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MARKET UPDATE AND FUND REVIEW

2020 JUNE

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MARKET BRIEF BY NDB WEALTH

INFLATION RATE DECLINES

Inflation as measured by CCPI decreased marginally to 3.9% in June 2020 from 4.0% in May 2020, on a year on year basis. Food inflation increased slightly on a year on year basis to 10% from 9.9% in the previous month while non-food inflation declined marginally from 1.6% to 1.4% year on year, helping moderate the overall impact to inflation in June. We expect inflation to be under control, in mid-single digit levels during the second half of 2020.

RUPEE HOLDS ITS VALUE

The Sri Lankan Rupee appreciated against the US Dollar, Sterling Pound and the Japanese Yen by 0.03%, 0.16%, and 0.29% respectively in June 2020, while it depreciated by 1.38% against the Euro during the month. The Central Bank was a net buyer of U.S. Dollars during the month of May 2020. However, net selling by the Central Bank amounted to USD to 114.9 million during the first five months of 2020. Gross official reserves stood at USD 6.49 billion as at May 2020, down from USD 7.2 billion in April 2020.

STEEP DECLINE IN INTEREST RATES

Benchmark 364-day Treasury bill rate dropped significantly to 5.66% in June from 6.93% in May 2020. Central Bank's policy decision to reduce the Statutory Reserve Ratio (SRR) applicable on all rupee deposit liabilities of licensed commercial banks (LCBs) by 200 basis points to 2.0% was the main reason for the sharp drop in interest rates. This reduction in the SRR injected around LKR 115 billion of additional liquidity to the domestic money market, while reducing the cost of funds of LCBs. The Central Bank has reduced the SRR by a total of 3.0% thus far during 2020. Foreign holding of LKR denominated government securities stood at 0.34% of total debt. We expect the Central bank to hold interest rates low to revive private sector credit demand and to stimulate economic activity.

STOCK MARKET RECOVERY CONTINUES

The two main indices of Colombo Stock Exchange recorded significant gains in June. Attractive valuations coupled with excess money in the system may have been the main catalysts which improved the overall sentiment of local investors. However, foreign participants continued to be net sellers in the market. Given the current market conditions, we expect the indices to be range-bound in the short-term, based on uncertainties surrounding the virus and its impact on the overall economy.

Indika De Silva
Fund Manager

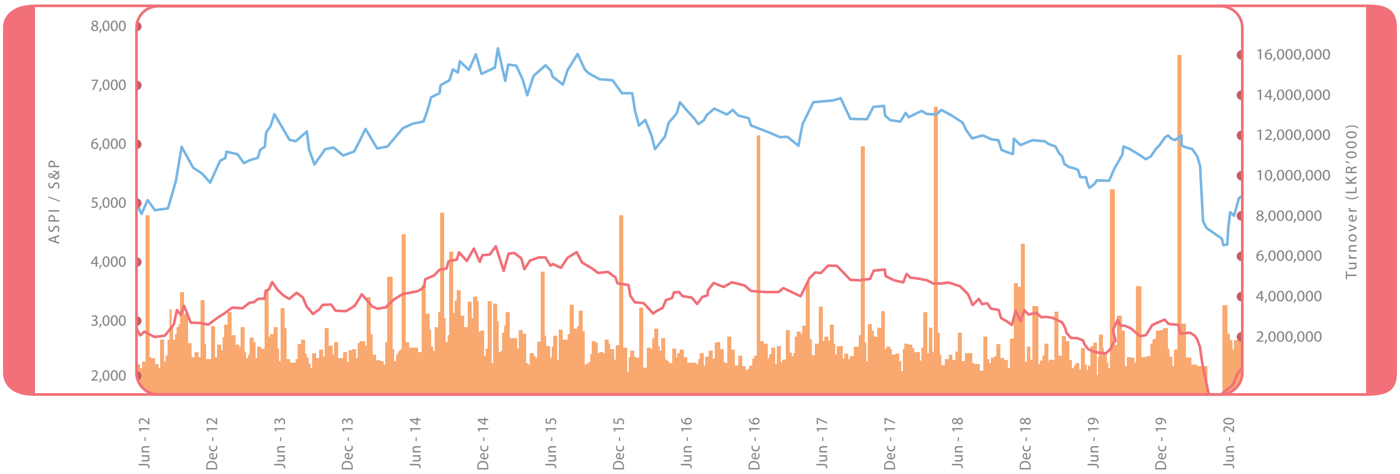
EQUITY OUTLOOK

	Past month Performance (1st June - 30th Jun 2020)	Past 12 months Performance (Jun 2019 - Jun 2020)	Year to Date Performance (1st Jan - 30th Jun 2020)
All Share Price Index	6.25%	-4.15%	-15.98%
S&P SL 20	12.53%	-9.12%	-22.75%
MSCI Frontier Markets Index	1.69%	-11.04%	-15.70%
MSCI World Index	2.65%	2.84%	-5.77%
MSCI Emerging Markets	7.35%	-3.39%	-9.78%
MSCI Asia Ex Japan	8.37%	1.69%	-4.74%

