



ASSET
MANAGEMENT



PRIVATE
WEALTH MANAGEMENT



MY WEALTH
MANAGEMENT

MARKET UPDATE AND FUND REVIEW

!t's time

NDB | WEALTH

2020
JULY

[Click here for download](#)



MARKET BRIEF BY NDB WEALTH

INFLATION PICKS UP

Inflation as measured by the CCPI (2013=100), edged up to 4.2% in July on a year-on-year basis from the previous month's 3.9% owing to increases in both food and non-food prices as well as the base effect. During the month, the index was up marginally by 0.1% with both food and non-food prices increasing by 0.1% each. Within the food category prices of mainly potatoes, fresh fruit and eggs increased whilst prices of health, and clothing and footwear drove non-food prices up. Annual Average Inflation also edged up slightly to 4.8% in July.

SRI LANKAN RUPEE APPRECIATED AGAINST THE USD

The Sri Lankan Rupee appreciated for the third consecutive month in July by 0.30% to close the month at LKR 185.67 per USD albeit continuing to be a net loser on a year-to-date basis at -2.18%. The Rupee however lost a considerably 6.04% against the Pound Sterling and 5.12% against the Euro during the month.

INTEREST RATES DECLINE

Treasury Bill rates declined across the board in-line with policy action, with the benchmark 364-day T-Bill rate falling to 4.86% and the 91-day and 182-day T-Bills falling to 4.59% and 4.68% respectively. Foreign holding of LKR denominated bills and bonds slumped further in July, falling to an all-time low of 0.20%, as foreign investors were net sellers amounting to LKR 8.78 bn during the month. As a result, year-to-date net selling by foreigners stood at LKR 91.85 bn.

WEAK SENTIMENT CONTINUES

The two main indices of Colombo Stock Exchange (CSE), the All Share Price Index (ASPI) and S&P SL 20 Index, recorded losses of 0.49% and 3.93% respectively during the month of July 2020, mainly owing to fears over a second wave of Covid-19 pandemic. Foreign investors continued to be net sellers in the Colombo Stock Exchange, as continuous foreign selling was witnessed in banking and blue-chip stocks. Net foreign selling for the month of July 2020 exceeded LKR 3.75 billion

Indika De Silva

Assistant Vice President

EQUITY OUTLOOK

	Past month Performance (1st July - 31st July 2020)	Past 12 months Performance (July 2019 - July 2020)	Year to Date Performance (1st Jan - 31st July 2020)
All Share Price Index	-0.49%	-13.67%	-16.40%
S&P SL 20	-3.93%	-26.94%	-25.79%
MSCI Frontier Markets Index	-0.64%	-13.79%	-16.24%
MSCI World Index	4.78%	7.23%	-1.26%
MSCI Emerging Markets	8.94%	6.55%	-1.72%
MSCI Asia Ex Japan	8.50%	12.31%	3.35%

Source: www.cse.lk and www.msci.com >

The two main indices of Colombo Stock Exchange (CSE), All Share Price Index (ASPI) and S&P SL 20 Index, recorded losses during the month of July 2020, mainly owing to fears over a potential second wave of Covid-19 pandemic.

While ASPI returns for the year and the past 12 months are in line with the benchmark MSCI Frontier Markets Index, it has underperformed the Emerging Markets Index returns by approximately 15% on a year to date basis.

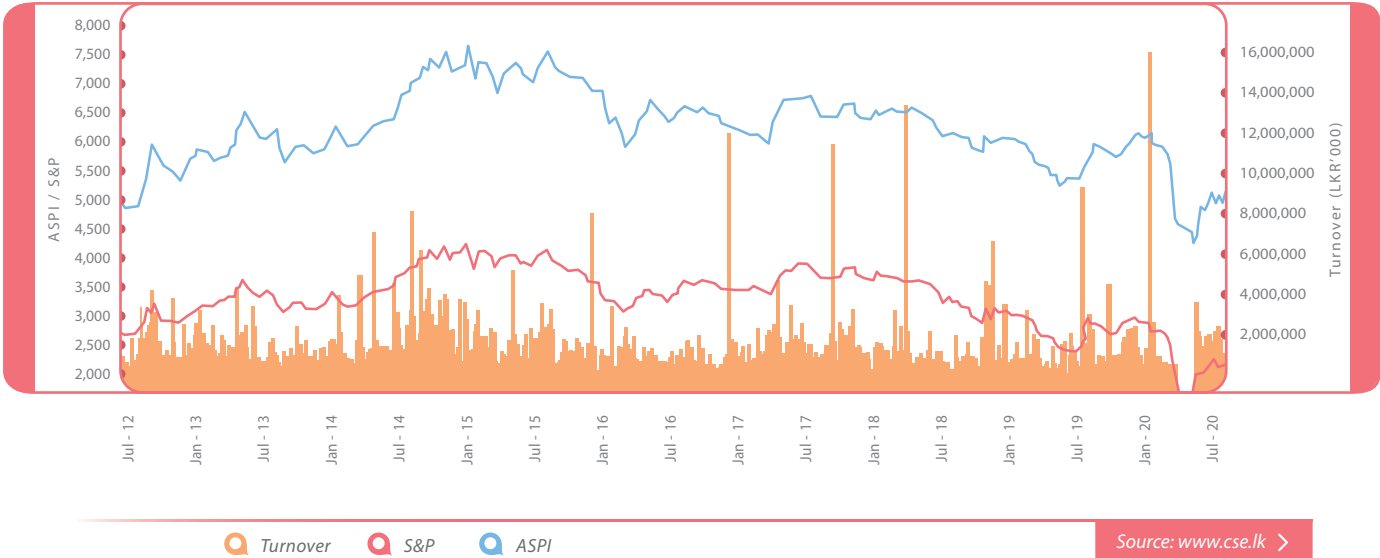
MSCI's emerging equity index has bounced 40% from March, but it is heavily weighted towards China and East Asia, where the economic recovery appears strongest.

Unlike in previous cycles, the weak US dollar may fail to boost the developing world's prospects as the pandemic negatively affected economic activity, and likely to increase poverty while exposing weak policymaking.

As the coronavirus spreads rapidly across frontier and emerging markets, it is evident that without room to cushion the economic blow with extra spending (as some of the wealthier nations have done), some countries may see poverty rise to unprecedented levels.

Rising debt and stagnating reform had already left emerging and frontier markets ill prepared for the pandemic, causing major concerns for these markets.

Colombo Stock Exchange Performance



		July 2020	July 2019
CSE	Market PER	9.50 X	9.53 X
	Market PBV	0.95 X	1.12 X
	Market DY	3.57%	3.36%
MSCI Frontier Market	Market PER	11.27 X	12.83 X
	Market PBV	1.49 X	1.86 X
	Market DY	4.29%	4.18%

Source: www.cse.lk

Foreign investors continued to be net sellers in the Colombo Stock Exchange, as continuous foreign selling was witnessed in banking and blue-chip stocks.

Net foreign selling for the month of July 2020 exceeded LKR 3.75 billion.

