ASSET MANAGEMENT

PRIVATE WEALTH MANAGEMENT

MY WEALTH MANAGEMENT

MARKET UPDATE AND FUND REVIEW

2019
DECEMBER

Click here for download

!t's time

NDB | WEALTH

MARKET BRIEF BY NDB WEALTH

INFLATION PICKS UP

Inflation as measured by the CCPI edged up to 4.8% in December 2019 on a year on year basis from 4.4% in November 2019. Sharp increase in food inflation was the main catalyst for the increase in headline inflation during the month. Core inflation, which excludes the more volatile features such as food, energy and transportation, however, declined to 4.8% on a year on year basis during the month of December compared to 5.1% in November 2019. We expect the Central Bank to manage headline inflation at mid-single digit levels around 4% - 6% in 2020.

SRI LANKAN RUPEE HELD ITS VALUE AGAINST THE USD

Sri Lankan Rupee appreciated by 0.16% against the US Dollar during the fourth quarter of 2019, resulting in an overall appreciation of 0.61% for the year 2019 (Sri Lankan Rupee depreciated by 16.36% against the US Dollar in 2018). During the final quarter of 2019, Sri Lankan Rupee appreciated against the Yen and the Indian Rupee, whilst it depreciated against the Euro and the Sterling Pound. The Central Bank was a net buyer of USD 390 million as at November 2019. Gross official reserves stood at USD 7.5 billion at end November 2019.

INTEREST RATES INCREASES

The benchmark 364-day Treasury bill rate increased to 8.45% in December 2019 from 8.29% in the previous month. During the month of December Sri Lanka witnessed foreign outflows from LKR denominated Government securities in excess of LKR 16 billion. As a result, the foreign holding of LKR denominated securities as at end of 2019 decreased to 1.87% from 3.1% at the beginning of 2019. Lower demand for private sector credit coupled with less pressure on domestic debt repayments during the first half may help the Central bank to maintain interest rates at current levels.

WEAK SENTIMENT CONTINUES

The two main indices of the Colombo Stock Exchange, the All share Price Index and S&P SL 20 index, ended the year with returns of 1.27% and -6.32%, respectively. In spite of the improved local sentiment, foreign investors continued to be net sellers in the market as total net foreign selling for 2019 exceeded LKR 11 billion. Given that the year 2020 is also an election year, we expect the market to be range-bound during the first half of the year.

Indika De Silva
Assistant Vice President

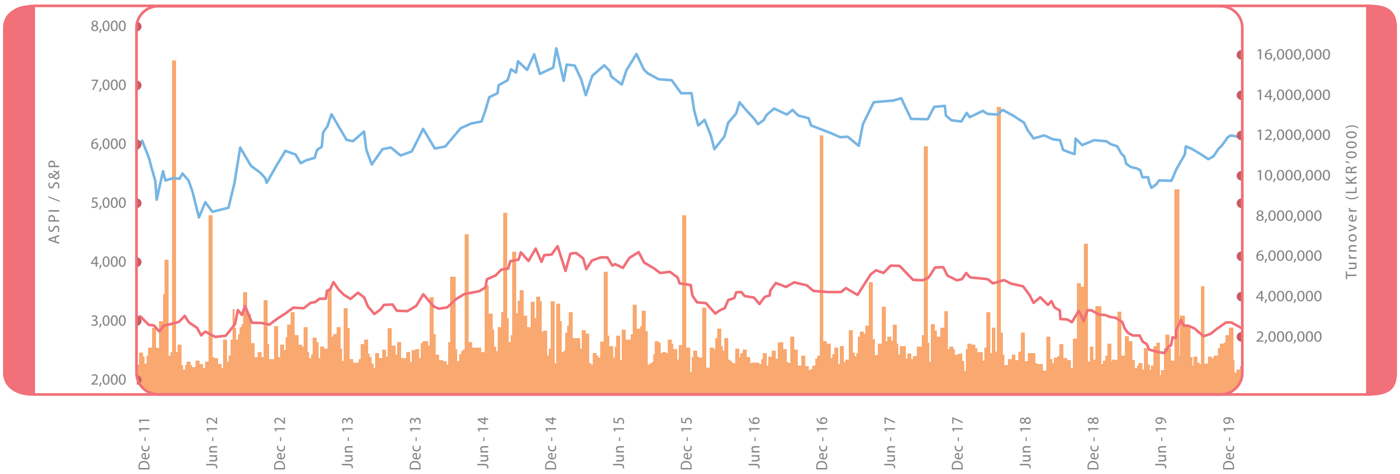
EQUITY OUTLOOK

	Past month Performance (1st Dec - 31st Dec 2019)	Past 12 months Performance (Dec 2018 - Dec 2019)	Year to Date Performance (1st Jan - 31st Dec 2019)
All Share Price Index	-1.33%	1.27%	1.27%
S&P SL 20	-4.40%	-6.32%	-6.32%
MSCI Frontier Markets Index	4.34%	18.34%	18.34%
MSCI World Index	3.00%	27.67%	27.67%
MSCI Emerging Markets	7.53%	18.88%	18.88%
MSCI Asia Ex Japan	6.65%	18.17%	18.17%

