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MARKET UPDATE AND FUND REVIEW

2018
OCTOBER

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NDB | WEALTH

MARKET BRIEF BY NDB WEALTH

INFLATION RATE CONTINUES TO DECLINE

Inflation as measured by the CCPI declined further during October to 3.1% on a year on year basis from 4.3% in September 2018. Food inflation moved to negative territory as it recorded a deflation of 2.3% in October 2018. The reversal of the sharp increases in food prices recorded in the fourth quarter of 2017 is having a base effect impact on food inflation and in turn on overall inflation of the country. Relatively favorable weather conditions led to better supply side dynamics in 2018 leading to lower prices. We expect inflation to be in mid single digits in 2018.

SRI LANKAN RUPEE DEPRECIATES FURTHER

The Sri Lankan rupee continued to depreciate against the hard currencies during the month of October 2018. The Rupee deprecated by a further 3% against the USD during the month leading to an overall depreciation in excess of 12.30% for the year so far. The continuous foreign selling of portfolio investments in excess of LKR 30 billion may have added further pressure on the currency. We expect the Sri Lankan Rupee to be under pressure in the coming months amid widening trade deficit as well as continued foreign selling on stocks and LKR denominated government bonds.

SHARP INCREASE IN INTEREST RATES OFFERED BY TREASURY BILLS

The benchmark 364-day Treasury bill rate continued to increase as it concluded the month at 10.39%, 88 basis points higher compared to 9.51% in September 2018. A similar trend was witnessed across the yield curve, where interest rates of long term maturities reached 12% before settling around 11.50%. Foreign investors continued to be aggressive sellers in the market, as total foreign holding of LKR denominated debt declined by over LKR 28 billion during the month (4.39% of the total holding) as at end of October. The money market liquidity levels turned negative, which in turn exerted pressure on short term interest rates. We expect interest rates to increase in the short term due to a combination of internal as well as external factors.

A CHANGE IN INVESTOR SENTIMENT?

The All Share Price Index and S&P SL 20 index recorded gains during the month of October 2018, amid the rally witnessed during the final week of October post the appointment of Former President, Mahinda Rajapakse as the Prime Minister of Sri Lanka. The new appointment may have changed the sentiment amongst the local investors, as the local investors absorbed the heavy foreign selling of the liquid blue chip stocks such as John Keells Holdings, Dialog Axiata and Commercial Bank PLC. Despite the prevailing weak macroeconomic conditions, the improved sentiment and the economic concessions extended by the new government may offer short term opportunities in the market. However, it is imperative that investors remain cautious on events that may directly affect the overall economy of the country.

