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MARKET UPDATE AND FUND REVIEW

2018 DECEMBER

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MARKET BRIEF BY NDB WEALTH

INFLATION RATE CONTINUES TO DECLINE

Inflation as measured by the CCPI slowed to 2.8% in December 2018 from 3.3% in November 2018, on a year on year basis. Lower inflation was mainly due to lower non-food inflation in December. Favorable weather conditions that prevailed during the second half of the year had a positive impact on overall supply side dynamics. We expect inflation to be in low single digits in 2019.

SHARP DEPRECIATION OF THE SRI LANKAN RUPEE

The Sri Lankan rupee continued to depreciate drastically against all hard currencies during the last quarter of 2018. Surge in capital outflows and widening trade deficit exerted pressure on the exchange rate of the country. The Sri Lankan Rupee depreciated by 7.39% against the US Dollar during the fourth quarter alone, leading to an overall depreciation of 16.36% for 2018. Furthermore, the last three months of 2018, saw the Sri Lankan Rupee depreciate by 4.53%, 5.69%, 9.95% and 10.76% against the Sterling Pound, Euro, Japanese Yen and Indian Rupee respectively. The Central Bank was a net seller of over USD 800 million during October and November and for the first 11 months of 2018 the Central Bank has sold USD 1.0 billion in the market. Gross official reserves were estimated at USD 6.9 billion as at end of December 2018.

BENCHMARK INTEREST RATE REMAINS HIGH

The benchmark 364-day Treasury bill rate ended the year 2018 at 11.20%. The months of October and November saw interest rates rising sharply, by approximately 1.70%, mainly due to external pressures exerted on the economy. Foreign investors were heavy sellers of LKR denominated securities with LKR 85 billion net selling witnessed during the fourth quarter of 2018. The total net foreign selling for the year 2018 stood at LKR 159 billion reducing the foreign holding of LKR denominated debt to 3.11% by end of 2018 compared to 6.59% at the beginning of the year.

STOCK MARKET RETURNS TO WEAK SENTIMENT

The two main indices of Colombo Stock Exchange recorded significant losses in 2018 with the All Share Price Index losing 4.98% and the S&P SL 20 index losing 14.61% over the year. The improved investor sentiment witnessed during early November reversed during the latter half of the month and the dull sentiment continued in to December, as political uncertainty and foreign selling hampered the overall market sentiment. Equity market may continue to be range bound on the backdrop of uncertainly in the political front and overall weakness in corporate performance due to weak economic outlook.

Indika De Silva
Fund Manager

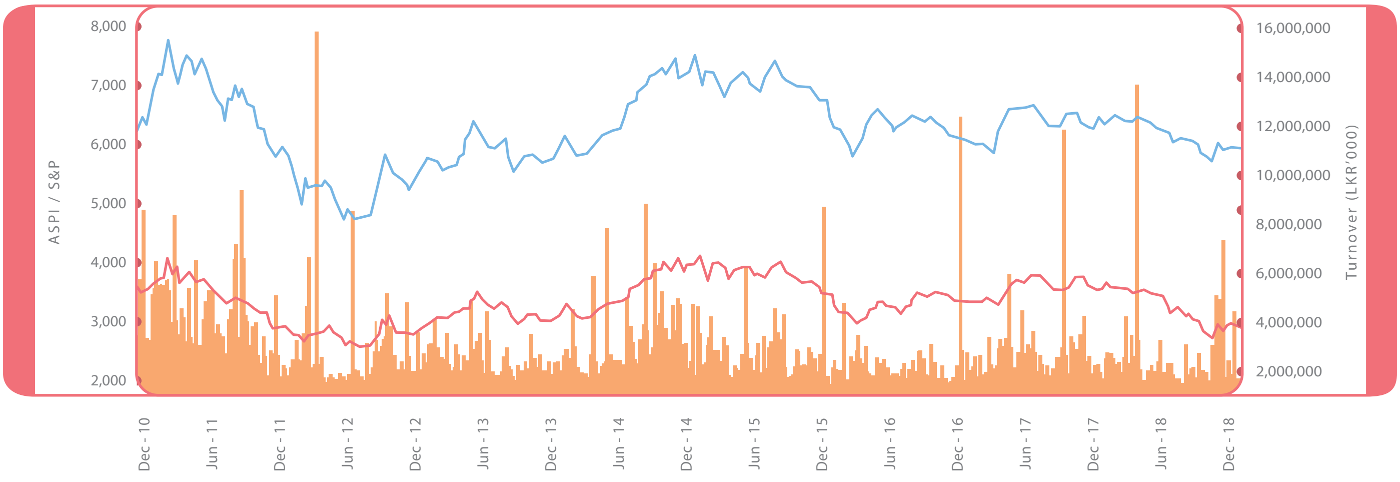
EQUITY OUTLOOK

	Past month Performance (1st Dec - 31st Dec 2018)	Past 12 months Performance (Dec 2017 - Dec 2018)	Year to Date Performance (1st Jan - 31st Dec 2018)
All Share Price Index	0.55%	-4.98%	-4.98%
S&P SL 20	-1.36%	-14.61%	-14.61%
MSCI Frontier Markets Index	-2.93%	-16.41%	-16.41%
MSCI World Index	-7.60%	-8.71%	-8.71%
MSCI Emerging Markets	-2.66%	-14.58%	-14.58%
MSCI Asia Ex Japan	-2.71%	-14.37%	-14.37%

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

- The two main indices of Colombo Stock Exchange (CSE) depicted mixed results during December 2018, as the All Share Price Index gained 0.55%, while the S&P SL 20 index lost 1.36% during the month.
- Global stocks underperformed the US stock market in 2018 as escalations in the US-China trade war dragged down markets around the world.
- MSCI Emerging Markets Index and MSCI Frontier Markets Index ended the year recording losses in excess of 14.50% and 16.40%, respectively in 2018. The MSCI World Index declined by over 8.70% in 2018, mainly due to the heavy losses recorded in December.
- For the year 2018, the S&P 500 fell 6.2%, the Dow dropped 5.6% and the Nasdaq Composite shed 3.9%, marking the worst annual performance for the three main indices in the U.S, since 2008.
- Volatility was driven by signs of a global economic slowdown, concerns about monetary policy, political dysfunction, inflation fears and concerns about increased regulation of the technology sector.
- China's trade war with the U.S. is expected to reach an agreeable conclusion in 2019 which may result in a rally for markets such as Turkey, China and South Africa, that also posted their worst annual performances in a decade.

