 638.7 billion, reflecting continued growth in the segment despite uneven performance across individual funds. The strongest increase came from ICEA (U) Limited Retirement Benefits Scheme, which grew by 13.5%, followed by Jubilee at 9.0% and Octagon at 6.1%. Britam recorded a 6.1% decline, while Enwealth and ICEA Lion Teleka were broadly flat.

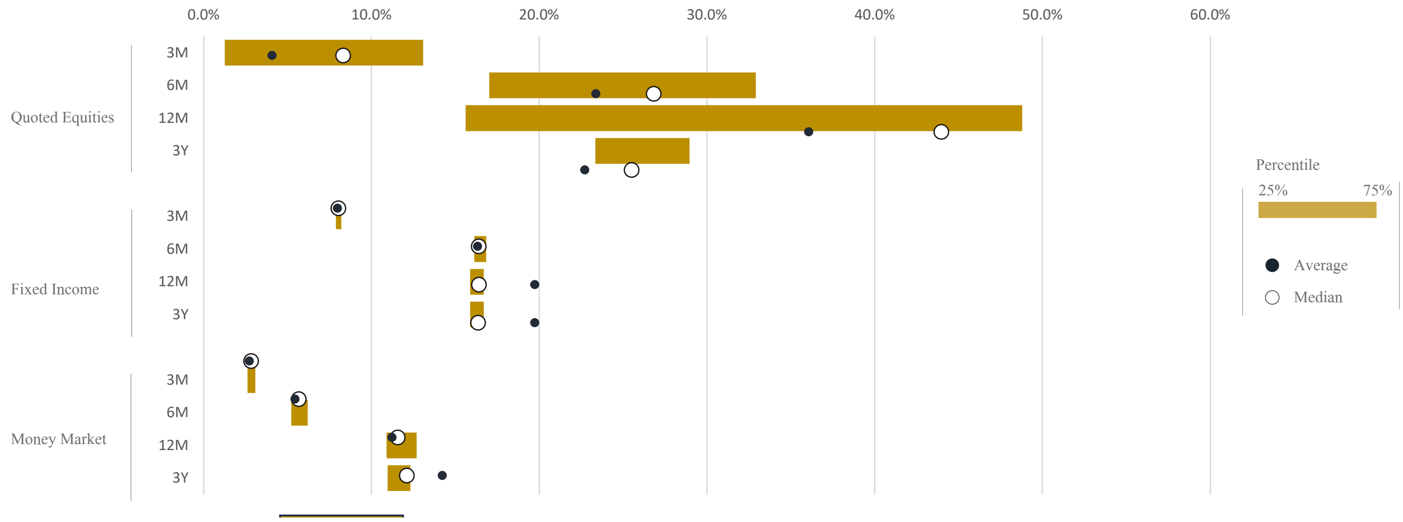
Contributions, Investment Income & Withdrawal (UGX, Billions)



The quarter was supported primarily by continued contribution inflows of UGX 751.6 billion, of which NSSF accounted for UGX 610.0 billion. Withdrawals were at UGX 402.1 billion, with NSSF contributing UGX 276.2 billion; that outturn reflects the usual benefit maturities and claims pipeline reinforced by members crystallising claims after the 13.5% interest credited for FY2024/25.

NSSF's investment income of UGX 784.8 billion and the sector total of UGX 951.3 billion were largely underpinned by fixed-income earnings.

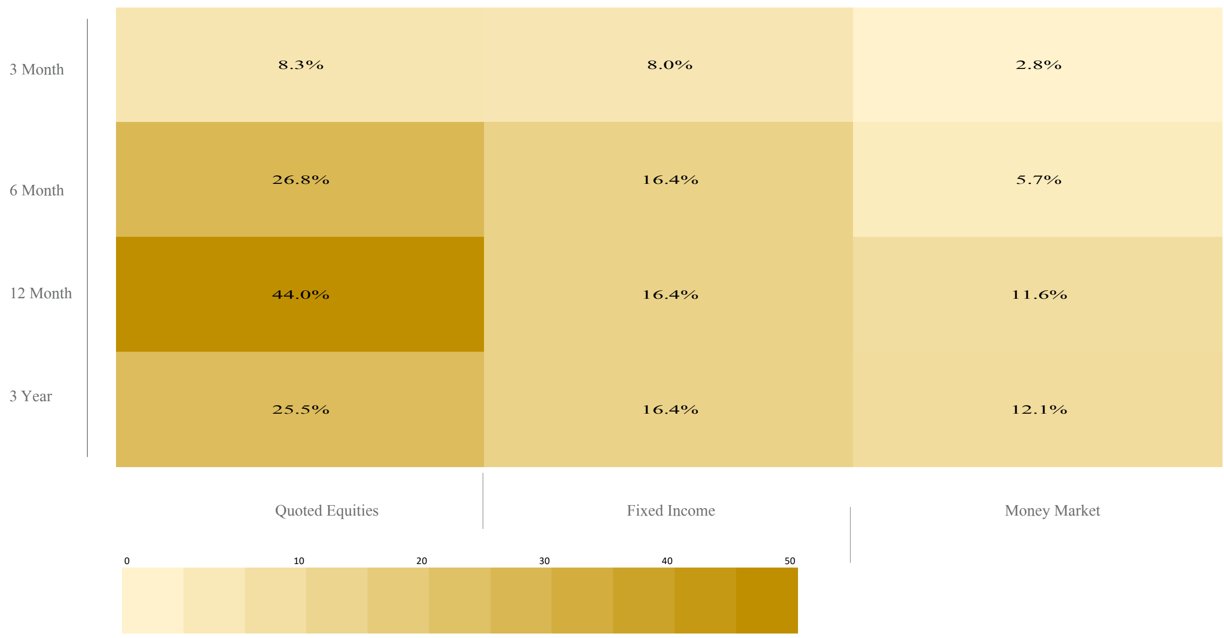
Performance (%)



	Quoted Equities				Fixed Income				Money Market			
	3 Months	6 Months	1 Year	3 Year	3 Months	6 Months	1 Year	3 Year	3 Months	6 Months	1 Year	3 Year
25' Percentile	1.3%	17.0%	15.6%	23.4%	7.9%	16.1%	15.9%	15.9%	2.6%	5.2%	10.9%	11.0%
Median	8.3%	26.8%	44.0%	25.5%	8.0%	16.4%	16.4%	16.4%	2.8%	5.7%	11.6%	12.1%
75' Percentile	13.1%	32.9%	48.8%	29.0%	8.2%	16.8%	16.7%	16.7%	3.1%	6.2%	12.7%	12.3%
Range	49.5%	39.3%	75.5%	84.0%	2.7%	5.7%	42.8%	0.0%	4.6%	6.0%	12.5%	31.1%
Average	4.1%	23.4%	36.1%	22.7%	8.0%	16.3%	19.7%	19.7%	2.72%	5.45%	11.23%	14.23%
W.A.P*	16.61%	56.75%	90.36%	33.61%	56.62%	115.63%	236.57%	115.02%	5.75%	10.96%	22.03%	10.70%

* Weighted Average Performance

Median Performance Heat Map - Scan View -December 2025



NSSF remained a strong reference, delivering 17.72% overall over 12 months, supported by 36.07% quoted equity performance and 16.71% for fixed-income returns. In general, Quoted equities delivered the strongest upside, with a 12-month median return of 44.0%, a P75 of 48.8% and a wide 33.2 percentage-point spread between the lower and upper bands. Driven by UEGCL (73.30%), UAP Life Umbrella (71.17%), Parliamentary Pension Scheme (64.78%), United Bank for Africa (63.22%), and MTN Uganda (58.71%).