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

- The All Share Price Index and the S&P SL 20 Index, the two main indices of the Colombo Stock Exchange (CSE), recorded significant losses during December 2019; performing well below the benchmark MSCI Frontier Market Index.
- Rating downgrade by Fitch ratings coupled with continuous foreign selling on blue chips and the debt moratorium granted to SMEs may have led to the change in sentiment during December.
- A weaker US dollar and the US central bank's forecast for no interest rate increases in 2020 boosted emerging and frontier market equities in December.
- The final quarter of 2019 saw emerging markets stocks outperforming their developed market counterparts for the first time in 2019.
- However, economic analysts expect returns from emerging market equities during 2020 to fall short of those in 2019 as weaker growth in China is expected hamper equity returns in China, Taiwan and South Korea, which account for approximately 57% of the MSCI emerging market index.
- However, the outline of the first phase of the trade deal was recently announced and may lead to more positive market sentiment going forward.
- In addition to the macro-economic indicators, investor sentiment towards frontier and emerging markets will play a big role in determining the overall returns, mainly due to factors such as trade tensions and their impact on global economic growth rates.

Colombo Stock Exchange Performance



Source: www.cse.lk

		Dec 2019	Dec 2018
CSE	Market PER	10.83 X	9.65 X
	Market PBV	1.14 X	1.18 X
	Market DY	3.17%	3.09%
MSCI Frontier Market	Market PER	13.48 X	13.12 X
	Market PBV	1.94 X	1.80 X
	Market DY	3.92%	3.94%

Source: www.cse.lk

Foreign investors continued to be net sellers in the Colombo Stock Exchange with Net Foreign Selling for December 2019 standing at approximately LKR 1 billion.

Colombo Stock Exchange	Jan - Dec 2019	Jan - Dec 2018
Foreign Inflows	LKR 56.65 Billion	LKR 77.48 Billion
Foreign Outflows	LKR 68.37 Billion	LKR 100.26 Billion
Net Foreign Inflows/(Outflows)	**(LKR 11.72 Billion)**	**(LKR 22.78 Billion)**

Source: www.cse.lk

“ A GREAT COMPANY IS NOT
A GREAT INVESTMENT IF YOU PAY
TOO MUCH FOR THE STOCK ”

— Benjamin Graham —

FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

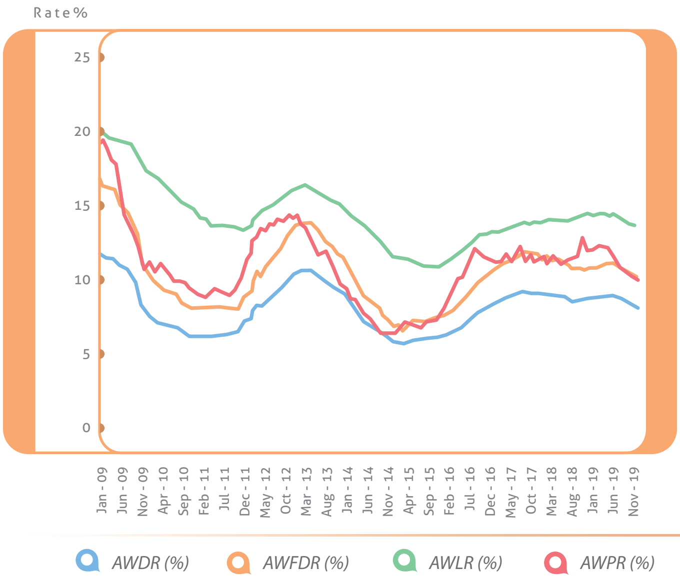
The Central Bank maintained the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 8.00% and 7.00% respectively, at the monetary policy meeting held in December.

	Dec 18	Nov 19	Dec 19
364 Day T-bill	11.20%	8.29%	8.45%
5-Year Bond	11.56%	9.84%	9.94%
1-Year Finance Company Fixed Deposit Ceiling Rate	12.46%	11.63%	11.63%

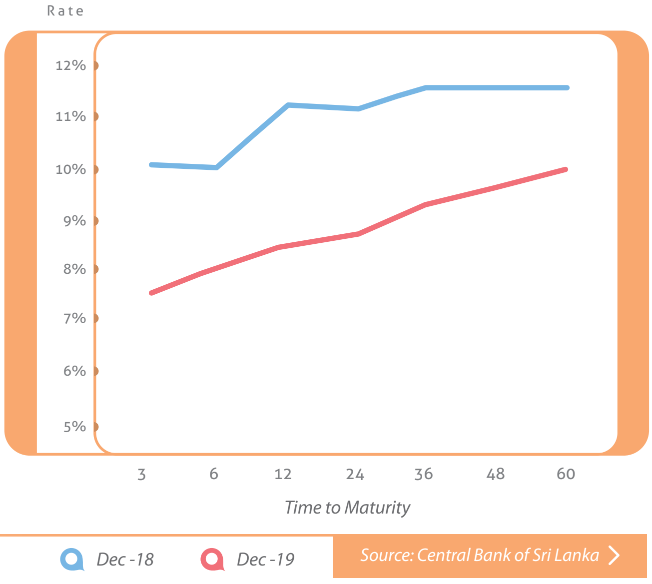
** Gross Rates provided. Net returns would change based on prevailing tax regulations.*