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

- All Share Price Index and S&P SL 20 index, the two main indices of Colombo Stock Exchange (CSE), continued its rally to record gains in month of June.
- While the more liquid S&P SL 20 index gained over 12.50% during the month, the overall returns for the year (January to June 2020) stood at -22.75%.
- Relief programmes carried out by the Government and the Central Bank may have played a major role towards the change in sentiment amongst the local participants.
- Irrespective of the recovery witnessed in May 2020, performance of CSE continued to be lower compared to the benchmark MSCI Emerging Market Index and MSCI frontier Market Index.
- Unlike in developed markets, the economic backdrops of frontier and emerging markets can be unstable, which means investors may witness volatility. However, the MSCI Emerging Markets Index recorded one of the best quarterly gains since 2010, as the wave of central-bank stimulus sweeping the world has supported investors' risk appetite to invest in such higher risk markets.
- An estimated USD I8 trillion deployed globally in fiscal and monetary stimulus helped keep interest rates anchored near zero in the developed world, forcing yield seekers far out into emerging markets.
- According to the World Bank's chief economist, despite the ample liquidity and the low-rate environment continuing to provide emerging markets the lure of high rates, the delayed recovery process may worsen the overall risk considerations.

Colombo Stock Exchange Performance



Source: www.cse.lk

		June 2020	June 2019
CSE	Market PER	9.50 X	8.60 X
	Market PBV	0.96 X	1.01 X
	Market DY	3.58%	3.73%
MSCI Frontier Market	Market PER	11.11 X	12.54 X
	Market PBV	1.52 X	1.83 X
	Market DY	4.29%	4.31%

Source: www.cse.lk

- Despite positive returns, CSE continued to witness heavy foreign selling during June 2020.
- Total net foreign selling for the period from January to June 2020 exceeded LKR 20.5 billion with June alone witnessing net foreign selling beyond LKR 8.6 billion.

Colombo Stock Exchange	Jan - Jun 2020	Jan - Jun 2019
Foreign Inflows	LKR 38.17 Billion	LKR 23.69 Billion
Foreign Outflows	LKR 58.84 Billion	LKR 30.03 Billion
Net Foreign Inflows/(Outflows)	**(LKR 20.67 Billion)**	**(LKR 6.34 Billion)**

Source: www.cse.lk

“ THE GREATEST ENEMIES OF THE EQUITY INVESTOR ARE EXPENSES AND EMOTIONS ”

— Warren Buffet —

FIXED INCOME OUTLOOK

Interest Rates in Sri Lanka

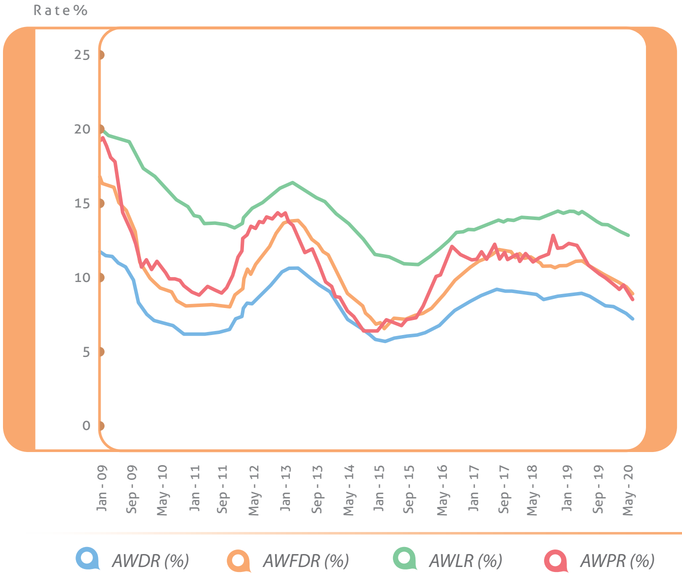
The Central Bank of Sri Lanka (CBSL) resorted to further policy action slashing the Statutory Reserve Ratio (SRR) by 2% to a level of 2% in June with a view of supporting the revival of economic activity which has been hampered by the Covid-19 pandemic. However, the Standing Lending Facility Rate (or the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (or the rate which commercial banks place their excess cash with CBSL) remain at 6.50% and 5.50% respectively.

	Jun 19	Dec 19	May 20	Jun 20
364 Day T-bill	8.70%	8.45%	6.93%	5.66%
5-Year Bond	10.00%	9.94%	8.56%	7.12%
1-Year Finance Company Fixed Deposit Ceiling Rate	12.79%	11.63%	10.19%	10.19%

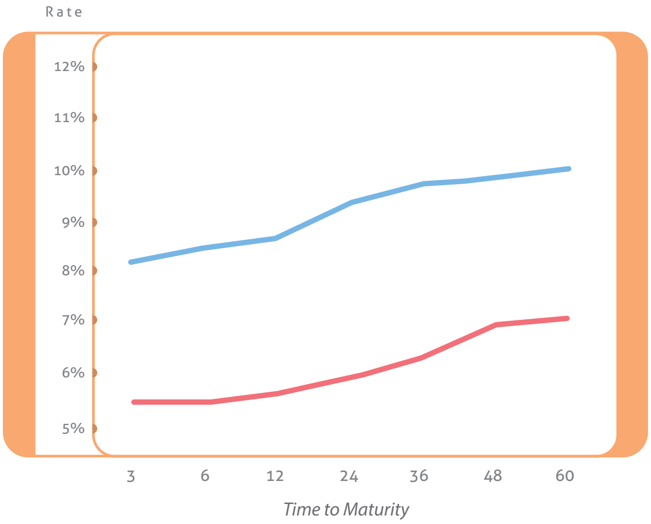
** Gross Rates provided. Net returns would change based on prevailing tax regulations.*