Colombo Stock Exchange	Jan - Jul 2020	Jan - Jul 2019
Foreign Inflows	LKR 42.90 Billion	LKR 36.81 Billion
Foreign Outflows	LKR 67.33 Billion	LKR 36.01 Billion
Net Foreign Inflows/(Outflows)	(LKR 24.43 Billion)	LKR 0.80 Billion

Source: www.cse.lk

**“ IN TIMES OF VOLATILITY,
TAKE INFORMED DECISIONS ”**

— Anonymous —



FIXED INCOME OUTLOOK

Interest Rates in Sri Lanka

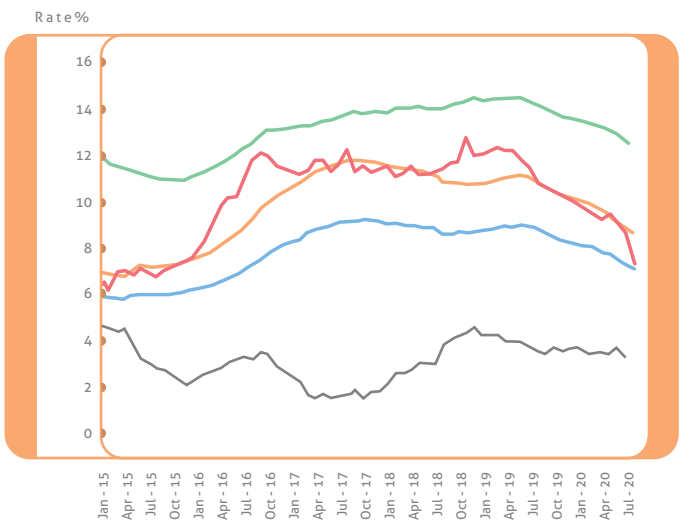
The Central Bank of Sri Lanka (CBSL) resorted to further policy action in July slashing the key policy rates by 100 basis points each (1.00%). Accordingly, the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) now stand at 5.50% and 4.50% respectively.

	Jul 19	Dec 19	Jun 20	Jul 20
364 Day T-bill	8.38%	8.45%	5.66%	4.86%
5-Year Bond	9.72%	9.94%	7.12%	6.53%
1-Year Finance Company Fixed Deposit Ceiling Rate	11.08%	11.63%	10.19%	8.53%

* Gross Rates provided. Net returns would change based on prevailing tax regulations.

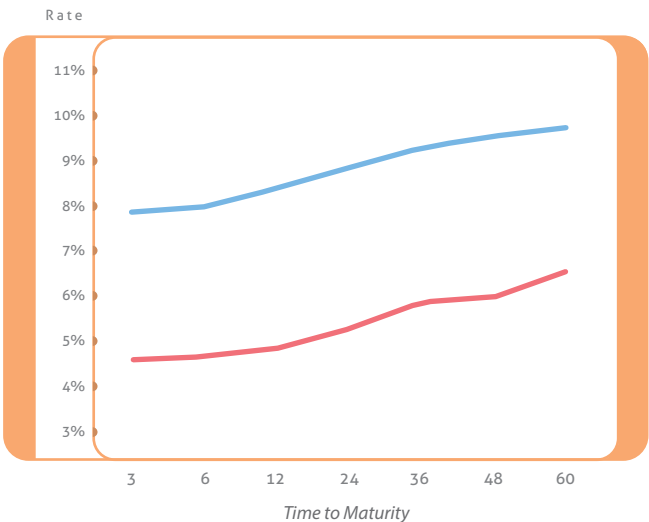
Source: Central Bank of Sri Lanka >

AVERAGE LENDING & DEPOSIT RATES



AWDR (%) AWFDR (%) AWLR (%) AWPR (%) Spread

YIELD CURVE - LKR TREASURIES



Jul-19 Jul-20

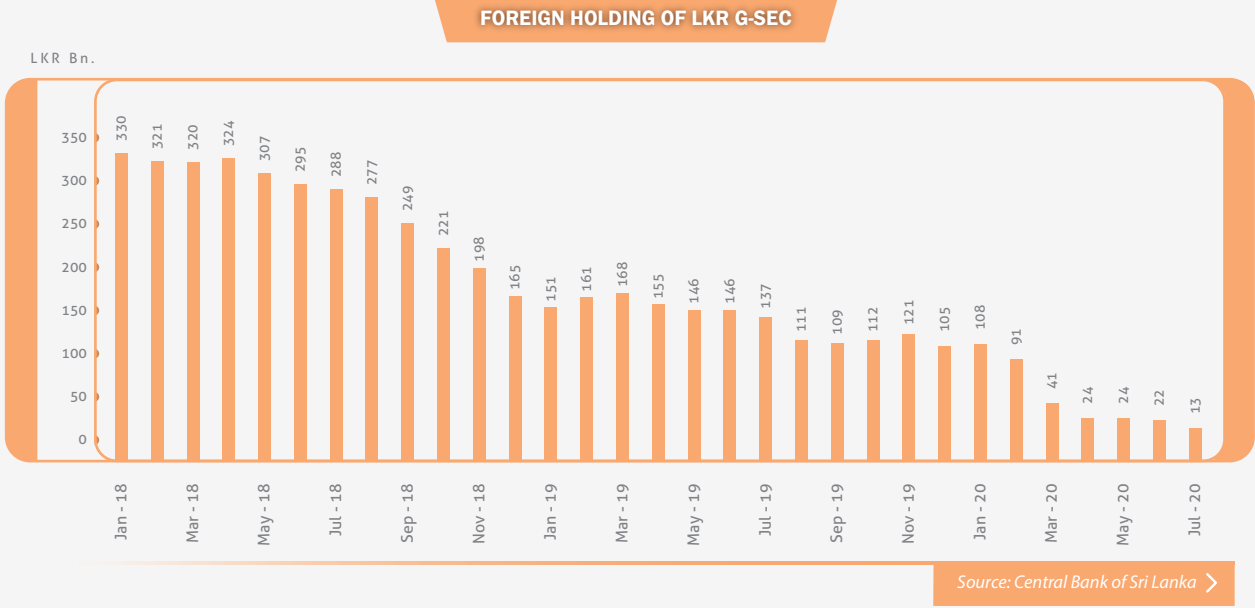
Source: Central Bank of Sri Lanka >

AWDR: Average Weighted Deposit Rate | AWFDR: Average Weighted Fixed Deposit Rate | AWLR: Average Weighted Lending Rate
| AWPR Average Weighted Prime Lending rate

Treasury Bill rates declined across the board in-line with policy action, with the benchmark 364-day T-Bill rate falling to 4.86% and the 91-day and 182-day T-Bills falling to 4.59% and 4.68% respectively.

Broad money (M2b) growth picked up to 14.0% year-on-year in June, from the previous month's 13.7% whilst credit extended to the private sector slowed considerably to 4.1% year-on-year from 6.2% in May with private sector credit disbursements contracting for the second consecutive month, falling by LKR 54.0 bn (-0.9%) in June.

Outstanding LKR Govt. Securities LKR 6,281 Billion	
T Bills (Total)	T Bonds (Total)
LKR 1,151 Billion	LKR 5,130 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 6,268 Billion	LKR 13 Billion
Total Foreign Holding of Bills and Bonds - 0.20%	
Source: Central Bank of Sri Lanka >	



Foreign holding of LKR denominated bills and bonds slumped further in July, falling to an all time low of 0.20%, as foreign investors were net sellers amounting to LKR 8.78 bn during the month. As a result, year-to-date net selling by foreigners stood at LKR 91.85 bn.

1 Year FD Rates - Sri Lankan Banks		
	Jul 2020	Jun 2020
NSB	5.75%	6.50%
COMB	5.50%	6.00%
SAMP	5.50%	6.00%
HNB	5.50%	6.00%
NDB	5.50%	6.50%

Rates on Credit Cards	Jul 20
HSBC	28.00%*
SCB	28.00%*
Sampath	28.00%*
NDB	28.00%*
AMEX	28.00%*
Source: Respective Commercial Banks >	

*Credit card interest rate reduced to 15% p.a. on all local transactions performed up to LKR.50,000 within a statement cycle until 30 September 2020

All banks, across the board, reduced their fixed deposit rates during the month of July following policy action by the Central Bank.