Fixed income was the most stable return across the market. Several schemes clustered tightly around the upper end of the range, including NSSF (17.87%), Zamara Retirement Fund (17.00%), Bank of Uganda Staff Retirement Benefits Scheme (16.96%), Stanbic Uganda Holdings (16.88%), I&M Bank (16.88%), and Uganda Breweries Ltd RBS (16.87%).

Quoted Equities & Bonds

Sector	Quoted Equities (Billion)	Financial Sector	Consumer Staples	Consumer Discretionary	Utilities	Health Care	Material & Processing	Energy	Producer Durables	Technology & Telecom
NSSF	4,091	46.5%	9.1%	0.1%	0.5%	0.8%	2.3%	0.0%	0.0%	40.7%
Occupational	271	40.0%	4.9%	0.4%	4.4%	0.1%	0.0%	0.0%	0.0%	50.2%

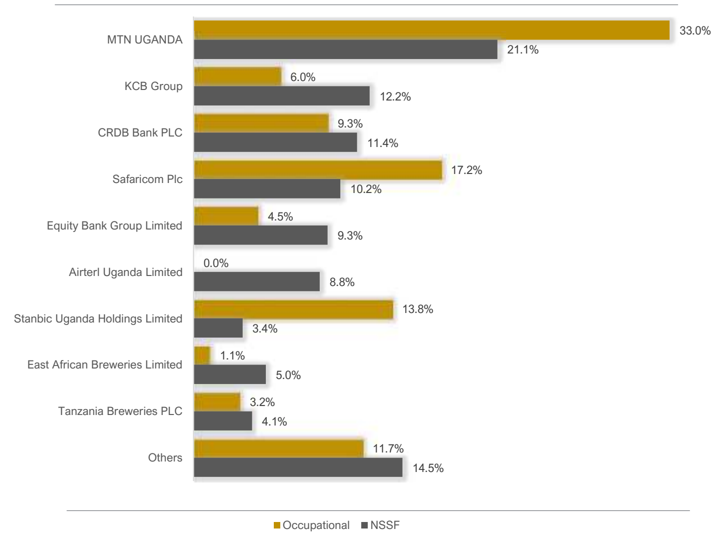
The quoted equity book remained highly concentrated in financial services and technology & telecom sectors, together accounting for 87.2% of NSSF's listed equity portfolio and a higher 90.2% for occupational schemes.

NSSF's book was slightly more balanced, split between financial services (46.5%) and technology & telecom (40.7%), while occupational schemes leaned more aggressively into telecoms at 50.2%, alongside 40.0% in financials.

There were no major new equity listings on the USE by end-2025, but the medium-term listing theme came from MTN Uganda's decision to spin off its fintech and mobile money operations into a separate company, with management indicating the new entity could eventually be listed on the USE within three to five years.

Also in December 2025, the cabinet of Kenya approved the creation of an infrastructure fund and a sovereign wealth fund, with the government signalling that proceeds from a planned 15% Safaricom stake sale and a future Kenya Pipeline Company IPO would help capitalise those vehicles.

Retirement Benefits Schemes' Quoted Equities Holdings – December 2025

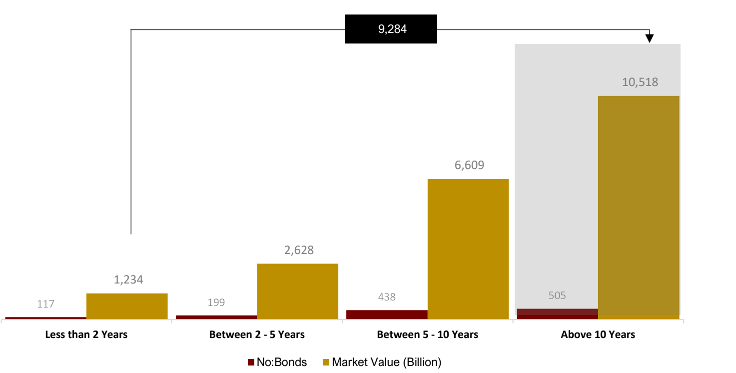


Occupational schemes ran a more concentrated listed equity book, with MTN Uganda (33.0%), Safaricom (17.2%) and Stanbic Uganda Holdings (13.8%) together accounting for 64.0% of their portfolio. This points to a higher-conviction tilt toward telecom and selected domestic financial stocks, with little investment in Airtel Uganda.

NSSF's equity book was broader and more regionally diversified, anchored by MTN Uganda (21.1%), KCB Group (12.2%), CRDB Bank (11.4%), Safaricom (10.2%), Equity Bank (9.3%) and Airtel Uganda (8.8%).

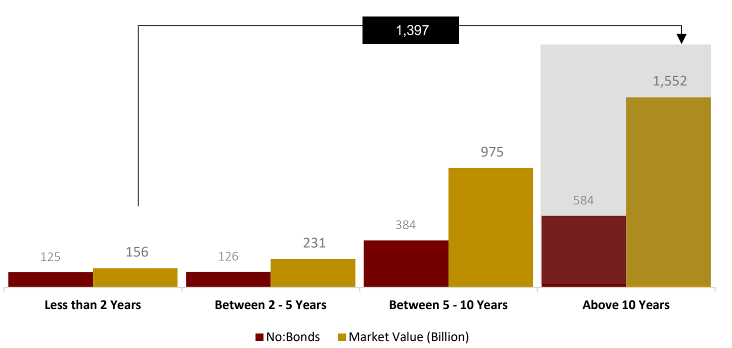
NSSF - BOND HOLDING

Maturity Profile



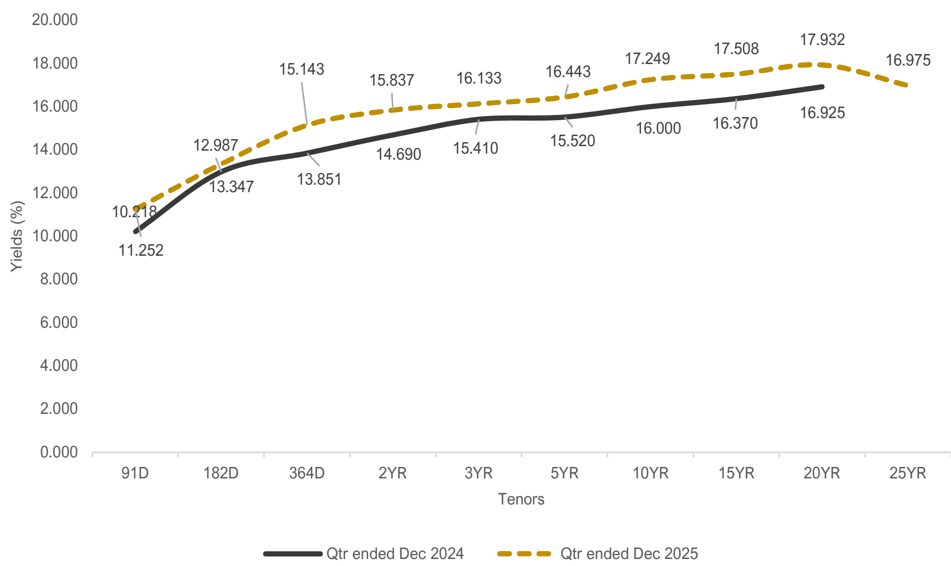
Occupational Schemes - BOND HOLDING

Maturity Profile



The NSSF's instruments above 10 years accounted for UGX 10.52 trillion across 505 bonds, while the 5–10 year bucket added UGX 6.61 trillion across 438 bonds, meaning over 80% of total bond value was held in securities with maturities beyond five years. Occupational schemes showed a similar pattern, with UGX 1.55 trillion in bonds above 10 years and UGX 975 billion in the 5–10 year band, together representing about 87% of their bond book.