Indika De Silva
Fund Manager

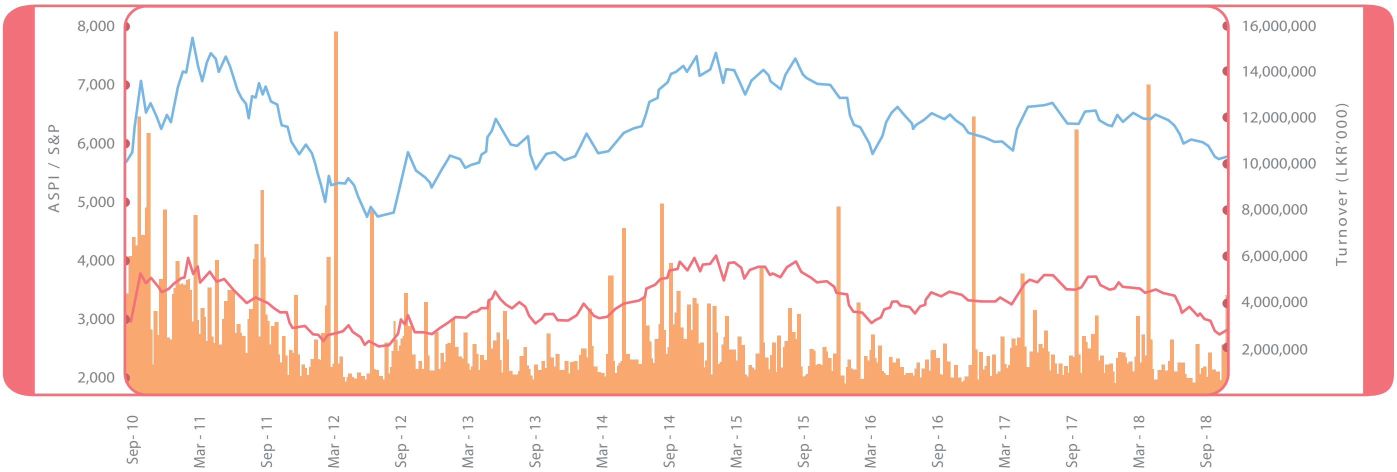
EQUITY OUTLOOK

	Past month Performance (1st Oct - 31st Oct 2018)	Past 12 months Performance (Oct 2017 - Oct 2018)	Year to Date Performance (1st Jan - 31st Oct 2018)
All Share Price Index	1.56%	-10.03%	-6.53%
S&P SL 20	2.73%	-20.91%	-16.00%
MSCI Frontier Markets Index	-3.53%	-12.07%	-15.72%
MSCI World Index	-7.34%	1.16%	-2.31%
MSCI Emerging Markets	-8.71%	-12.52%	-15.72%
MSCI Asia Ex Japan	-10.85%	-13.63%	-16.43%

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

- The Colombo Stock Exchange (CSE), recorded gains in October, mainly due to the rally witnessed during the last week of the month as a result of the events which materialized in the political front.
- The two main indices, the All Share Price Index (ASPI) and the S&P SL 20 index gained 3.21% and 5.34% respectively during the last week of October, reversing the losses it recorded up to October 25, 2018.
- The abrupt appointment of the new Prime Minister, Former President Mahinda Rakapakshe, may have boosted sentiment amongst local investors who garner expectations of political stability and improved economic prospects. However, the sustainability of such a rally is yet to be witnessed as Sri Lanka is going in to a year of elections, which will bring volatility to the market.
- On the global front, October 2018 saw the MSCI Emerging market index record one of its worst monthly losses since May 2012, due to the impact on global growth of the US – China trade war and rising U.S. interest rates.
- Concerns over a new wave of U.S. tariffs on China resulted in depreciation of the Yuan to its weakest level in a decade and undermined emerging-market stocks and currencies as investors worried about knock-on effects for global growth and prices.
- Surveys continued to suggest that Chinese manufacturing has barely expanded, while an extended contraction in export orders highlighted rising pressure on the economy as the trade war intensified. However, the Chinese policymakers' pledged to improve market liquidity which in turn helped investors look past the weakest factory growth reading in two years.

Colombo Stock Exchange Performance



Source: www.cse.lk

		Oct 2018	Oct 2017
CSE	Market PER	9.36 X	10.99 X
	Market PBV	1.17 X	1.40 X
	Market DY	3.29%	2.90%
MSCI Frontier Market	Market PER	14.04 X*	15.47 X
	Market PBV	1.90 X*	1.84 X
	Market DY	3.89%*	3.12%

Source: www.cse.lk

* September 2018

Despite the improvement in the sentiment amongst the local investors, the foreign investors continued to be net sellers in the CSE, as net foreign selling closed in on LKR 7 billion during the month of October 2018.

Colombo Stock Exchange	Jan - Oct 2018	Jan - Oct 2017
Foreign Inflows	LKR 67.18 Billion	LKR 97.64 Billion
Foreign Outflows	LKR 79.98 Billion	LKR 78.11 Billion
Net Foreign Inflows/(Outflows)	**(LKR 12.80 Billion)**	**LKR 19.53 Billion**

