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MARKET UPDATE AND FUND REVIEW

2019
NOVEMBER

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NDB | WEALTH

MARKET BRIEF BY NDB WEALTH

TAX BONANZA

A hoard of relief measures were made available late November, post the presidential election and the appointment of the new Cabinet of Ministers; amongst which the reduction of Value Added Tax (VAT) from 15% to 8%, removal of the 2% Nation Building Tax (NBT), increasing the PAYE threshold to LKR 250,000 per month and lowering the tax brackets of individuals to a maximum of 18% were the most notable. The government expects a decline of LKR 550 bn approx. on revenue collections in 2020, following these proposals.

INFLATION SLOWS

Inflation as measured by the CCPI (2013=100), slowed to 4.4% in November on a year-on-year basis from the previous month's 5.4% mainly owing to the base effect; when in fact the index was up 0.3% during the month as prices in the food category increased by 0.9%. Non-food prices however remained flat. We are of the view that the Central Bank will be able to manage inflation at mid-single digit levels this year, although, demand pull inflation may be a concern next year, once the benefits from the VAT reduction and other tax reliefs fully pass through to consumers.

RUPEE APPRECIATES

The Sri Lankan Rupee rose against the US Dollar (USD) in November by 0.65%, and remains a net gainer on a year-to-date basis at 1.28%. The Rupee also gained against the Pound Sterling, the Euro and the Japanese Yen. The Central Bank continues to be a net buyer of foreign exchange in the market in October amounting to USD 18 mn, whilst gross official reserves stood at approx. USD 7.8 bn at end October.

INTEREST RATES FALL

Interest rates declined across the board with the benchmark 364-day T-bill rate closing the month at 8.29% in November. The total foreign holding of LKR denominated bills and bonds continued to increase to 2.17%, as foreign investors were net buyers of Government securities amounting to LKR 8.3 bn during the month. We expect interest rates to see pressure owing to widening budget deficits and increasing credit growth unless the government is successful in raising funding from international markets.

STOCK MARKET RALLIES

Following the outcome of the presidential election and subsequent tax reliefs' provided by the new government, equities extended their rally with the All Share Price Index (ASPI) rising by 3.70% and the S&P SL 20 index expanding by 3.09% in November. Despite the buoyancy of local investors, foreigners continued to be net sellers amounting to LKR 6.42 bn during the month. Given current market conditions we expect the indices to be range-bound in the short-term on election uncertainties and foreign selling.

Amaya Nagodavithane
Fund Manager

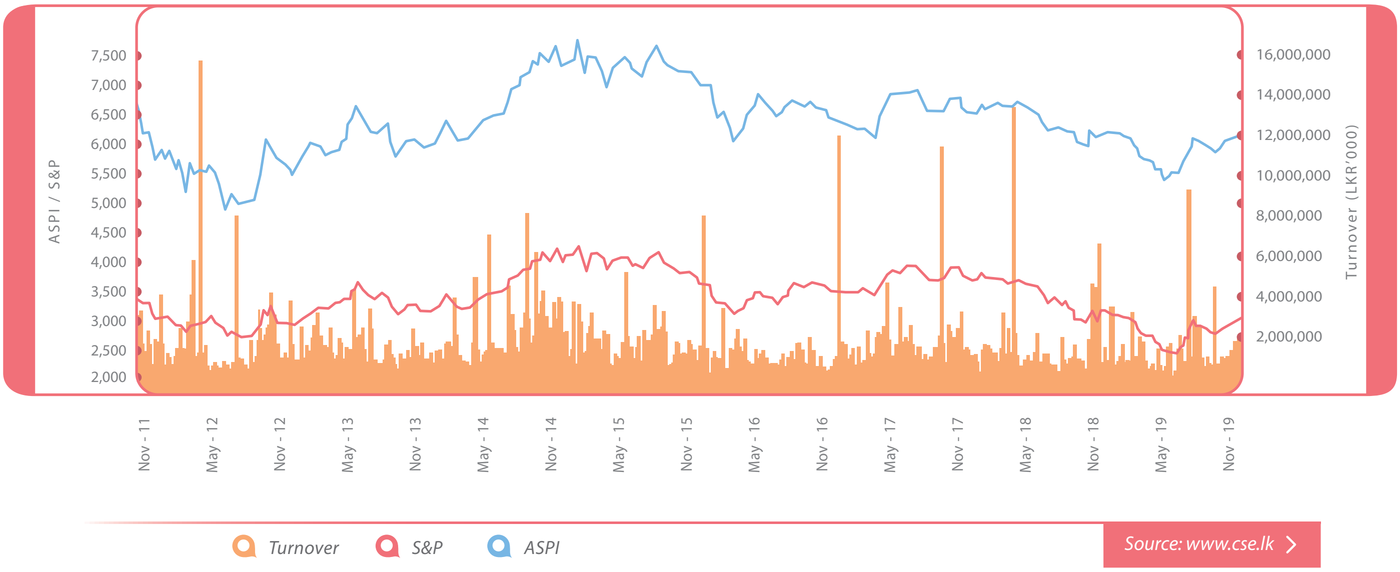
EQUITY OUTLOOK

	Past month Performance (1st Nov – 30th Nov 2019)	Past 12 months Performance (Nov 2018 – Nov 2019)	Year to Date Performance (1st Jan – 30th Nov 2019)
All Share Price Index	3.70%	3.20%	2.64%
S&P SL 20	3.09%	-3.35%	-2.01%
MSCI Frontier Markets Index	1.38%	10.10%	13.41%
MSCI World Index	2.79%	14.53%	23.96%
MSCI Emerging Markets	-0.14%	7.28%	10.20%
MSCI Asia Ex Japan	0.25%	7.79%	10.80%