Source: Central Bank of Sri Lanka

AVERAGE LENDING & DEPOSIT RATES



YIELD CURVE - LKR TREASURIES



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

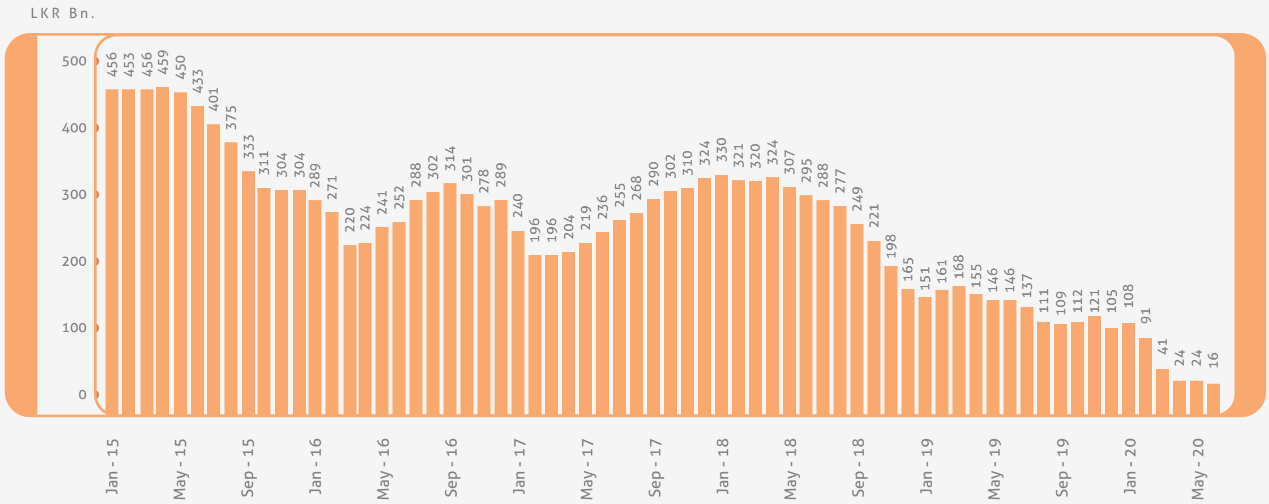
Treasury Bill rates declined across the board in-line with policy action taken by the Central bank, with the benchmark 364-day T-Bill rate falling to 5.66% and the 182-day and 91-day T-Bills falling to 5.53% and 5.50% respectively.

Broad money (M2b) growth picked up to 13.7% year-on-year in May, from the previous month's 13.2% whilst credit extended to the private sector slowed to 6.2% year-on-year from 7.5% in April. Credit disbursements contracted for the first time in 13 months on a month-on-month basis falling by LKR 69.6 bn or 1.2% owing to wide-spread disruptions to economic activity during lockdown.

Outstanding LKR Govt. Securities LKR 6,273 Billion	
T Bills (Total)	**T Bonds (Total)**
LKR 1,243 Billion	LKR 5,030 Billion
Domestic (Bills & Bonds)	**Foreign (Bills & bonds)**
LKR 6,251 Billion	LKR 22 Billion
Total Foreign Holding of Bills and Bonds - 0.34%	

Source: Central Bank of Sri Lanka

FOREIGN HOLDING OF LKR G-SEC



Source: Central Bank of Sri Lanka

Foreign holding of LKR denominated bills and bonds fell further in June, falling to a low of 0.34%, as foreign investors were net sellers amounting to LKR 1.98 bn during the month. As a result, year-to-date net selling by foreigners stood at LKR 83.07 bn.

1 Year FD Rates - Sri Lankan Banks

	Jun 2020	May 2020
NSB	6.50%	7.25%
COMB	6.00%	7.00%
SAMP	6.00%	7.00%
HNB	6.00%	7.75%
NDB	6.50%	7.75%

Rates on Credit Cards	Jun 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 June following policy action by the Central Bank.

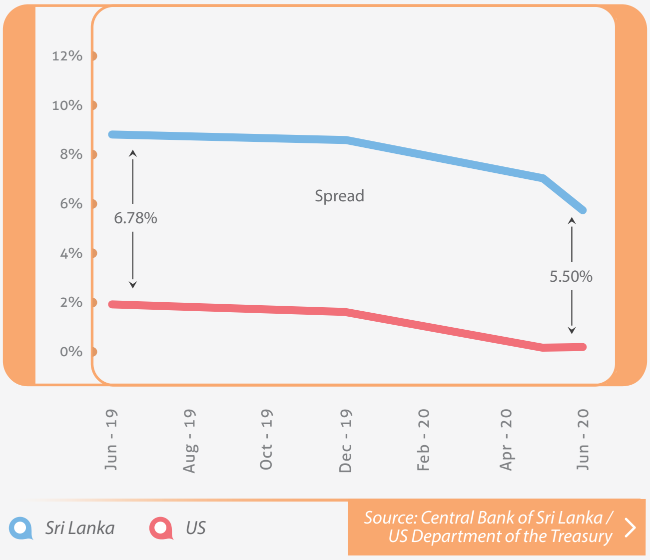
NDIB CRISIL Fixed Income Indices Total return as at 30/06/2020	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	2.16%	8.35%	8.83%
NDBIB-CRISIL 364 Day T-Bill Index	4.13%	11.19%	10.53%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	9.33%	19.25%	14.98%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	12.19%	23.50%	17.06%

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



Source: Central Bank of Sri Lanka / US Department of the Treasury

The Federal Reserve left interest rates unchanged in June and committed to maintaining its unprecedented stimulus plan until the economy has overcome its downturn.

