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MARKET UPDATE AND FUND REVIEW

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NDB | **WEALTH**

2020
FEBRUARY

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MARKET BRIEF BY NDB WEALTH

THE CORONAVIRUS STRIKES

The new Coronavirus (COVID-19) outbreak has been declared a 'global health emergency' by the World Health Organization, as the disease continues to spread outside China. Measures to contain the virus have wreaked havoc on supply chains, the world's economy and financial markets. The widespread impact on China, the world's second largest economy, is already having spillover effects and it now poses significant threats to global economic recovery in 2020.

Sri Lanka is expected to be directly impacted due to its dependency on China, with significant volumes of consumer goods, intermediate goods and investment goods being imported from China. The slowdown in global tourist movements, further exacerbated by lower arrivals from China, will hurt Sri Lanka's tourism sector. Negative impacts are also seen in the local export industry which is being disrupted by shortfalls in imported raw materials from China and reduced orders by foreign buyers as the virus spreads through Europe, Sri Lanka's largest export market. The exact impact on economies would largely depend on the extent of the global spread of COVID-19 and policy responses of major economies and trading partners.

INFLATION CONTINUES TO RISE

Inflation as measured by the CCPI (2013=100), accelerated further to 6.2% in February on a year-on-year basis from the previous month's 5.7% primarily due to the base effect. During the month the index was flat as food prices fell 0.2% and non-food prices rose 0.2%. We are of the view that there will be pressure on price levels from time-to-time. However, we believe the Central Bank will broadly be able to manage inflation around mid-single digit levels this year despite short-term volatilities.

RUPEE FALLS

The Sri Lankan Rupee lost against the US Dollar (USD) in February by 0.12% off-setting the previous month's gains. On a year-to-date basis the Rupee has lost 0.10%. The Rupee however gained a considerable 1.51% against the Pound Sterling and 0.25% against the Euro during the month. The Central Bank was a buyer of foreign exchange in the market in January amounting to USD 89 mn (net). Gross official reserves stood at approx. USD 7.9 bn as at end February 2020.

INTEREST RATES MANAGED

Interest rates were down marginally with the benchmark 364-day t-bill rate closing the month at 8.58% in February 2020. Foreign holding of LKR denominated bills and bonds were back on a declining trend, falling to 1.61% of outstanding government securities, with foreign investors selling LKR 16.69 bn (net) during the month. We expect interest rates to maintain at current levels in the short-term owing to policy action and subdued private sector credit growth, however pressure on rates may follow owing to widening budget deficits, unless the government is successful in raising funding from international markets.

STOCK MARKET DIPS

The stock indices took a beating in February, with the All Share Price Index (ASPI) and the S&P SL 20 index tumbling by 5.68% and 7.16% respectively amidst Coronavirus fears which sparked a sell-off in the market. Foreign investors were net-sellers amounting to LKR 1.08 bn during the month and LKR 4.06 bn on a year-to-date basis. Given the bleak outlook for the economy and weak market conditions we expect the stock market to be bearish in the short-term.

Amaya Nagodavithane

Fund Manager

EQUITY OUTLOOK

	Past month Performance (1st Feb - 29th Feb 2020)	Past 12 months Performance (Feb 2019 - Feb 2020)	Year to Date Performance (1st Jan - 29th Feb 2020)
All Share Price Index	-5.68%	-3.84%	-8.75%
S&P SL 20	-7.16%	-11.65%	-10.38%
MSCI Frontier Markets Index	-5.88%	5.41%	-5.93%
MSCI World Index	-8.45%	4.63%	-9.01%
MSCI Emerging Markets	-5.27%	-1.88%	-9.69%
MSCI Asia Ex Japan	-2.87%	0.11%	-7.19%

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

All Share Price Index (ASPI) and S&P SL 20 Index, the two main indices of the Colombo Stock Exchange (CSE), incurred significant losses in February 2020.

Continuous foreign selling due to weak global economic performance expectations coupled with policy uncertainty may have been the main catalysts for the continuous losses in the market.

Global financial markets are catching up to the threat of the spreading Coronavirus and are now starting to reflect the real risk that the virus may tip the global economy into recession, typically defined as global GDP growth of less than 2.5%.

The increased risk of a global pandemic could bring about major negative economic repercussions with consumer confidence decreasing and negatively impacting consumer spending and behavior. Corporate earnings are already seeing pressure from broken supply lines as China, the world's production center, struggles to get back to work.

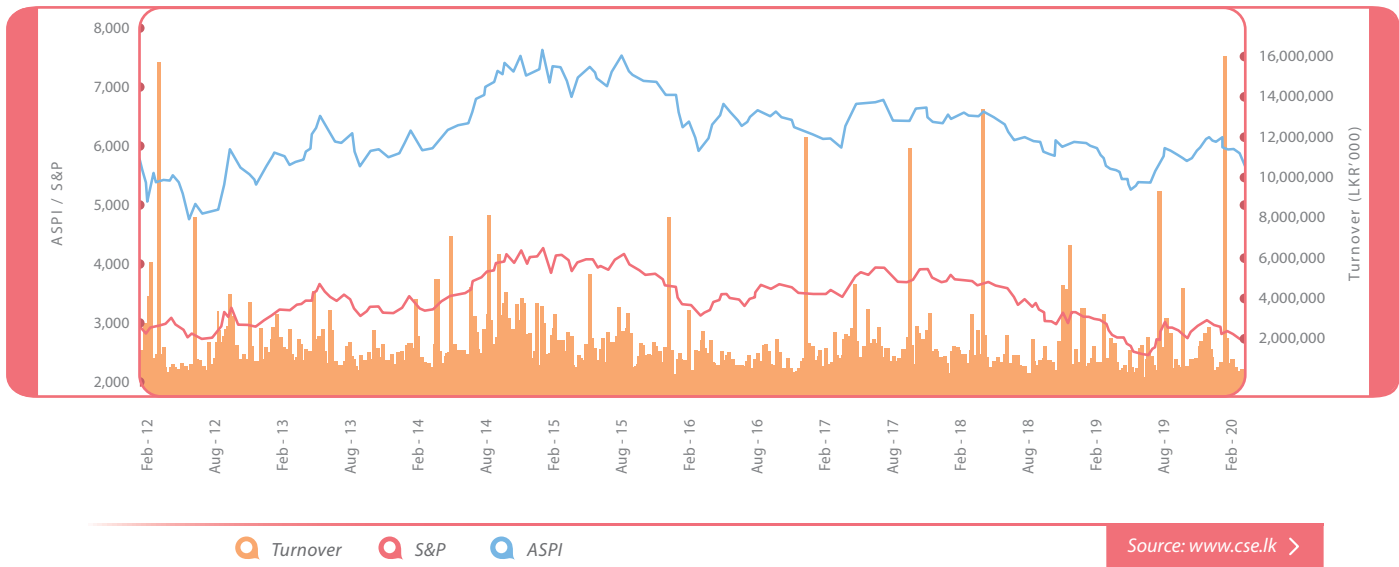
Since the SARS epidemic which originated in the region hit the global economy in 2003, China's overall importance in the global economy has grown. Today, China accounts for 17% of global GDP (versus 4% in 2003), 11% of global trade (vs 5% in 2003) and, most importantly for emerging market investors, 34% of the MSCI emerging market index (vs 8% in 2003).