Source: www.cse.lk

> "IT IS IMPOSSIBLE TO PRODUCE SUPERIOR PERFORMANCE UNLESS YOU DO SOMETHING DIFFERENT"
>
> — Sir John Templeton —

FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

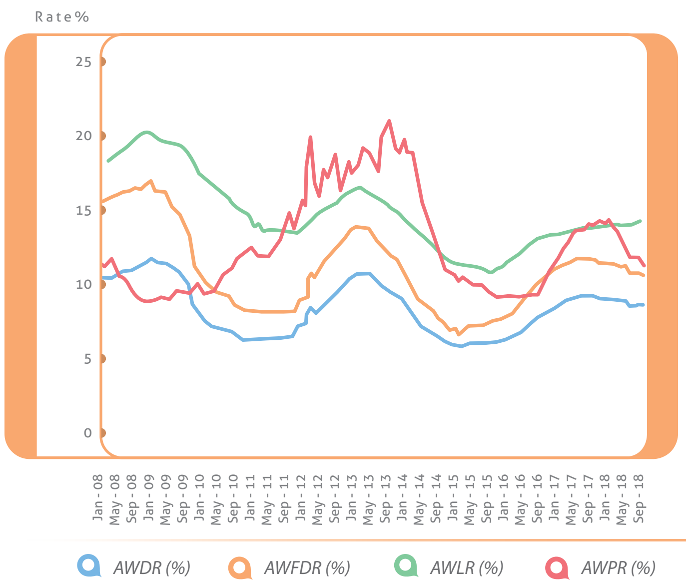
The Central Bank of Sri Lanka (CBSL) held its key policy rates stable in October holding the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 8.50% and 7.25% respectively.

	Oct 17	Dec 17	Sep 18	Oct 18
364 Day T-bill	9.51%	8.90%	9.51%	10.39%
5-Year Bond	10.13%	9.97%	10.58%	11.32%
1-Year Finance Company Fixed Deposit (A+)*	12.00%	11.50%	11.50%	11.50%

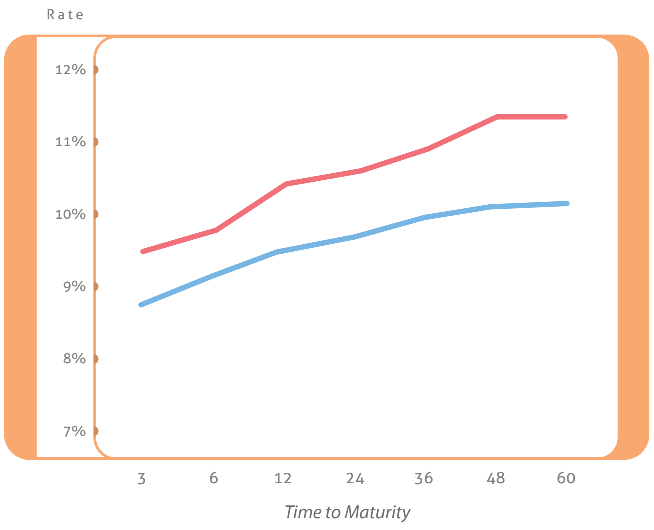
Net returns earned on Government Securities would vary depending on the individual's tax bracket while Fixed Deposits will be subject to a final WHT of 5%.

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

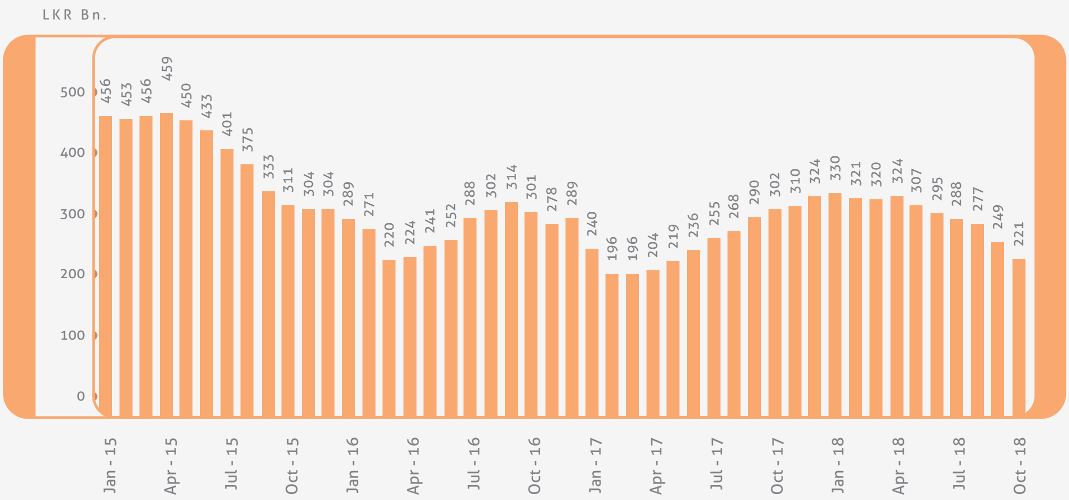
Treasury Bill rates increased across the board with the benchmark 364-day T-Bill rate spiking to 10.39% and the 91-day and 182-day T-Bill closing the month at 9.48% and 9.75% respectively.