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

- The two main indices of the Colombo Stock Exchange (CSE), All Share Price Index and S&P SL 20 Index continued to record impressive gains in November, post the Presidential elections results.
- The stock market reacted positively to the announcement of the tax cuts (VAT, PAYE, WHT and Income tax for certain sectors).
- Emerging market stocks declined by 0.14% in November 2019 in the face of further delays to ending the Sino-U.S. trade dispute.
- Concerns over breakdowns in a possible trade deal increased after U.S. President said a deal with China might have to wait until after the 2020 U.S. presidential election, while tariffs on Argentina and Brazil, as well as possible duties on French goods, added to investor concerns.
- According to Institute of International Finance (IIF), on a year to date basis, inflows of foreign investor money into emerging economies have been USD 261.3 billion up to November 2019. While inflows have increased by approximately 37% above the same period last year, it is still USD 90 billion shorter than comparable data in 2017.
- Emerging market stocks outside China saw a USD 3.9 billion outflow in November while the inflow to Chinese stocks jumped to USD 8.2 billion.

Colombo Stock Exchange Performance



Source: www.cse.lk

		Nov 2019	Nov 2018
CSE	Market PER	10.97 X	9.49 X
	Market PBV	1.15 X	1.18 X
	Market DY	3.13%	3.22%
MSCI Frontier Market	Market PER	13.09 X	13.12 X
	Market PBV	1.87 X	1.80 X
	Market DY	4.07%	3.94%

Source: www.cse.lk

CSE continued to witness foreign selling on liquid blue-chip counters.
Total net foreign selling for the year exceeded LKR 10.74 billion as at November 2019.

Net foreign selling for the month of November was LKR 6.42 billion.

Colombo Stock Exchange	Jan - Nov 2019	Jan - Nov 2018
Foreign Inflows	LKR 54.41 Billion	LKR 71.87 Billion
Foreign Outflows	LKR 65.15 Billion	LKR 89.95 Billion
Net Foreign Inflows/(Outflows)	**(LKR 10.74 Billion)**	**(LKR 18.08 Billion)**

Source: www.cse.lk

“ IF YOU CAN ENJOY
SATURDAYS AND SUNDAYS
WITHOUT LOOKING AT STOCK PRICES,
GIVE IT A TRY ON WEEKDAYS ”

— Warren Buffet —

FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

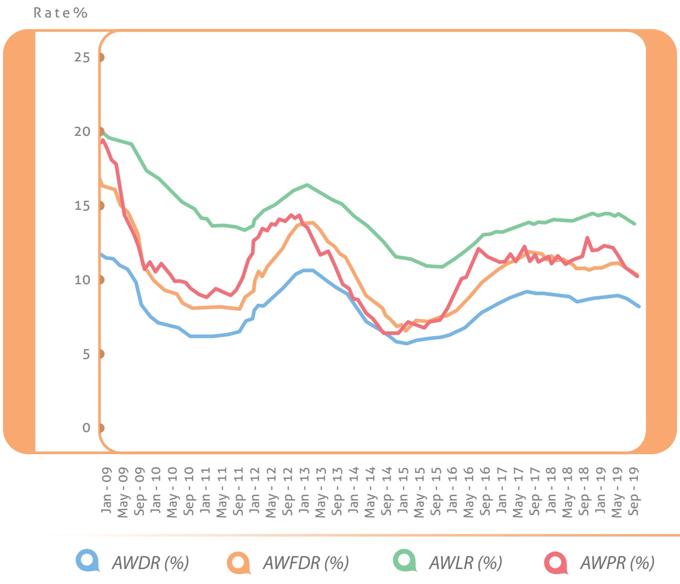
The Central Bank maintained the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 8.00% and 7.00% respectively at the monetary policy meeting held in November.

	Nov 18	Dec 18	Oct 19	Nov 19
364 Day T-bill	11.20%	11.20%	8.34%	8.29%
5-Year Bond	11.81%	11.56%	10.06%	9.84%
1-Year Finance Company Fixed Deposit Ceiling Rate	12.46%	12.46%	11.63%	11.63%

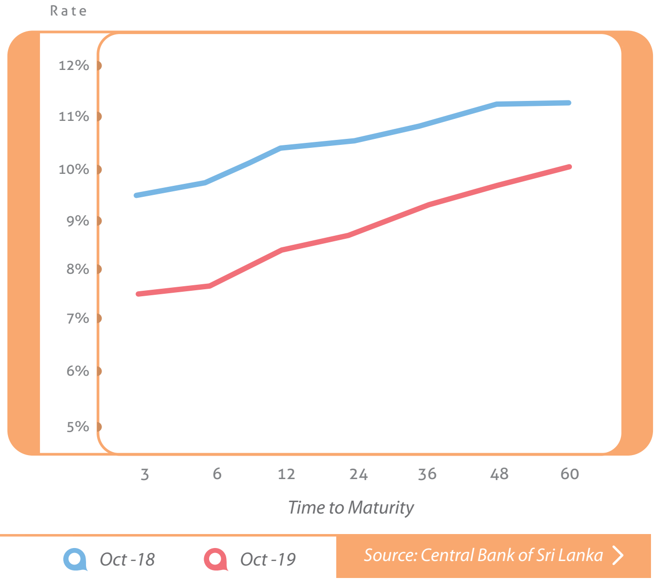
** Gross Rates provided. Net returns earned on Government Securities would vary depending on the individual's tax bracket while Fixed Deposits will be subject to a final WHT of 5% for individuals.*