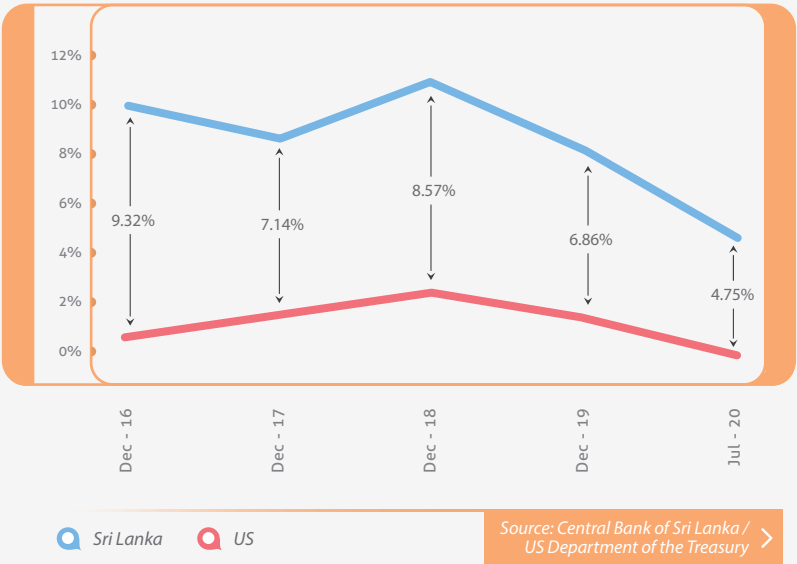
NDIB CRISIL Fixed Income Indices Total return as at 31/07/2020	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.98%	8.02%	8.70%
NDBIB-CRISIL 364 Day T-Bill Index	3.57%	10.94%	10.25%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	7.88%	18.70%	14.52%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	10.71%	23.44%	16.35%

Source: www.crisil.com >

Central Bank Policy Rates	2017	2018	2019	Latest
Sri Lanka	7.25%	8.00%	7.00%	5.50%
US	1.25% - 1.50%	2.25% - 2.50%	1.50% - 1.75%	0.00% - 0.25%
Euro Zone	0.00%	0.00%	0.00%	0.00%
Australia	1.50%	1.50%	0.75%	0.25%
India	6.00%	6.50%	5.15%	4.00%

Source: www.cbrates.com >

1 YEAR TREASURY RATE - USD Vs. LKR & SPREAD



The US Federal Reserve left its benchmark interest rate unchanged in July while warning the recent resurgence in COVID-19 cases across the country is weighing in on economic recovery.

364 Day Treasury Bill Rate	Jul 19	Dec 19	Jun 20	Jul 20
Sri Lanka	8.38%	8.45%	5.66%	4.86%
India	5.93%	5.29%	3.52%	3.50%
US	2.00%	1.59%	0.16%	0.11%
Euro Zone	-0.74%	-0.66%	-0.64%	-0.65%

Source: Respective Central Banks >

	Rates on Savings Accounts Jul 2020
Sri Lanka	3.50%
US	0.01%
Euro Zone	0.11%
Australia	0.50%
India	3.00%

Source: Respective Commercial Banks >

The US economy suffered its sharpest decline since the 1940s in the second quarter of 2020, shrinking by 9.5% (32.9% annualized) in the second quarter from the first, highlighting the widespread disruption to economic activity in the country.

**“ NEVER DEPEND ON A SINGLE INCOME.
SAVE WISELY TO CREATE A SECOND SOURCE ”**

— NDB Wealth —



INFLATION RATES

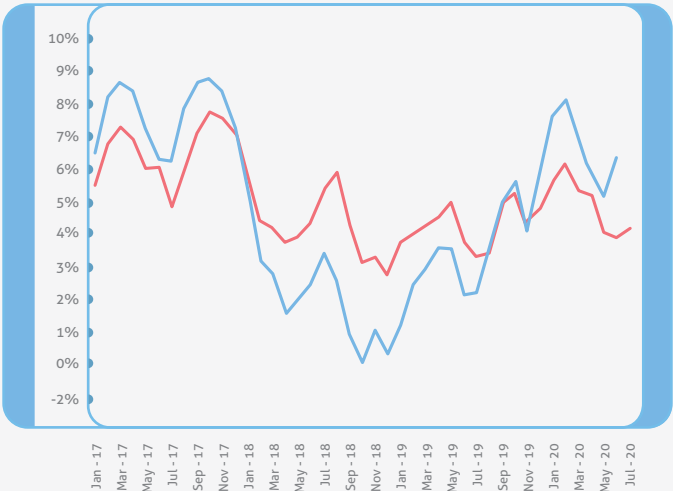
Country	Jul 19	Dec 19	Jun 20	Jul 20
Sri Lanka	3.34%	4.83%	3.92%	4.15%
US	1.81%	2.29%	0.65%	0.65%*
Euro Zone	1.02%	1.33%	0.27%	0.27%*
India	3.15%	7.35%	6.09%	6.09%*

*June 2020

Source: Department of Census and Statistics - Sri Lanka, <http://www.inflation.eu/>, <https://tradingeconomics.com/> >

- Inflation as measured by the CCPI (2013=100), edged up to 4.2% in June on a year-on-year basis from the previous month's 3.9% owing to increases in both food and non-food prices as well as the base effect.
- During the month the index was up marginally by 0.1% with both food and non-food prices increasing by 0.1% each. Within the food category prices of mainly potatoes, fresh fruit and eggs increased whilst prices of health, and clothing and footwear drove non-food prices up.
- Inflation edged up slightly, on an annual average basis as well, to 4.8% in July.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) increased marginally to 3.2% year-on-year in July however on an annual average basis core inflation slowed to 4.0%.
- We believe the Central Bank will manage inflation at mid-single digit levels despite short-term volatilities we may see from time to time.
- On the global front, both US and Euro zone inflation spiked to 0.65% and 0.27% year-on-year respectively in June.

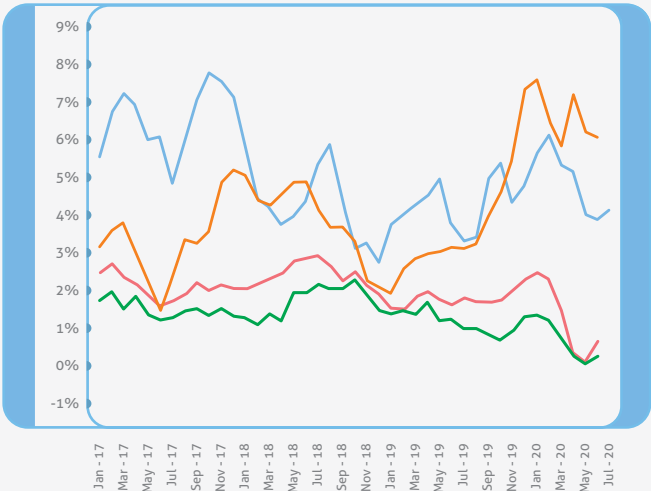
INFLATION - POINT TO POINT CHANGE - CCPI VS. NCPI



CCPI NCPI

Source: Department of Census and Statistics Sri Lanka >

GLOBAL INFLATION RATES



Sri Lanka US
Euro zone India

Source: <http://www.inflation.eu/> >

FOREX OUTLOOK

Exchange Rates Vs. LKR	Jul 19	Dec 19	Jul 20	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	176.24	181.63	185.68	-5.08%	-2.18%
GBP	214.17	238.46	243.83	-12.16%	-2.20%
EURO	196.56	203.67	220.70	-10.94%	-7.72%
YEN	1.62	1.67	1.78	-8.87%	-6.16%
AUD	121.26	127.25	133.86	-9.41%	-4.94%
CAD	134.15	139.21	138.36	-3.04%	0.62%
INR	2.56	2.55	2.44	5.16%	4.58%
BHD	467.49	481.78	491.73	-4.93%	-2.02%
CNY	25.59	26.01	26.58	-3.71%	-2.12%

Source: Central Bank of Sri Lanka >



The Sri Lankan Rupee appreciated for the third consecutive month in July by 0.30% to close the month at LKR 185.67 per USD. It however, continues to be a net loser on a year-to-date basis at 2.18%. The Rupee however lost a considerably 6.04% against the Pound Sterling and 5.12% against the Euro during the month.