Meanwhile, many other advanced economies are in recession or close to it, such as Japan, Germany, Italy (the country where the virus is most widespread in Europe) and post-Brexit UK.

In Emerging Markets, growth is very weak in South Korea, Thailand, Brazil, Russia, South Africa and Turkey to name a few countries, while Mexico, Argentina and Saudi Arabia are already effectively in recession.

Therefore, equity markets, especially frontier and emerging, may encounter a tough couple of quarters if not years before showing signs of recovery. As a result, risk aversion of foreign fund managers has led continuous outflows from these markets.

Colombo Stock Exchange Performance



		Feb 2020	Feb 2019
CSE	Market PER	10.23 X	9.10 X
	Market PBV	1.03 X	1.14 X
	Market DY	3.32%	3.42%
MSCI Frontier Market	Market PER	12.62 X	13.11 X
	Market PBV	1.80 X	1.81 X
	Market DY	4.14%	3.89%

Source: www.cse.lk >

CSE continued to witness foreign selling in February as net foreign selling exceeded LKR 1 billion during the month.

Colombo Stock Exchange	Jan - Feb 2020	Jan - Feb 2019
Foreign Inflows	LKR 29.07 Billion	LKR 10.07 Billion
Foreign Outflows	LKR 33.13 Billion	LKR 15.02 Billion
Net Foreign Inflows/(Outflows)	(LKR 4.06 Billion)	(LKR 4.95 Billion)

Source: www.cse.lk >

**“ THE GREATEST ENEMIES OF EQUITY
INVESTORS ARE EXPENSES AND EMOTIONS ”**

— Warren Buffet —



FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

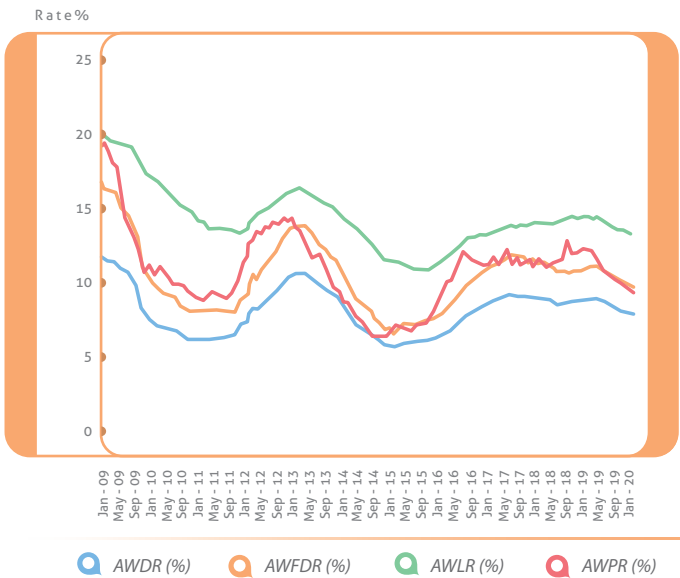
Since the monetary policy meeting in January the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) has been maintained at 7.50% and 6.50% respectively.

	Feb 19	Dec 19	Jan 20	Feb 20
364 Day T-bill	10.73%	8.45%	8.59%	8.58%
5-Year Bond	11.16%	9.94%	9.57%	9.73%
1-Year Finance Company Fixed Deposit Ceiling Rate	14.22%	11.63%	11.59%	11.59%

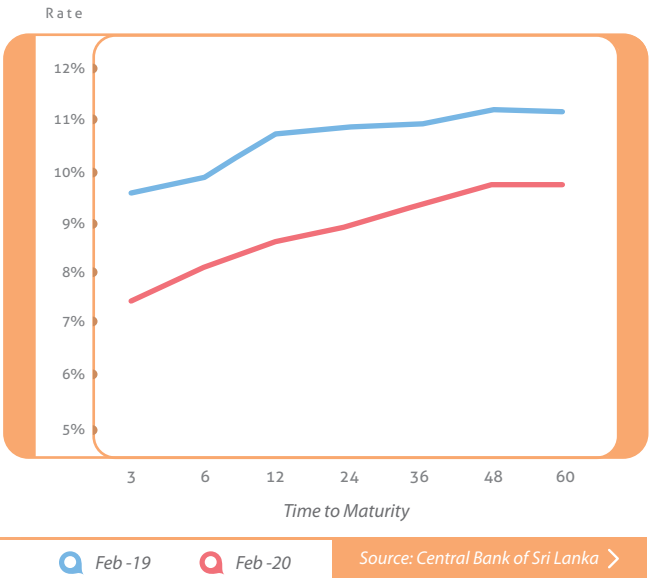
* Gross Rates provided.