Colombo Stock Exchange Performance



Source: www.cse.lk

		Dec 2018	Dec 2017
CSE	Market PER	9.65 ×	10.60 ×
	Market PBV	1.18 ×	1.31 ×
	Market DY	3.09%	3.19%
MSCI Frontier Market	Market PER	12.52 ×	14.98 ×
	Market PBV	1.73 ×	1.91 ×
	Market DY	4.06%	2.98%

Source: www.cse.lk

Foreigners continued to be net seller in CSE for the 6th straight month, leading to a net foreign outflow of over LKR 22.7 billion in 2018.

Colombo Stock Exchange	Jan - Dec 2018	Jan - Dec 2017
Foreign Inflows	LKR 77.48 Billion	LKR 112.70 Billion
Foreign Outflows	LKR 100.26 Billion	LKR 94.67 Billion
Net Foreign Inflows/(Outflows)	**(LKR 22.78 Billion)**	**LKR 18.03 Billion**

Source: www.cse.lk

“ ALWAYS INVEST FOR THE LONG TERM ”

— Warren Buffet —

FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

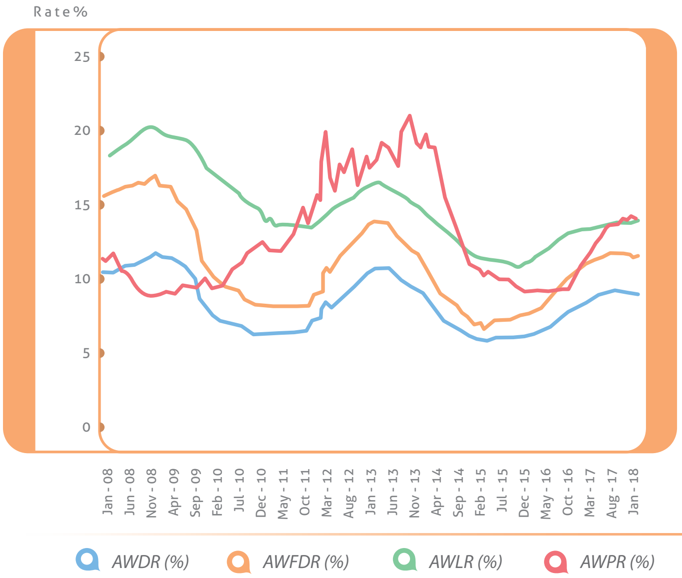
The Central Bank of Sri Lanka (CBSL) maintained its key policy rates stable in December holding the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 9.00% and 8.00% respectively.

	Dec 17	Nov 18	Dec 18
364 Day T-bill	8.90%	11.20%	11.20%
5-Year Bond	9.97%	11.81%	11.56%
1-Year Finance Company Fixed Deposit Ceiling Rate	13.55%	12.46%	12.46%

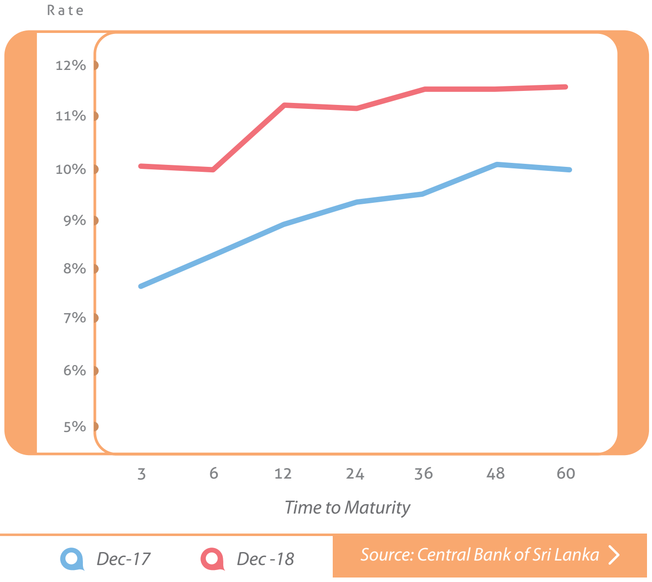
Gross Rates provided. Net returns earned on Government Securities would vary depending on the individual's tax bracket while Fixed Deposits will be subject to a final WHT of 5% for individuals.

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

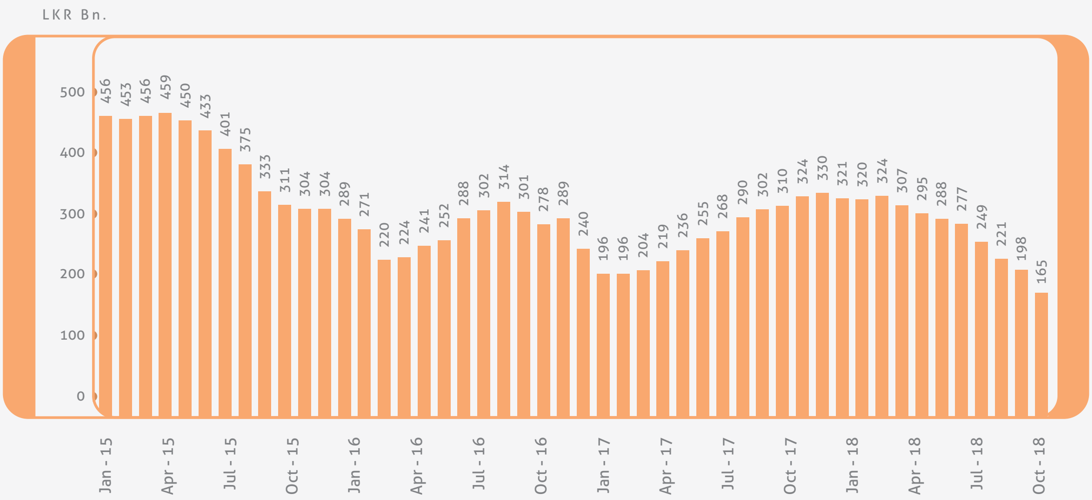
Treasury Bill rates remained flat across the board with the benchmark 364-day T-Bill rate closing the year at 11.20% and the 91-day and 182-day T-Bill closing at 9.99% and 10.01% respectively.