Broad money (M2b) growth remained flat at 13.5% year-on-year in August, from the previous month whilst credit extended to the private sector decelerated with its growth slowing to 14.3% year-on-year in August as the monthly private sector credit disbursements increased by a slower LKR 45.6 Bn (up 0.9% m-o-m).

Outstanding LKR Govt. Securities LKR 5,032 Billion / USD 31.39 Billion	
T Bills (Total)	T Bonds (Total)
LKR 790 Billion	LKR 4,242 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 4,811 Billion	LKR 221 Billion
Total Foreign Holding of Bills and Bonds - 4.39%	

Source: Central Bank of Sri Lanka

FOREIGN HOLDING OF LKR G-SEC



Source: Central Bank of Sri Lanka

Foreign holding of government securities continued to decline, falling by LKR 28 billion (net) in September to 4.39%, the lowest for the year with foreign investors continuously selling out of local government securities. On a year-to-date basis too foreigners remained net sellers amounting to LKR 103.18 billion.

1 Year FD Rates – Sri Lankan Banks		
	Oct 2018	Sep 2018
NSB	10.50%	10.50%
COMB	10.50%	10.50%
SAMP	12.00%	10.50%
HNB	11.00%	10.50%
NDB	11.00%	11.00%

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

Source: Respective Commercial Banks

Sampath Bank and HNB increased their fixed deposit rates during the month of October.

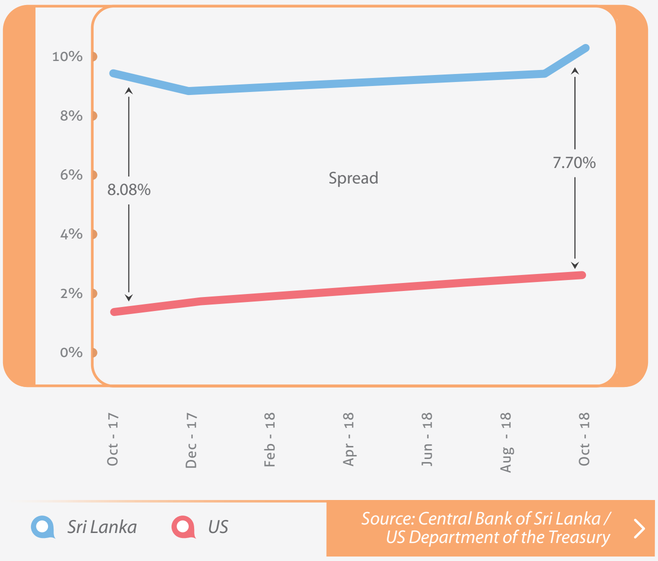
NDIB CRISIL Fixed Income Indices Total return as at 31/10/2018	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.85%	8.24%	8.39%
NDBIB-CRISIL 364 Day T-Bill Index	1.05%	8.00%	8.06%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	-0.40%	7.69%	9.01%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	-1.88%	6.01%	7.83%

Source: www.crisil.com

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

Source: www.cbrates.com

1 YEAR TREASURY RATE - USD Vs. LKR



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

- Global sovereign yields increased following positive developments including strong US payroll data and progress on US-China trade talks.
- US payrolls grew a better-than-expected 250,000 in October, the unemployment rate held steady at 3.7% whilst Consumer confidence, reached an 18-year high amid optimism over the labor market and the economy.

364 Day Treasury Bill Rate	Oct 17	Dec 17	Sep 18	Oct 18
Sri Lanka	9.51%	8.90%	9.51%	10.39%
India	6.22%	6.42%	7.73%	7.48%
US	1.43%	1.76%	2.59%	2.69%
Euro Zone	-0.79%	-0.74%	-0.63%	-0.73%

Source: Respective Central Banks

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

Source: Respective Commercial Banks

“ PASSION AND DISCIPLINE IN MANAGING YOUR MONEY IS CRUCIAL FOR A BRIGHTER FINANCIAL FUTURE. ”