The US Dollar weakened against a basket of currencies to its lowest level since June 2018 amid a surge in coronavirus cases affecting the outlook for the economy.



On this backdrop, most Asian currencies gained against the US Dollar.



The Pound Sterling rallied against the Euro and the US Dollar as the Bank of England opted to keep interest rates and quantitative easing unchanged.

USD PER 1 EURO MOVEMENT



Source: <http://www.x-rates.com/> >

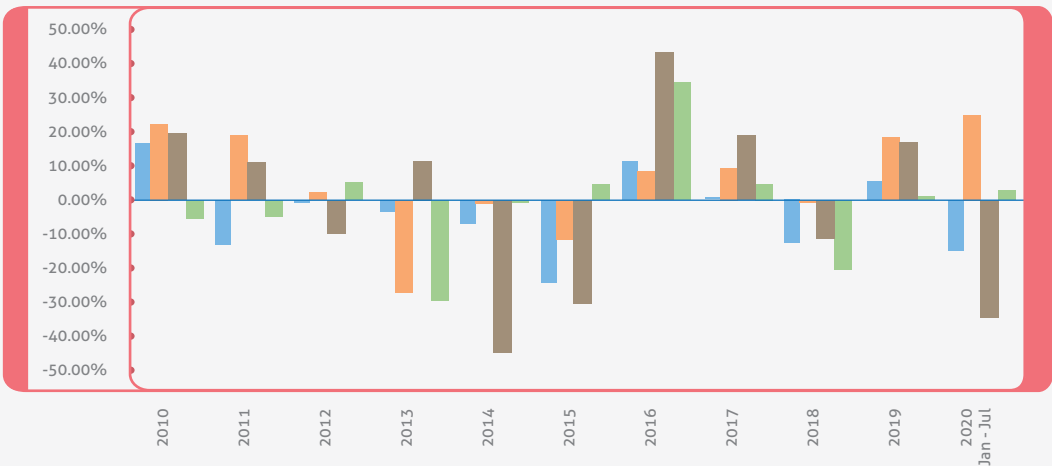
COMMODITY OUTLOOK

	Past month Performance (1st Jul - 31st Jul 2020)	Past 12 months Performance (Jul 2019 - Jul 2020)	Year to Date Performance (1st Jan - 31st Jul 2020)
Bloomberg Commodity Index	5.69%	-13.02%	-15.09%
Gold	6.60%	30.69%	24.84%
Tea	-0.91%	16.06%	2.68%
Oil (Brent)	7.21%	-33.11%	-34.99%

Source: www.worldbank.com, Bloomberg and NDB Wealth Research >

- The Bloomberg Commodity Index gained 5.69% during July 2020, reducing the year to date loss for 2020 to -15% as at July 2020 from the previous lows of -24.7% in April 2020.
- The biggest price gains were seen across the energy sector, led by gasoline and natural gas, although it comes at a time where Libya attempts to restore production, U.S. stocks are close to record levels and the pandemic is far from under control.
- There are still concerns on declining demand for energy as a fresh wave of COVID-19 caseloads around the world ignite another wave of lockdowns. Moreover, OPEC+ has begun to relax its crude oil production cuts.
- Gold topped USD 2,000 an ounce during the first week of August 2020, for the first time as traders look for havens amid the pandemic.
- Demand for the precious metal increased as Covid-19 cases rise in the US and more money is pumped into the global economy.
- As more money is printed from governments and central banks around the world, pressure on inflation increases, which would be favorable for Gold, as it is used a hedge against inflation.
- Furthermore, the high gold price has also been driven by concerns over tensions between Washington and Beijing.

Commodity Price Movements



DJUBS Gold Oil Tea

Source: NDB Wealth Research >

REAL ESTATE INVESTMENT TRUSTS (REIT'S) INTRODUCTION IN SRI LANKA

On July 31, 2020, the rules pertaining to the REITs framework in Sri Lanka were gazetted under the initiative of the Securities and Exchange Commission of Sri Lanka (SEC). The rules would be an extension to the Unit Trust Code.

According to the SEC, it has been 23 years since a new capital market product is been introduced to the Sri Lankan economy.

REIT's have been available for investments for some time globally and has proven popular in many Asia economies such as Thailand, Malaysia and India.

A real estate investment trust ("REIT") is a company that owns, operates or finances income-producing real estate.

The proposed REIT frame work for Sri Lanka permits real estate developers and owners to convert fully completed properties into a REIT, thereby creating an avenue for the general public of Sri Lanka to make real-estate related investment and benefit from any property value increases in the island's property market.

REIT's provide the opportunity for investors to invest in real-estate assets such as property projects and earn investment returns through the stock market as they would invest in any other equity or mutual fund investment.

The REIT unit holder earn a share of the income and capital gain generated through real estate investments. REITs could provide a continuous dividend income stream to investors, as the SEC rules mandate that 90% of distributable income of the REIT should be paid out to REIT investors.

For the property developer or promoter of the REIT, it is an alternative approach to raise funds for their future projects.

The proposed REIT structure for Sri Lanka has considered the local environment in which the instrument operates and has structured the regulatory framework inline to suit the local market. Specific provisions have been included for the verification of title and valuation of property that will form part of the assets of the REIT.

ISLAMIC FINANCE INDUSTRY

Islamic Financing is finance activity that is consistent with principles of Islamic law (Shari’ah) which prohibits the payment or acceptance of interest.

NDB WM provides our client’s discretionary management services on a shari’ah compliant basis for portfolio values above Rs. 100.0 million.

The Islamic Money Plus Fund is a unit trust fund offered by NDB Wealth Management and approved by the Securities Exchange Commission of Sri Lanka, investing in a diversified portfolio of Shari’ah compliant short term securities issued by corporates and in Mudharabah deposits and savings accounts. The fund provides reasonable liquidity and tax free income to its investors and would be an ideal substitute for direct investments in Mudharabah savings accounts and deposits. (Trustee: Hatton National Bank PLC)

Mudharabah Deposit Rates of Selected Service Providers

	Savings	1 month	3 month	6 month	1 Year ⁺	2 Year ⁺	3 Year ⁺	4 Year ⁺	5 Year ⁺
Amana Bank - As of July 2020									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	2.71%	-	5.33%	5.78%	6.67%	7.11%	7.56%	-	8.00%
Bank of Ceylon Islamic Business Unit - As of June 2020									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.00%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of June 2020									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	4.79%	-	5.86%	6.93%	8.16%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of June 2020 (Released Quarterly)									
Profit Sharing Ratio*	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.00%	-	5.25%	5.52%	6.43%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of June 2020									
Profit Sharing Ratio* (3Mn - 50Mn)	40:60	60:40	65:35	40:60	65:35	-	-	-	-
Distributed Profit	4.50%	4.75%	5.00%	5.50%	7.10%	-	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of August 2019									
Profit Sharing Ratio*	32:68	52:48	52:48	52:48	55:45	62:38	62:38	-	-
Distributed Profit	6.43%	8.23%	8.64%	9.24%	11.05%	11.65%	12.25%	-	-
Commercial Leasing & Finance PLC- Islamic Finance – As of June 2020									
Profit Sharing Ratio*	30 :70	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	5.75%	8.19%	8.44%	8.69%	10.19%	10.74%	10.93%	11.32%	11.70%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of June 2020									
Profit Sharing Ratio*	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	5.82%	7.21%	7.91%	8.38%	8.84%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of June 2020									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	3.62%	6.03%	6.27%	6.63%	7.35%	8.19%	8.44%	8.68%	8.92%
Peoples Leasing Islamic Business Unit - As of June 2020									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	4.06%	-	5.42%	5.87%	6.77%	-	-	-	-

* Profit sharing ratio provides profit ratio for Customer: Financial Institution; * Profits distributed at Maturity

Source: Respective Company Data >

The white list of shari’ah compliant stocks provides investors a means of ethical investing. The Core business is screened to ensure that corporate dealing in conventional banking, conventional insurance, alcoholic drinks, tobacco, pork production, arms manufacturing, pornography or related activities are excluded. Companies are also screened in terms of levels of debt, illiquid assets and non compliant investments.