Broad money (M2b) growth edged up to 13.9% year-on-year in November, from the previous month's 13.5% whilst credit extended to the private sector accelerated by 16.2% year-on-year in November from 16.1% in October. During the month, private sector credit disbursements increased by LKR 79.2 Bn. (1.5% m-o-m), despite the introduction of import restrictions by the government to curtail vehicle imports and other non-essential imports.

Outstanding LKR Govt. Securities LKR 5,286 Billion / USD 32.27 Billion	
T Bills (Total)	T Bonds (Total)
LKR 999 Billion	LKR 4,287 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 5,122 Billion	LKR 164 Billion
Total Foreign Holding of Bills and Bonds - 3.11%	

Source: Central Bank of Sri Lanka

FOREIGN HOLDING OF LKR G-SEC



Source: Central Bank of Sri Lanka

Foreign holding of government securities was on a continuous decline, falling by LKR 33 billion in December to 3.11%. This was the largest decline during the year with foreign investors continuously selling out of local government securities. During 2018, foreigners were net sellers amounting to LKR 159.81 billion. In January 2019, the government decided to restrict the rupee bond and bill holding of foreigners to 5% of total holdings from the previous limit of 10% to reduce volatility in interest rates.

1 Year FD Rates – Sri Lankan Banks		
	Dec 2018	Nov 2018
NSB	10.50%	10.50%
COMB	11.00%	11.00%
SAMP	12.00%	12.00%
HNB	11.00%	11.00%
NDB	11.75%	11.00%

Rates on Credit Cards	Dec 18
HSBC	28.00%
SCB	28.00%
Sampath	28.00%
NDB	28.00%
AMEX	28.00%

Source: Respective Commercial Banks

NDB Bank increased their fixed deposit rate during the month of December.

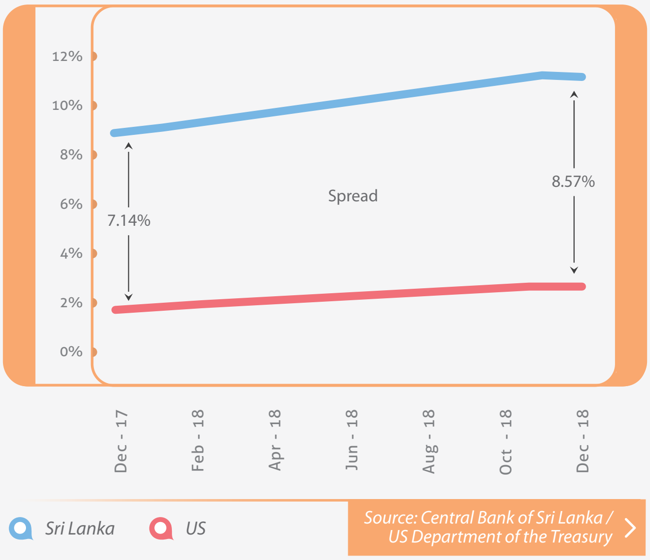
NDBIB CRISIL Fixed Income Indices Total return as at 31/12/2018	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	2.16%	8.17%	8.56%
NDBIB-CRISIL 364 Day T-Bill Index	1.27%	7.22%	8.26%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	0.87%	6.13%	9.81%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	0.12%	4.05%	8.94%

Source: www.crisil.com

Central Bank Policy Rates	2015	2016	2017	2018
Sri Lanka	6.00%	7.00%	7.25%	8.00%
US	0.25% - 0.50%	0.50% - 0.75%	1.25% - 1.50%	2.25% - 2.50%
Euro Zone	0.05%	0.00%	0.00%	0.00%
Australia	2.00%	1.50%	1.50%	1.50%
India	6.75%	6.25%	6.00%	6.50%

Source: www.cbrates.com

1 YEAR TREASURY RATE - USD Vs. LKR



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

The US Federal Reserve raised its benchmark interest rate in line with market expectations by 0.25%, pushing the benchmark Fed Funds Rate to a range of 2.25% to 2.50%, but lowered its projections for future hikes to a total of two in 2019.

Most global sovereign yields declined on concerns of slowing global growth and prospects of fewer Fed rate hikes.

364 Day Treasury Bill Rate	Dec 17	Nov 18	Dec 18
Sri Lanka	8.90%	11.20%	11.20%
India	6.42%	7.22%	6.94%
US	1.76%	2.70%	2.63%
Euro Zone	-0.74%	-0.70%	-0.75%

Source: Respective Central Banks

	Rates on Savings Accounts - Dec 2018
Sri Lanka	4.00%
US	0.03%
Euro Zone	0.11%
Australia	1.65%
India	3.50%

Source: Respective Commercial Banks

China's Central Bank announced a cut in its reserve requirement ratio by 1% effective in January, as the economy faces its weakest growth since the global financial crisis and mounting pressure from US tariffs.