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

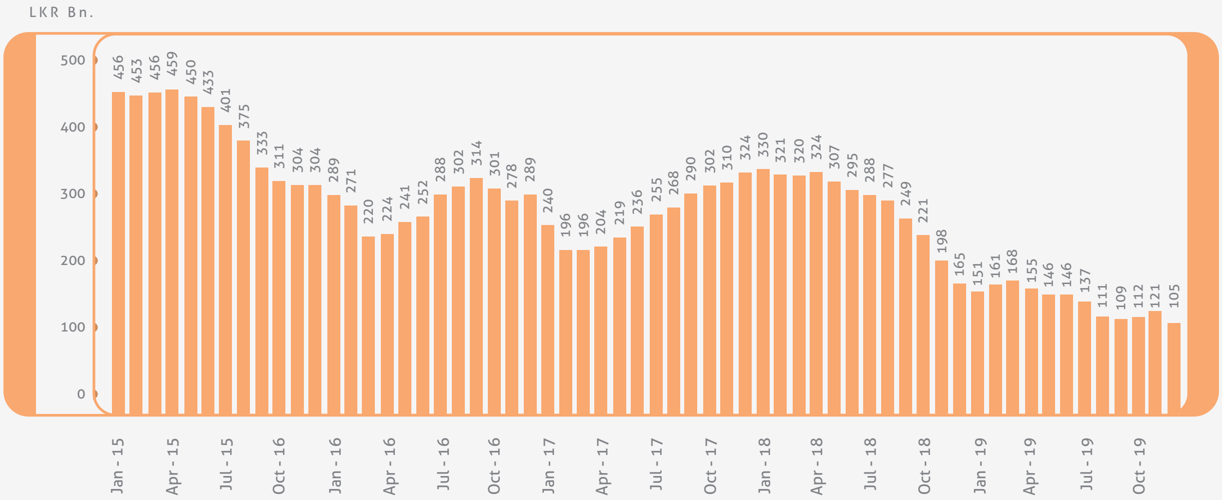
Treasury Bill rates increased across the board with the benchmark 364-day T-Bill rate rising to 8.45% and the 91-day and 182-day T-Bill closing the month at 7.51% and 8.02% respectively.

Broad money (M2b) growth slowed to 6.1% year-on-year in November, from the previous month's 6.7%. Credit extended to the private sector slowed considerably to 4.4% year-on-year from 5.1% in October mainly due to the base effect whilst private sector credit disbursements were up by LKR 47.1 Bn. (0.8% m-o-m) during the month of November.

Outstanding LKR Govt. Securities LKR 5,584 Billion	
T Bills (Total)	**T Bonds (Total)**
LKR 898 Billion	LKR 4,686 Billion
Domestic (Bills & Bonds)	**Foreign (Bills & Bonds)**
LKR 5,479 Billion	LKR 105 Billion
Total Foreign Holding of Bills and Bonds - 1.87%	

Source: Central Bank of Sri Lanka

FOREIGN HOLDING OF LKR G-SEC



Source: Central Bank of Sri Lanka

Reversing its upward trend, total foreign holding of LKR denominated bills and bonds fell to 1.87%, as foreign investors were net sellers amounting to LKR 16.1 bn in December. Foreigners also ended the year as net sellers amounting to LKR 59.8 billion.

1 Year FD Rates – Sri Lankan Banks		
	Dec 2019	Nov 2019
NSB	9.83%	9.83%
COMB	9.00%	9.00%
SAMP	8.50%	8.50%
HNB	9.00%	9.00%
NDB	9.25%	10.00%

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

Source: Respective Commercial Banks

NDB reduced its fixed deposit rates during the month of December to be on par with other banks, however, its FD rates still remain higher compared to the others.

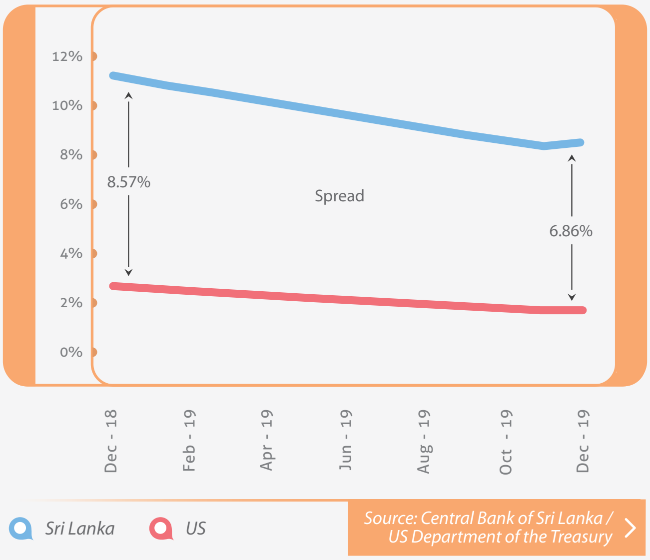
NDIB CRISIL Fixed Income Indices Total return as at 31/12/2019	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.92%	9.15%	8.95%
NDBIB-CRISIL 364 Day T-Bill Index	1.98%	11.32%	9.83%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	3.18%	17.22%	13.41%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	5.03%	20.42%	14.69%

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

The US Federal Reserve left its benchmark interest rate unchanged at its final policy meeting for 2019 whilst signaling that rates will be held stable through 2020 unless there is a sustained increase in inflation which may warrant an increase in interest rates.