— NDB Wealth —

INFLATION RATES

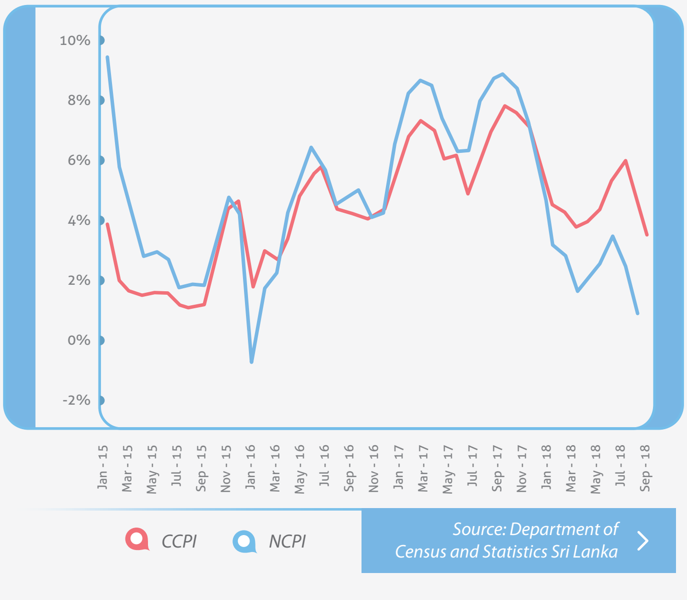
Country	Oct 17	Dec 17	Sep 18	Oct 18
Sri Lanka	7.76%	7.15%	4.34%	3.15%
US	2.04%	2.11%	2.28%	2.28%*
Euro Zone	1.38%	1.35%	2.07%	2.07%*
India	3.58%	5.21%	3.77%	3.77%*

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

* Sep 2018

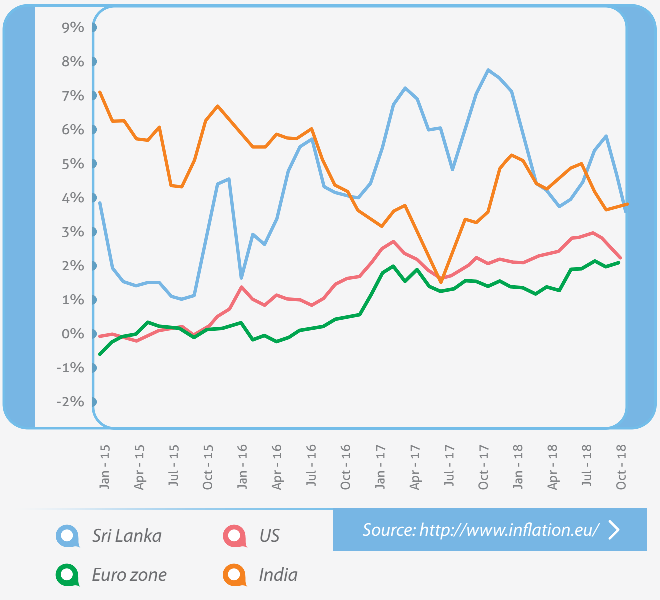
- Inflation as measured by the CCPI (2013=100) slowed considerably to 3.1% in October 2018 on a year-on-year basis from the previous month's 4.3% mainly on account of falling food prices. During the month the index declined by 0.2% of which prices in the food category fell by 2.0% whilst prices in the non-food category rose by 0.5%. Within the food category prices of mainly sea fish and vegetables declined. On an annual average basis too inflation slowed to 5.0% in September.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) however remained flat at 3.8% year-on-year in September. On an annual average basis core inflation decreased to 3.8% from 3.9% in September.
- We are of the view that inflation will hover at mid-single digit levels this year despite higher global commodity prices and the depreciating rupee mainly on account of the base effect of higher prices in 2017 and falling food prices.
- On the global front, both US and Euro Zone inflation decreased to 2.70% and 2.04% 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	Oct 17	Dec 17	Oct 18	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	153.59	152.85	174.38	-11.92%	-12.34%
GBP	202.71	205.54	221.66	-8.55%	-7.27%
EURO	178.73	182.49	197.81	-9.65%	-7.75%
YEN	1.36	1.36	1.54	-11.89%	-12.03%
AUD	118.05	119.10	125.25	-5.75%	-4.90%
CAD	119.63	121.61	132.88	-9.97%	-8.48%
INR	2.37	2.39	2.42	-2.29%	-1.58%
BHD	407.10	405.36	462.38	-11.96%	-12.33%
CNY	23.14	23.45	25.04	-7.56%	-6.32%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee depreciated by a considerable 2.95% against the US Dollar (USD) in October to close the month at LKR 174.38 per USD, thus year-to-date depreciation now stands at 12.34%. Further the Rupee lost 0.13% against the Pound Sterling and 0.36% against the Euro during the month.
- The US dollar dipped after three consecutive weeks of gains as investors took profits before US midterm elections which could fuel volatility in global markets.
- The Pound made gains against the Euro reaching a five-month high on speculation a Brexit deal is close to being reached. Furthermore, the British pound also gained 1.2% against the USD on a report that Britain has secured a deal that would give its financial services firms continued access to European markets after Brexit.
- Investor uncertainty gripping emerging markets before the US midterm elections appeared to have skipped the Indonesian rupiah which gained the most since June 2016, amidst foreign fund inflows in to Indonesian assets, whilst the rest of the emerging market currencies were more or less subdued.