“ IT’S NEVER TOO EARLY TO ENCOURAGE PLANNING FOR THE FUTURE ”

— NDB Wealth —

INFLATION RATES

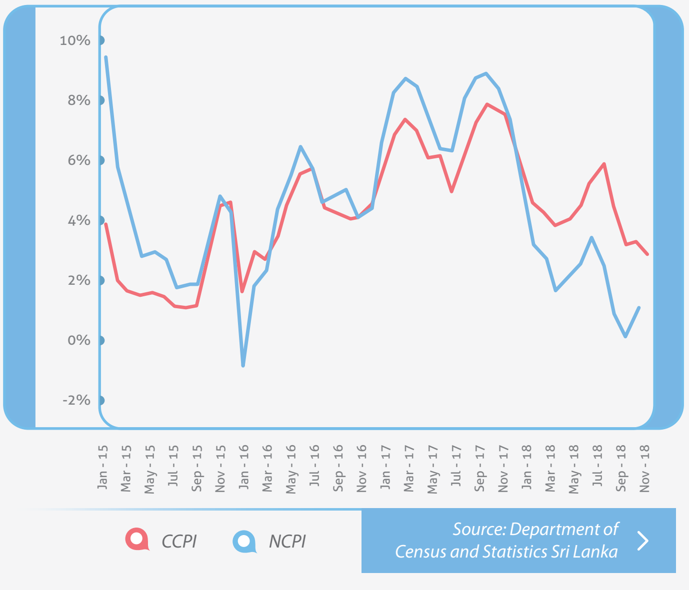
Country	Dec 17	Nov 18	Dec 18
Sri Lanka	7.15%	3.27%	2.77%
US	2.11%	2.18%	2.18%*
Euro Zone	1.35%	1.95%	1.95%*
India	5.21%	2.33%	2.33%*

* Nov 2018

Source: Department of Census and Statistics Sri Lanka, inflation.eu, tradingeconomics.com

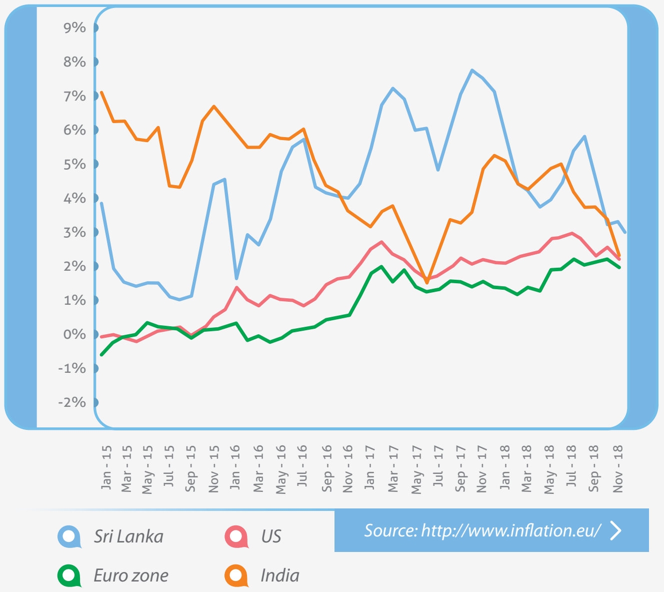
- Inflation as measured by the CCPI (2013=100), slowed to 2.8% in December 2018 on a year-on-year basis from the previous month's 3.3% mainly on account of falling non-food prices. During the month however the index was up marginally by 0.1% as prices in the food category increased by 0.8% despite non-food prices declining by 0.2%. Within the food category prices of mainly vegetables and eggs increased whilst within the non-food category prices of petrol and fuel decreased following the downward revision of fuel prices by the government.
- On an annual average basis inflation slowed to 4.3% in December.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) too slowed to 3.1% year-on-year in December from the previous month's 3.4%. On an annual average basis core inflation decreased to 3.5%.
- Downward adjustments to administratively determined fuel prices in view of elections would be beneficial in reducing inflation although the impact of the LKR depreciation passing through to goods and services and unpredictable weather patterns would exert pressure on price levels going forward.
- On the global front, both US and Eurozone inflation decreased to 2.18% and 1.95% year-on-year respectively in November.

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	Dec 18	Dec 17	1 Year App/(Dep) LKR
USD	182.75	152.85	-16.36%
GBP	231.86	205.54	-11.35%
EURO	208.99	182.49	-12.68%
YEN	1.65	1.36	-18.06%
AUD	128.87	119.10	-7.57%
CAD	134.08	121.61	-9.30%
INR	2.61	2.39	-8.72%
BHD	484.78	405.36	-16.38%
CNY	26.57	23.45	-11.72%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee depreciated by 1.68% against the US Dollar (USD) in December to close the year at LKR 182.75 per 1 USD. The year's depreciation of 16.36% marked the LKR's worst performance against the USD in recent history. Further the Rupee also lost 11.35% against the Pound Sterling and 12.68% against the Euro in 2018.
- The Japanese Yen rallied against the US Dollar and Euro as investors sought the perceived safety of the Japanese currency on concerns of a Chinese and global economic slowdown.
- The Pound Sterling is staying strong against the Euro despite Brexit uncertainty, as a decline in consumer spending in the Eurozone is providing a boost to the currency.
- Asian currencies gained against the US dollar on dismal US factory data and on signs of progress on US-China trade talks.