WHITE LIST AS OF JULY 2019

Beverages and Food	Singer Industries (Ceylon) Plc
Bairaha Farms PLC	Teejay Lanka PLC
Dilmah Ceylon Tea Company PLC	Power & Energy
Kotmale Holdings PLC	Lanka IOC PLC
Nestle Lanka PLC	Lotus Hydro Power PLC
Renuka Agri Foods PLC	Vallibel Power Erathna PLC
Tea Smallholder Factories PLC	Vidullanka PLC
Chemicals and Pharmaceuticals	Services
Union Chemicals Lanka Plc	Lake House Printing & Publishers PLC
Diversified Holdings	Stores & Supplies
Hemas Holdings PLC	Gestetner of Ceylon PLC
Healthcare	Hunter & Company PLC
Asiri Surgical Hospitals PLC	Trading
Manufacturing	Office Equipment PLC
ACL Plastics PLC	Motors
Bogala Graphite Lanka PLC	Autodrome PLC
Ceylon Grain Elevators PLC	Plantations
Chevron Lubricants Lanka PLC	Aitken Spence Plantation Managements PLC
Lanka Ceramic PLC	Elpitiya Plantations PLC
Richard Pieris Exports PLC	Hatton Plantations PLC
Sierra Cables PLC	Namunukula Plantation PLC

Source: www.icp.lk (I Capital Partners - former Amana Capital Limited) >

NOTE 1: The White List has taken to consideration based on the December 2018 company financials

NOTE 2: Removals - Amana Takaful PLC, Amana Takaful Life PLC, Amana Bank PLC, Harischandra Mills PLC, Raigam Wayamba Salterns PLC, Renuka Foods PLC, Three Acre Farms PLC, Chemanex PLC, Haycarb PLC, Industrial Asphalts (Ceylon) PLC, J.L. Morison Son & Jones (Ceylon) PLC, Access Engineering PLC, Lankem Developments PLC, Expolanka Holdings PLC, Sunshine Holdings PLC, Ceylon Leather Products PLC, Hayleys Fabric PLC, Odel PLC, Ceylon Hospitals PLC (Durdans), Singhe Hospitals PLC, Ascot Holdings PLC, Lanka Century Investments PLC, Renuka Holdings PLC, Colombo Land & Development Company PLC, Serendib Engineering Group PLC, Abans Electricals PLC, ACL Cables PLC, Agstar Fertilizers PLC, Alufab PLC, Alumex PLC, B P P L Holdings PLC, Central Industries PLC, Dankotuwa Porcelain PLC, Dipped Products PLC, Kelani Cables PLC, Lanka Aluminium Industries PLC, Lanka Tiles PLC, Lanka Walltiles PLC, Laxapana Batteries PLC, Piramal Glass Ceylon PLC, Printcare (Ceylon) PLC, Regnis(Lanka) PLC, Royal Ceramic Lanka PLC, Samson International, Swadeshi Industrial Works PLC, Swisstek Ceylon PLC, Tokyo Cement (Company) PLC, C M Holdings PLC, Diesel & Motor Engineering PLC, Sathosa Motors PLC, United Motors Lanka PLC, Balangoda Plantations PLC, Bogawantalawa Tea Estates PLC, Horana Plantations PLC, Kahawatte Plantation PLC, Kelani Valley Plantations PLC, Madulsima Plantations PLC, Malwatte Valley Plantations PLC, Maskeliya Plantations PLC, Talawakelle Tea Estates PLC, Udapussellawa Plantations PLC, Watawala Plantations PLC, Hapugastanne Plantations PLC, Panasian Power PLC, Paragon Ceylon PLC, Dialog Axiata PLC, Sri Lanka Telecom PLC, C. W. Mackie PLC, Eastern Merchants PLC

NOTE 3: Additions - Kotmale Holdings PLC, Hemas Holdings PLC, Hatton Plantations PLC

UNIT TRUST FUNDS OFFERED BY NDB WM



- NDB Wealth Growth Fund
- NDB Wealth Growth & Income Fund
- NDB Wealth Income Fund
- NDB Wealth Income Plus Fund
- NDB Wealth Money Fund
- NDB Wealth Money Plus Fund
- NDB Wealth Islamic Money Plus Fund
- NDB Wealth Gilt Edged Fund

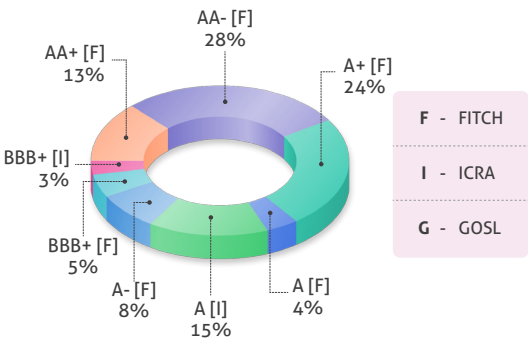
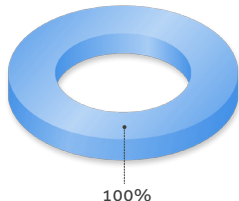
Fund Overview

NDB Wealth Growth Fund		Fund Snapshot	30-Jun-20
Type: Open Ended	Investments: Listed Equities	YTD Yield	-19.36%
Currency: LKR	ISIN: LKNWGRU00005	NAV per unit	8.18
NDB Wealth Growth Fund is an open-ended equity fund incorporated in Sri Lanka, invested in listed shares of the Colombo Stock Exchange. The Fund aims to achieve capital growth on a medium to long term basis by investing in a diversified portfolio of stocks of stable companies with a proven track record.		AUM (LKR Mn.)	159.43
		Fund Currency	LKR
		Fund Inception	1-Dec-97
		Expense Ratio	2.88%
		Max Equity Allocation	97.00%
		Current Equity Allocation	64.39%
		Fund Leverage	0.00%
Equity Allocation		Top 5 Portfolio Holdings (In Alphabetical Order)	
		CENTRAL FINANCE COMPANY PLC	
		HATTON NATIONAL BANK PLC	
		HEMAS HOLDINGS PLC	
		PEOPLES INSURANCE LTD	
		SEYLAN BANK PLC	
Historical Returns		Fixed Income Allocation	
Period	Fund Returns *		
Last Month	7.57%	Minimum Fixed Income Allocation	3.00%
Last 3 months	11.58%	Current Fixed Income Allocation	35.61%
Last 6 months	-19.36%	Average Duration	0.0027
Last 12 months	-2.87%	Maturity	% Holding
Year 2019	-0.59%	Under 1 Month	100.00%
Year 2018	-6.79%		
★ After fees, excluding front end and back end loads			
Other Features			
Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis. Instruments greater than one year - n/a.		
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.		
Exposure Restrictions	Maximum exposure restrictions to listed equity 15% of NAV; maximum exposure restrictions on fixed income investments depend on the features of each security, (Ex: Rated, Guaranteed, etc.), and are regulated by the Trustee and the SEC.		
Fee Details	Management Fee : 2.25% p.a. of NAV. Trustee fee : 0.10 - 0.19% p.a. of NAV. Custodian fee : 0.05% p.a. of NAV, depending on fund size Front-end fee : 2% / Exit fee : 1% if less than 1 year ; 0 if greater than 1 year.		
Fund Manager	NDB Wealth Management Ltd.		
Trustee & Custodian	Bank of Ceylon		

Disclaimer

Past performance is not a guide to future performance. The value of any investment and the income from it can fall as a result of market and currency fluctuations and investors could get back less than the amount originally invested. This report does not constitute a financial promotion, a recommendation or an offer to sell or a solicitation to buy units in the fund. See Information Memorandum for important information.