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

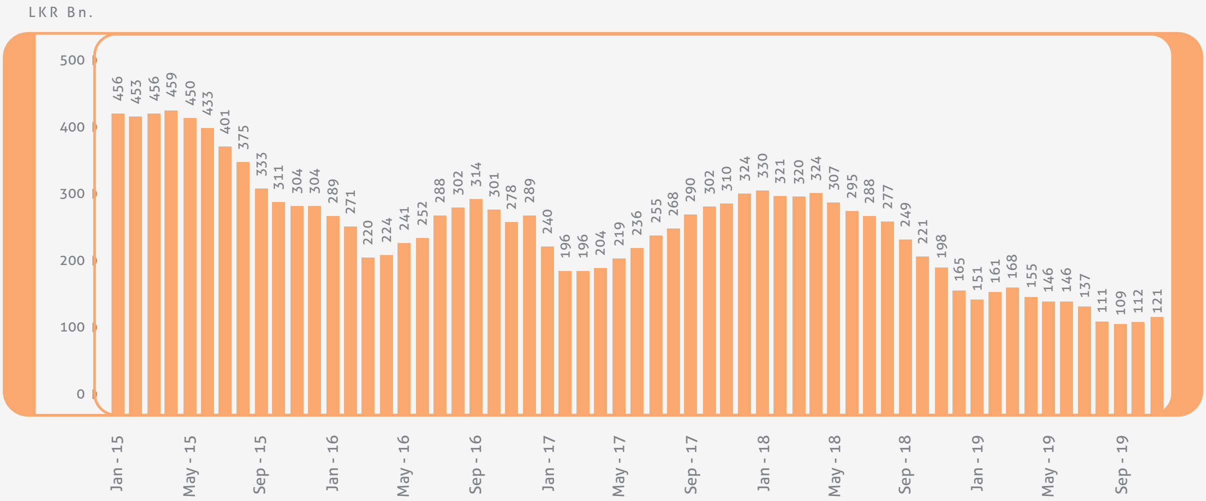
Treasury Bill rates decreased across the board with the benchmark 364-day T-Bill rate falling to 8.29% and the 91-day and 182-day T-Bill closing the month at 7.45% and 7.67% respectively.

Broad money (M2b) growth slowed to 6.70% year-on-year in October, from the previous month's 7.40% whilst credit extended to the private sector slowed to 5.10% year-on-year from 6.00% in September. During the month however, private sector credit disbursements were up by LKR 26.30 Bn (0.5% m-o-m).

Outstanding LKR Govt. Securities LKR 5,555 Billion	
T Bills (Total)	**T Bonds (Total)**
LKR 894 Billion	LKR 4,661 Billion
Domestic (Bills & Bonds)	**Foreign (Bills & bonds)**
LKR 5,434 Billion	LKR 121 Billion
Total Foreign Holding of Bills and Bonds: 2.17%	

Source: Central Bank of Sri Lanka

FOREIGN HOLDING OF LKR G-SEC



Source: Central Bank of Sri Lanka

The total foreign holding of LKR denominated bills and bonds continued to increase to 2.17%, as foreign investors were net buyers amounting to LKR 8.3 bn during the month. On a year-to-date basis however, foreign investors remained net sellers amounting to LKR 43.7 billion.

1 Year FD Rates – Sri Lankan Banks		
	Nov 2019	Oct 2019
NSB	9.83%	9.83%
COMB	9.00%	9.00%
SAMP	8.50%	8.50%
HNB	9.00%	9.00%
NDB	10.00%	10.00%

Rates on Credit Cards	Nov 19
HSBC	28.00%
SCB	28.00%
Sampath	28.00%
NDB	28.00%
AMEX	28.00%

Source: Respective Commercial Banks

Commercial banks maintained their fixed deposit rates during the month of November.

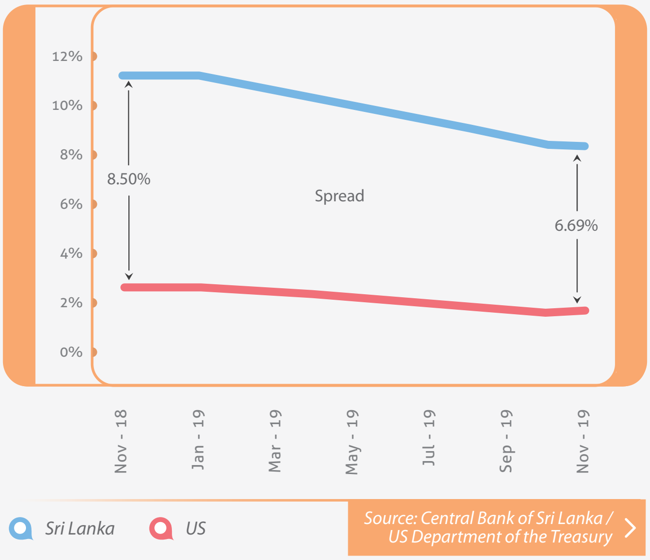
NDIB CRISIL Fixed Income Indices Total return as at 29/11/2019	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.93%	9.39%	8.98%
NDBIB-CRISIL 364 Day T-Bill Index	2.04%	11.91%	9.91%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	3.01%	17.24%	13.33%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	3.36%	19.99%	14.38%