USD PER 1 EURO MOVEMENT

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

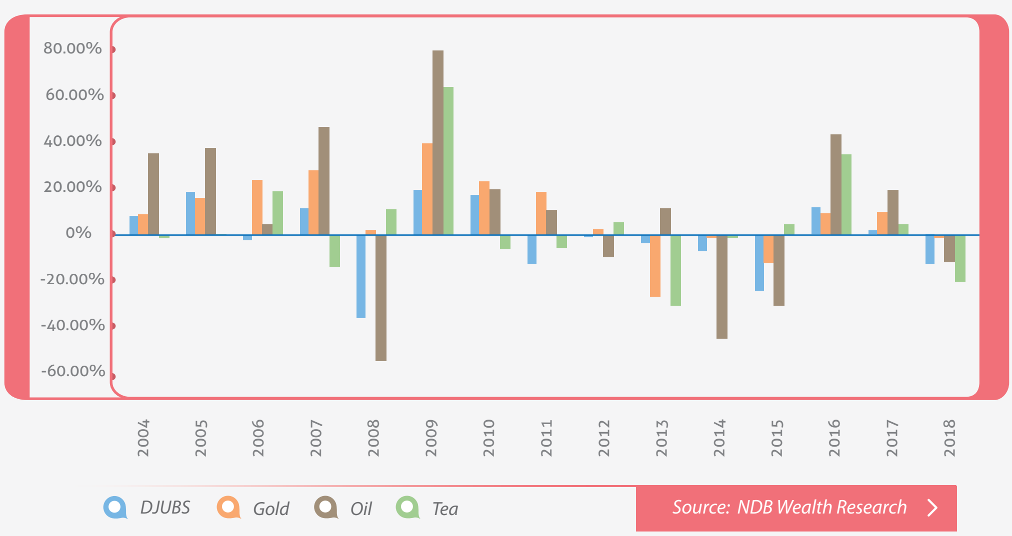
COMMODITY OUTLOOK

	Past month Performance (1st Dec - 31st Dec 2018)	Past 12 months Performance (Dec 2017 - Dec 2018)	Year to Date Performance (1st Jan - 31st Dec 2018)
Bloomberg Commodity Index	-7.07%	-12.98%	-12.98%
Gold	2.44%	-1.11%	-1.11%
Tea	-4.14%	-20.65%	-20.65%
Oil (Brent)	-13.37%	-12.07%	-12.07%

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

- Bloomberg Commodity Index declined by 7.07% in December 2018, leading to an overall drop of 12.98% in 2018. Substantial losses in energy and base metals burdened by concerns global economic growth impacted the index during 2018.
- Oil prices (Brent) declined by 12.07% during 2018, however, prices may increase if the trade war between US and China is resolved.
- While signs of widespread economic slowdown could hit the overall fuel demand, prices are still being supported by supply cuts which started late last year by OPEC and Russia. OPEC oil supply fell in December by 460,000 barrels per day, led by cuts from top exporter Saudi Arabia. The cuts are aimed at reining in swelling supply, especially in the United States.
- Analysts at Goldman Sachs believe the cuts would result in a gradual increase in spot crude prices in 2019 as high inventories revert to their five-year averages.
- Gold prices rose close to six-month highs on safe-haven demand. Concerns about a possible prolonged US government shutdown and anticipated slowdown in global growth weighed on the dollar and equity markets, boosting the appeal of assets viewed to be safer, such as gold.

Commodity Price Movements



Source: NDB Wealth Research

REAL ESTATE OUTLOOK

- The Sri Lankan condominium market has had to face yet another slowdown in aide of the general uncertainty that prevails in the island, followed by the drastic devaluation of the rupee coupled with the high cost of funding and unavailability of funds in the market.

- Several real-estate developers have indicated that monthly sales of apartments have dropped from 8 – 9 per month to 1 – 2-unit sales per month per development currently.

- The rupee depreciation has had a direct impact on the apartment sales in the local market, due to most luxury high end properties been priced in USD, therefore with the prevailing currency devaluation there has been a close to 20% cost increase to the local buyer (LKR depreciated 18.8% during 2018 against the USD).

- Further, it is expected that a VAT is to be implemented on the sale of condominiums by 1st April 2019. This is expected to have a price impact in the range of 8% – 10%.

- In this regard, if there is a prolonged slowdown in the condominium sales, there might be units for sales at a bargain price especially amongst the smaller developers. This might not hold true to larger developers due to better cash flows and balance sheet strength as they may maintain stocks on their balance sheets rather than opt for sales at discounted prices.

- The luxury condominium market continues to be the most lucrative for developers due to the favorable margins that they are enjoying. However, it is expected that this market will be over supplied by 2020. Luxury apartment stock available in the market is expected to reach 14,000 units by 2020 taking in to consideration developments that are currently in construction and approvals that have been granted (This is in contrast to the 4,000 units that were recorded during 2016).

- The gap in the market is for commercial real-estate, specifically grade “A” office space, remains under-supplied.

- Construction cost increasing due to currency devaluation and other affiliated cost in conjunction with the high cost of funding has deterred investors and developers alike. The rental yields will not be enough to cover the interest cost. According to property sector analysts the payback period for office space is generally in the range of 20 – 30 Years, in contrast to 3 – 5 years for luxury condo developments, making it a rational choice for developers to choose condominium developments as opposed to commercial developments.

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 December 2018									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.50%	-	7.00%	7.59%	8.75%	9.34%	9.92%	-	10.50%
Bank of Ceylon Islamic Business Unit - As of December 2018									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.95%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-Al Adalah Islamic Banking unit - As of October 2018									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	5.40%	-	6.63%	7.82%	9.24%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of September 2018 (Released Quarterly)									
Profit Sharing Ratio*	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.75%	-	9.00%	9.85%	10.65%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of December 2018									
Profit Sharing Ratio* *(3Mn - 50Mn)*	40:60	60:40	65:35	40:60	65:35	65:35	-	-	-
Distributed Profit	5.60%	7.05%	7.50%	8.00%	11.50%	11.50%	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of December 2018									
Profit Sharing Ratio*	32:68	52:48	52:48	52:48	55:45	62:38	62:38	-	-
Distributed Profit	6.43%	10.04%	11.65%	12.06%	12.26%	13.06%	13.26%	-	-
Commercial Leasing & Finance PLC- Islamic Finance – As of November 2018									
Profit Sharing Ratio*	35:65	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	5.00%	11.61%	11.84%	12.07%	12.31%	13.24%	13.47%	13.93%	14.63%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of November 2018									
Profit Sharing Ratio*	20:80	26:74	28:72	30:70	31:69	-	-	-	-
Distributed Profit	7.37%	9.58%	10.32%	11.06%	11.43%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of December 2018									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	5.48%	10.97%	11.33%	12.06%	12.06.%	12.24%	12.61%	12.79%	13.52%
Peoples Leasing Islamic Business Unit - As of December 2018									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.05%	-	8.07%	8.74%	10.09%	-	-	-	-