Yield Curve



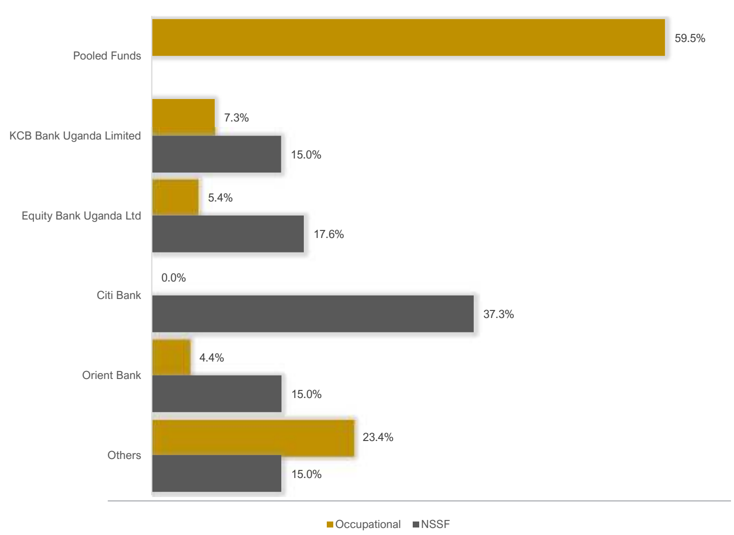
Average yields shifted upward across the curve in 2025 2024. The increase was most pronounced at the short end and the long end, with the 91-day rising by 103 bps to 11.25%, the 364-day by 129 bps to 15.14%, and the 10-year by 125 bps to 17.25%. Yields on the 15-year and 20-year tenors also moved higher to 17.51% and 17.93% respectively.

The curve remained upward sloping, the 2-year to 5-year tenors closed within a relatively tight band of 15.84% to 16.44%, while the 20-year remained peaked at 17.93%. The introduction of the 25-year bond extended the curve and added a new long-dated pricing point for investors with extended horizons.

Secondary-market activity actually strengthened, with the value of government bonds traded rising to UGX 32.5 trillion in Q4 2025 from UGX 15.8 trillion in Q4 2024 and UGX 26.4 trillion in Q3 2025. The government bond turnover ratio also improved to 65.9% from 53.6% in the previous quarter.

Uganda's public debt burden continued to rise with domestic borrowing standing at 52.4% of GDP, however government has signalled a more disciplined medium-term issuance path: its September 2025 budget framework projected that planned domestic borrowing through Treasury bills and bonds would fall by 21.1% to about USh 9 trillion in FY2026/27, explicitly to contain debt and reduce interest costs.

Retirement Benefit Schemes' Fixed Deposit/Pooled Holdings – December 2025



Occupational schemes were concentrated in pooled funds (59.5%), with the remainder placed with KCB Uganda (7.3%), Equity Bank Uganda (5.4%) and Orient Bank (4.4%). NSSF's book was led by Citi Bank (37.3%), Equity Bank Uganda (17.6%), and KCB Uganda, Orient Bank and other banks at 15.0% each, a more diversified counterparty allocation across selected institutions.

Start saving now, retire with peace of mind

Looking Beyond Returns: The Role of Retirement Benefits Schemes in Implementing ESG Driven Strategies

As institutional investors, retirement benefit schemes implementing ESG driven strategies can be considered threefold: survival, responsible investing and promoting sustainable and climate resilient development

ESG stands for Environmental, Social, and Governance and is a framework used to evaluate the sustainability and ethical impact of a company or investment. Environmental Social Governance (ESG) provides an insight into how a company is interacting with risks and opportunities in the shifting world.

The environmental criteria examines the company's environmental impacts, the social criteria looks at the interaction of the company with its stakeholders in the process of creating wealth while governance looks at how the process of wealth creation is led and managed.

On the environment are issues such as how a company is reducing emissions, promoting energy efficiency, sustainable waste management and natural resource efficiency. Socially, are issues like representation in the organization, its culture, gender equity, and community citizenship. In regard to governance, the transparency and reporting of disclosures, board compositions among other key administrative issues. ESG driven strategies at their core align, encompass and reflect these issues. In Africa, ESG evolved from informal community-based practices to structured CSR in the 2000s, to formalized governance and reporting in the 2010s, and is now moving into a phase of integration with financial regulation, sustainable finance, and climate action in the 2020s. There is a challenge however in comparison given the difference in its mainstreaming by organizations as well as non-harmonization of frameworks, but the presence of ESG is a key starting point when considering where to invest as a retirement benefit scheme. This is why.

Patricia Kiwanuka, CFA - Managing Director
Revenu Stream Limited

Waithira Gichiri - Founder
Susfari Sustainability and Climate Consulting.

Globally, countries are facing one of the greatest challenges: Climate change. Life as we know it is changing. This is being seen in the marked increase of droughts, flooding events and subsequent landslides, wildfires, and the unpredictable weather patterns. These climate hazards have and continue to cause destruction of property and infrastructure, for instance floods as seen in Karamoja as well as the rising lake levels as witnessed at Lake Kyoga that lead to massive displacement of populations.

This notwithstanding, we need to achieve a quality life for each one of us, providing a conducive environment to allow this. This includes providing sustainable energy for all, access to education and universal healthcare, creating and improving economic opportunities, a clean environment among others.

The Sustainable Development Goals (SDGs) specifically SDG 13 on Climate Action provide a roadmap as to what is required to realize a quality life while cautiously managing our natural world. Sustainability, lays in our capacity to protect our gains from the impacts of climate change as well as ensure that we do not affect the future's generation's ability to meeting their needs.

As institutional investors, retirement benefit schemes implementing ESG driven strategies can be considered threefold: survival, responsible investing and promoting sustainable and climate resilient development. The first two are interrelated, whereby if we look at the at the history of ESG, it was driven by the institutional investors need to remain profitable in markets characterised by increasing environmental regulations, social demands, and governance challenges.

> "A successful implementation of this would mean that URBRA fulfils its mandate of monitoring significant risks and protecting members by ensuring regulated entities prioritize this."

In essence providing a navigation tool. As institutional investors, retirement benefit schemes require ESG disclosures to make informed decisions from understanding how sustainability issues affect their investments and how their investments affect the environment and society.

This is in particular critical given global efforts towards tackling climate change, achieving sustainable development and halting biodiversity loss among others.

A look at climate change impacts and the gaps to a quality life for all places an additional responsibility for retirement benefits schemes more so in developing economies. This is because of the reliance on climate sensitive sectors, reduced adaptation capacity and the challenge of development in the face of climate change. Past estimates from the Ministry of Finance in particular 2023 indicated climate change impacts are costing the country 3% of its GDP. This is as a consequence of extreme and increased frequency of floods and droughts, rising temperatures, pests and diseases affecting Uganda's agricultural sector which accounts for about a quarter of the country's GDP. Further, water scarcity caused by increased frequency and intensity of droughts affects hydropower electricity generation, which accounts for over 80% of electricity generated in the country. Collectively, this has a cumulative impact on the industry sector such as manufacturing dependent on agriculture and access to electricity.