364 Day Treasury Bill Rate	Dec 18	Nov 19	Dec 19
Sri Lanka	11.20%	8.29%	8.45%
India	6.94%	5.14%	5.29%
US	2.63%	1.60%	1.59%
Euro Zone	-0.75%	-0.63%	-0.66%

Source: Respective Central Banks

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

Source: Respective Commercial Banks

Central Bank's of Brazil, Turkey, Mexico and Russia all slashed their benchmark interest rates in December with a view of reviving growth in their sluggish economies.

“ DIVERSIFYING YOUR SOURCES OF INCOME SHOULD BE AN INTEGRAL PART OF YOUR FINANCIAL PLAN. ”

— NDB Wealth —

INFLATION RATES

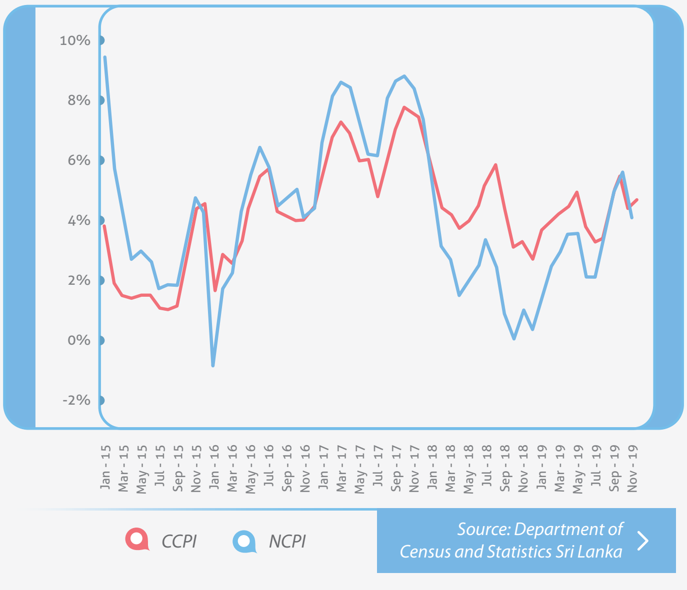
Country	Dec 18	Oct 19	Nov 19
Sri Lanka	2.77%	4.36%	4.83%
US	1.91%	2.05%	2.05%*
Euro Zone	1.52%	0.96%	0.96%
India	2.11%	5.54%	5.54%*

* Nov 2019

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

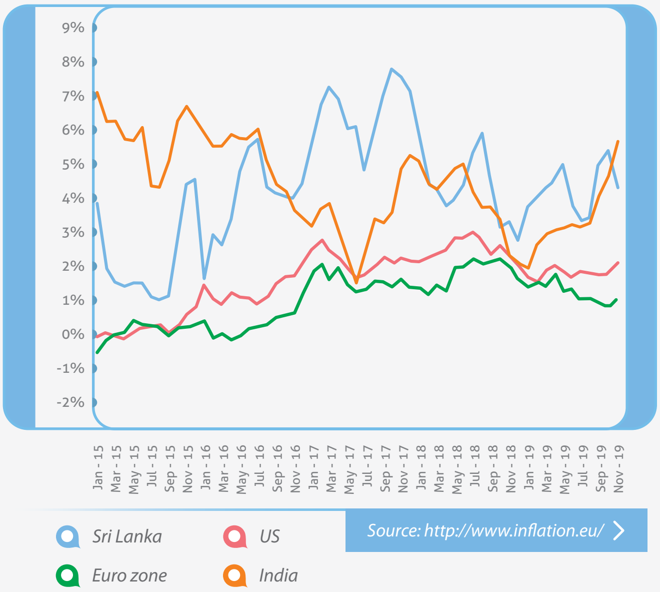
- Inflation as measured by the CCPI (2013=100), edged up to 4.8% in December on a year-on-year basis from the previous month's 4.4% mainly due to rising food prices.
- During the month the index was up 0.5% as prices in the food category increased by 2.4%. Non-food prices however, declined 0.2% in December.
- Within the food category prices of mainly vegetables, rice and sea fish increased whilst the sub categories of 'Communication' and 'Housing, Water, Electricity & Gas' dragged non-food prices down.
- On an annual average basis too inflation increased to 4.3% in December.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) slowed to 4.8% year-on-year in December.
- On an annual average basis however core inflation edged up to 5.5%.
- We are of the view that prices will see pressure in 2020 from current levels owing to demand pull inflation following the VAT revision and salary hikes driving consumption, however despite these fluctuations we believe the central bank will broadly be able to manage inflation around mid-single digit levels.
- On the global front, both US and Euro zone inflation increased to 2.05% and 0.96% 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 19	1 Year App/(Dep) LKR
USD	182.75	181.63	0.61%
GBP	231.86	238.46	-2.77%
EURO	208.99	203.67	2.61%
YEN	1.65	1.67	-1.30%
AUD	128.87	127.25	1.27%
CAD	134.08	139.21	-3.68%
INR	2.61	2.55	2.49%
BHD	484.78	481.78	0.62%
CNY	26.57	26.03	2.08%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee depreciated in December by 0.66% against the USD. However, it closed the year on a positive note, recording an overall appreciation of 0.61% to end the year at LKR 181.63 per USD in 2019.
- The Rupee also gained a considerable 2.62% against the Euro, however lost 2.77% against the Pound Sterling in 2019.
- The U.S. Dollar Index recorded its smallest annual increase in 2019, up just 0.24% for the year after a drop in December reversed early gains as trade hopes and investor confidence weakened demand for the safe-haven asset.
- The Euro, Pound Sterling and several other trade sensitive currencies edged up against the US Dollar as investor optimism about global growth prospects and the possibility of agreeing on Phase one of the US-China trade deal appeared to be improving.
- Most Asian currencies ended the year on a firm note on upbeat factory data coming in from China and on positive developments surrounding the US-China trade deal.