Source: Central Bank of Sri Lanka >

AVERAGE LENDING & DEPOSIT RATES



YIELD CURVE - LKR TREASURIES

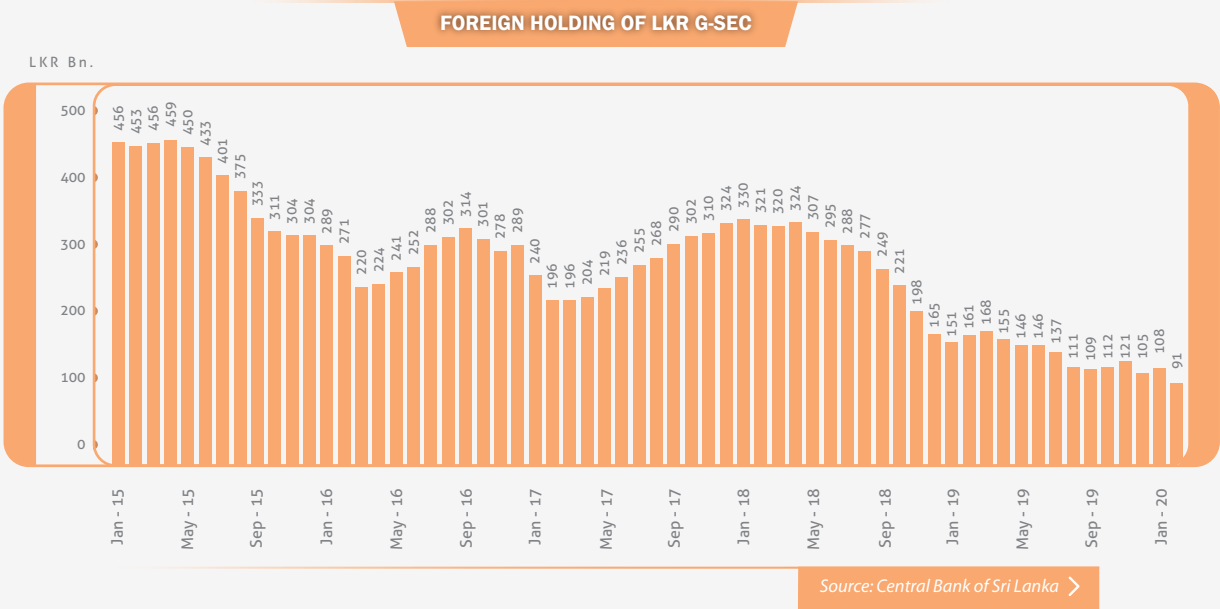


AWDR: Average Weighted Deposit Rate | AWFDR: Average Weighted Fixed Deposit Rate | AWLR: Average Weighted Lending Rate
| AWPR: Average Weighted Prime Lending rate

Treasury Bill rates were down marginally in January with the benchmark 364-day T-Bill rate falling to 8.58% and the 91-day and 182-day T-Bill closing the month at 7.42% and 8.06% respectively.

Broad money (M2b) growth picked up to 8.3% year-on-year in January 2020, from the previous month's 7.0%. Credit extended to the private sector accelerated by 4.5% year-on-year from 4.3% in December 2019. However, on a month-on-month basis credit disbursements were more or less stagnant in January.

Outstanding LKR Govt. Securities LKR 5,657 Billion	
T Bills (Total)	T Bonds (Total)
LKR 908 Billion	LKR 4,749 Billion
Domestic (Bills & Bonds)	Foreign (Bills & Bonds)
LKR 5,566 Billion	LKR 91 Billion
Total Foreign Holding of Bills and Bonds - 1.61%	
Source: Central Bank of Sri Lanka >	



Foreign holding of LKR denominated bills and bonds were back on a declining trend, falling to 1.61% of total outstanding government securities, as foreign investors were net sellers amounting to LKR 16.69 bn in February 2020. On a year-to-date basis net foreign selling amounted to LKR 13.43 bn.

1 Year FD Rates – Sri Lankan Banks			Rates on Credit Cards		Feb 20
	Feb 2020	Jan 2020			
NSB	8.75%	8.75%	HSBC		28.00%
COMB	8.50%	8.50%	SCB		28.00%
SAMP	8.50%	8.50%	Sampath		28.00%
HNB	8.50%	8.50%	NDB		28.00%
NDB	8.75%	9.25%	AMEX		28.00%
			Source: Respective Commercial Banks >		

NDB reduced its fixed deposit rates during the month of February. However, the rates offered still remain higher compared to other banks.

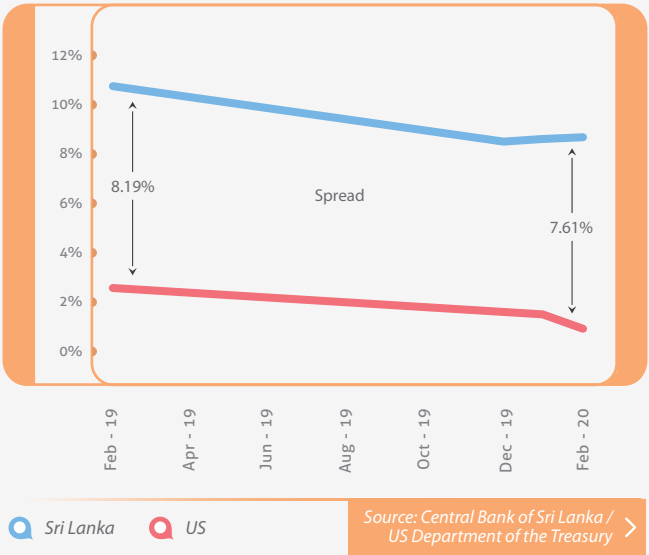
NDIB CRISIL Fixed Income Indices Total return as at 28/02/2020	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.88%	8.74%	8.93%
NDBIB-CRISIL 364 Day T-Bill Index	1.83%	10.62%	9.82%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	2.32%	15.01%	13.56%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	2.50%	17.03%	15.18%

Source: www.crisil.com >

Central Bank Policy Rates	2017	2018	2019	Latest
Sri Lanka	7.25%	8.00%	7.00%	6.50%
US	1.25% - 1.50%	2.25% - 2.50%	1.50% - 1.75%	1.00% - 1.25%
Euro Zone	0.00%	0.00%	0.00%	0.00%
Australia	1.50%	1.50%	0.75%	0.50%
India	6.00%	6.50%	5.15%	5.15%

Source: www.cbrates.com >

1 YEAR TREASURY RATE - USD Vs. LKR



The U.S. Federal Reserve slashed interest rates by 0.5% to a target interest rate range of 1.00%-1.25% in its first emergency rate cut since the financial crisis as the Coronavirus posed evolving risks to economic activity.