On sustainable development, climate change is eroding developmental gains notwithstanding our gaps to ensuring a quality life for all. Retirement benefit schemes are therefore faced with the responsibility of ensuring their investments are geared towards protection of these gains i.e. through adaptation and ensuring climate resilience in investments; and investing in portfolios that provides conducive environments for a thriving economy for example, investments to diversify and increase the countries electricity generation.

Further, they have a responsibility to ensure the resilience of their beneficiaries. Climate hazards pose threats to retirees' investments in property and businesses as well as increasing demands in healthcare more so in the golden years due to hazards such as heatwaves. It is therefore paramount to ensure beneficiaries are well informed and promote their adaptation to climate change impacts.

Retirement benefit schemes as sources of funds have a great role in driving ESG strategies and in general sustainable investments. By investing in ESG driven entities, the schemes signal a commitment towards sustainable investing and create a demand for such investment portfolios whilst exuding confidence in them.

In Uganda, they possess the ability to create positive impact of domestic resources towards sustainable and climate resilience development. For instance, Uganda has been facing unprecedented levels of urbanization. As of December 2025, 4.9% of the schemes' allocation was in immovable property. Investing in ESG strategies in this sector would mean investing in projects that meet sustainable infrastructure standards that address the resource constraints and rising social pressures. This includes matters such as how resilient are the structures to natural catastrophes such as floods that might occur; is the building or apartment resilient in the face of heavy flooding or does it become desolate and inhabitable; is the flood water management systems climate proof and can they be adopted to address water scarcity; in the construction did the material sourcing and energy use observe ESG best practices?

In ESG considerations and towards sustainable development, systems thinking is key. Systems thinking tells us that everything is connected to everything and each is a part of the bigger system. Looking at urban areas where charcoal is the predominant source of cooking fuel, residential buildings can be designed in a manner that provides waste to energy solutions for waste water and organic waste. These technologies in the building have potential to provide either biogas for cooking or even conversion to electricity for domestic use.

Here, the end product is not only housing to accommodate the ballooning urban population but also waste management which a major urban social issue, forest conservation, resource efficiency solutions as well as production of clean energy. Investing in strategies that reflect such approaches does indeed go beyond monetary returns and opens up job opportunities, long-term savings, creates a positive environmental impact as well as an improved quality of life in the country.

URBRA faces several challenges in implementing ESG strategies within Uganda's retirement benefits sector, including limited awareness and technical capacity among trustees and fund managers, absence of clear ESG regulatory guidelines, data scarcity for monitoring, and the high perceived costs of adoption. Many schemes remain focused on short-term returns, with a limited pipeline of ESG-compliant investment opportunities in the local market.

To address these issues, URBRA can develop explicit ESG investment guidelines, build trustee capacity through training, establish standardized ESG reporting templates, and promote innovative products such as green bonds and climate-resilient infrastructure. Incentives for compliance, alongside regional and international collaboration, would further strengthen ESG integration and position Uganda's Retirement sector as a driver of sustainable development.

A successful implementation of this would mean that URBRA fulfils its mandate of monitoring significant risks and protecting members by ensuring regulated entities prioritize this.

Waithira Gichiri is Susfari's founder, a sustainability and climate consulting firm. Susfari aims to create opportunities in sustainability and climate resilience through knowledge dissemination and innovation.

The firm localizes these global concepts for businesses, institutions and organizations to foster sustainable and climate resilient development. Susfari achieves this through consulting, training and capacity building; sustainability audits and reports; climate risk testing; green project development, and geospatial analysis for forest cover and restoration monitoring.

Waithira is a sustainability and climate professional. She holds an M.Sc. in Sustainability, Society and the Environment from Kiel University, Germany and an M.Sc. Climate Change Management from University of Applied Sciences Weihenstephan-Triesdorf , Germany.

Patricia Kiwanuka is a seasoned expert with over 20 years of experience in investment, governance, and behavioral psychology. As Managing Director of Revenu Stream Limited, she delivers financial wellness programs (money therapy) specifically tailored for individuals and families. She also supports pension funds and corporations in developing sustainable strategies for growth and financial resilience. Recognized as a thought leader, she frequently speaks at regional and international forums.

Patricia serves on several prominent boards including AAR Insurance Kenya, WPP Scanad, Sameer Africa Plc, and is a Council Member at USIU-Africa. Additionally, Patricia is a recipient of the Order of the Golden Warrior (OGW), a charter member of Rotary Club of Upper Hill, and a Paul Harris Fellow (PHF+3).

A CFA® Charterholder, Patricia is a member of CFA Institute-USA, the Institute of Internal Auditors (IIA-K), and the Institute of Directors. She holds an MBA in Finance, a Master's in Counseling Psychology, and a BSc in Actuarial Science/ Statistics. She is a duly licensed Counselling Psychologist by the Ministry of Health C&P Board (K) and American Counselling Association

“The time to repair the roof is when the sun is shining.”

— John F. Kennedy

Unlocking Long-Term Capital

The Role of Retirement Benefits Schemes in Infrastructure & Private Financing

Ms. Ruth Kirabokyamaria

Infrastructure constitutes the essential physical, social, and economic framework that underpins the functionality and growth of a modern society. It is the network of highways that facilitates the movement of goods, the power grids that illuminate homes and power industries, the water treatment plants that ensure public health, and the digital telecommunications systems that connect people and information.

For a developing nation like Uganda, the development of robust, efficient, and widespread infrastructure is not a mere item on a development checklist; it is the fundamental prerequisite for achieving meaningful and inclusive socio-economic transformation

The path to achieving this is often blocked by a formidable obstacle: the immense and persistent challenge of financing. With government budgets strained under the weight of other pressing public needs and a rising public debt that tightens the national budget, there is an urgent and undeniable imperative to innovative, alternative, and domestic sources of long-term capital.

In this context, one of the most promising solutions lies within Uganda's own financial ecosystem: the vast, growing, and patient pools of capital managed by domestic retirement benefit schemes. These entities, governed by a mandate to secure future payouts for retirees, inherently operate on a multi-decade timeline, making them uniquely positioned to play a transformative role in bridging Uganda's infrastructure financing gap, provided a conducive and clearly understood pathway exists for such investments.

The scale of Uganda's infrastructure deficit presents a clear and present danger to its developmental goals. While the Ministry of Finance, Planning, and Economic Development has consistently highlighted building sustainable infrastructure as a core strategic objective in its national development plans, the financial resources have not kept pace with ambition.

As highlighted by the Parliament of Uganda, the nation faced a massive infrastructure funding gap of approximately UGX 2.5 trillion in the financial year 2024/25. This shortfall is not just a statistic; it translates into tangible and costly bottlenecks that hamper economic activity daily. For instance, while road transport is the lifeline of the economy, carrying over 95 percent of Uganda's goods and passengers, only about 28 percent of the national road network is paved.

> **it is abundantly clear that the traditional model of relying solely on public funding and external borrowing is no longer sufficient or sustainable.**

Furthermore, unreliable electricity generation and distribution, coupled with limited connectivity in rural areas, continue to severely constrain industrial productivity, agricultural value-addition, and overall trade competitiveness. This infrastructure deficit acts as a constant brake on progress, and it is abundantly clear that the traditional model of relying solely on public funding and external borrowing is no longer sufficient or sustainable.