Source: www.crisil.com

Central Bank Policy Rates	2016	2017	2018	Latest
Sri Lanka	7.00%	7.25%	8.00%	7.00%
US	0.50% - 0.75%	1.25% - 1.50%	2.25% - 2.50%	1.50% - 1.75%
Euro Zone	0.00%	0.00%	0.00%	0.00%
Australia	1.50%	1.50%	1.50%	0.75%
India	6.25%	6.00%	6.50%	5.15%

Source: www.cbrates.com

1 YEAR TREASURY RATE - USD Vs. LKR



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

Weighed down by slowing demand and trade tariffs, China's central bank cut its benchmark lending rate by 0.05% to 4.15%, with a view of driving down funding costs and stimulating the economy.

364 Day Treasury Bill Rate	Nov 18	Dec 18	Oct 19	Nov 19
Sri Lanka	11.20%	11.20%	8.34%	8.29%
India	7.22%	6.94%	5.32%	5.14%
US	2.70%	2.63%	1.53%	1.60%
Euro Zone	-0.70%	-0.75%	-0.69%	-0.63%

Source: Respective Central Banks

	Rates on Savings Accounts Nov 2019
Sri Lanka	4.00%
US	0.03%
Euro Zone	0.11%
Australia	0.90%
India	3.50%

Source: Respective Commercial Banks

Global sovereign yields ended the month with mixed results. The US yield curve flattened whilst most other major yields drifted lower amid sluggish growth data, with China posting a notable slide in industrial profit growth.

“A GOOD FINANCIAL PLAN IS A ROAD MAP THAT SHOWS US WHERE WE COULD END UP IN THE FUTURE”

— NDB Wealth —

INFLATION RATES

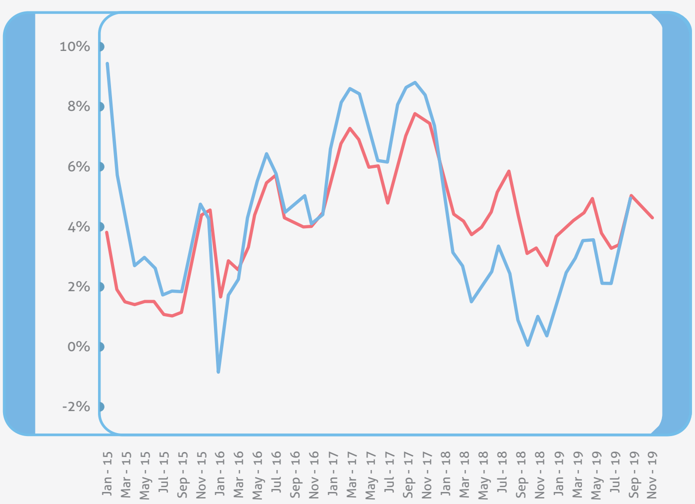
Country	Nov 18	Dec 18	Oct 19	Nov 19
Sri Lanka	3.27%	2.77%	5.38%	4.36%
US	2.18%	1.91%	1.76%	1.76%*
Euro Zone	1.92%	1.52%	0.73%	1.01%
India	2.33%	2.11%	4.62%	4.62%*

*Oct 2019

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

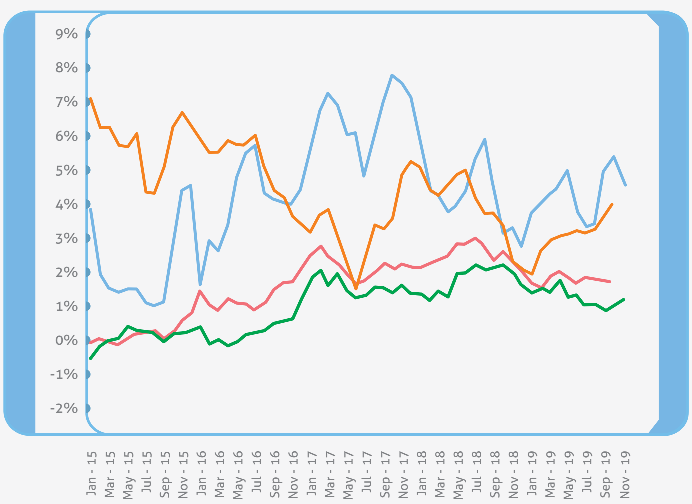
- Inflation as measured by the CCPI (2013=100), slowed to 4.4% in November on a year-on-year basis from the previous month's 5.4% mainly owing to the base effect. During the month however, the index was up 0.3% as prices in the food category increased by 0.9%. Non-food prices however remained flat. Within the food category prices of mainly rice, vegetables and coconut increased.
- On an annual average basis inflation increased marginally to 4.1% in November.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport), slowed to 5.1% year-on-year in November. On an annual average basis however, core inflation increased to 5.4%.
- We are of the view that the Central Bank will be able to manage inflation at mid-single digit levels this year.
- However, demand pull inflation may be a concern next year, once the benefits from the VAT reduction and other tax reliefs fully pass through to consumers.
- On the global front, both U.S. and Euro zone inflation increased to 1.76% and 1.01% year-on-year respectively.