364 Day Treasury Bill Rate	Jun 19	Dec 19	May 20	Jun 20
Sri Lanka	8.70%	8.45%	6.93%	5.66%
India	6.15%	5.29%	3.40%	3.52%
US	1.92%	1.59%	0.17%	0.16%
Euro Zone	-0.69%	-0.66%	-0.60%	-0.64%

Source: Respective Central Banks

	Rates on Savings Accounts Jun 2020
Sri Lanka	4.00%
US	0.01%
Euro Zone	0.11%
Australia	0.50%
India	3.00%

Source: Respective Commercial Banks

While the easing of lockdown restrictions in Europe and the US renewed hopes for economic recovery, the resurgence of a second-wave of virus cases dampened hopes against any swift revival.

“ IF ALL YOUR MONEY IS COMING FROM YOUR JOB, YOU ARE NOT ON THE PATH TO WEALTH & FREEDOM ”

— NDB Wealth —

INFLATION RATES

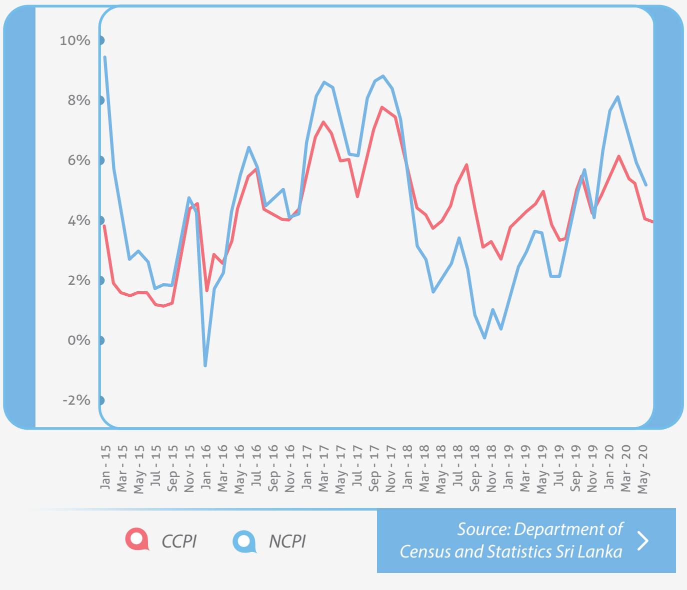
Country	Jun 19	Dec 19	May 20	Jun 20
Sri Lanka	3.83%	4.83%	4.03%	3.92%
US	1.65%	2.29%	0.12%	0.12%*
Euro Zone	1.27%	1.33%	0.09%	0.09%*
India	3.18%	7.35%	5.84%**	5.84%**

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

*May 2020 **Mar 2020
(With the COVID-19 crisis, due to difficulty of data collection, India has not released headline inflation after Mar-2020)

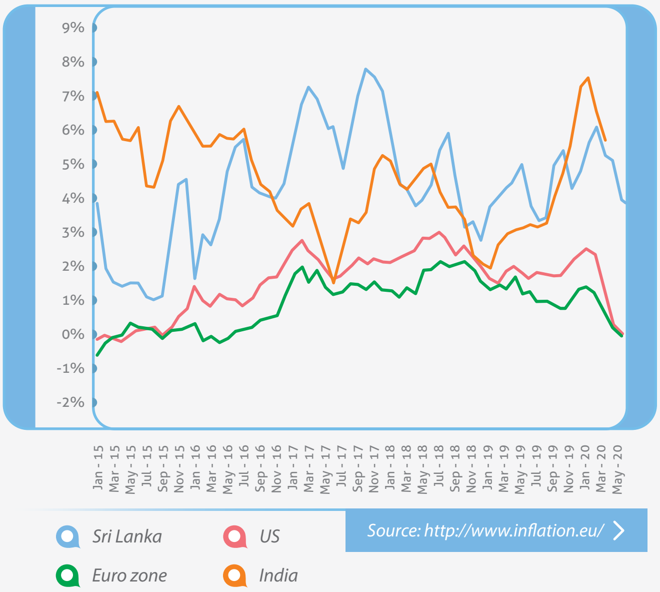
- Inflation as measured by the CCPI (2013=100), slowed to 3.9% in June on a year-on-year basis from the previous month's 4.0% mainly owing to the base effect. During the month the index was up 0.8% primarily driven by increases in prices in the food category by 2.6%. Non-food prices increased marginally by 0.1% on a month on month basis.
- Within the food category, prices of mainly vegetables, sea fish and turmeric powder increased whilst prices of clothing and footwear, and restaurants and hotels influenced non-food prices up.
- On an annual average basis, inflation remained at 4.7% in June.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) increased to 3.1% year-on-year in June. However, on an annual average basis core inflation slowed to 4.2%.
- We believe the Central Bank will broadly be able to 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 decreased to 0.12% and 0.09% year-on-year respectively, in May.