The country's public debt stock, which stood at approximately UGX 116 trillion (around US$32 billion) as of June 2025, representing nearly 51 percent of GDP, places immense pressure on the national budget, with a significant portion now devoted to debt servicing rather than new capital investment. This fiscal reality makes the case for private sector participation and innovative financing models, such as public-private partnerships (PPPs), not just attractive but absolutely necessary for national development.

Retirement Benefits Schemes manage member saving over entire working lifetimes, with the explicit purpose of providing income during retirement, which can span decades.

This creates a natural structural alignment with infrastructure projects, which are inherently long-term, and capital-intensive assets. Infrastructure projects, such as highways, airports, or energy plants, may require years of construction but then operate and generate revenue for 30, 50, or even 100 years. This long-term horizon matches perfectly with the long-dated liabilities of retirement benefits schemes.

The Ugandan retirement benefits sector has experienced remarkable growth over the past decade, with total assets under management reaching UGX 30.04 trillion (approximately US$ 9.1 billion) as of December 2025. However, a profound concentration risk exists within this portfolio, with more than 80 percent of these assets invested in government securities (treasury bonds and bills). While these instruments offer safety and liquidity, this over-concentration exposes

The logical question that follows is: where can this large-scale, patient private capital be found?

The answer, in significant part, lies within the country's own borders, within the steadily growing assets of its institutional investors, more so its retirement benefit schemes.

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long-term horizon matches perfectly with the long-dated liabilities of pension funds.

the schemes to sovereign risk and limits their potential for higher, inflation-beating returns.

A strategic and prudent redirection of even a modest fraction of these vast funds into well-structured, bankable infrastructure projects could therefore have a doubly transformative impact: securing better financial futures for savers and fundamentally accelerating the modernization of Uganda's economy.

The legal and regulatory gateway for this strategic shift is provided by the framework established by the Uganda Retirement Benefits Regulatory Authority. Understanding this framework is crucial for any scheme considering infrastructure allocation. The primary legislation is found in the Uganda Retirement Benefits Authority (Investments of Scheme Funds) Regulations, 2014 (as amended). These regulations outline the asset classes in which schemes can invest and set specific maximum allocation limits for each.

Crucially, item 3 under Schedule 2 of URBRA Investment of Scheme Funds Regulations,2014 as ammended, retirement benefit schemes are permitted to invest up to 30 percent of their assets in "commercial paper, corporate bonds, mortgage bonds, asset-backed securities and collective investment schemes approved by the Capital Markets Authority." This category is particularly relevant for infrastructure investing, as it provides a clear, existing pathway for investment in listed project bonds and other securitized debt instruments that could be issued to finance specific infrastructure developments.

However, a critical legal nuance that must be understood is embedded in the URBRA Act, 2011, which contains a prohibition against retirement benefit schemes engaging in direct lending.

This prohibition is key, but it carries a vital exemption: it does not apply to lending conducted through securities that are listed on a licensed securities exchange or other open market. This legal distinction is the cornerstone of infrastructure investing for retirement schemes in Uganda. It means that while a retirement fund cannot act like a bank and directly lend money to a single infrastructure project developer, it can absolutely invest in debt instruments like project bonds or asset-backed securities that are tied to infrastructure and are traded on the open market.

Therefore, infrastructure investing is indeed allowable, but it must be channeled through the specific mechanisms permitted by the regulations, primarily focusing on tradable securities and

"infrastructure investing is indeed allowable, but it must be channeled through the specific mechanisms permitted by the regulations, primarily focusing on tradable securities and approved funds."

approved funds.

This regulatory context directly shapes the practical and permissible "ways of investing" in infrastructure available to Ugandan retirement schemes. Given the constraints and allowances, viable avenues exist.

An accessible method is debt financing through project bonds. These are bonds issued specifically to raise capital for a defined infrastructure project, such as a new hydroelectric dam or a national fiber-optic cable network. The revenue generated by the project itself is used to pay the interest and principal on the bonds, providing a clear cash flow stream for investors. This aligns perfectly with the URBRA allowance for corporate bonds and asset-backed securities.

Another viable route is participation in dedicated infrastructure funds. These are collective investment schemes that pool capital from multiple investors to create a large fund dedicated solely to financing a diversified portfolio of infrastructure projects. These funds are typically managed by professional teams with deep expertise in project selection, execution, and management, thereby mitigating the knowledge gap that a standalone retirement schemes might face.

Investing in such a fund falls under the "collective investment schemes approved by the Capital Markets Authority" category within the URBRA (Investments of Scheme Funds) Regulations, 2014 (as amended). A more complex avenue is direct investment or taking a private equity stake in a specific project company. This offers the potential for higher returns and greater control but also carries significantly higher risk, requires immense due diligence capability, and demands a long-term, hands-on management approach that may be beyond the current capacity of many schemes.

The potential of pension fund investment in infrastructure is not merely theoretical; it is a proven strategy being deployed across the globe and within Africa. Internationally, pension funds like Canada's Ontario Teachers' Pension Plan and Australia's Future Fund have massive allocations to infrastructure, owning assets like airports, toll roads, and renewable energy platforms across the world.

Within the African context, compelling examples abound. South Africa's Government Employees Pension Fund (GEPF), the continent's largest pension fund, allocates a significant portion of its portfolio to infrastructure through its asset manager, the Public Investment Corporation (PIC). The PIC has financed a wide array of projects, from renewable energy farms to affordable housing and transport networks. In Ghana, the Social Security and National Insurance Trust (SSNIT) has been an active player, investing in real estate, energy, and transport infrastructure to promote national development while seeking returns for its members.

Similarly, in Kenya, the Kenya Pension Funds Investment Consortium (KEPFIC) was established as an innovative framework to mobilize and pool assets from multiple pension funds specifically for investment in large-scale infrastructure projects, including affordable housing and geothermal energy. These examples demonstrate a clear precedent: with sound regulation, strong governance, and operational transparency, pension funds can be powerful catalysts for domestic infrastructure development.

The advantages are compelling. However, the challenges are significant. The assets are illiquid, making it difficult to exit the investment quickly. The deals are highly complex, requiring specialized expertise to evaluate and execute. Perhaps the most pressing challenge in the Ugandan context is the current lack of a robust and continuous pipeline of well-structured, "bankable" infrastructure projects that are ready for investment. Trustees, who are fiduciaries

Bujagali Power Plant

mandated to seek high returns for their members, often find the market lacking in transparent opportunities that meet their investment criteria.

Therefore, the way forward requires a concerted and collaborative effort from distinct stakeholders, each with a specific role to play. Policymakers must focus on making the infrastructure asset class more attractive and accessible for institutional capital.

For the trustees of retirement benefit schemes, the advice is to proceed with deliberate and prudent steps. Their role is not to act as project developers but as prudent financial investors. They should start by building internal capacity and familiarizing themselves with the asset class through training and engagement with experts.

Due diligence is non-negotiable; every investment, regardless of the route, must be subjected to rigorous, independent analysis to validate the project's financial model, the credibility of the partners, and the robustness of the contractual agreements.

Harnessing the power of Uganda's retirement savings for infrastructure development is a strategic imperative. The regulatory framework provides a viable pathway. The international and regional examples offer a clear blueprint for success. By bridging the gap between the long-term needs of members of these schemes and the long-term needs of the nation, Uganda can unlock a powerful engine for growth.