* 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 APRIL 2018

Finance and Insurance	Healthcare	Laxapana Batteries PLC	Namunukula Plantation PLC
Amana Takaful PLC	Asiri Surgical Hospitals PLC	Piramal Glass Ceylon PLC	Talawakelle Tea Estates PLC
Amana Takaful Life PLC	Ceylon Hospitals PLC (Durdans)	Printcare (Ceylon) PLC	Udapussellawa Plantations PLC
Amana Bank PLC	Singhe Hospitals PLC	Regnis(Lanka) PLC	Watawala Plantations PLC
Beverages and Food	Investment Trust	Royal Ceramic Lanka PLC	Hapugastanne Plantations PLC
Bairaha Farms PLC	Ascot Holdings PLC	Samson International	Power & Energy
Dilmah Ceylon Tea Company PLC	Lanka Century Investments PLC	Sierra Cables PLC	Lanka IOC PLC
Harischandra Mills PLC	Renuka Holdings PLC	Singer Industries (Ceylon) Plc	Lotus Hydro Power PLC
Nestle Lanka PLC	Land and Property	Swadeshi Industrial Works PLC	Panasian Power PLC
Raigam Wayamba Salterns PLC	Colombo Land & Development Company PLC	Swisstek Ceylon PLC	Vallibel Power Erathna PLC
Renuka Agri Foods PLC	Serendib Engineering Group PLC	Teejay Lanka PLC	Vidullanka PLC
Renuka Foods PLC	Manufacturing	Tokyo Cement (Company) PLC	Services
Tea Smallholder Factories PLC	Abans Electricals Plc	Richard Pieris Exports PLC	Lake House Printing & Publishers PLC
Three Acre Farms PLC	ACL Cables PLC	Motors	Paragon Ceylon PLC
Chemicals and Pharmaceuticals	ACL Plastics PLC	Autodrome PLC	Stores & Supplies
Chemanex PLC	Agstar Fertilizers PLC	C M Holdings PLC	Gestetner of Ceylon PLC
Haycarb PLC	Alufab PLC	Diesel & Motor Engineering PLC	Hunter & Company PLC
Industrial Asphalts (Ceylon) Plc	Alumex PLC	Sathosa Motors PLC	Telecommunications
J.L. Morison Son & Jones (Ceylon) PLC	B P P L Holdings PLC	United Motors Lanka PLC	Dialog Axiata PLC
Union Chemicals Lanka Plc	Bogala Graphite Lanka PLC	Plantations	Sri Lanka Telecom PLC
Construction & Engineering	Central Industries PLC	Aitken Spence Plantation Managements PLC	Trading
Access Engineering PLC	Ceylon Grain Elevators PLC	Balangoda Plantations PLC	C. W. Mackie PLC
Lankem Developments PLC	Chevron Lubricants Lanka PLC	Bogawantalawa Tea Estates PLC	Eastern Merchants PLC
Diversified Holdings	Dankotuwa Porcelain PLC	Elpitiya Plantations PLC	Office Equipment PLC
Expolanka Holdings PLC	Dipped Products PLC	Horana Plantations PLC	
Sunshine Holdings Plc	Kelani Cables PLC	Kahawatte Plantation PLC	
Footwear & Textiles	Lanka Aluminium Industries PLC	Kelani Valley Plantations PLC	
Ceylon Leather Products PLC	Lanka Ceramic PLC	Madulsima Plantations PLC	
Hayleys Fabric PLC	Lanka Tiles PLC	Malwatte Valley Plantations PLC	
Odel PLC	Lanka Walltiles PLC	Maskeliya Plantations PLC	

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

NOTE 1: The White List has taken to consideration the latest company financials and September 2017 Management Accounts

NOTE 2: No changes from the previous month's list

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

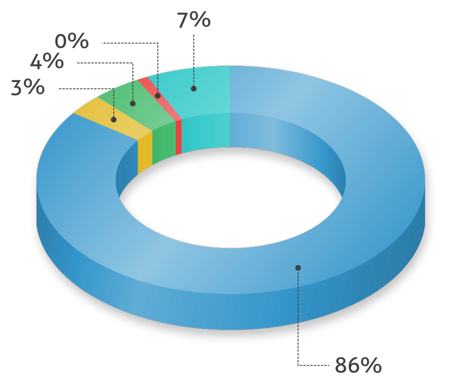
Type: Open Ended
Currency: LKR
Investments: Listed Equities
ISIN: LKNWGRU00005

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	30-Nov-18
YTD Yield	-6.70%
NAV per unit	10.2403
AUM (LKR Mn.)	211.86
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.64%
Max Equity Allocation	97.00%
Current Equity Allocation	85.38%
Fund Leverage	0.00%

Equity Allocation



Top 5 Portfolio Holdings (In Alphabetical Order)

- CENTRAL FINANCE COMPANY PLC
- COMMERCIAL BANK OF CEYLON PLC
- HATTON NATIONAL BANK PLC
- PEOPLES INSURANCE LTD
- SEYLAN BANK PLC

Historical Returns

Period	Fund Returns *	ASPI Returns
Last Month	1.20%	1.11%
Last 3 months	-2.68%	-1.00%
Last 6 months	-7.83%	-5.93%
Last 12 months	-7.25%	-6.12%
Year 2017	7.09%	2.26%
Year 2016	-0.92%	-9.66%

* After fees, excluding front end and back end loads

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	14.62%
Average Duration	0.1

Maturity	% Holding
1 Month - 3 Months	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

Fund Overview

NDB Wealth Growth and Income Fund

Type: Open Ended
Currency: LKR

Investments: Listed Equities and Corporate Debt
ISIN: LKNWGIU00004

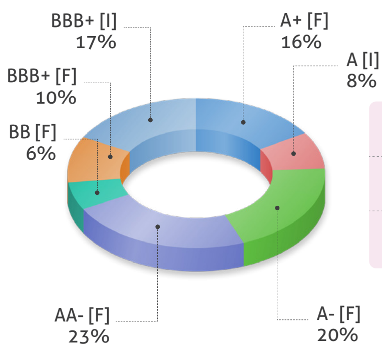
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing in a diversified portfolio of stocks of stable companies with a proven track record.