364 Day Treasury Bill Rate	Feb 19	Dec 19	Jan 20	Feb 20
Sri Lanka	10.73%	8.45%	8.59%	8.58%
India	6.52%	5.29%	5.28%	5.16%
US	2.54%	1.59%	1.45%	0.97%
Euro Zone	-0.57%	-0.66%	-0.65%	-0.74%

Source: Respective Central Banks >

In a widely anticipated move, China lowered its benchmark loan prime rate by 0.1% to 4.05% to control the negative economic repercussions of the Coronavirus outbreak. Meanwhile central banks of Australia, Canada, Hong Kong and many other territories also resorted to monetary policy easing to revive economies hampered by the virus.

	Rates on Savings Accounts Feb 2020
Sri Lanka	4.00%
US	0.03%
Euro Zone	0.11%
Australia	0.90%
India	3.50%

Source: Respective Commercial Banks >

**“ HOW YOU LIVE TOMORROW
DEPENDS ON HOW YOU INVEST TODAY ”**

— NDB Wealth —



INFLATION RATES

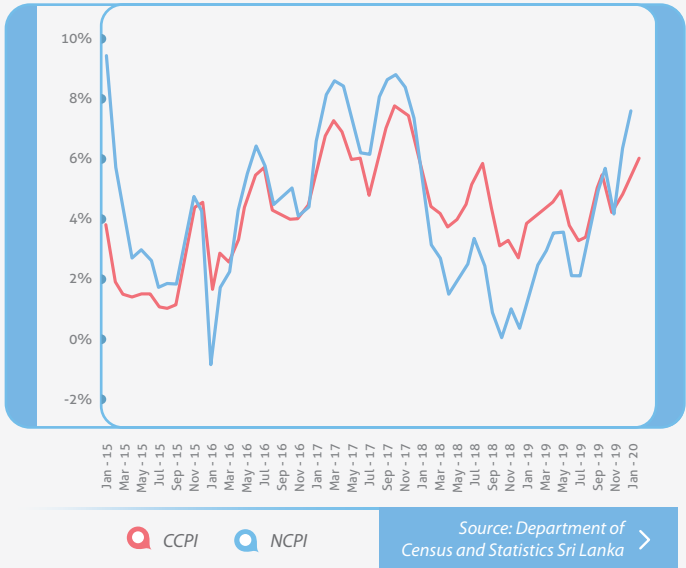
Country	Feb 19	Dec 19	Jan 20	Feb 20
Sri Lanka	4.02%	4.83%	5.65%	6.15%
US	1.52%	2.29%	2.49%	2.49%*
Euro Zone	1.49%	1.33%	1.36%	1.36%*
India	2.57%	7.35%	7.59%	7.59%*

* Jan 2020

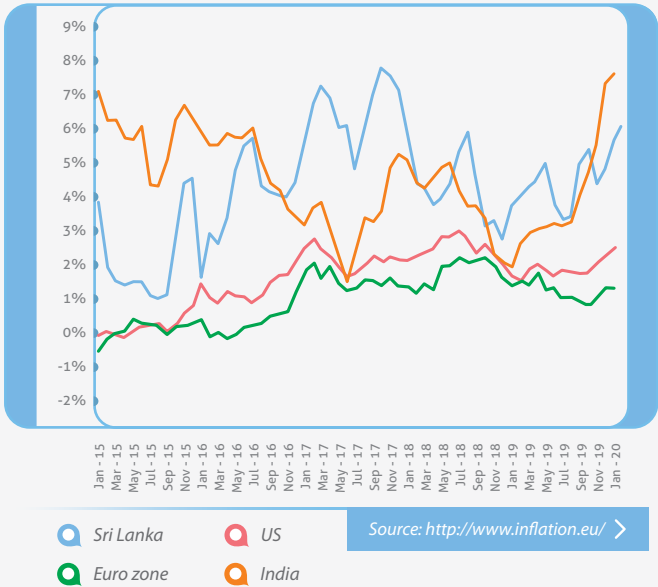
Source: Department of Census and Statistics - Sri Lanka, <http://www.inflation.eu/>, <https://tradingeconomics.com/>

- Inflation as measured by the CCPI (2013=100), accelerated further to 6.2% in February on a year-on-year basis from the previous month's 5.7% primarily due to the base effect.
- During the month the index was flat as food prices fell 0.2% and non-food prices rose 0.2%. Within the food category prices of mainly vegetables and big onions decreased, whilst within the non-food category prices of transport, clothing and footwear increased.
- On an annual average basis inflation increased marginally to 4.6% in February.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport), increased to 3.2% year-on-year in February. On an annual average basis however core inflation slowed to 5.1%.
- We are of the view that there will be pressure on price levels from time-to-time. However, we believe the Central Bank will broadly be able to manage inflation around mid-single digit levels this year despite short-term volatilities.
- On the global front, both U.S. and Euro zone inflation increased to 2.49% and 1.36% year-on-year respectively in January 2020.

INFLATION - POINT TO POINT CHANGE - CCPI VS. NCPI



GLOBAL INFLATION RATES



FOREX OUTLOOK

Exchange Rates Vs. LKR	Feb 19	Dec 19	Feb 20	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	179.80	181.63	181.81	-1.10%	-0.10%
GBP	239.22	238.46	234.32	2.09%	1.77%
EURO	204.57	203.67	199.79	2.39%	1.94%
YEN	1.62	1.67	1.66	-2.48%	0.54%
AUD	128.39	127.25	119.27	7.65%	6.70%
CAD	136.69	139.21	135.51	0.88%	2.73%
INR	2.52	2.55	2.52	0.03%	0.92%
BHD	476.92	481.78	482.70	-1.20%	-0.19%
CNY	26.90	26.01	25.95	3.67%	0.24%

Source: Central Bank of Sri Lanka >

The Sri Lankan Rupee depreciated by 0.12% against the USD in February to close the month at LKR 181.80 per USD. The Rupee lost 0.10% on a year-to-date basis.