USD PER 1 EURO MOVEMENT

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

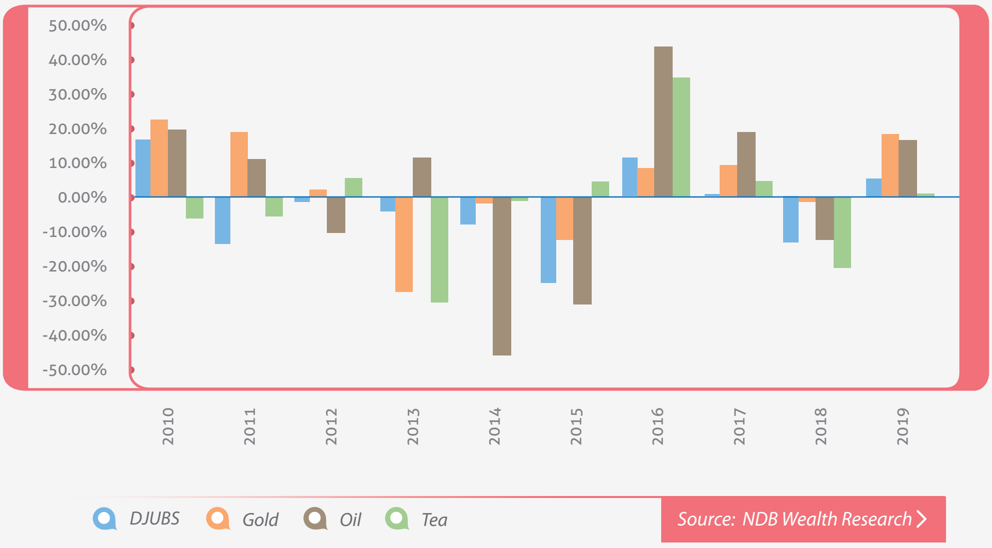
COMMODITY OUTLOOK

	Past month Performance (1st Dec - 31st Dec 2019)	Past 12 months Performance (Dec 2018 - Dec 2019)	Year to Date Performance (1st Jan 2019 - 31st Dec 2019)
Bloomberg Commodity Index	4.90%	5.44%	5.44%
Gold	0.57%	18.29%	18.29%
Tea	0.58%	0.90%	0.90%
Oil (Brent)	4.96%	16.63%	16.63%

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

- The Bloomberg Commodity Index recorded a significant gain of 4.90% in December 2019, resulting in a year to date return of 5.44% for 2019. This was only the third occasion during the decade the index has recorded a positive return.
- Commodities are expected to benefit from the US - China phase-one pact, as renewed optimism may lead to a sustainable demand for commodities in 2020 compared to 2019.
- Conditions in China, the top raw-material user, are also picking up as the nation's economic performance improved in December for the first time in eight months, according to earliest-available indicators compiled by Bloomberg.
- Crude oil prices (Brent) rose to its highest since July, with prices up 16% this year as the OPEC plus group of producers presses on with supply curbs.
- Traditional safe haven assets such as gold gained over 18% during the last 12 months even as the risk-on mood prevails mainly due to the global uncertainties which took place in 2019.

Commodity Price Movements



Source: NDB Wealth Research

PROPERTY AND OTHER

- The recently reappointed Prime Minister Mahinda Rajapaksa officially opened the Colombo port city for investors on 7th December 2019, adding 269 hectares of the reclaimed land to the Sri Lankan land mass.
- The Port City project is the single largest foreign direct investment project in the island and is in line with the Belt and Road Initiative, a global project initiated by the Chinese government.
- The project was inaugurated under the presidency of President Mahinda Rajapaksa on 17th September 2014 with the presence of Chinese President Xi Jinping and under the initial project terms the initial investment by the project company China Harbour Engineering Company (CHEC) is USD 1.4 Billion.
- The liveable area of the Colombo Port City project is recognised as 178 hectares out of the 269 hectares claimed from the ocean. Amending the 2015 agreement to grant 106 hectares of land (20 hectares free-hold and 88 hectares on 99 year lease) to the Chinese, a new tripartite agreement between the UDA, CHEC Port City and Megapolis and Western Development Ministry, granted 116 hectares on a 99-year lease to CHEC Port City in 2016.
- The development of the port city will be under five different districts including the Financial District, Central Park Living, Island Living, The Marina and the International Island.
- The land will be sold under a tender process in conjunction with the project company and the government. Further, the project expects USD 2.0 Billion investments for the building projects in the Financial Districts. Already an MOU has been signed with the Government to develop a USD 1 Billion worth building complex.
- Phase two of the project has already commenced to develop the highways, electricity, water systems and common amenities.