Fund Overview

NDB Wealth Growth and Income Fund		
Type: Open Ended	Investments: Listed Equities and Corporate Debt	
Currency: LKR	ISIN: LKNWGIU00004	
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing in a diversified portfolio of stocks of stable companies with a proven track record.		
Portfolio Allocation		
By Credit Rating		By Equity Sector
		
		Banks
Historical Returns		
Period	Fund Returns★	ASPI Returns
Last month	2.27%	6.25%
Last 3 months	4.09%	12.64%
Last 6 months	1.76%	-15.98%
Last 12 months	8.23%	-4.15%
Year 2019	11.09%	1.27%
Year 2018	7.47%	-4.98%
★ After fees, excluding front end and back end loads.		
Other Features		
Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis. Instruments greater than one year - marked to market.	
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.	
Exposure Restrictions	Maximum exposure restrictions to listed equity 15% of NAV; maximum exposure restrictions on fixed income investments depend on the features of each security, (Ex: Rated, Guaranteed, etc.), and are regulated by the Trustee and the SEC.	
Fee Details	Management Fee : 1.5% p.a. of NAV / Trustee fee : 0.11-0.15% p.a. of NAV, depending on fund size. Custody Fee : Rs.10,000 per Month, Front-end fee : 1.5%.	
Fund Manager	NDB Wealth Management Ltd.	
Trustee & Custodian	Hatton National Bank PLC	

Fund Snapshot		30-Jun-20
YTD Yield	1.76%	
NAV per unit	39.92	
AUM (LKR Mn.)	340.44	
Fund Currency	LKR	
Fund Inception	1-Dec-97	
Expense Ratio	1.83%	
Max Equity Allocation	97.00%	
Current Equity Allocation	3.10%	
Fund Leverage	0.00%	

Fixed Income Allocation	
Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	96.90%
Average Duration	0.42
Maturity	% Holding
Under 1 Month	13.38%
1 Month - 3 Months	38.70%
3 Months - 6 Months	4.72%
6 Months - 1 Year	36.42%
1 Year - 10 Years	6.78%

Disclaimer

Past performance is not a guide to future performance. The value of any investment and the income from it can fall as a result of market and currency fluctuations and investors could get back less than the amount originally invested. This report does not constitute a financial promotion, a recommendation or an offer to sell or a solicitation to buy units in the fund. See Information Memorandum for important information.

Fund Overview

NDB Wealth Income Fund

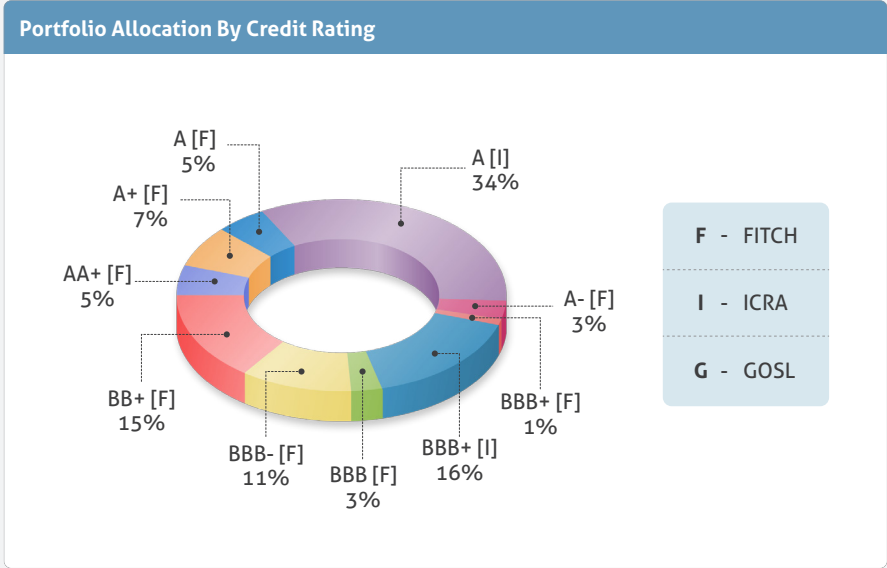
Type: Open Ended

Currency: LKR

Investments: Corporate Debt Instruments

ISIN: LKNWINU00000

NDB Wealth Income Fund is an open-ended fixed income fund incorporated in Sri Lanka, invested in LKR based corporate debt instruments including commercial paper, securitized paper, quoted and unquoted debentures as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions. The Fund aims to enhance returns by investing in a diversified portfolio of corporate debt securities.



Fund Snapshot	30-Jun-20
YTD Yield	8.12%
YTD Yield (Annualized)	16.28%
NAV per unit	15.2076
AUM (LKR Mn.)	362.46
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.36%
Average Maturity (Yrs)	1.78
Average Duration	1.33

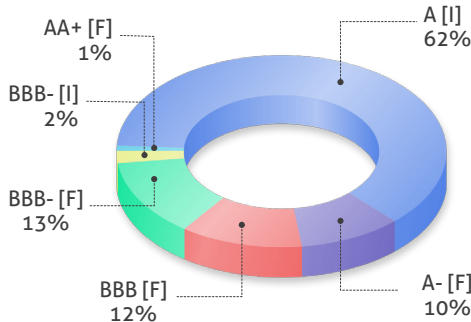
Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	6.08%	9.08%
1 Month - 3 Months	1.26%	12.20%
3 Months - 6 Months	6.68%	11.10%
6 Months - 1 Year	41.02%	12.50%
1 Year - 10 Years	44.96%	12.70%

Historical Returns		
Period	Fund Returns	Annualized Return
Year to Date	8.12%	16.28%
Last month	1.90%	23.11%
Last 3 months	4.22%	16.94%
Last 6 months	8.12%	16.28%
Last 12 months	13.95%	13.95%
Year 2019	12.97%	12.97%
Year 2018	10.00%	10.00%

Other Features	
Valuation	Daily Valuation All Instruments are marked to market.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Exposure Restrictions	Maximum exposure restrictions on investments depend on the features of each security, (Ex: Rated, Guaranteed, etc), and are regulated by the Trustee and the SEC.
Fee Details	Management Fee : 1.00% p.a. of NAV. Trustee fee : 0.10 - 0.19% p.a. of NAV, based on fund size. Custodian fee : 0.05% p.a.of NAV.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

Disclaimer
Past performance is not a guide to future performance. The value of any investment and the income from it can fall as a result of market and currency fluctuations and investors could get back less than the amount originally invested. This report does not constitute a financial promotion, a recommendation or an offer to sell or a solicitation to buy units in the fund. See Information Memorandum for important information.