The Rupee however, gained a considerable 1.51% against the Pound Sterling and 0.25% against the Euro in February.

The Japanese Yen rallied against the US Dollar in February as investors nervous about the spread of the Coronavirus in the United States piled into the safe-haven currency.

The Pound Sterling lost against the Euro amidst fresh market panic about the Coronavirus outbreak that prompted significant falls in stocks and oil.

Currencies across Asia slumped in February as the number of Coronavirus infections rose sharply across the globe, sending investors rushing in to safe haven assets.

USD PER 1 EURO MOVEMENT



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

COMMODITY OUTLOOK

	Past month Performance (1st Feb - 29th Feb 2020)	Past 12 months Performance (Feb 2019 - Feb 2020)	Year to Date Performance (1st Jan 2020 - 29th Feb 2020)
Bloomberg Commodity Index	-5.16%	-12.79%	12.25%
Gold	2.33%	20.99%	7.98%
Tea	2.31%	2.42%	4.32%
Oil (Brent)	-13.52%	-14.24%	-16.48%

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

Bloomberg Commodity Index lost more than 5% in February with most of its constituent components showing red. The accelerated weakness was sparked by the news that Coronavirus had spread from Asia to the rest of the world.

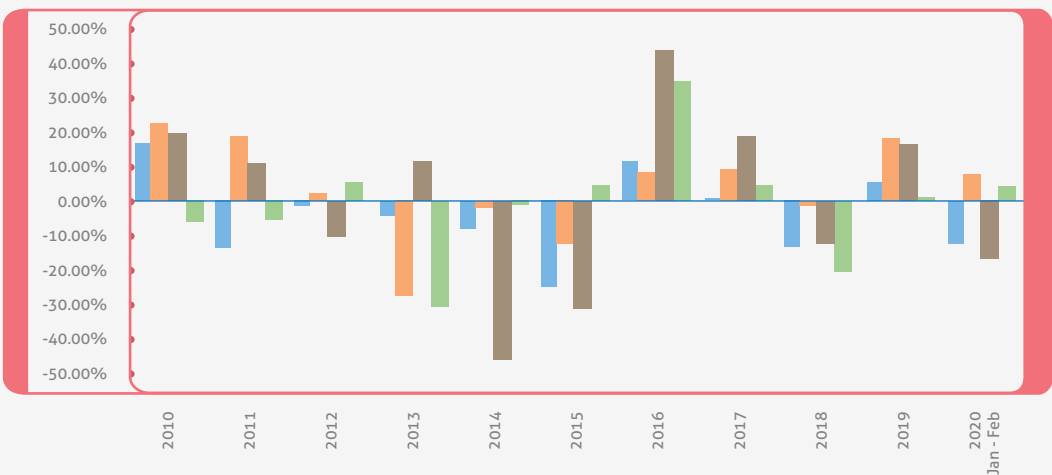
The biggest casualty was the energy sector with crude oil and products collapsing in response to the biggest demand shock since the 2008 global financial crisis. Global benchmark Brent crude slid below USD 50 a barrel for the first time since December 2018.

The fall came ahead of a crucial meeting in Vienna between OPEC and its allies about whether to extend the current deal to curb output and keep prices stabilized where Saudi Arabia wants the OPEC countries and its allies to agree to collective production cuts of an additional one million barrels a day.

Gold surged during the first half of February reaching 7 year highs of over \$ 1,670 / oz last seen in January 2013. However, the metal struggled towards the end of the month, as deleveraging hurt the price despite overwhelming support from developments elsewhere. Spot gold fell in excess of 5% to USD 1,563.07 an ounce from its highs, the biggest intraday loss since 2013.

Standard Chartered Bank stated that the sluggish performance in bullion may be driven by investors selling the metal to cover margin calls in tumbling equity markets, although it was positive on the longer term outlook with the underlying expectation that U.S. Federal Reserve will ease interest rates.

Commodity Price Movements



DJUBS Gold Oil Tea

Source: NDB Wealth Research >

PROPERTY OUTLOOK

- The reduction in the VAT and NBT has stimulated the customer interest for mid tier apartments this interest is expected to continue on to the luxury apartment market during the later part of 2020.
- However, high borrowing cost remains the biggest challenge to buyers although policymakers have indicated their intention to reduce overall interest rates. This may aid in stimulating the industry as expected by the industry participants.
- The demand for apartments have been slumping since the Easter Sunday attacks, continued by the call for elections creating uncertainty in the macro front. However, demand is expected to pick up on the back of urbanization which is expected to drive the long term demand for apartments.
- Further, due to high land cost closer to the city, vertical living becomes the more viable option which will also contribute towards demand growth.
- Currently, the developers have been slowing down due to the existing stock of unsold apartments in the market.
- According to Sri Lanka's Condominium Developer's Association, there are over 10,000 apartments in the pipeline for 2020. However, new projects are not expected to be initiated until the existing stock is absorbed by the market.
- Overall apartment prices have not seen a decline in the market with the exception of a few distressed developers offering discounts.

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 February 2020									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.23%	-	6.47%	7.01%	9.35%	8.63%	9.17%	-	9.70%
Bank of Ceylon Islamic Business Unit - As of January 2020									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	4.18%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of January 2020									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	4.62%	-	5.68%	6.71%	8.10%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of December 2019 (Released Quarterly)									
Profit Sharing Ratio*	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.87%	-	8.25%	8.50%	9.25%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of January 2020									
Profit Sharing Ratio* (3Mn - 50Mn)	40:60	60:40	65:35	40:60	65:35	-	-	-	-
Distributed Profit	5.15%	6.00%	7.00%	7.25%	9.70%	-	-	-	-
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 January 2020									
Profit Sharing Ratio*	30 :70	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	6.11%	8.84%	9.34%	10.13%	11.59%	12.07%	12.29%	12.72%	13.15%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of January 2020									
Profit Sharing Ratio*	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	6.65%	8.25%	9.05%	9.58%	10.11%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of January 2020									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	5.34%	8.84%	9.26%	9.79%	10.86%	12.11%	12.46%	12.82%	13.17%
Peoples Leasing Islamic Business Unit - As of January 2020									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.28%	-	8.37%	9.06%	10.46%	-	-	-	-