TAX Revisions - 2020

- The newly appointed government granted tax reductions across many sectors. Some revisions applicable until the end of the March quarter are given below.
- Under the new directive, the threshold for pay-as-you earn tax deductible from employees was sharply raised to LKR 250,000 a month. For employees earning over the threshold, PAYE will be deducted as follows:
  - 6% for income between LKR 250,000 and LKR 500,000 per month less LKR 15,000
  - 12% for income over LKR 500,000 and LKR 750,000 per month less LKR 45,000
  - 18% for income over LKR 750,000per month less LKR 90,000
- Employment income is defined as salary, allowances and benefits which include annual bonuses.
- Income generated from second employment will be taxed at 5% if it is below LKR 50,000 and 10% if higher.
- With-holding tax of 5% to be deducted only if the aggregate interest from all accounts maintained in the financial institution exceeds Rs. 250,000 per month and will be deductible on the excess over Rs. 250,000.

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 November 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 November 2019									
*Profit Sharing Ratio**	45:55	-	-	-	-	-	-	-	-
Distributed Profit	4.10%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-Al Adalah Islamic Banking unit - As of November 2019									
*Profit Sharing Ratio**	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	5.06%	-	6.33%	7.65%	8.50%	-	-	-	-
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 November 2019									
*Profit Sharing Ratio** *(3Mn - 50Mn)*	40:60	60:40	65:35	40:60	65:35	-	-	-	-
Distributed Profit	5.25%	6.00%	7.00%	7.50%	9.90%	-	-	-	-
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 November 2019									
*Profit Sharing Ratio**	30 :70	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	6.05%	8.88%	9.38%	9.88%	11.63%	12.38%	12.74%	12.88%	13.63%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of November 2019									
*Profit Sharing Ratio**	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	6.68%	8.28%	9.08%	9.62%	10.15%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of November 2019									
*Profit Sharing Ratio**	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	5.19%	8.65%	9.00%	9.52%	10.55.%	11.77%	12.11%	12.46%	12.80%
Peoples Leasing Islamic Business Unit - As of November 2019									
*Profit Sharing Ratio**	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.11%	-	8.38%	9.08%	10.48%	-	-	-	-

* 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

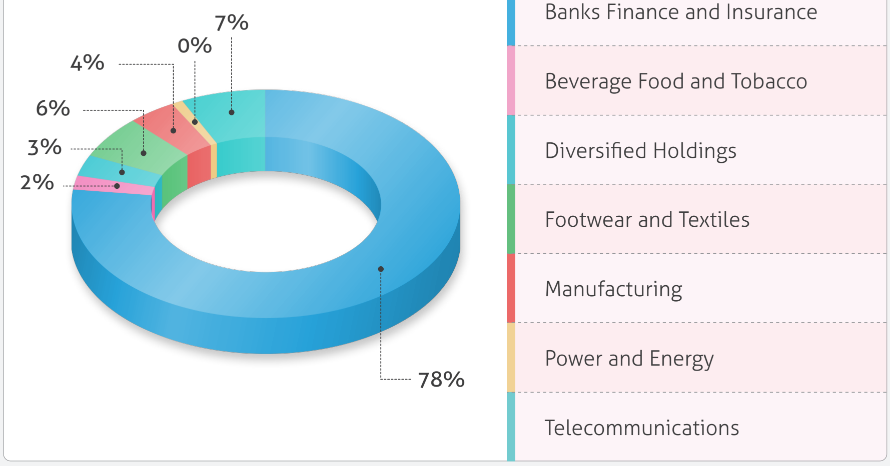
Type: Open Ended
Currency: LKR
Investments: Listed Equities
ISIN: LKNWGRU00005

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 30-Nov-19

YTD Yield	2.62%
NAV per unit	10.48
AUM (LKR Mn.)	197.68
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.53%
Current Equity Allocation	99.18%
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	3.82%	3.70%
Last 3 months	3.57%	5.47%
Last 6 months	25.75%	16.97%
Last 12 months	2.30%	3.20%
Year 2018	-6.79%	-4.98%
Year 2017	7.09%	2.26%

* After fees, excluding front end and back end loads

Fixed Income Allocation

Current Fixed Income Allocation	0.82%
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

Disclaimer

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

Fund Overview

NDB Wealth Growth and Income Fund

Type: Open Ended
Currency: LKR

Investments: Listed Equities and Corporate Debt
ISIN: LKNWGIU00004

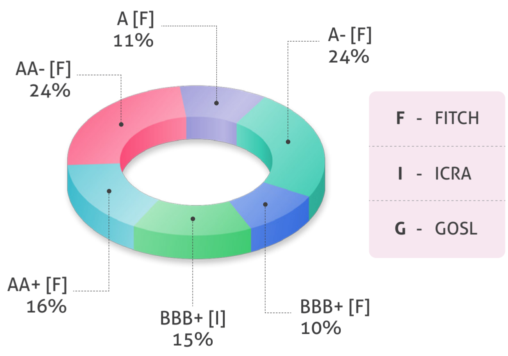
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing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