INFLATION - POINT TO POINT CHANGE - CCPI VS. NCPI



Source: Department of Census and Statistics Sri Lanka

GLOBAL INFLATION RATES



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

FOREX OUTLOOK

Exchange Rates Vs. LKR	Jun 19	Dec 19	Jun 20	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	176.54	181.63	186.23	-5.20%	-2.47%
GBP	223.67	238.46	229.18	-2.41%	4.05%
EURO	200.70	203.67	209.41	-4.16%	-2.74%
YEN	1.64	1.67	1.73	-5.14%	-3.33%
AUD	123.65	127.25	128.12	-3.49%	-0.67%
CAD	134.83	139.21	136.32	-1.10%	2.12%
INR	2.56	2.55	2.47	3.59%	3.21%
BHD	468.28	481.78	493.19	-5.05%	-2.31%
CNY	25.67	26.01	26.35	-2.57%	-1.26%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee appreciated marginally in June by 0.03% to close the month at LKR 186.23 per USD.
- However, on a year-to-date basis, the Sri Lankan Rupee continues to be a net loser declining by 2.47% against the U.S. Dollar.
- The Rupee also gained marginally against the Pound Sterling by 0.16%, however, lost 1.38% against the Euro during the month.
- The US Dollar lost against a basket of currencies as the global economy showed signs of recovery following the pandemic.
- The Pound Sterling has underperformed most major currencies on uncertainty associated with post Brexit trade negotiations.
- Most emerging Asian currencies gained against the US dollar as easing Coronavirus restrictions in the region fuelled hopes for a quick economic recovery.

USD PER 1 EURO MOVEMENT

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

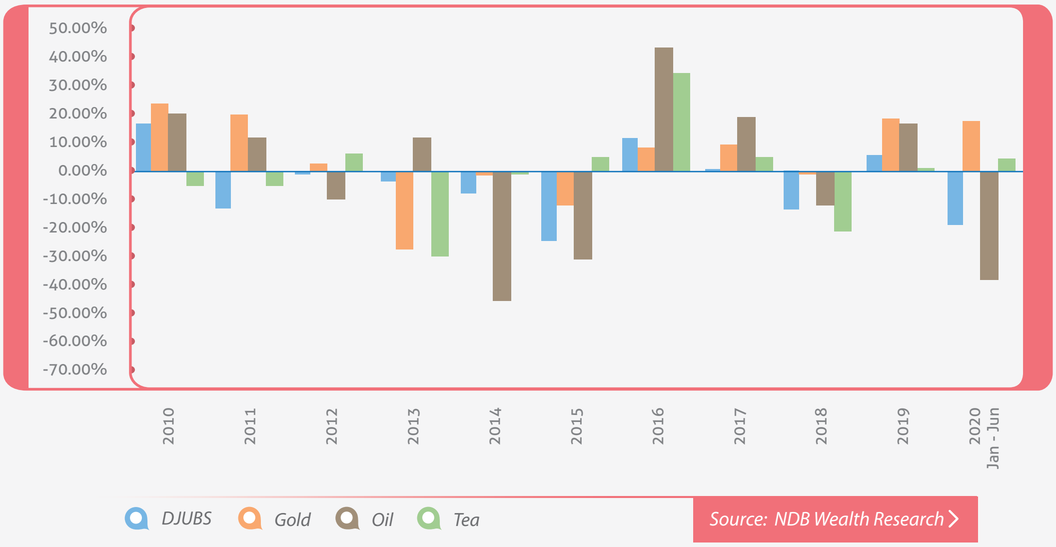
COMMODITY OUTLOOK

	Past month Performance (1st Jun - 30th Jun 2020)	Past 12 months Performance (Jun 2019 - Jun 2020)	Year to Date Performance (1st Jan - 30th Jun 2020)
Bloomberg Commodity Index	2.27%	-18.42%	-19.67%
Gold	0.95%	27.46%	17.11%
Tea	-11.53%	19.65%	3.62%
Oil (Brent)	28.72%	-36.92%	-39.36%

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

- The Bloomberg Commodity Index continued to record positive returns in June 2020, as the index gained 2.27% for the month.
- The commodity market closed the second quarter with gains in energy and metals as the market continues its recovery post the sharp decline witnessed in the first quarter.
- The pandemic remains out of control in several regions while the renewed surge across the U.S. and in Beijing highlight the risk the pandemic is still posing.
- More forward-looking assets such as equities, can look beyond the short-term risks and price in a recovery supported by a wall of money from central banks. Commodities however, do not have this luxury as they are spot assets which depend on supply and demand.
- Judging by the global prices, Crude oil and fuel products may have reached levels where the price may need support from continued improvement in underlying fundamentals to run higher. However, with virus cases continuing to rise, some concerns may emerge that could limit the upside.
- Gold has managed to break its previous prices to reach a fresh 8-year high at USD 1780 per ounce. The current outlook remains gold friendly, especially with near zero percent interest rates.