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

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

WHITE LIST AS OF JULY 2019

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

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

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

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

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

UNIT TRUST FUNDS OFFERED BY NDB WM



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

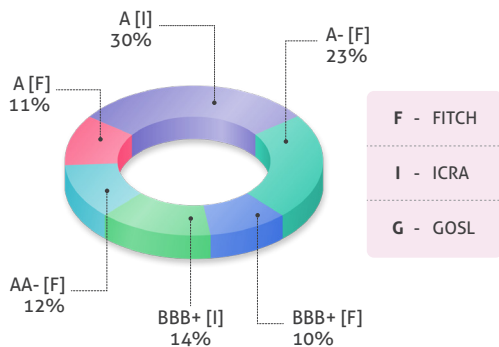
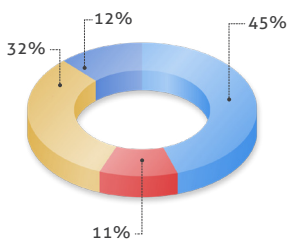
Fund Overview

NDB Wealth Growth Fund		Fund Snapshot		31-Jan-20
Type: Open Ended	Investments: Listed Equities	YTD Yield	-3.36%	
Currency: LKR	ISIN: LKNWGRU00005	NAV per unit	9.81	
NDB Wealth Growth Fund is an open-ended equity fund incorporated in Sri Lanka, invested in listed shares of the Colombo Stock Exchange. The Fund aims to achieve capital growth on a medium to long term basis by investing in a diversified portfolio of stocks of stable companies with a proven track record.		AUM (LKR Mn.)	189.70	
		Fund Currency	LKR	
		Fund Inception	1-Dec-97	
		Expense Ratio	2.54%	
		Max Equity Allocation	97.00%	
		Current Equity Allocation	96.31%	
		Fund Leverage	0.00%	
Equity Allocation				
		Banks		
		Capital Goods		
		Consumer Durables & Apparel		
		Diversified Financials		
		Food Beverage & Tobacco		
		Insurance		
		Materials		
Historical Returns				
Period	Fund Returns *	ASPI Returns		
Last Month	-3.36%	-3.25%		
Last 3 months	-2.81%	-1.01%		
Last 6 months	-4.79%	-0.09%		
Last 12 months	-3.26%	-1.00%		
Year 2019	-0.59%	1.27%		
Year 2018	-6.79%	-4.98%		
★ After fees, excluding front end and back end loads				
Fixed Income Allocation				
Minimum Fixed Income Allocation		3.00%		
Current Fixed Income Allocation		3.69%		
Average Duration		0.0027		
Maturity		% Holding		
Under 1 Month		100.00%		
Other Features				
Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis. Instruments greater than one year - n/a.			
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.			
Exposure Restrictions	Maximum exposure restrictions to listed equity 15% of NAV; maximum exposure restrictions on fixed income investments depend on the features of each security, (Ex: Rated, Guaranteed, etc.), and are regulated by the Trustee and the SEC.			
Fee Details	Management Fee : 2.25% p.a. of NAV. Trustee fee : 0.10 - 0.19% p.a. of NAV. Custodian fee : 0.05% p.a. of NAV, depending on fund size Front-end fee : 2% / Exit fee : 1% if less than 1 year ; 0 if greater than 1 year.			
Fund Manager	NDB Wealth Management Ltd.			
Trustee & Custodian	Bank of Ceylon			

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Fund Overview

NDB Wealth Growth and Income Fund		
Type: Open Ended	Investments: Listed Equities and Corporate Debt	
Currency: LKR	ISIN: LKNWGIU00004	
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing in a diversified portfolio of stocks of stable companies with a proven track record.		
Portfolio Allocation		
By Credit Rating		By Equity Sector
		
		Banks Capital Goods Diversified Financials Materials
Historical Returns		
Period	Fund Returns★	ASPI Returns
Last month	-2.44%	-3.25%
Last 3 months	-2.48%	-1.01%
Last 6 months	1.62%	-0.09%
Last 12 months	7.43%	-1.00%
Year 2019	11.09%	1.27%
Year 2018	7.47%	-4.94%
★ After fees, excluding front end and back end loads.		
Other Features		
Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis. Instruments greater than one year - marked to market.	
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.	
Exposure Restrictions	Maximum exposure restrictions to listed equity 15% of NAV; maximum exposure restrictions on fixed income investments depend on the features of each security, (Ex: Rated, Guaranteed, etc.), and are regulated by the Trustee and the SEC.	
Fee Details	Management Fee : 1.5% p.a. of NAV / Trustee fee : 0.11-0.15% p.a. of NAV, depending on fund size. Custody Fee : Rs.10,000 per Month, Front-end fee : 1.5%.	
Fund Manager	NDB Wealth Management Ltd.	
Trustee & Custodian	Hatton National Bank PLC	

Fund Snapshot		31-Jan-20
YTD Yield	-2.44%	
NAV per unit	38.27	
AUM (LKR Mn.)	321.82	
Fund Currency	LKR	
Fund Inception	1-Dec-97	
Expense Ratio	1.92%	
Max Equity Allocation	97.00%	
Current Equity Allocation	37.51%	
Fund Leverage	0.00%	
Top 5 Portfolio Holdings (In Alphabetical Order)		
HATTON NATIONAL BANK PLC		
JOHN KEELLS HOLDINGS PLC		
PEOPLE'S LEASING COMPANY PLC		
SAMPATH BANK PLC		
TOKYO CEMENT COMPANY (LANKA) PLC		
Fixed Income Allocation		
Minimum Fixed Income Allocation	3.00%	
Current Fixed Income Allocation	62.49%	
Average Duration	0.52	
Maturity	% Holding	
Under 1 Month	24.35%	
1 Month - 3 Months	10.79%	
3 Months - 6 Months	40.24%	
6 Months - 1 Year	10.11%	
1 Year - 10 Years	14.51%	