USD PER 1 EURO MOVEMENT

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

COMMODITY OUTLOOK

	Past month Performance (1st Oct - 31st Oct 2018)	Past 12 months Performance (Oct 2017 - Oct 2018)	Year to Date Performance (1st Jan - 31st Oct 2018)
Bloomberg Commodity Index	-2.36%	-3.48%	-5.65%
Gold	1.42%	-5.01%	-3.88%
Tea	0.00%	-22.95%	-19.93%
Oil (Brent)	2.04%	39.66%	25.32%

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

- The Bloomberg Commodity Index declined in October, bringing its year-to-date loss to 5.65% and increasing the odds that the commodities market will have a losing year for the first time since 2015.

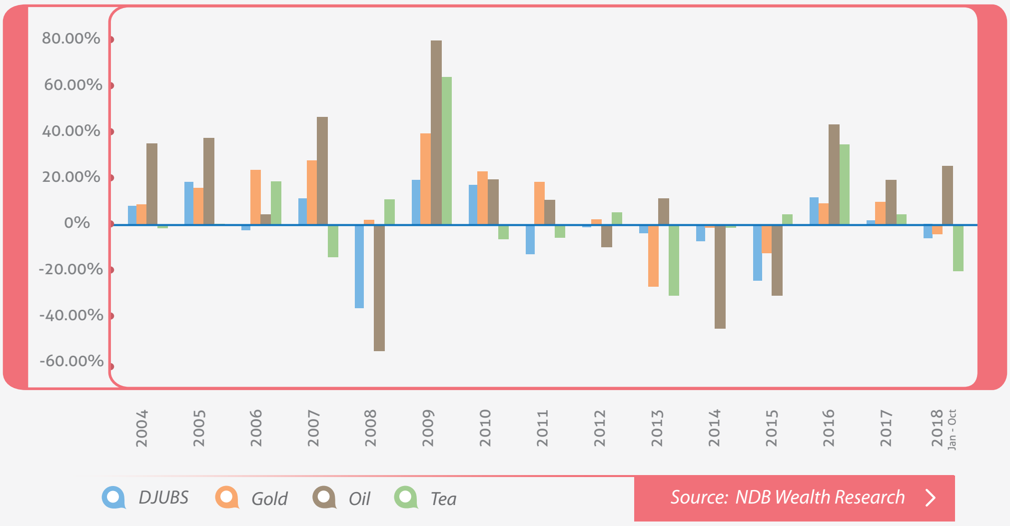
- A segment of analysts expect the risk aversion of investors to lead to softened global demand in 2019 compared to the more robust past couple of years witnessed by the overall commodities market.

- Oil prices declined, as investors worried about oversupply after the United States said it will temporarily spare eight jurisdictions, including South Korea, Japan and India from Iran-related sanctions. Prices have been under pressure as world oil has been rising significantly in the past two months. Output from the OPEC Countries rose to levels not seen in two years, while U.S. and Russia's output hit a record 11.3 million and 11.4 million barrels a day respectively.

- Moreover, concerns over U.S.-China trade war had rattled stock markets, weighing on oil prices.