Ruth Kirabokyamaria is currently at University of Kent, UK advancing her training in finance and capital markets, with a sharp interest in investment analysis and long-horizon portfolio strategy.

Save now, retire with peace of mind

Daisy Lynda Nabakooza

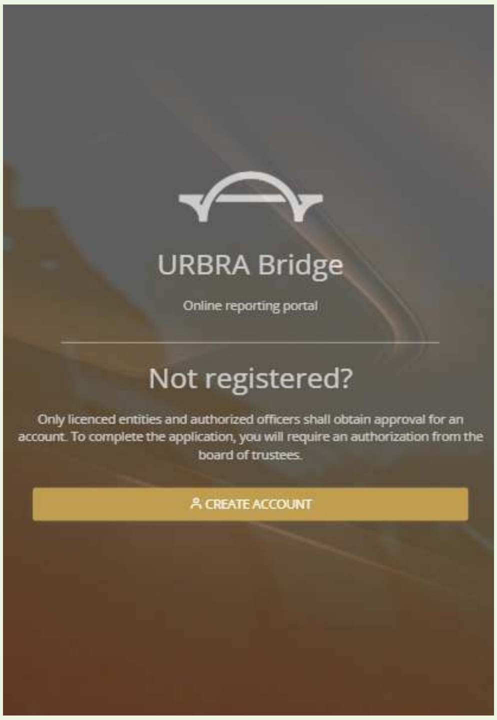
Chief Manager - Supervision & Market Conduct URBRA

RISK BASED SUPERVISION

Globally, retirement benefits sector supervisors face challenges that are in many aspects similar to those faced by banking, insurance and capital markets supervisors.

Financial Sector supervisors have recognized the need to evolve to an approach that emphasizes sound risk management by the supervised institutions in order to strengthen financial stability and ensure more efficient outcomes for beneficiaries.

Risk Based Supervision is a structured approach which focuses on the early identification of potential risks faced by supervised entities and the assessment of the financial and operational factors in place to manage and mitigate those risks. This process allows supervisors like URBRA to direct resources to the issues and supervised institutions which pose the greatest threat.



One of the objectives of risk-based supervision is to ensure sound risk management at the institutional level. The risk management capacity of a supervised institution to identify, measure, and manage all the relevant risks would be reflected in the following: the presence of a sound internal architecture of risk management that includes a reasonable risk-management strategy; evidence of Board involvement in risk management; the existence of risk-management functions performed by competent, independent and accountable professionals; and proper internal controls.

Over the years, URBRA's resources and attention have been drawn to identifying risks in a forward-looking fashion – rather than only concentrating on supervised institutions which have broken certain rules or following up on complaints. The key to URBRA's risk-based supervision is identifying where problems are going to occur in the future and not just looking at where they have happened in the past.

Current compliance with regulatory requirements - although necessary - might not be sufficient to provide evidence that risks are being kept at or below a satisfactory level. Therefore, risk-based supervision is not just about checking that supervised entities are complying with rules, but seeing if the way in which they are doing so means that risks are being mitigated properly and will continue to be so in future (even under adverse circumstances).

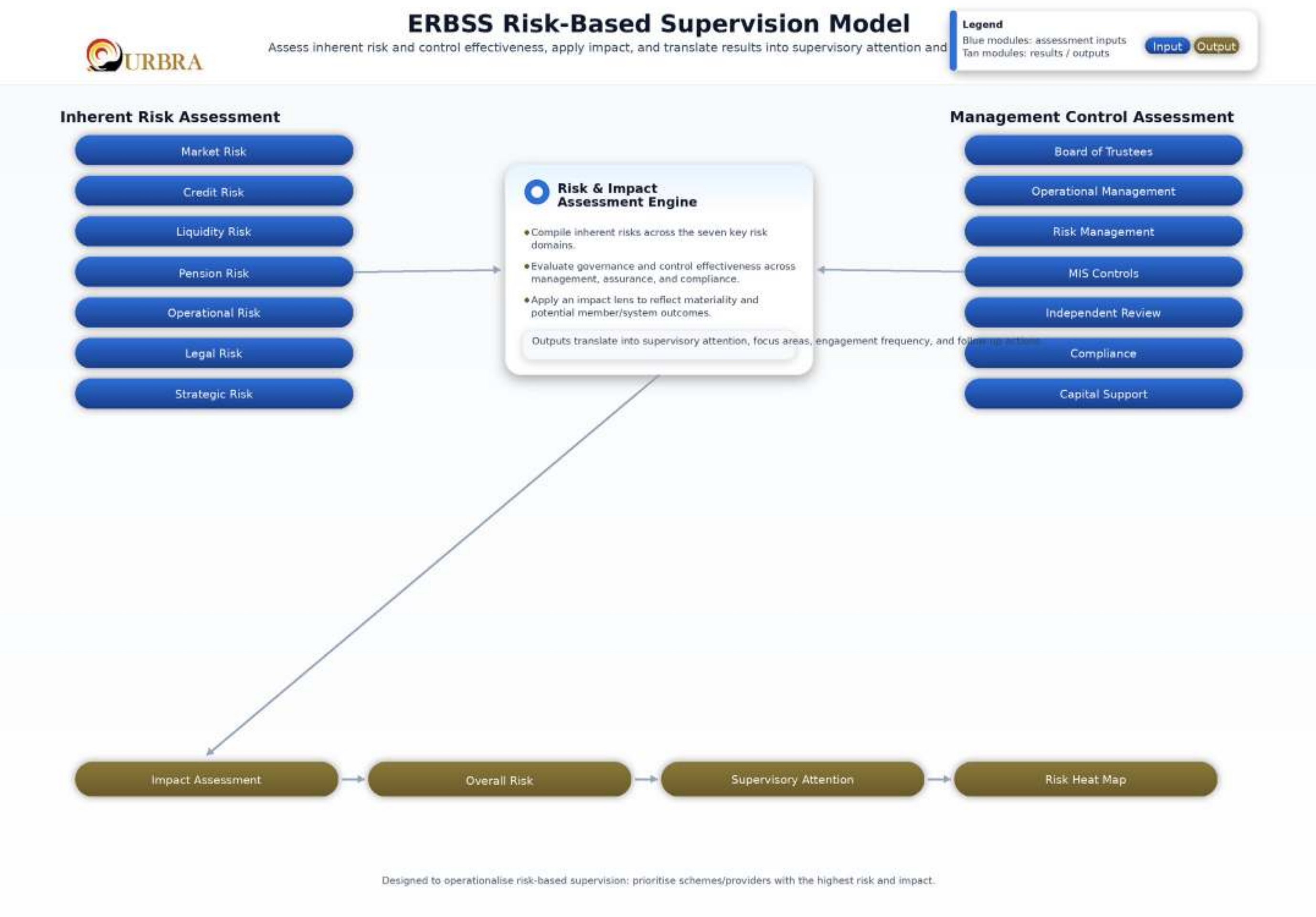
The purpose of the risk-based approach is to promote a risk culture in the industry with the supervised entities

The risk-based approach attempts to quickly determine which supervised entities are in a satisfactory state, and which require more attention. URBRA spends minimal amount of effort on the entities that are determined to pose the least threat and to have little impact should problems occur and concentrates on those needing more attention.

This increases the probability that significant problems will be spotted in a timely fashion and remedied in the most effective manner; and it encourages supervised entities to run their business well and to focus on their own risk management, so they receive minimum attention from the URBRA.