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	Nov 18	Dec 18	Nov 19	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	179.67	182.75	180.43	-0.42%	1.28%
GBP	229.65	231.86	232.93	-1.41%	-0.46%
EURO	204.69	208.99	198.69	3.02%	5.18%
YEN	1.58	1.65	1.65	-3.84%	0.13%
AUD	131.50	128.87	122.09	7.71%	5.55%
CAD	135.29	134.08	135.81	-0.39%	-1.27%
INR	2.57	2.61	2.52	2.04%	3.43%
BHD	476.59	484.78	478.57	-0.41%	1.30%
CNY	25.89	26.57	25.66	0.89%	3.53%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee appreciated by 0.65% in November to close the month at LKR 180.43 per USD and continues to be a net gainer on a year-to-date basis at 1.28% against the USD.
- The Rupee also gained a considerable 0.75% against the Pound Sterling and 2.03% against the Euro during the month.
- The US Dollar lost against a basket of currencies on declining manufacturing and a slowdown in construction activity.
- The Pound Sterling advanced against the Euro, the US Dollar and other major currencies on expectation of a possible win for the conservative party in the U.K. General Elections as investors believe this outcome will be conducive to complete Britain's exit from the European Union by the end of January and to hold a budget in February.
- Emerging Asian currencies weakened against the US dollar, as uncertainty around the US-China trade deal remained.

USD PER 1 EURO MOVEMENT

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

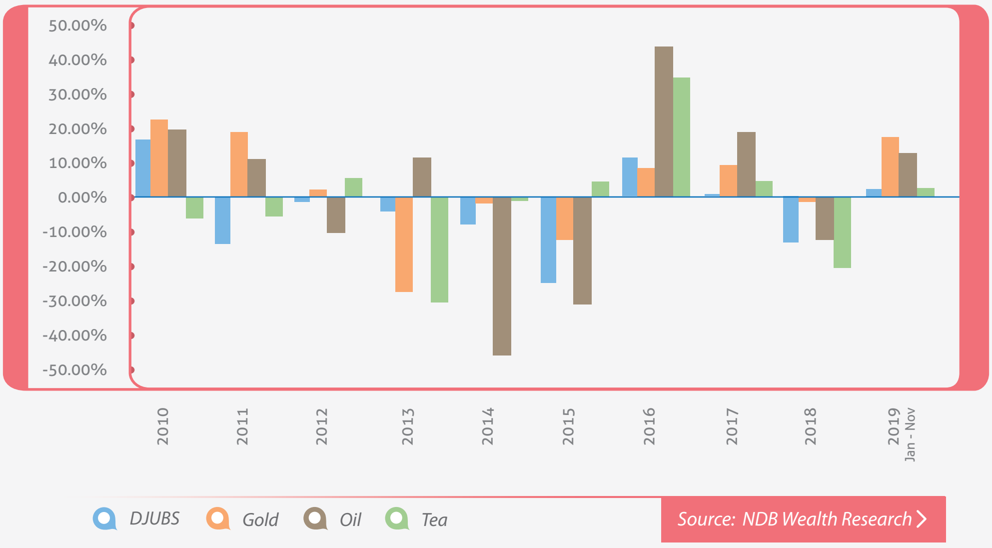
COMMODITY OUTLOOK

	Past month Performance (1st Nov – 30th Nov 2019)	Past 12 months Performance (Nov 2018 – Nov 2019)	Year to Date Performance (1st Jan 2019 – 30th Nov 2019)
Bloomberg Commodity Index	-2.69%	-6.60%	0.51%
Gold	-1.61%	20.49%	17.63%
Tea	8.28%	-4.66%	0.74%
Oil (Brent)	5.68%	-3.73%	11.12%

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

- The Bloomberg Commodity Index declined by 2.69% in November 2019. In spite of the sharp decline, the total gain on a year to date basis remains positive for 2019 thus far.
- Gold prices declined for the second consecutive month, despite the US-China trade negotiations encountering a few headwinds.
- In addition, US President Trump slapped tariffs on steel and aluminum imports from Brazil and Argentina, which raised concerns about the prospects for China negotiations.
- Crude oil prices rebounded from the sharp drop recorded in the previous month. It is widely expected that the current level of production cuts will be extended at the next OPEC meeting.
- Moreover, Iraq said that deeper production cuts are on the horizon, which contributed to the rise in oil prices in November.
- It is important to take in to account the trade war between US and China. A recovery or a growth in demand in 2020 will depend on how quickly China and the US can come to a resolution in their ongoing trade war.