Commodity Price Movements



Source: NDB Wealth Research

PROPERTY OUTLOOK

- Consensus opinion of many house and apartment builders is that demand for property would decline due to the economic downturn, in the backdrop of the Covid-19 crisis. Curfew and social distancing laws imposed has had a major impact on the construction industry with suppliers and other peripheral services providers within the industry being negatively impacted.
- With the policymakers introducing moratoriums for all affected industries, payments have been delayed by many customers, resulting in construction related industries facing cash flow constrains during this challenging period.
- According to data by Lanka Aluminum Industries PLC, an aluminum extrusion manufacturing company whose main buyer is the construction industry, low or no activity is being experienced in the industry. Further, the island wide dealers appointed by the company have also reported that they are experiencing a reduction in both demand and sales.
- Overall, Lanka Aluminum believes that the Sri Lankan aluminum extrusion market would decline by 40% in the backdrop of the current low economic activity and stresses that any turn around can only be expected with a permanent solution for the pandemic.
- We can expect the cash flow related challenges within the construction related industries to lead to restructuring such as staff and management salary reductions, operating plants on limited capacity and negotiating of bank facilities.
- Given the demand and impact the final product in apartments and property developments, increasing the risk of the overall industry.

Source: bizenglish.adaderana.lk/

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 May 2020									
*Profit Sharing Ratio**	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	2.71%	-	5.41%	5.97%	7.15%	7.22%	7.67%	-	8.12%
Bank of Ceylon Islamic Business Unit - As of May 2020									
*Profit Sharing Ratio**	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.00%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-Al Adalah Islamic Banking unit - As of May 2020									
*Profit Sharing Ratio**	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	5.11%	-	6.26%	7.42%	8.66%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of March 2020 (Released Quarterly)									
*Profit Sharing Ratio**	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.50%	-	7.50%	8.00%	8.50%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of May 2020									
*Profit Sharing Ratio** *(3Mn - 50Mn)*	40:60	60:40	65:35	40:60	65:35	-	-	-	-
Distributed Profit	5.05%	6.00%	6.70%	7.00%	8.50%	-	-	-	-
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 May 2020									
*Profit Sharing Ratio**	30 :70	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	6.03%	8.16%	8.34%	8.69%	10.01%	10.38%	10.57%	10.94%	11.31%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of May 2020									
*Profit Sharing Ratio**	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	5.95%	7.38%	8.10%	8.57%	9.05%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of May 2020									
*Profit Sharing Ratio**	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	3.04%	5.07%	5.27%	5.58%	6.19.%	6.90%	7.10%	7.30%	7.50%
Peoples Leasing Islamic Business Unit - As of May 2020									
*Profit Sharing Ratio**	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	4.04%	-	5.39%	5.84%	6.74%	-	-	-	-

* 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

NDB | WEALTH

Fund Overview

NDB Wealth Growth Fund

Type: Open Ended
Currency: LKR

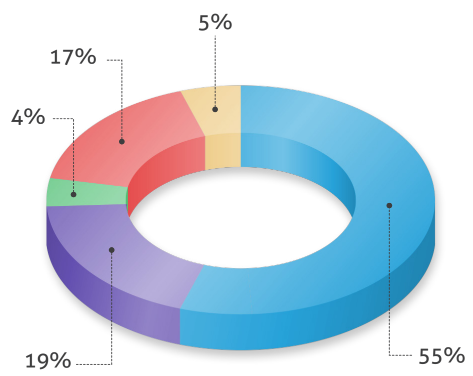
Investments: Listed Equities
ISIN: LKNWGRU00005

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.

Fund Snapshot

Fund Snapshot	31-May-20
YTD Yield	-25.03%
NAV per unit	7.61
AUM (LKR Mn.)	147.04
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.94%
Max Equity Allocation	97.00%
Current Equity Allocation	56.53%
Fund Leverage	0.00%

Equity Allocation



- Banks
- Diversified Financials
- Food Beverage & Tobacco
- Insurance
- Materials

Top 5 Portfolio Holdings (In Alphabetical Order)

- CENTRAL FINANCE COMPANY PLC
- HATTON NATIONAL BANK PLC
- PEOPLES INSURANCE LTD
- SEYLAN BANK PLC
- TOKYO CEMENT COMPANY (LANKA) PLC

Historical Returns

Period	Fund Returns *	ASPI Returns
Last Month	3.73%	6.02%
Last 3 months	-16.25%	-13.34%
Last 6 months	-27.38%	-21.98%
Last 12 months	-8.68%	-8.74%
Year 2019	-0.59%	1.27%
Year 2018	-6.79%	-4.98%

* After fees, excluding front end and back end loads

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	43.47%
Average Duration	0.0027

Maturity	% Holding
Under 1 Month	100.00%

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

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Fund Overview

NDB Wealth Growth and Income Fund

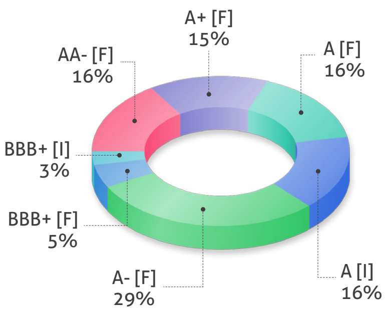
Type: Open Ended
Currency: LKR

Investments: Listed Equities and Corporate Debt
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.