The purpose of the risk-based approach is to promote a risk culture in the industry with the supervised entities conducting their own risk controls and monitoring, so that the supervisor only steps in where necessary.

Though the risk-based approach is proactive and has in built preventive measures, it may not be possible to build a system that covers all the risks and prevents problems and failures. Risk Based Supervision is dynamic and requires ongoing maintenance and review by URBRA to ensure that it remains fit for purpose.



Therefore, it is important to understand, review and assess what aspects of the approach are working effectively and where there could be opportunities for development. The URBRA risk-based supervision model is therefore not static, but rather dynamic and rigorous to the changing environment. It's flexible, allowing for regular upgrades in both the model and system.

As part of our continued commitment to effective risk-based supervision, the Authority has been enhancing its current SupTech system to better support timely, responsive, and forward-looking oversight. Following the feedback received and the improvements made, a number of stakeholder engagements and trainings will be rolled out in 2026 to promote understanding, support transition, and strengthen the overall effectiveness of the supervisory framework.

Fund Manager Profiles

Britam Asset Manangers Ltd

Investment Philosophy.

Britam Asset Managers applies a disciplined, value-oriented investment philosophy that integrates top-down macroeconomic analysis with bottom-up security selection. This dual approach enables the fund manager to identify opportunities while aligning portfolio construction with broader economic trends and client-specific mandates.

The strategy emphasizes long-term capital growth and preservation, supported by diversified exposure across asset classes that include fixed income, equities, private debt, offshore instruments, real estate and private equity. Model portfolios for the funds are reviewed quarterly and monitored weekly to ensure alignment with strategic views, liquidity needs, and regulatory constraints. Risk management is embedded throughout the investment process. All decisions are governed by Investment Policy Statements which are vetted through structured committees with legal, compliance, and risk oversight. Internal controls such as maker-checker protocols and system alerts reinforce operational integrity.

Performance is tracked rigorously, with monthly, quarterly, and annual reviews tailored to trustee, regulatory, and client reporting requirements. Britam's philosophy is rooted in transparency, adaptability, and a commitment to delivering consistent, risk-adjusted returns through market cycles.

Investment Mandate	
Total Assets Under Management	537,930,885,948
Pension	272,129,799,786
Retail and CIS	265,801,086,162
No. of Retirement Schemes	12

Key Personel	
Peace Gakwaya	Chief Executive Officer

Cornerstone Asset Managers

Investment Philosophy.

Investment Philosophy. The 3 fundamental beliefs behind our philosophy are:

1. The financial markets are not fully efficient; Mispricing occurs because assets are subject both to misunderstanding and unjustified optimism or pessimism. These anomalies ultimately correct themselves.

2. That market inefficiencies provide significant opportunities which we tap into by varying the asset allocation & security selection of portfolios.

3. That correct active asset allocation & security selection decision making generates not only the excess returns but also improves the manager's ability to match the risk appetite of investors.

Investment Mandate	
Total Assets Under Management	UGX 107.95 Billion
Retail and CIS	UGX 107.95 Billion

Key Personel	
Simon Mwebaze, CFA	Managing Director
Joseph Kalema	Investment Manager
Brian Alinda	Head - Marketing & Distribution
Linda Rwatangabo	Head Investment Operations
Ketra Birungi	Head Risk and Compliance

Genafrica Asset Managers

Investment Philosophy.

The core of our investment management philosophy is that successful performance is achieved by adopting a longer-term and consistent approach to investment strategy and strict adherence to the research process.

We are style agnostic long-term investors focused on capital preservation whilst aiming to achieve consistent and superior investment returns without exposing clients' assets to unnecessary risk. Our investment style is based on disciplined, in-depth, analytical research, taking a long-term horizon of up to 5 years. The aim is the construction of client portfolios that consistently outperform their market benchmark. The analysis of all assets available to the Fund is grounded on both qualitative and quantitative fundamental analysis. The basic idea is to identify the intrinsic value of every security based on its ability to deliver a cash flow return to its owner.

Our investment philosophy is guided by four key tenets:

Research: Identifying winners through own independent research and disciplined analysis.

Long-term view: Intrinsic value may not be recognized by the market in the short term.

Focused: On individual companies in equities, and yield maximization in fixed income.

Team-based: Superior investment decisions are made within a close-knit team.

Investment Mandate	
Total Assets Under Management	UGX 1,772 Billion
Pension	UGX 1,348 Billion
Retail and CIS	UGX 424 Million
No. of Retirement Schemes	21

Key Personel	
George Mulindwa	Country Manager - Uganda

Old Mutual Uganda

Investment Philosophy.

Our philosophy is built on the belief that market inefficiencies create opportunities for superior risk-adjusted returns. We capitalize on these by actively managing asset allocation and security selection, guided by disciplined research that blends a top-down approach for asset allocation complemented by a bottom-up analysis for individual security selection. This approach enables us to generate consistent, risk-adjusted performance while aligning portfolios with each client's unique objectives.**Team-based:** Superior investment decisions are made within a close-knit team.

Investment Mandate	
Total Assets Under Management	UGX 4,025 Billion
Pension	UGX 725 Billion
Retail and CIS	UGX 3,300 Billion
No. of Retirement Schemes	10

Key Personel	
Kevin Lugonvu, CFA	Head Investment Management
Godrey Bukomeko	Portfolio Manager

ICEA Lion Asset Managers

Investment Philosophy.

At our core, we prioritize risk control and capital preservation in all our investment activities. Key principles guiding us include:

a) Long-Term Orientation: We believe that time in the market is crucial, allowing us to endure short-term volatility and maximize investment potential.

b) Fundamentals and Market Psychology: While focusing on fundamentals, we also consider the emotional drivers that influence market behavior, balancing analysis with sentiment.

c) Probability-Driven: We assess the probabilities of outcomes, recognizing the uncertainties in investing and adapting to market changes.

d) Margin of Safety: We invest with a margin of safety, focusing on opportunities priced below intrinsic value to protect against capital loss.

e) Income and Liquidity: We prefer income-generating assets for growth potential and the liquidity they provide, ensuring flexibility in our portfolio.

f) Active Management: We conduct diligent research and risk management to achieve benchmark outperformance.

g) Adaptability: We adapt our strategies to the cyclical nature of markets, seizing opportunities during upswings and safeguarding against downturns.

Our commitment lies in prudent risk management and delivering long-term value to our clients

Investment Mandate	
Total Assets Under Management	UGX 1,066 Billion
Pension	UGX 245 Billion
Retail and CIS	UGX 583 Billion
No. of Retirement Schemes	3

Key Personel	
Gerald Gondo	Chief Investment Officer
Owen Kato	General Manager
Cindy Hannah Kukunda	Senior Portfolio Manager

Sanlam Investments East Africa

Investment Philosophy.

Sanlam Investments East Africa Limited (SIEAL) is a leading fund manager in the region, overseeing over US$ 5 billion in assets, including a dominant UGX 2.5 trillion in Uganda. As an active multi-asset manager, SIEAL invests and advises across all asset classes. Its research-driven, value-investing approach focuses on identifying undervalued opportunities through market cycles and realizing gains when conditions are favorable.

Investment Mandate	
Total Assets Under Management	UGX 2.512 trillion
Pension	UGX 1.671 trillion
Retail and CIS	UGX 406.7 billion
No. of Retirement Schemes	20

Key Personel	
Jonathan Stichbury	MD & CEO
Mark Mulatya	COO
Nicholas Malaki	CIO
Mubbale Kabanda Mawa Mugalya	CIO

XENO

Xeno Investment Management Limited

Investment Philosophy.