- Gold prices increased by 1.42% in October. However, gold price may have hit an important price target, which if unable to penetrate may decline back to levels prevailed in August 2018. Gold prices continued to be weak in 2018 largely due to renewed strength in the US dollar, buoyed by a resilient US economy and historically low unemployment rates.

Commodity Price Movements



Source: NDB Wealth Research

PROPERTY OUTLOOK

- As per the Real estate consultancy firm, JLL Lanka, the amendments to the legislation pertaining to foreign ownership of land in Sri Lanka, Section 3 of the Land (Restriction on Alienation) Act could provide a boost to investor confidence.
- The amendment enables foreign companies to acquire and hold freehold land in Sri Lanka, so long as that entity is listed on the Colombo Stock Exchange, thereby lifting the previous restriction prohibiting the transfer of freehold land to a foreign company exceeding the maximum permitted holding of 49% foreign shareholding.
- This restriction was widely viewed as a barrier to foreign direct investment and an unreasonable constraint on companies that exceeded the 49% limit.
- The renewed Act (published on 3 August 2018) retrospectively comes into effect for land transfers after 1 April 2018, and removes the restriction for foreign nationals owning condominium real estate below the 4th floor of a building.
- Planned government divestment of non-core commercial assets such as the Hilton and Grand Hyatt hotels should also be impacted positively as the move has made transferring technical skills, capital and accessing Sri Lankan markets a much more transparent process.
- According to the former Finance minister, Sri Lanka has received expressions of interest from 88 international companies to purchase the Colombo Hilton and Grand Hyatt building.
- However, it is important to note that Sri Lanka is moving in to a year of elections in 2019. Any changes to the implemented legislations, that reverse such decisions and restrictions, may have detrimental impacts on the overall investor sentiment.
- Irrespective of economic condition in which operations are carried out, investors would seek consistency in policy implementation by the government.

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 September 2018									
*Profit Sharing Ratio**	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.48%	-	6.95%	7.53%	8.69%	9.27%	9.85%	-	10.43%
Bank of Ceylon Islamic Business Unit - As of September 2018									
*Profit Sharing Ratio**	45:55	-	-	-	-	-	-	-	-
Distributed Profit	4.46%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-Al Adalah Islamic Banking unit - As of September 2018									
*Profit Sharing Ratio**	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	5.98%	-	7.71%	8.66%	10.00%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of September 2018 (Released Quarterly)									
*Profit Sharing Ratio**	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.75%	-	9.00%	9.85%	10.65%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of September 2018									
*Profit Sharing Ratio** *(3Mn - 50Mn)*	40:60	60:40	65:35	40:60	65:35	65:35	-	-	-
Distributed Profit	5.50%	5.50%	7.00%	8.00%	11.25%	11.00%	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of September 2018									
*Profit Sharing Ratio**	32:68	52:48	52:48	52:48	55:45	62:38	62:38	-	-
Distributed Profit	6.46%	9.69%	10.50%	10.50%	11.10%	12.50%	12.50%	-	-
Commercial Leasing & Finance PLC- Islamic Finance – As of September 2018									
*Profit Sharing Ratio**	35:65	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	5.00%	11.18%	11.85%	12.30%	12.30%	13.19%	13.42%	14.31%	14.53%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of August 2018									
*Profit Sharing Ratio**	20:80	26:74	28:72	30:70	31:69	-	-	-	-
Distributed Profit	7.49%	9.37%	10.48%	11.23%	11.61%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of September 2018									
*Profit Sharing Ratio**	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	4.67%	9.35%	9.66%	10.29%	10.29.%	10.44%	10.75%	10.91%	11.53%
Peoples Leasing Islamic Business Unit - As of September 2018									
*Profit Sharing Ratio**	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.50%	-	8.67%	9.39%	10.84%	-	-	-	-

Source: Respective Company Data

* 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 APRIL 2018

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

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

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

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

UNIT TRUST FUNDS OFFERED BY NDB WM

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

NDB | WEALTH

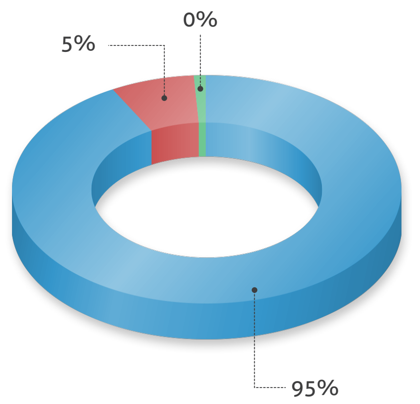
Fund Overview

NDB Wealth Growth Fund

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

NDB Wealth Growth Fund is an open-ended equity fund incorporated in Sri Lanka, invested in listed shares of the Colombo Stock Exchange. The Fund aims to achieve capital growth on a medium to long term basis by investing in a diversified portfolio of stocks of stable companies with a proven track record.