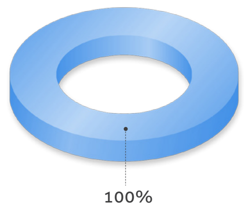
Portfolio Allocation

By Credit Rating



F - FITCH
I - ICRA
G - GOSL

By Equity Sector



Banks

Historical Returns

Period	Fund Returns*	ASPI Returns
Last month	0.99%	6.02%
Last 3 months	2.00%	-13.34%
Last 6 months	-2.89%	-21.98%
Last 12 months	6.77%	-8.74%
Year 2019	11.09%	1.27%
Year 2018	7.47%	-4.98%

* After fees, excluding front end and back end loads.

Fund Snapshot 31-May-20

YTD Yield	-0.50%
NAV per unit	39.03
AUM (LKR Mn.)	323.06
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.85%
Max Equity Allocation	97.00%
Current Equity Allocation	8.87%
Fund Leverage	0.00%

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	91.13%
Average Duration	0.52

Maturity	% Holding
Under 1 Month	5.20%
1 Month - 3 Months	42.36%
3 Months - 6 Months	5.16%
6 Months - 1 Year	39.88%
1 Year - 10 Years	7.40%

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

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Fund Overview

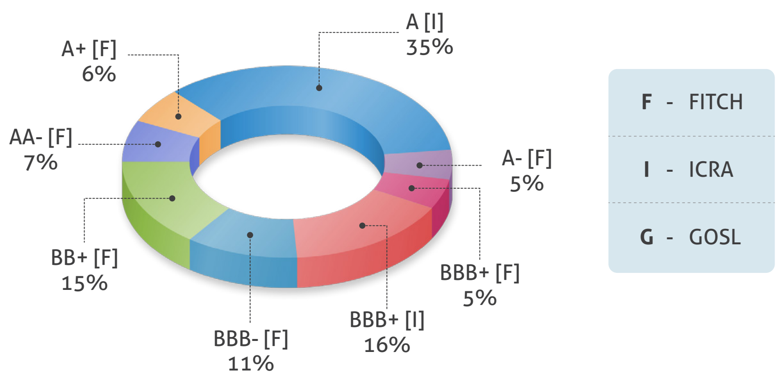
NDB Wealth Income Fund

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.

Portfolio Allocation By Credit Rating



Fund Snapshot

Fund Snapshot	31-May-20
YTD Yield	6.10%
YTD Yield (Annualized)	14.65%
NAV per unit	14.9242
AUM (LKR Mn.)	347.79
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.36%
Average Maturity (Yrs)	1.70
Average Duration	1.26

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	18.56%	11.38%
1 Month - 3 Months	4.43%	12.40%
3 Months - 6 Months	6.82%	11.30%
6 Months - 1 Year	24.11%	12.70%
1 Year - 10 Years	46.08%	12.60%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	6.10%	14.65%
Last month	1.09%	12.84%
Last 3 months	3.68%	14.58%
Last 6 months	7.01%	13.98%
Last 12 months	12.82%	12.82%
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

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Fund Overview

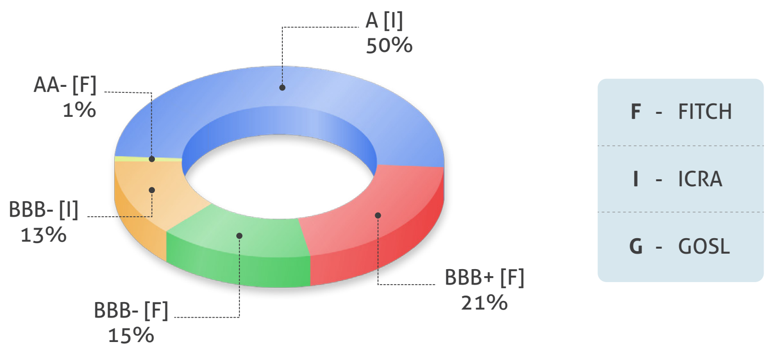
NDB Wealth Income Plus Fund

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



Fund Snapshot	31-May-20
YTD Yield	5.23%
YTD Yield (Annualized)	12.57%
NAV per unit	15.9104
AUM (LKR Mn.)	245.71
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.74%
Average Maturity (Yrs)	0.19
Average Duration	0.18

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	30.60%	11.82%
1 Month - 3 Months	38.09%	12.20%
3 Months - 6 Months	25.39%	11.70%
6 Months - 1 Year	5.92%	13.40%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	5.23%	12.57%
Last month	1.01%	11.89%
Last 3 months	3.01%	11.96%
Last 6 months	6.25%	12.46%
Last 12 months	12.62%	12.62%

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

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Fund Overview

NDB Wealth Money Fund

Type: Open Ended
Currency: LKR

Investments: Short Term Bank Deposits
ISIN: LKNWMNU00002

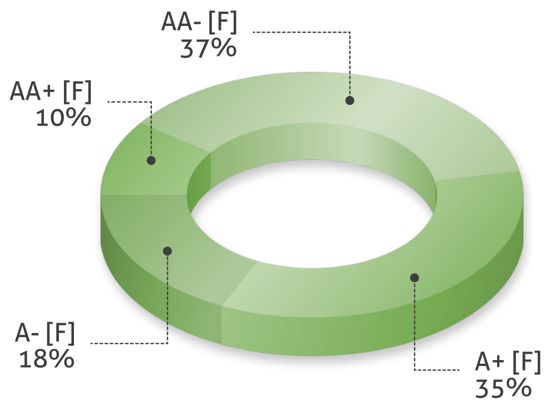
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short-term high credit quality LKR based bank deposits.