Fund Overview

NDB Wealth Income Plus Fund	
Type: Open Ended Currency: LKR	Investments: Fixed Income Securities ISIN: LKNWIPU00005
NDB Wealth Income Plus Fund is an open-ended fixed Income fund incorporated in Sri Lanka, invested in LKR based corporate debt instruments including commercial paper, securitized paper, quoted and unquoted debentures,bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions. The Fund aims to provide higher returns by investing in a portfolio of Gilt Edged and Corporate Debt securities.	
Portfolio Allocation By Credit Rating	
	
F - FITCH I - ICRA G - GOSL	

Fund Snapshot		30-Jun-20
YTD Yield	6.24%	
YTD Yield (Annualized)	12.50%	
NAV per unit	16.0617	
AUM (LKR Mn.)	203.01	
Fund Currency	LKR	
Fund Inception	7-Apr-16	
Expense Ratio	0.74%	
Average Maturity (Yrs)	0.22	
Average Duration	0.21	
Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	26.09%	11.75%
1 Month - 3 Months	54.30%	11.80%
6 Months - 1 Year	19.61%	12.80%

Historical Returns		
Period	Fund Returns	Annualized Return
Year to Date	6.24%	12.50%
Last month	0.95%	11.56%
Last 3 months	2.96%	11.86%
Last 6 months	6.24%	12.50%
Last 12 months	12.57%	12.57%

Other Features	
Valuation	Daily Valuation Cost plus accrued basis
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Fee Details	Management Fee : 0.50% p.a. of NAV. Trustee and Custodian fee : 0.065 - 0.1% p.a. of NAV, based on fund size. Exit fee : 2% if less than 1 year ; 0 if greater than 1 year
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

Disclaimer

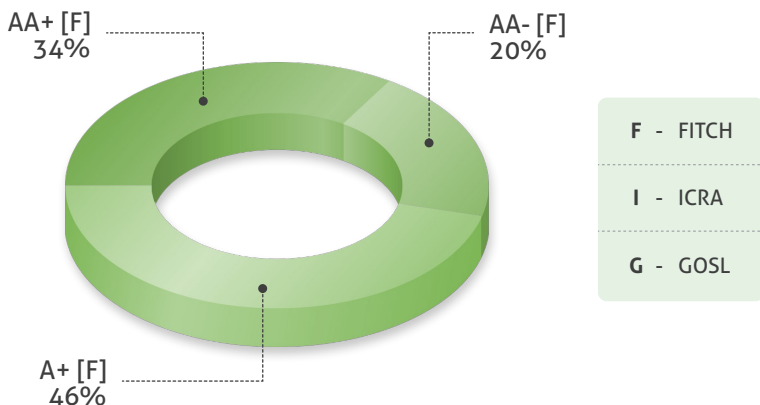
Past performance is not a guide to future performance. The value of any investment and the income from it can fall as a result of market and currency fluctuations and investors could get back less than the amount originally invested. This report does not constitute a financial promotion, a recommendation or an offer to sell or a solicitation to buy units in the fund. See Information Memorandum for important information.

Fund Overview

NDB Wealth Money Fund	
Type: Open Ended Currency: LKR	Investments: Short Term Bank Deposits ISIN: LKNWMNU00002
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short-term high credit quality LKR based bank deposits.	
The Fund aims to provide optimal returns with low risk and moderate liquidity to investors by investing in short-term high quality bank deposits with maturities less than 365 days with credit ratings of A- and above.	

Fund Snapshot		30-Jun-20
YTD Yield	4.51%	
YTD Yield (Annualized)	9.05%	
NAV per unit	19.8440	
AUM (LKR Mn.)	609.30	
Fund Currency	LKR	
Fund Inception	1-Jun-12	
Expense Ratio	0.89%	
Average Maturity (Yrs)	0.49	
Average Duration	0.47	

Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	10.14%	5.75%
1 Month - 3 Months	6.08%	9.00%
3 Months - 6 Months	37.48%	9.10%
6 Months - 1 Year	46.31%	9.10%

Portfolio Allocation By Credit Rating		
		
F - FITCH		
I - ICRA		
G - GOSL		

Historical Returns		
Period	Fund Returns	Annualized Return
Year to Date	4.51%	9.05%
Last month	0.76%	9.27%
Last 3 months	2.19%	8.80%
Last 6 months	4.51%	9.05%
Last 12 months	9.51%	9.51%
Year 2019	10.24%	10.24%
Year 2018	8.74%	8.74%

Other Features	
Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis, Instruments greater than one year - n/a.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Fee Details	Management Fee : 0.55% p.a. of NAV. Trustee fee : 0.11-0.15% p.a. of NAV, depending on fund size. Custody Fee : Rs.10,000 per Month
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Hatton National Bank PLC

Disclaimer

Past performance is not a guide to future performance. The value of any investment and the income from it can fall as a result of market and currency fluctuations and investors could get back less than the amount originally invested. This report does not constitute a financial promotion, a recommendation or an offer to sell or a solicitation to buy units in the fund. See Information Memorandum for important information.

Fund Overview

NDB Wealth Money Plus Fund

Type: Open Ended

Currency: LKR

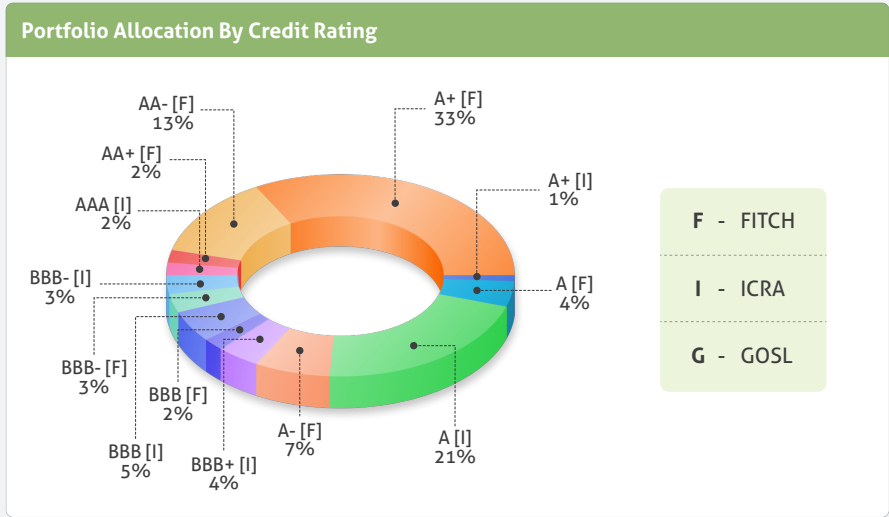
Investments: Money Market Corporate Debt Securities

ISIN: LKNWMPU00007

NDB Wealth Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

The Fund aims to provide liquidity to investors while enhancing returns by investing in a diversified portfolio of short term corporate debt securities with maturities less than 365 days

Fund Snapshot	30-Jun-20
YTD Yield	5.48%
YTD Yield (Annualized)	11.00%
NAV per unit	22.5989
AUM (LKR Mn.)	43,154.97
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.82%
Average Maturity (Yrs)	0.55
Average Duration	0.51



Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	7.07%	9.04%
1 Month - 3 Months	22.44%	10.90%
3 Months - 6 Months	14.10%	10.00%
6 Months - 1 Year	56.39%	10.50%

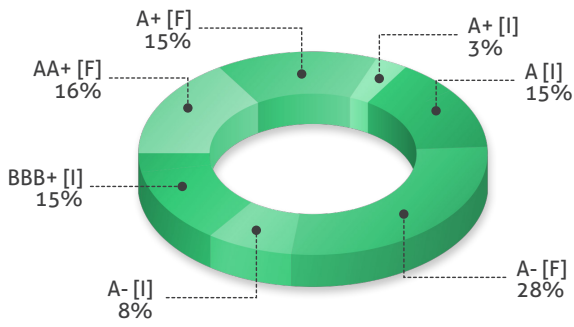
Historical Returns		
Period	Fund Returns	Annualized Return
Year to Date	5.48%	11.00%
Last month	0.81%	9.82%
Last 3 months	2.57%	10.32%
Last 6 months	5.48%	11.00%
Last 12 months	11.21%	11.21%
Year 2019	11.73%	11.73%
Year 2018	11.53%	11.53%

Other Features	
Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis, Instruments greater than one year - n/a.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Exposure Restrictions	Maximum exposure restrictions on investments depend on the features of each security, (Ex: Rated, Guaranteed, etc) and are regulated by the Trustee and the SEC.
Fee Details	Management Fee : 0.65% p.a. of NAV. Trustee fee : 0.11- 0.15% p.a. of NAV, depending on fund size. Custody Fee : Rs.10,000 per Month
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Hatton National Bank PLC

Disclaimer

Past performance is not a guide to future performance. The value of any investment and the income from it can fall as a result of market and currency fluctuations and investors could get back less than the amount originally invested. This report does not constitute a financial promotion, a recommendation or an offer to sell or a solicitation to buy units in the fund. See Information Memorandum for important information.