Disclaimer

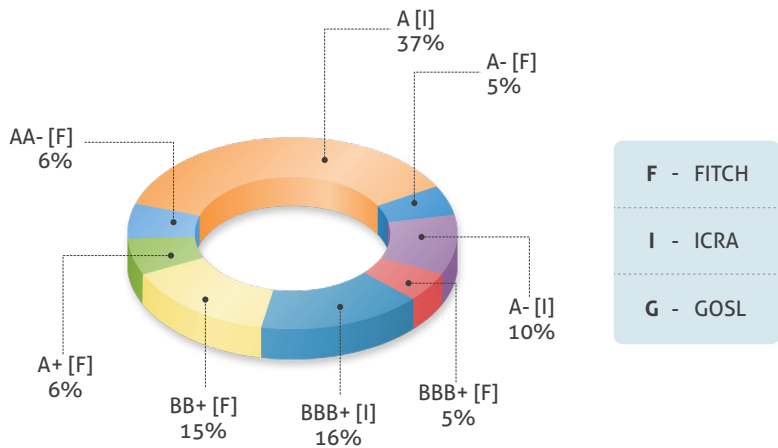
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Fund Overview

NDB Wealth Income Fund	
Type: Open Ended	Investments: Corporate Debt Instruments
Currency: LKR	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		31-Jan-20
YTD Yield	1.02%	
YTD Yield (Annualized)	12.01%	
NAV per unit	14.2096	
AUM (LKR Mn.)	334.43	
Fund Currency	LKR	
Fund Inception	1-Dec-97	
Expense Ratio	1.36%	
Average Maturity (Yrs)	1.91	
Average Duration	1.40	

Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	16.05%	10.25%
1 Month - 3 Months	13.83%	12.70%
3 Months - 6 Months	4.72%	12.40%
6 Months - 1 Year	14.83%	12.50%
1 Year - 10 Years	50.58%	13.00%

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

Historical Returns			
Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	1.02%	12.01%	12.64%
Last month	1.02%	12.01%	12.64%
Last 3 months	2.80%	11.12%	11.71%
Last 6 months	5.46%	10.83%	11.40%
Last 12 months	12.74%	12.74%	13.41%
Year 2019	12.97%	12.97%	13.66%
Year 2018	10.00%	10.00%	10.52%
★ 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

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Fund Overview

NDB Wealth Income Plus Fund

Type: Open Ended

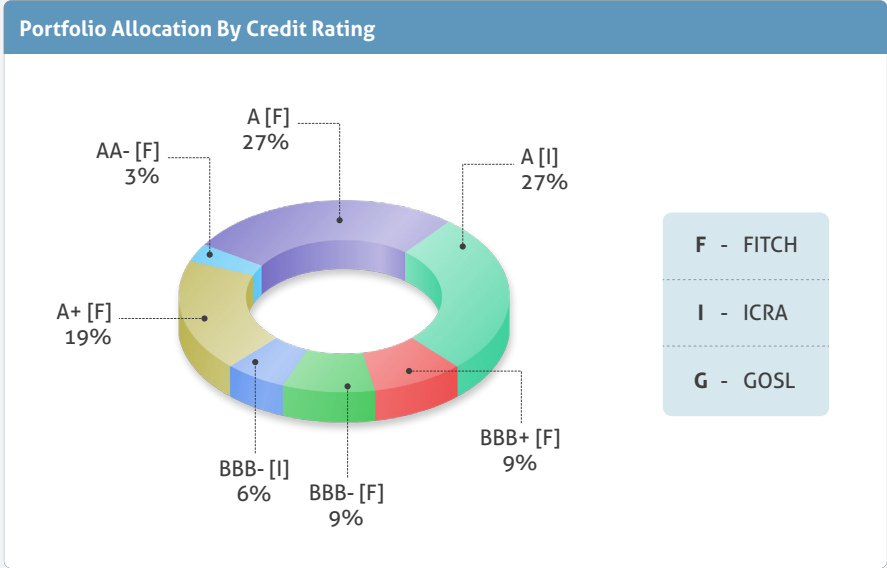
Currency: LKR

Investments: Fixed Income Securities

ISIN: LKNWIPU00005

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

Fund Snapshot	31-Jan-20
YTD Yield	0.96%
YTD Yield (Annualized)	11.33%
NAV per unit	15.2645
AUM (LKR Mn.)	352.18
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.77%
Average Maturity (Yrs)	0.35
Average Duration	0.33



Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	3.54%	7.60%
1 Month - 3 Months	46.37%	11.50%
3 Months - 6 Months	35.91%	12.60%
6 Months - 1 Year	14.19%	12.10%

Historical Returns			
Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	0.96%	11.33%	11.93%
Last month	0.96%	11.33%	11.93%
Last 3 months	2.89%	11.45%	12.05%
Last 6 months	5.92%	11.74%	12.36%
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

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Fund Overview

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

Portfolio Allocation By Credit Rating

A+ [F]
22%

AA+ [F]
13%

AA- [F]
65%

F - FITCH

I - ICRA

G - GOSL

Fund Snapshot			31-Jan-20
YTD Yield			0.77%
YTD Yield (Annualized)			9.07%
NAV per unit			19.1332
AUM (LKR Mn.)			162.15
Fund Currency			LKR
Fund Inception			1-Jun-12
Expense Ratio			0.99%
Average Maturity (Yrs)			0.38
Average Duration			0.35

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	41.59%	7.60%
1 Month - 3 Months	22.38%	9.60%
6 Months - 1 Year	36.03%	9.80%

Historical Returns		
Period	Fund Returns	Annualized Return
Year to Date	0.77%	9.07%
Last month	0.77%	9.07%
Last 3 months	2.33%	9.25%
Last 6 months	4.74%	9.40%
Last 12 months	10.14%	10.14%
Year 2019	10.24%	10.24%
Year 2018	8.74%	8.74%