Commodity Price Movements



Source: NDB Wealth Research

PROPERTY AND OTHER

- Post the presidential election, sweeping tax reductions were announced by the new Cabinet appointed by the president elect.
- Amongst the tax cuts announced, some of the more notable reliefs include:
  - The reduction of Value Added Tax (VAT) from 15% to 8% subject to certain exceptions.
  - Removal of the 2% Nation Building Tax (NBT)
  - Increasing the PAYE tax free threshold to LKR 250,000 per month and lowering the tax brackets of individuals to a maximum of 18%
  - Interest on with-holding tax (WHT) to be exempted up to interest income of Rs. 250,000 per month
- The government expects a decline of LKR 550 bn approx. on revenue collections in 2020, following these proposals.
- Accordingly, sale of condominiums which was previously subject to a VAT rate of 15% (w.e.f. April 01, 2019) and subsequently amended to 6% (w.e.f November 01, 2019) would now be subject to a VAT rate of 8% w.e.f. December 01, 2019.
- With the initial statement made on the tax reliefs, the Cabinet spokesperson also mentioned that Capital Gains Tax would be withdrawn. However no notice to the effect has been published by the Inland Revenue thus far.
- At a recently concluded breakfast forum at the Cinnamon Grand, Colombo, world renowned Emerging Market Investor Dr. Mark Mobius identified great potential for Sri Lanka with regard to foreign investor appeal in a multitude of sectors, including software and real estate. He believes that the ongoing trade war between the US and China will stand to benefit nations such as Sri Lanka and that while maintaining its independence, Sri Lanka should look to encourage China and India to invest and manufacture in the country.
- He further recommended that Sri Lanka should consider developing a mortgage market where owning property is made easier for potential investors. However, such markets have been a challenge to develop globally.

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 October 2019									
*Profit Sharing Ratio**	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.46%	-	8.02%	7.66%	9.81%	9.24%	9.81%	-	10.39%
Bank of Ceylon Islamic Business Unit - As of October 2019									
*Profit Sharing Ratio**	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.96%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-Al Adalah Islamic Banking unit - As of October 2019									
*Profit Sharing Ratio**	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	5.43%	-	6.64%	7.91%	9.21%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of September 2019 (Released Quarterly)									
*Profit Sharing Ratio**	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.70%	-	8.25%	8.75%	9.50%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of October 2019									
*Profit Sharing Ratio** *(3Mn - 50Mn)*	40:60	60:40	65:35	40:60	65:35	-	-	-	-
Distributed Profit	5.30%	6.50%	7.00%	7.50%	9.85%	-	-	-	-
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 October 2019									
*Profit Sharing Ratio**	30:70	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	5.69%	8.33%	9.03%	9.43%	10.83%	11.24%	11.44%	11.84%	12.24%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of October 2019									
*Profit Sharing Ratio**	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	6.47%	8.36%	9.17%	9.71%	10.25%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of September 2019									
*Profit Sharing Ratio**	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	5.07%	8.33%	8.79%	9.30%	10.31.%	11.49%	11.83%	12.17%	12.51%
Peoples Leasing Islamic Business Unit - As of October 2019									
*Profit Sharing Ratio**	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.11%	-	8.40%	9.10%	10.50%	-	-	-	-

* 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

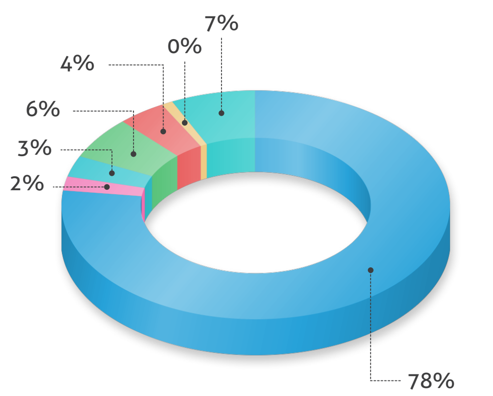
Investments: Listed Equities
ISIN: LKNWGRU00005

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-Oct-19
YTD Yield	-1.16%
NAV per unit	10.09
AUM (LKR Mn.)	188.61
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.56%
Max Equity Allocation	97.00%
Current Equity Allocation	94.61%
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	8.12%	4.39%
Last 3 months	-2.03%	0.92%
Last 6 months	14.04%	9.34%
Last 12 months	-0.28%	0.62%
Year 2018	-6.79%	-4.98%
Year 2017	7.09%	2.26%

* After fees, excluding front end and back end loads

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	5.39%
Average Duration	0.02

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

Fund Overview

NDB Wealth Growth and Income Fund

Type: Open Ended
Currency: LKR

Investments: Listed Equities and Corporate Debt
ISIN: LKNWGIU00004

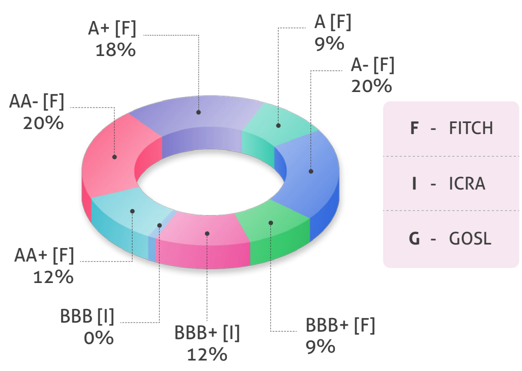
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing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