Fund Snapshot

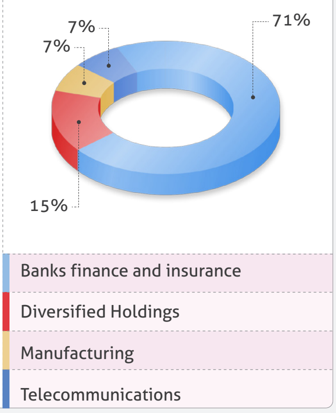
Fund Snapshot	30-Nov-19
YTD Yield	13.83%
NAV per unit	40.20
AUM (LKR Mn.)	326.25
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.95%
Max Equity Allocation	97.00%
Current Equity Allocation	56.74%
Fund Leverage	0.00%

Portfolio Allocation

By Credit Rating



By Equity Sector



Top 5 Portfolio Holdings (In Alphabetical Order)

- COMMERCIAL BANK OF CEYLON PLC
- HATTON NATIONAL BANK PLC
- JOHN KEELLS HOLDINGS PLC
- PEOPLE'S LEASING COMPANY PLC
- SAMPATH BANK PLC

Historical Returns

Period	Fund Returns*	ASPI Returns
Last month	2.42%	3.70%
Last 3 months	6.67%	5.47%
Last 6 months	9.95%	16.97%
Last 12 months	14.06%	3.20%
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	43.26%
Average Duration	0.52

Maturity	% Holding
Under 1 Month	19.93%
1 Month - 3 Months	32.06%
3 Months - 6 Months	18.24%
6 Months - 1 Year	14.61%
1 Year - 10 Years	15.17%

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

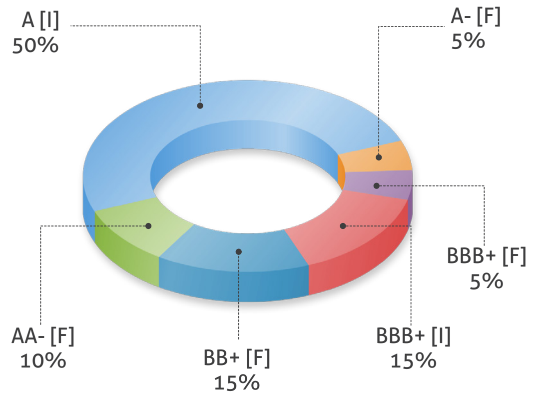
Investments: Corporate Debt Instruments
ISIN: LKNWINU00000

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.

Fund Snapshot

Fund Snapshot	30-Nov-19
YTD Yield	12.02%
YTD Yield (Annualized)	13.13%
NAV per unit	13.9468
AUM (LKR Mn.)	329.85
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.36%
Average Maturity (Yrs)	2.03
Average Duration	1.51

Portfolio Allocation By Credit Rating



F	FITCH
I	ICRA
G	GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	0.81%	7.60%
1 Month - 3 Months	22.41%	11.20%
3 Months - 6 Months	13.73%	13.00%
6 Months - 1 Year	8.42%	11.70%
1 Year - 10 Years	54.63%	13.20%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	12.02%	13.13%	13.82%
Last month	0.90%	10.98%	11.56%
Last 3 months	2.62%	10.53%	11.08%
Last 6 months	5.44%	10.84%	11.41%
Last 12 months	13.32%	13.32%	14.03%
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

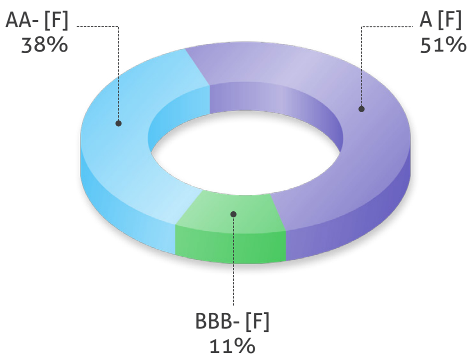
Type: Open Ended
Currency: LKR
Investments: Fixed Income Securities
ISIN: LKNWIPU00005

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	30-Nov-19
YTD Yield	11.13%
YTD Yield (Annualized)	12.17%
NAV per unit	14.9748
AUM (LKR Mn.)	181.54
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.76%
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	0.71%	7.60%
3 Months - 6 Months	99.29%	11.90%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	11.13%	12.17%	12.81%
Last month	0.93%	11.35%	11.95%
Last 3 months	2.88%	11.57%	12.18%
Last 6 months	6.00%	11.96%	12.59%
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

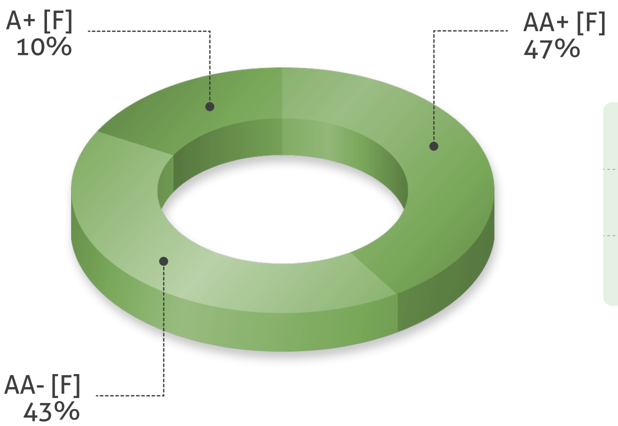
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short-term high credit quality LKR based bank deposits.