Other Features

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

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Fund Overview

NDB Wealth Money Plus Fund

Type: Open Ended

Currency: LKR

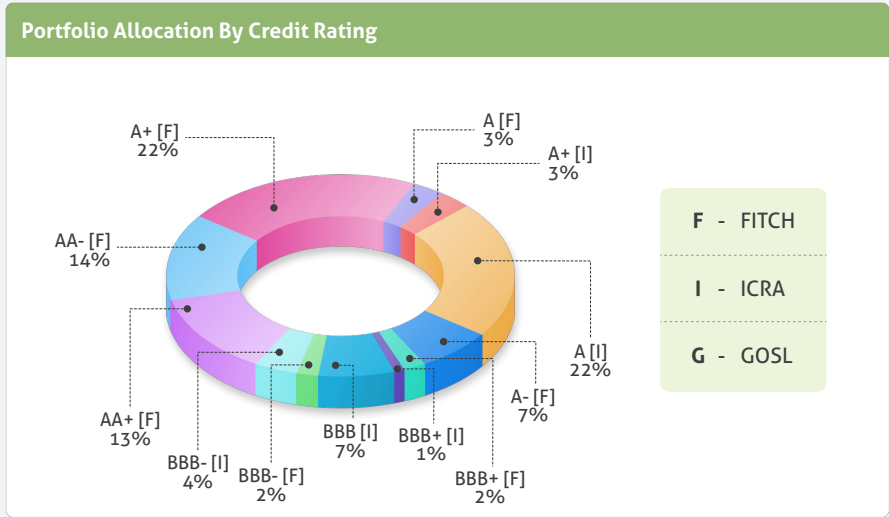
Investments: Money Market Corporate Debt Securities

ISIN: LKNWMPU00007

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

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

Fund Snapshot	31-Jan-20
YTD Yield	0.87%
YTD Yield (Annualized)	10.25%
NAV per unit	21.6105
AUM (LKR Mn.)	35,252.05
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.83%
Average Maturity (Yrs)	0.29
Average Duration	0.27



Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	29.58%	10.14%
1 Month - 3 Months	30.90%	11.00%
3 Months - 6 Months	17.12%	11.00%
6 Months - 1 Year	22.39%	11.10%

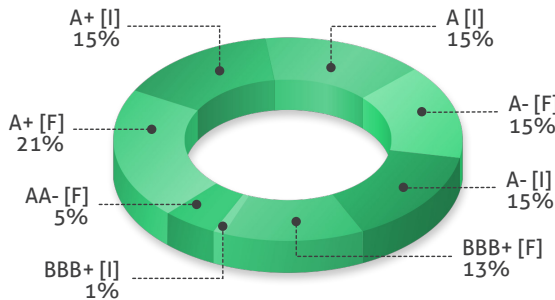
Historical Returns			
Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	0.87%	10.25%	10.79%
Last month	0.87%	10.25%	10.79%
Last 3 months	2.61%	10.34%	10.88%
Last 6 months	5.34%	10.59%	11.15%
Last 12 months	11.62%	11.62%	12.23%
Year 2019	11.73%	11.73%	12.35%
Year 2018	11.53%	11.53%	12.14%
★ 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

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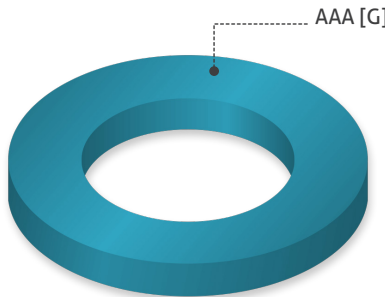
Fund Overview

NDB Wealth Islamic Money Plus Fund			
Type: Open Ended	Investments: Short Term Shariah Compliant Investments		
Currency: LKR	ISIN: LKNWISU00009		
NDB Wealth Islamic Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested exclusively in short term LKR based Shariah compliant investments including Mudharabah term deposits, Mudharabah savings deposits, Wakala investments and sukuk investments less than 366 days.			
The Fund aims to provide investors with liquidity and regular income through investing in a portfolio of short term shariah compliant securities.			
Portfolio Allocation By Credit Rating			
			
F - FITCH I - ICRA			
Fund Snapshot			
YTD Yield	0.85%		
YTD Yield (Annualized)	10.05%		
NAV per unit	14.9895		
AUM (LKR Mn.)	401.12		
Fund Currency	LKR		
Fund Inception	1-Jun-15		
Expense Ratio	1.38%		
Average Duration	0.31		
Maturity Profile			
Maturity	% Holding	AVG YTM (Net)	
Under 1 Month	32.36%	10.50%	
1 Month - 3 Months	23.29%	11.20%	
3 Months - 6 Months	22.91%	10.70%	
6 Months - 1 Year	21.44%	11.00%	
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	0.85%	10.05%	10.58%
Last month	0.85%	10.05%	10.58%
Last 3 months	2.45%	9.71%	10.22%
Last 6 months	4.96%	9.84%	10.36%
Last 12 months	10.65%	10.65%	11.21%
★ 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		

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Fund Overview

NDB Wealth Gilt Edged Fund		
Type: Open Ended Currency: LKR	Investments: Government of Sri Lanka Securities ISIN: LKNWGEU00003	
NDB Wealth Gilt Edged Fund is an open-ended unit trust fund incorporated in Sri Lanka, invested in Government of Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions. The Fund aims to maximize returns from investments by investing the fund exclusively in government securities and government guaranteed securities.		
Portfolio Allocation By Credit Rating		
 AAA [G] G - GOSL		
Fund Snapshot		31-Jan-20
YTD Yield		0.58%
YTD Yield (Annualized)		6.86%
NAV per unit		17.0317
AUM (LKR Mn.)		61.80
Fund Currency		LKR
Fund Inception		1-Dec-97
Expense Ratio		1.76%
Average Maturity (Yrs)		0.05
Average Duration		0.05
Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	100.0%	8.10%
Historical Returns		
Period	Fund Returns	Annualized Return
Year to Date	0.58%	6.86%
Last month	0.58%	6.86%
Last 3 months	1.63%	6.47%
Last 6 months	3.08%	6.11%
Last 12 months	17.03%	17.03%
Year 2019	19.12%	19.12%
Year 2018	11.45%	11.45%
Other Features		
Valuation	Daily Valuation All Instruments are marked to market.	
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.	
Fee Details	Management Fee : 0.65% p.a. of NAV Trustee fee : 0.10-0.19% p.a. of NAV, depending on fund size Custodian fee : 0.05% p.a.of NAV.	
Fund Manager	NDB Wealth Management Ltd.	
Trustee & Custodian	Bank of Ceylon	

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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