Fund Snapshot 30-Nov-18

YTD Yield	7.24%
NAV per unit	35.2393
AUM (LKR Mn.)	191.49
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.07%
Max Equity Allocation	97.00%
Current Equity Allocation	9.58%
Fund Leverage	0.00%

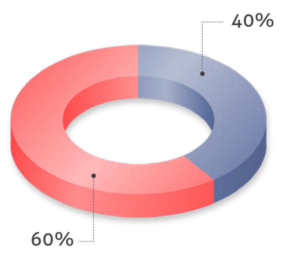
Portfolio Allocation

By Credit Rating



F - FITCH
I - ICRA
G - GOSL

By Equity Sector



Banks finance and insurance
Telecommunications

Top 4 Portfolio Holdings (In Alphabetical Order)

COMMERCIAL BANK OF CEYLON PLC
DIALOG AXIATA PLC
SAMPATH BANK PLC
SINGER FINANCE (LANKA) PLC

Historical Returns

Period	Fund Returns *	ASPI Returns
Last month	0.01%	1.11%
Last 3 months	0.73%	-1.00%
Last 6 months	3.06%	-5.93%
Last 12 months	8.11%	-6.12%
Year 2017	10.10%	2.26%
Year 2016	4.13%	-9.66%

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

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	90.42%
Average Duration	0.8

Maturity	% Holding
Under 1 Month	6.50%
1 Month - 3 Months	30.60%
3 Months - 6 Months	10.20%
6 Months - 1 Year	25.80%
1 Year - 5 Years	26.90%

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 : 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, Front-end fee : 1.5%.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Hatton National Bank PLC

Fund Overview

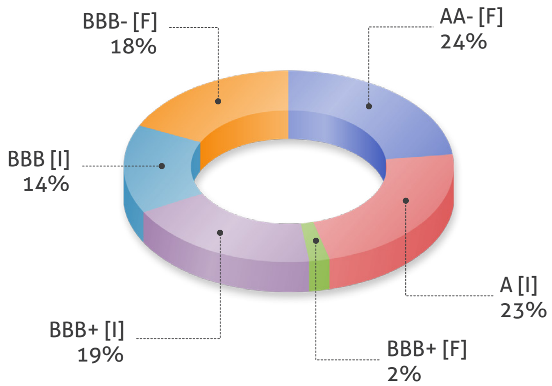
NDB Wealth Income Fund

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



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I - ICRA
G - GOSL

Fund Snapshot

Fund Snapshot	30-Nov-18
YTD Yield	8.73%
YTD Yield (Annualized)	9.54%
NAV per unit	12.3204
AUM (LKR Mn.)	280.37
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.33%
Average Maturity (Yrs)	2.15
Average Duration	1.56

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
1 Month - 3 Months	17.80%	13.20%
6 Months - 1 Year	40.60%	11.20%
1 Year - 5 Years	23.80%	12.30%
Over 5 Years	17.80%	12.00%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	8.73%	9.54%	10.05%
Last month	0.43%	5.26%	5.54%
Last 3 months	0.70%	2.80%	2.95%
Last 6 months	3.86%	7.70%	8.10%
Last 12 months	9.96%	9.96%	10.48%
Year 2017	14.34%	14.34%	15.10%
Year 2016	8.00%	8.00%	8.43%

* Reflects the equivalent return from a similar investment prior to deducting WHT of 5%

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

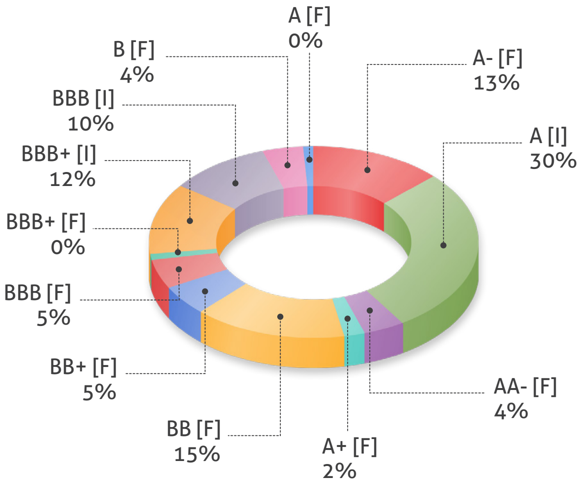
NDB Wealth Income Plus Fund

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



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I - ICRA
G - GOSL

Fund Snapshot	30-Nov-18
YTD Yield	11.07%
YTD Yield (Annualized)	12.09%
NAV per unit	13.3465
AUM (LKR Mn.)	885.08
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.69%
Average Maturity (Yrs)	0.32
Average Duration	0.3

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	10.80%	11.90%
1 Month - 3 Months	21.00%	11.70%
3 Months - 6 Months	43.20%	12.00%
6 Months - 1 Year	25.00%	12.20%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	11.07%	12.09%	12.73%
Last month	0.93%	11.33%	11.93%
Last 3 months	2.84%	11.41%	12.01%
Last 6 months	5.83%	11.63%	12.24%
Last 12 months	12.15%	12.15%	12.79%

* Reflects the equivalent return from a similar investment prior to deducting WHT of 5%.

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

Fund Overview

NDB Wealth Money Fund

Type: Open Ended
Currency: LKR

Investments: Short Term Government Securities
ISIN: LKNWMNU00002

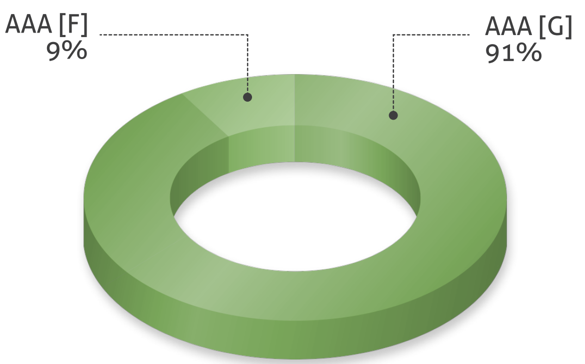
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka,invested in Government of Sri Lanka Treasury Bills, government securities backed Repurchase transactions and short term bank deposits.