XENO offers the option of executing investment strategies through its tax-exempt unit trust funds. We created four pure asset class unit trust funds: XENO Uganda Money Market Fund, XENO Uganda Bond Fund, XENO Uganda Domestic Equity Fund, and XENO Uganda Regional Equity Fund; to cover a broad range of publicly available assets.

Our investment philosophy speaks to the goal-based investment approach which seeks to create customized portfolios for schemes and scheme members and to provide adequate diversification across time and assets.

Constructing a portfolio using any combination of XENO's unit trust funds comes with significant benefits including the tax exemption on income that is earned, daily valuation, superior liquidity, 24/7 visibility through our dashboard, and additional regulatory oversight among other things.

Investment Mandate	
Total Assets Under Management	UGX 89.7 Billion
Retail and CIS	UGX 89.7 Billion

Key Personel	
Aeko Ongodia, CFA	Founder - XENO
John Kamara	Country Manager

Information HUB

Theme	Term	What it means	Why it matters	Example
Macro	Economic Growth (Real GDP)	How fast the economy is expanding after removing inflation.	Growth shapes earnings, jobs, contributions, and credit quality.	“GDP grew 6%” often supports stronger demand and revenue.
Macro	Output Gap	Whether the economy is running above/below its potential.	Helps explain inflation pressure and rate decisions.	Negative gap - weaker inflation pressure; positive - overheating.
Macro	Business Cycle	Expansion - slowdown - recovery pattern in activity.	Asset performance rotates across cycles (bonds vs equities).	Bonds often shine in slowdowns; equities in expansions.
Inflation	Inflation (CPI)	Persistent rise in general prices over time.	Determines whether returns actually preserve purchasing power.	If return 12% and inflation 7% , real return ~5%.
Inflation	Headline vs Core Inflation	Headline includes volatile items; core strips them out.	Core is a better signal for policy and trend inflation.	Core rising steadily - policy may stay tight longer.
Inflation	Real Return	Investment return after inflation.	Retirement outcomes are real-life purchasing power.	A “high” nominal return can still be weak in real terms.
Monetary	CBR (Central Bank Rate)	The policy rate guiding short-term interest rates.	Affects bond yields, borrowing costs, FX, and liquidity.	CBR up, usually tighter liquidity, higher yields.
Monetary	Transmission Mechanism	How policy changes affect the economy (rates/credit/FX).	Explains why markets move before the economy does.	CBR change, money market rates shift first.
Monetary	Liquidity Conditions	How easy it is to access cash in the system.	Drives money market yields and funding stress.	Tight liquidity, higher short-end rates.
FX	Exchange Rate (UGX/USD)	Price of the shilling versus other currencies.	Impacts inflation, imported costs, and offshore positions.	Shilling weakens, imported inflation risk rises.
FX	FX Risk	Loss risk from currency moves.	Matters if you hold foreign assets or import-heavy sectors.	Hedging reduces volatility but has costs.
Fixed Income	Treasury Bills (T-bills)	Short-term government debt (typically <1 year).	Liquidity anchor for pensions; sets the “risk-free” curve.	Useful for cash management and short-duration needs.
Fixed Income	Treasury Bonds	Medium-to-long-term government debt	Core long-term income instrument; duration exposure.	Longer bonds gain/lose more when yields move.
Fixed Income	Yield (vs Coupon)	Coupon is stated interest; yield is return at current price.	Yield drives valuation and comparison across bonds.	Same coupon, different price , different yields.
Fixed Income	Yield Curve	Yields across maturities (91D, 2Y, 10Y, etc.).	Signals inflation/rate expectations and recession risk.	Steep curve, higher term premium; inverted can signal stress.
Fixed Income	Duration	Sensitivity of a bond’s price to yield changes.	Core risk measure for long bonds in pension portfolios.	Higher duration, bigger price swing when yields move.
Fixed Income	Credit Spread	Extra yield above government for taking credit risk.	Helps price corporate bonds and project bonds.	Spread widens,risk-off mood or issuer concerns.

Theme	Term	What it means	Why it matters	Example
Fixed Income	Credit Risk	Risk issuer fails to pay interest/ principal.	Pensions need income reliability, not surprises.	Strong covenants + ratings + cashflows reduce risk.
Fixed Income	Mark-to-Market (MTM)	Valuing investments at current market prices.	Affects reported performance and risk monitoring.	Rates up, bond prices down (even if coupons continue).
Equities	Quoted Equities	Listed shares traded on an exchange.	Growth potential + volatility; key for long-term returns.	Expect higher swings than bonds—need horizon discipline.
Equities	Dividend Yield	Dividends as a % of share price.	Important for income-focused funds and total return.	High yield can be good—or a warning if price collapsed.
Portfolio	Asset Allocation	How you split money across assets (bonds, equities, etc.).	The biggest driver of long-term results and risk profile.	A "safe" portfolio can still carry concentration risk.
Portfolio	Concentration Risk	Too much exposure to one issuer/ asset type.	A common issue when portfolios lean heavily into sovereign.	"80%+ in government securities" = concentration risk.
Portfolio	Diversification	Spreading risk across assets and drivers.	Reduces the impact of one shock on the whole fund.	Diversify by asset class, issuer, sector, maturity.
Portfolio	Benchmark	Reference yardstick used to judge performance.	Keeps decisions disciplined; reveals skill vs luck.	Govt bond index + equity index = blended benchmark.
Performance	Weighted Average Performance (WAP)	Return weighted by how much money is actually invested.	Best way to aggregate returns across schemes/segments.	Weight by the amount in the asset, not total scheme assets.
Performance	Median Return	Middle return when schemes are ranked.	More robust than average when outliers exist.	Median is "typical scheme"; mean can be distorted.
Performance	Percentiles (25th/75th)	Ranking-based cut points of performance distribution.	Shows dispersion: who's leading/ lagging and by how much.	Wide 25–75 spread = unequal outcomes/strategies.
Performance	Dispersion	How spread out returns are across schemes.	Signals differences in risk-taking, skill, or constraints.	High dispersion often rises in volatile markets.
Infrastructure	Infrastructure as an Asset Class	Long-life assets: roads, power, water, telecom.	Potentially stable, inflation-linked cashflows; diversifies.	Best when governance + contracts + cashflows are credible.
Infrastructure	PPP (Public–Private Partnership)	Private sector finances/builds/ operates with govt framework.	Helps scale projects without full public funding burden.	Needs clear risk allocation and enforceable contracts.
Infrastructure	Project Bond	Bond issued to finance a specific project, repaid by project cashflows.	Clean route for pensions when properly structured.	Look for escrow, covenants, DSCR, guarantees if any.
Regulation	Collective Investment Scheme (CIS)	Pooled fund regulated under capital markets rules.	Lets schemes access expert management + diversification.	Useful for infrastructure funds where expertise is scarce.

Uganda Retirement Benefits Regulatory Authority (URBRA)
3rd – 6th floor, Plot 1 Clement Hill Road
P.o Box 7561, Kampala – Uganda
Telephone: +256 417304500/ +256200513500/ +256312324500

Website: www.urbra.go.ug | Twitter:@urbraUg | Facebook: urbraUg

DIRECTORATE OF SUPERVISION AND MARKET CONDUCT
Email: investment@urbra.go.ug