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

Fund Snapshot	31-May-20
YTD Yield	3.72%
YTD Yield (Annualized)	8.94%
NAV per unit	19.6940
AUM (LKR Mn.)	602.65
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.92%
Average Maturity (Yrs)	0.43
Average Duration	0.40

Portfolio Allocation By Credit Rating



F -	FITCH
I -	ICRA
G -	GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	23.90%	7.69%
1 Month - 3 Months	3.34%	9.20%
3 Months - 6 Months	40.35%	9.10%
6 Months - 1 Year	32.41%	9.60%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	3.72%	8.94%
Last month	0.71%	8.34%
Last 3 months	2.18%	8.64%
Last 6 months	4.53%	9.03%
Last 12 months	9.55%	9.55%
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

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Fund Overview

NDB Wealth Money Plus Fund

Type: Open Ended
Currency: LKR

Investments: Money Market Corporate Debt Securities
ISIN: LKNWMPU00007

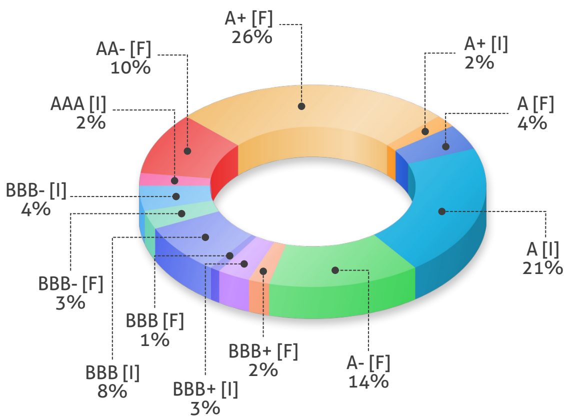
NDB Wealth Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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

Fund Snapshot	31-May-20
YTD Yield	4.64%
YTD Yield (Annualized)	11.14%
NAV per unit	22.4181
AUM (LKR Mn.)	41,098.22
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.82%
Average Maturity (Yrs)	0.43
Average Duration	0.39

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	22.00%	8.98%
1 Month - 3 Months	19.60%	10.60%
3 Months - 6 Months	17.83%	10.60%
6 Months - 1 Year	40.57%	10.80%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	4.64%	11.14%
Last month	0.89%	10.47%
Last 3 months	2.66%	10.55%
Last 6 months	5.56%	11.08%
Last 12 months	11.37%	11.37%
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

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Fund Overview

NDB Wealth Islamic Money Plus Fund

Type: Open Ended
Currency: LKR

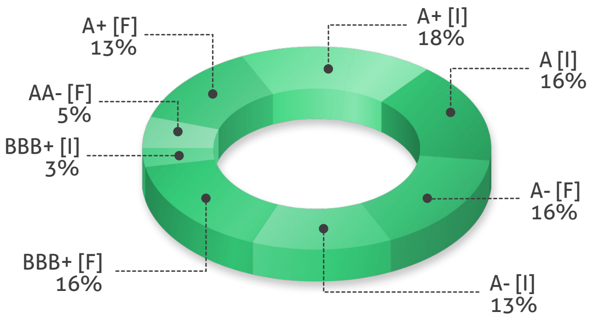
Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

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.

Fund Snapshot

Fund Snapshot	31-May-20
YTD Yield	4.38%
YTD Yield (Annualized)	10.52%
NAV per unit	15.5135
AUM (LKR Mn.)	401.42
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.32%
Average Duration	0.23

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	46.05%	8.81%
1 Month - 3 Months	24.91%	12.00%
3 Months - 6 Months	6.66%	10.30%
6 Months - 1 Year	22.37%	10.90%

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	4.38%	10.52%
Last month	0.80%	9.43%
Last 3 months	2.47%	9.80%
Last 6 months	5.23%	10.42%
Last 12 months	10.53%	10.53%

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.
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

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Fund Overview

NDB Wealth Gilt Edged Fund

Type: Open Ended
Currency: LKR

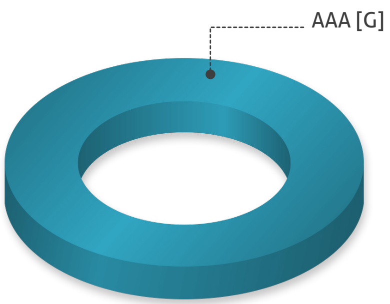
Investments: Government of Sri Lanka Securities
ISIN: LKNWGEU00003

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 31-May-20

YTD Yield	2.68%
YTD Yield (Annualized)	6.45%
NAV per unit	17.3876
AUM (LKR Mn.)	60.77
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.68%
Average Maturity (Yrs)	0.19
Average Duration	0.19

Portfolio Allocation By Credit Rating



G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	16.8%	6.70%
1 Month - 3 Months	83.2%	6.90%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	2.68%	6.45%
Last month	0.49%	5.79%
Last 3 months	1.54%	6.13%
Last 6 months	3.23%	6.44%
Last 12 months	9.17%	9.17%
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

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