Fund Snapshot

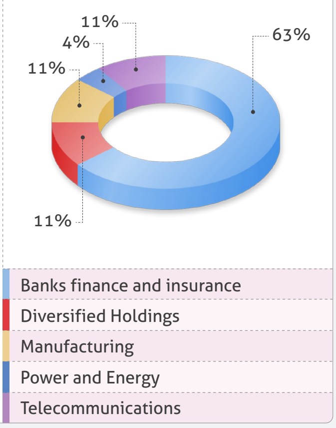
Fund Snapshot	31-Oct-19
YTD Yield	11.14%
NAV per unit	39.25
AUM (LKR Mn.)	252.16
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.95%
Max Equity Allocation	97.00%
Current Equity Allocation	43.95%
Fund Leverage	0.00%

Portfolio Allocation

By Credit Rating



By Equity Sector



Top 5 Portfolio Holdings (In Alphabetical Order)

- DIALOG AXIATA PLC
- HATTON NATIONAL BANK PLC
- JOHN KEELLS HOLDINGS PLC
- SAMPATH BANK PLC
- TOKYO CEMENT COMPANY (LANKA) PLC

Historical Returns

Period	Fund Returns*	ASPI Returns
Last month	4.60%	4.39%
Last 3 months	4.21%	0.92%
Last 6 months	8.78%	9.34%
Last 12 months	11.39%	0.62%
Year 2018	7.47%	-4.98%
Year 2017	10.10%	2.26%

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

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	56.05%
Average Duration	0.61

Maturity	% Holding
Under 1 Month	9.60%
1 Month - 3 Months	23.95%
3 Months - 6 Months	28.24%
6 Months - 1 Year	11.47%
1 Year - 10 Years	26.73%

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 Overview

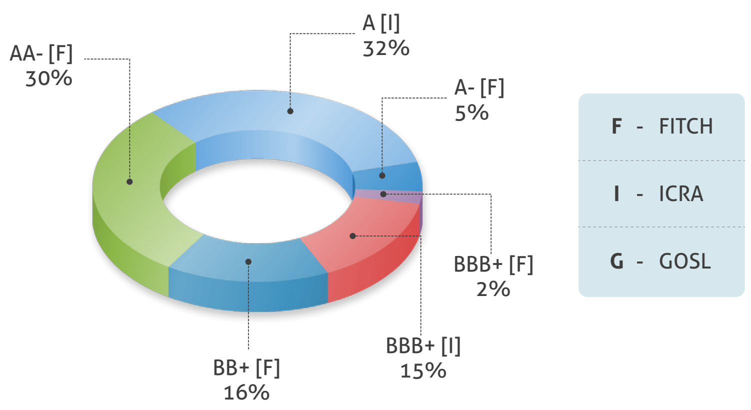
NDB Wealth Income Fund

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-Oct-19
YTD Yield	11.01%
YTD Yield (Annualized)	13.22%
NAV per unit	13.8221
AUM (LKR Mn.)	334.85
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.35%
Average Maturity (Yrs)	2.11
Average Duration	1.48

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	4.24%	11.12%
1 Month - 3 Months	9.34%	11.40%
3 Months - 6 Months	22.74%	12.30%
6 Months - 1 Year	6.70%	11.40%
1 Year - 10 Years	56.97%	13.30%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	11.01%	13.22%	13.92%
Last month	1.03%	12.16%	12.80%
Last 3 months	2.58%	10.24%	10.78%
Last 6 months	6.33%	12.56%	13.23%
Last 12 months	12.80%	12.80%	13.48%
Year 2018	10.00%	10.00%	10.52%
Year 2017	14.34%	14.34%	15.10%

* 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

Fund Overview

NDB Wealth Income Plus Fund

Type: Open Ended
Currency: LKR

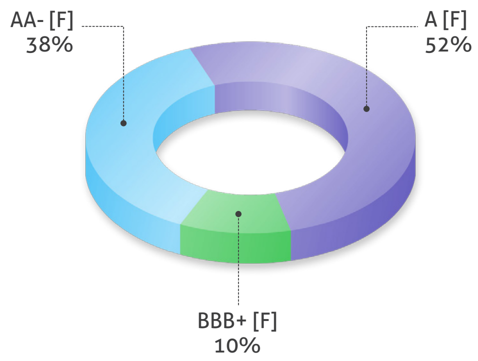
Investments: Fixed Income Securities
ISIN: LKNWIPU00005

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.

Fund Snapshot

Fund Snapshot	31-Oct-19
YTD Yield	10.10%
YTD Yield (Annualized)	12.13%
NAV per unit	14.8364
AUM (LKR Mn.)	177.70
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.75%
Average Maturity (Yrs)	0.45
Average Duration	0.43

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	10.84%	12.64%
3 Months - 6 Months	89.16%	12.00%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	10.10%	12.13%	12.77%
Last month	0.98%	11.49%	12.09%
Last 3 months	2.95%	11.70%	12.31%
Last 6 months	6.05%	12.01%	12.64%
Last 12 months	12.20%	12.20%	12.84%

* 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 Bank Deposits
ISIN: LKNWMNU00002

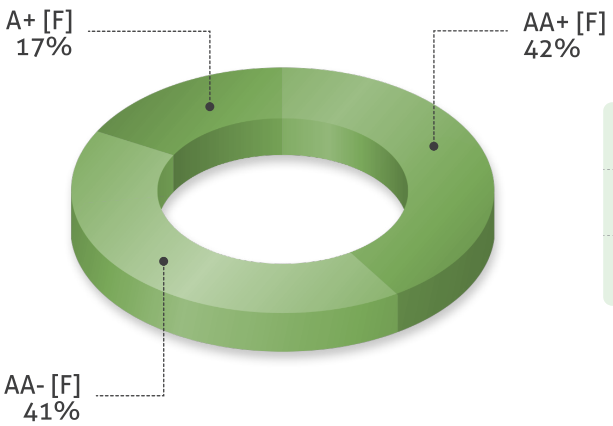
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short-term high credit quality LKR based bank deposits.