The Fund aims to provide liquidity to investors by investing in short term high quality instruments with maturities less than 365 days which include government securities, government guaranteed securities and short term bank deposits with credit ratings of AA- and above.

Fund Snapshot

Fund Snapshot	30-Nov-18
YTD Yield	7.83%
YTD Yield (Annualized)	8.56%
NAV per unit	17.0790
AUM (LKR Mn.)	228.79
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.89%
Average Maturity (Yrs)	0.11
Average Duration	0.1

Portfolio Allocation By Credit Rating



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G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	91.30%	9.60%
1 Year - 5 Years	8.70%	11.90%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	7.83%	8.56%
Last month	0.70%	8.47%
Last 3 months	2.08%	8.36%
Last 6 months	4.23%	8.44%
Last 12 months	8.59%	8.59%
Year 2017	9.50%	9.50%
Year 2016	8.94%	8.94%

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

Fund Overview

NDB Wealth Money Plus Fund

Type: Open Ended
Currency: LKR

Investments: Money Market Corporate Debt Securities
ISIN: LKNWMPU00007

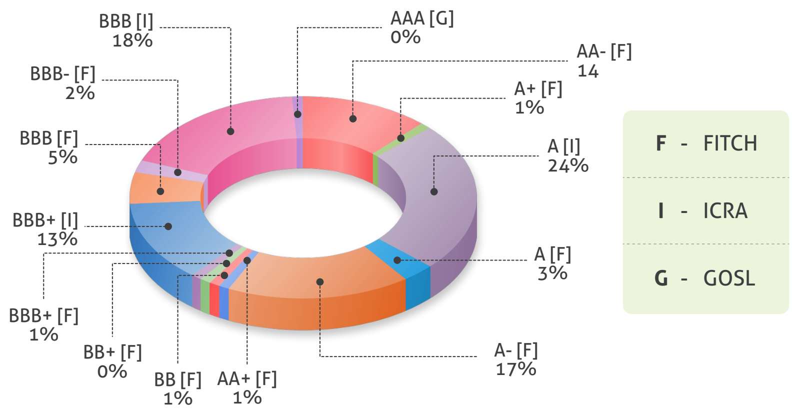
NDB Wealth Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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-Nov-18

YTD Yield	10.47%
YTD Yield (Annualized)	11.45%
NAV per unit	18.9929
AUM (LKR Mn.)	14,212.93
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.87%
Average Maturity (Yrs)	0.25
Average Duration	0.24

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	8.90%	12.00%
1 Month - 3 Months	49.20%	12.00%
3 Months - 6 Months	34.40%	12.60%
6 Months - 1 Year	7.50%	12.70%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	10.47%	11.45%	12.05%
Last month	0.92%	11.15%	11.74%
Last 3 months	2.76%	11.07%	11.66%
Last 6 months	5.56%	11.10%	11.68%
Last 12 months	11.47%	11.47%	12.07%
Year 2017	11.38%	11.38%	11.98%
Year 2016	8.81%	8.81%	9.27%

* Reflects the equivalent return from a similar investment prior to deducting WHT of 5%

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, et) 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

Fund Overview

NDB Wealth Islamic Money Plus Fund

Type: Open Ended
Currency: LKR

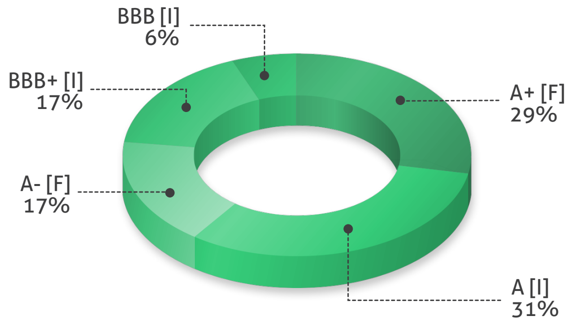
Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

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 compalaint securities.

Fund Snapshot

Fund Snapshot	30-Nov-18
YTD Yield	9.35%
YTD Yield (Annualized)	10.22%
NAV per unit	13.31
AUM (LKR Mn.)	202.32
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.24%
Average Duration	0.30

Portfolio Allocation By Credit Rating



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Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	21.09%	8.45%
1 Month - 3 Months	16.26%	11.70%
3 Months - 6 Months	53.23%	11.90%
6 Months - 1 Year	9.42%	11.80%

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%

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

Shariah Supervisory Board

Shafique Jakhura	Mufti
Muhammed Huzaifah	Maulana

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	9.35%	10.22%	10.76%
Last month	0.86%	10.49%	11.04%
Last 3 months	2.54%	10.19%	10.73%
Last 6 months	5.20%	10.37%	10.92%
Last 12 months	10.32%	10.32%	10.86%

* Reflects the equivalent return from a similar investment prior to deducting WHT of 5%

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

Fund Overview

NDB Wealth Gilt Edged Fund

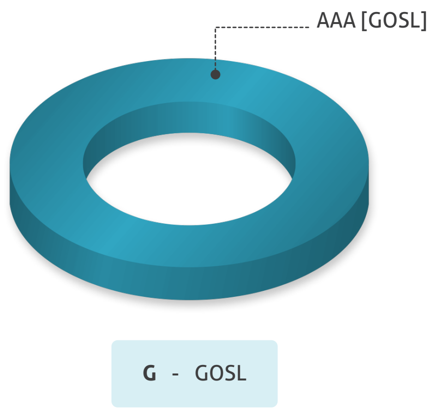
Type: Open Ended
Currency: LKR

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-Nov-18
YTD Yield	8.29%
YTD Yield (Annualized)	9.06%
NAV per unit	13.8122
AUM (LKR Mn.)	55.40
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	0.80%
Average Maturity (Yrs)	9.98
Average Duration	5.42

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	4.2%	8.90%
Over 5 Years	95.8%	12.40%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	8.29%	9.06%
Last month	1.45%	17.62%
Last 3 months	2.83%	11.34%
Last 6 months	4.95%	9.87%
Last 12 months	9.07%	9.07%
Year 2017	10.41%	10.41%
Year 2016	20.19%	20.19%

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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DISCLAIMER

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