Fund Overview

NDB Wealth Islamic Money Plus Fund		
Type: Open Ended	Investments: Short Term Shariah Compliant Investments	
Currency: LKR	ISIN: LKNWISU00009	
NDB Wealth Islamic Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested exclusively in short term LKR based Shariah compliant investments including Mudharabah term deposits, Mudharabah savings deposits, Wakala investments and sukuk investments less than 366 days.		
The Fund aims to provide investors with liquidity and regular income through investing in a portfolio of short term shariah compliant securities.		
Portfolio Allocation By Credit Rating		
		
Fund Snapshot		
YTD Yield	5.18%	
YTD Yield (Annualized)	10.38%	
NAV per unit	15.6318	
AUM (LKR Mn.)	636.13	
Fund Currency	LKR	
Fund Inception	1-Jun-15	
Expense Ratio	1.30%	
Average Duration	0.43	
Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	25.51%	6.67%
1 Month - 3 Months	9.47%	12.70%
3 Months - 6 Months	17.81%	9.30%
6 Months - 1 Year	47.21%	10.30%
Target Asset Allocation		
Investment Type	Asset Allocation	
Shariah compliant money market investments up to 366 days	Max 90%	
Shariah compliant money market investments less than 15 days	Min 10%	
Shariah Supervisory Board		
Shafique Jakhura	Mufti	
Muhammed Huzaifah	Maulana	
Approved Investments		
	Investment Type	
Shariah compliant money market investments up to 366 days	Mudharabah term deposits and Wakala Investments in Commercial Banks / Specialised Banks / Finance Companies or any other authorized deposit taking Institution	
	Sukuk / Wakala / Mudharabah securities issued by corporate entities subject to Shariah council approval.	
Shariah compliant money market investments less than 15 days	Mudharabah savings deposits	
Historical Returns		
Period	Fund Returns	Annualized Return
Year to Date	5.18%	10.38%
Last month	0.76%	9.28%
Last 3 months	2.39%	9.57%
Last 6 months	5.18%	10.38%
Last 12 months	10.40%	10.40%
Other Features		
Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis, Instruments greater than one year - n/a.	
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.	
Fee Details	Management Fee : 0.80% p.a. of NAV. Trustee fee : 0.11% - 0.15% p.a. of NAV, based on the fund size Custody Fee : Rs.10,000 per Month.	
Fund Manager	NDB Wealth Management Ltd.	
Trustee & Custodian	Hatton National Bank PLC	

Disclaimer

Past performance is not a guide to future performance. The value of any investment and the income from it can fall as a result of market and currency fluctuations and investors could get back less than the amount originally invested. This report does not constitute a financial promotion, a recommendation or an offer to sell or a solicitation to buy units in the fund. See Information Memorandum for important information.

Fund Overview

NDB Wealth Gilt Edged Fund

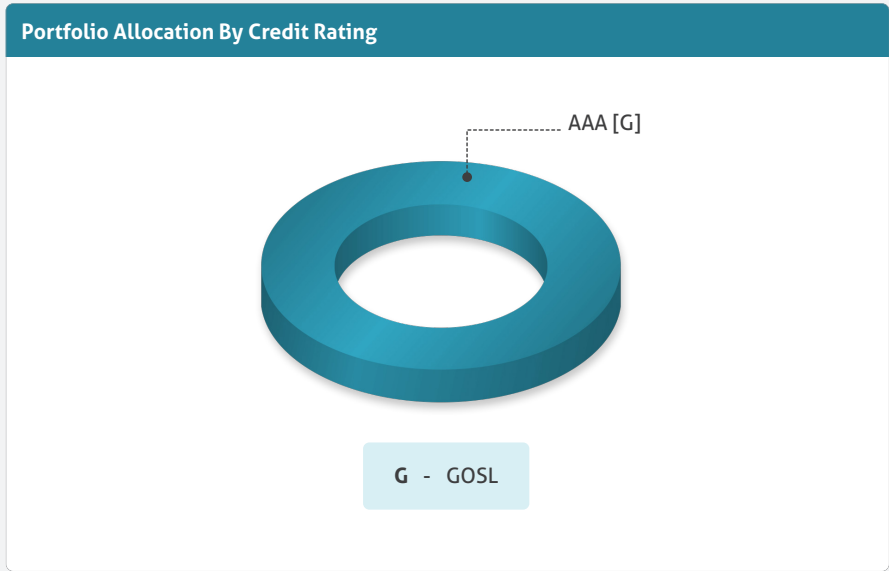
Type: Open Ended

Currency: LKR

Investments: Government of Sri Lanka Securities

ISIN: LKNWGEU00003

NDB Wealth Gilt Edged Fund is an open-ended unit trust fund incorporated in Sri Lanka, invested in Government of Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions. The Fund aims to maximize returns from investments by investing the fund exclusively in government securities and government guaranteed securities.



Fund Snapshot	30-Jun-20
YTD Yield	3.14%
YTD Yield (Annualized)	6.30%
NAV per unit	17.4654
AUM (LKR Mn.)	65.22
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.65%
Average Maturity (Yrs)	0.12
Average Duration	0.12

Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	22.1%	6.00%
1 Month - 3 Months	77.9%	6.80%

Historical Returns		
Period	Fund Returns	Annualized Return
Year to Date	3.14%	6.30%
Last month	0.45%	5.45%
Last 3 months	1.45%	5.80%
Last 6 months	3.14%	6.30%
Last 12 months	8.31%	8.31%
Year 2019	19.12%	19.12%
Year 2018	11.45%	11.45%

Other Features	
Valuation	Daily Valuation All Instruments are marked to market.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Fee Details	Management Fee : 0.65% p.a. of NAV Trustee fee : 0.10-0.19% p.a. of NAV, depending on fund size Custodian fee : 0.05% p.a.of NAV.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

Disclaimer

Past performance is not a guide to future performance. The value of any investment and the income from it can fall as a result of market and currency fluctuations and investors could get back less than the amount originally invested. This report does not constitute a financial promotion, a recommendation or an offer to sell or a solicitation to buy units in the fund. See Information Memorandum for important information.

DISCLAIMER

This document is compiled by NDB Wealth Management Limited (NDBWealth) for the use of its clients, and should not be construed as an offer or solicitation of an offer to buy/sell any securities or assets. This document is for the personal information of the authorized recipient and is not for public distribution. This should not be reproduced or redistributed to any other person or in any form. All information has been compiled using information from news sources, available documentation and NDBWealth's own research material and relates to current and historical information, but do not guarantee its accuracy or completeness. In compiling this report, NDBWealth has made every endeavour to ensure its accuracy, but cannot hold NDBWealth or its employees for any error that maybe found herein. Neither NDBWealth nor its employees can accept responsibility for any loss or damage caused due to any decisional action made by the investors based on such information or any options, conclusions or recommendations herein whether that loss or damage is caused by any fault or negligence on the part of NDBWealth.

NDB WEALTH MANAGEMENT LTD

NDB Capital Building, Level G, No: 135, Bauddhaloka Mawatha, Colombo 4, Sri Lanka

Tel (+94) 77 744 8888 | (+94) 11 230 3232

E-mail : contact@ndbinvestors.com | Web : www.ndbwealth.com