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-Oct-19
YTD Yield	8.56%
YTD Yield (Annualized)	10.28%
NAV per unit	18.6972
AUM (LKR Mn.)	167.15
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.99%
Average Maturity (Yrs)	0.16
Average Duration	0.16

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	35.05%	9.28%
1 Month - 3 Months	64.95%	10.80%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	8.56%	10.28%
Last month	0.80%	9.41%
Last 3 months	2.35%	9.33%
Last 6 months	4.87%	9.66%
Last 12 months	10.24%	10.24%
Year 2018	8.74%	8.74%
Year 2017	9.50%	9.50%

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

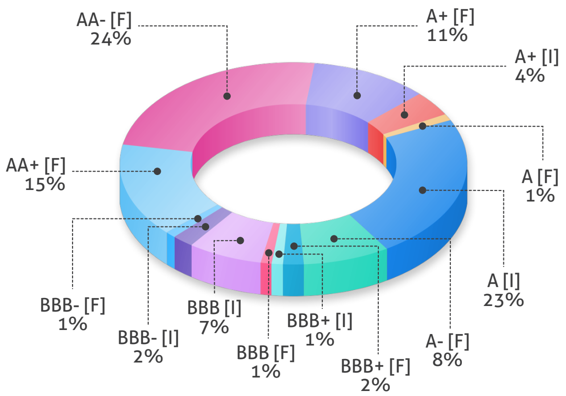
Type: Open Ended
Currency: LKR

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

Portfolio Allocation By Credit Rating



F -	FITCH
I -	ICRA
G -	GOSL

Fund Snapshot 31-Oct-19

YTD Yield	9.84%
YTD Yield (Annualized)	11.82%
NAV per unit	21.0616
AUM (LKR Mn.)	32,463.60
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.83%
Average Maturity (Yrs)	0.35
Average Duration	0.33

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	16.16%	9.20%
1 Month - 3 Months	20.39%	11.10%
3 Months - 6 Months	39.33%	11.60%
6 Months - 1 Year	24.13%	11.00%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	9.84%	11.82%	12.44%
Last month	0.87%	10.27%	10.81%
Last 3 months	2.66%	10.57%	11.13%
Last 6 months	5.68%	11.27%	11.87%
Last 12 months	11.91%	11.91%	12.53%
Year 2018	11.53%	11.53%	12.14%
Year 2017	11.38%	11.38%	11.98%

* 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, 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

Fund Overview

NDB Wealth Islamic Money Plus Fund

Type: Open Ended
Currency: LKR

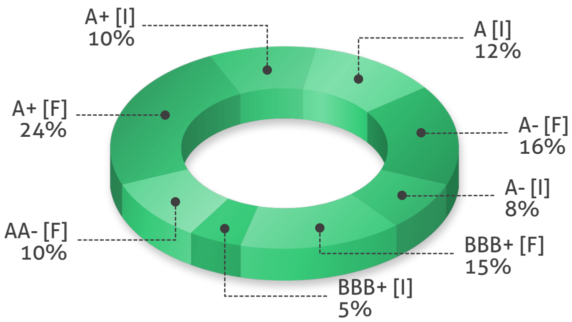
Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

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-Oct-19
YTD Yield	8.97%
YTD Yield (Annualized)	10.77%
NAV per unit	14.6315
AUM (LKR Mn.)	333.05
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.42%
Average Duration	0.28

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	22.82%	8.59%
1 Month - 3 Months	31.82%	10.30%
3 Months - 6 Months	27.10%	11.20%
6 Months - 1 Year	18.26%	10.60%

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	Equivalent Gross Return (Annualized)*
Year to Date	8.97%	10.77%	11.34%
Last month	0.79%	9.35%	9.84%
Last 3 months	2.45%	9.74%	10.25%
Last 6 months	5.20%	10.32%	10.87%
Last 12 months	10.84%	10.84%	11.42%

* 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

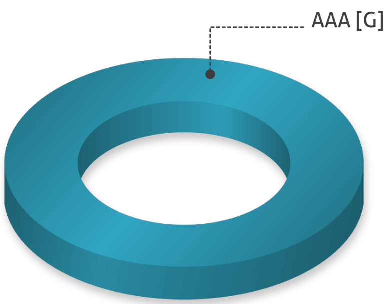
Investments: Government of Sri Lanka Securities
ISIN: LKNWGEU00003

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

Fund Snapshot	31-Oct-19
YTD Yield	17.89%
YTD Yield (Annualized)	21.48%
NAV per unit	16.7585
AUM (LKR Mn.)	61.44
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.58%
Average Maturity (Yrs)	0.01
Average Duration	0.01

Portfolio Allocation By Credit Rating



G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	100.0%	8.00%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	17.89%	21.48%
Last month	0.52%	6.17%
Last 3 months	1.43%	5.67%
Last 6 months	9.52%	18.88%
Last 12 months	23.09%	23.09%
Year 2018	11.45%	11.45%
Year 2017	10.41%	10.41%

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

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