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	30-Nov-19
YTD Yield	9.40%
YTD Yield (Annualized)	10.27%
NAV per unit	18.8407
AUM (LKR Mn.)	162.94
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.99%
Average Maturity (Yrs)	0.10
Average Duration	0.10

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	32.79%	9.60%
1 Month - 3 Months	67.21%	10.70%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	9.40%	10.27%
Last month	0.77%	9.34%
Last 3 months	2.34%	9.38%
Last 6 months	4.81%	9.58%
Last 12 months	10.32%	10.32%
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

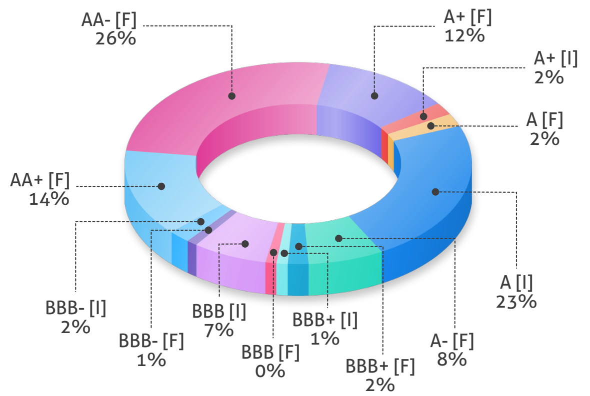
NDB Wealth Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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

Fund Snapshot 30-Nov-19

YTD Yield	10.76%
YTD Yield (Annualized)	11.76%
NAV per unit	21.2381
AUM (LKR Mn.)	32,990.59
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.83%
Average Maturity (Yrs)	0.31
Average Duration	0.29

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	12.77%	8.94%
1 Month - 3 Months	38.68%	11.40%
3 Months - 6 Months	31.08%	11.40%
6 Months - 1 Year	17.46%	11.00%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	10.76%	11.76%	12.38%
Last month	0.84%	10.19%	10.73%
Last 3 months	2.60%	10.41%	10.96%
Last 6 months	5.51%	10.98%	11.56%
Last 12 months	11.82%	11.82%	12.44%
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

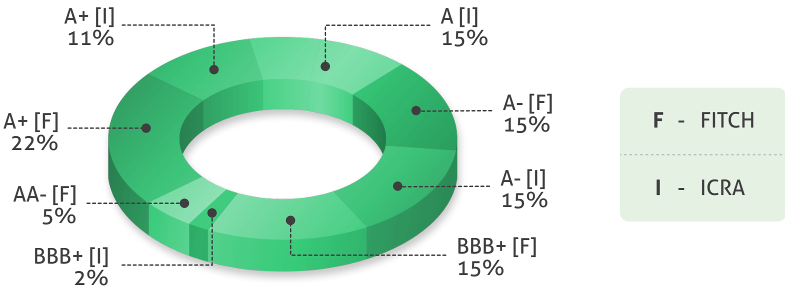
Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

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	30-Nov-19
YTD Yield	9.80%
YTD Yield (Annualized)	10.71%
NAV per unit	14.7429
AUM (LKR Mn.)	335.34
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.41%
Average Duration	0.26

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	14.70%	8.75%
1 Month - 3 Months	51.11%	11.30%
3 Months - 6 Months	19.03%	11.10%
6 Months - 1 Year	15.15%	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%

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	9.80%	10.71%	11.27%
Last month	0.76%	9.26%	9.75%
Last 3 months	2.37%	9.51%	10.01%
Last 6 months	5.04%	10.05%	10.58%
Last 12 months	10.73%	10.73%	11.30%

* 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

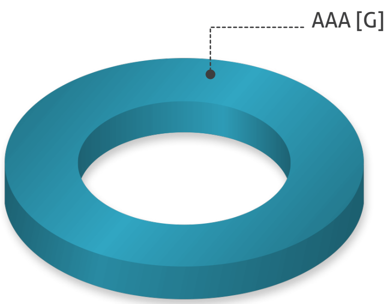
Investments: Government of Sri Lanka Securities
ISIN: LKNWGEU00003

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	30-Nov-19
YTD Yield	18.49%
YTD Yield (Annualized)	20.21%
NAV per unit	16.8437
AUM (LKR Mn.)	61.62
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.66%
Average Maturity (Yrs)	0.02
Average Duration	0.02

Portfolio Allocation By Credit Rating



G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	100.0%	8.10%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	18.49%	20.21%
Last month	0.51%	6.18%
Last 3 months	1.55%	6.21%
Last 6 months	5.75%	11.47%
Last 12 months	21.95%	21.95%
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

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