Equity Allocation



Historical Returns

Period	Fund Returns *	ASPI Returns
Last Month	-4.67%	-3.59%
Last 3 months	-6.98%	-5.37%
Last 6 months	-9.64%	-9.49%
Last 12 months	-7.17%	-8.95%
Year 2017	7.09%	2.26%
Year 2016	-0.92%	-9.66%

* After fees, excluding front end and back end loads

Fund Snapshot

Fund Snapshot	30-Sep-18
YTD Yield	-8.61%
NAV per unit	10.0304
AUM (LKR Mn.)	212.28
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.74%
Max Equity Allocaiton	97.00%
Current Equity Allocaiton	67.04%
Fund Leverage	0.00%

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

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	32.96%
Average Duration	0.45

Maturity	% Holding
3 Months - 6 Months	54.20%
6 Months - 1 Year	45.80%

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

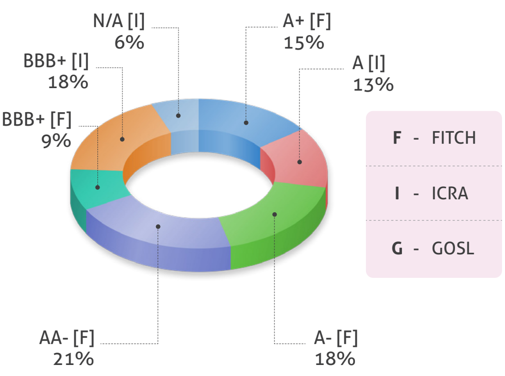
NDB Wealth Growth and Income Fund

Type: Open Ended | **Investments:** Listed Equities and Corporate Debt
Currency: LKR | **ISIN:** LKNWGIU00004

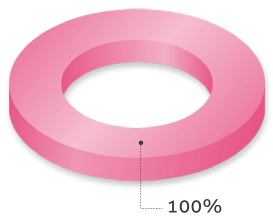
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing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

Portfolio Allocation

By Credit Rating



By Equity Sector



Historical Returns

Period	Fund Returns*	ASPI Returns
Last month	0.25%	-3.59%
Last 3 months	1.96%	-5.37%
Last 6 months	4.51%	-9.49%
Last 12 months	8.14%	-8.95%
Year 2017	10.10%	2.26%
Year 2016	4.13%	-9.66%

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

Fund Snapshot

Fund Snapshot	30-Sep-18
YTD Yield	6.73%
NAV per unit	35.0713
AUM (LKR Mn.)	191.14
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.10%
Max Equity Allocaiton	97.00%
Current Equity Allocaiton	1.72%
Fund Leverage	0.00%

Top 2 Portfolio Holdings (In Alphabetical Order)

SAMPATH BANK PLC

SINGER FINANCE (LANKA) PLC

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	98.28%
Average Duration	0.82

Maturity	% Holding
Under 1 Month	18.70%
1 Month - 3 Months	12.40%
3 Months - 6 Months	20.90%
6 Months - 1 Year	23.20%
1 Year - 5 Years	24.80%

Other Features

Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis. Instruments greater than one year - marked to market.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Exposure Restrictions	Maximum exposure restrictions to listed equity 15% of NAV; maximum exposure restrictions on fixed income investments depend on the features of each security, (Ex: Rated, Guaranteed, etc.), and are regulated by the Trustee and the SEC.
Fee Details	Management Fee : 0.65% p.a. of NAV / Trustee fee : 0.11-0.15% p.a. of NAV, depending on fund size. Custody Fee : Rs.10,000 per Month, Front-end fee : 1.5%.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Hatton National Bank PLC

Fund Overview

NDB Wealth Income Fund

Type: Open Ended
Currency: LKR

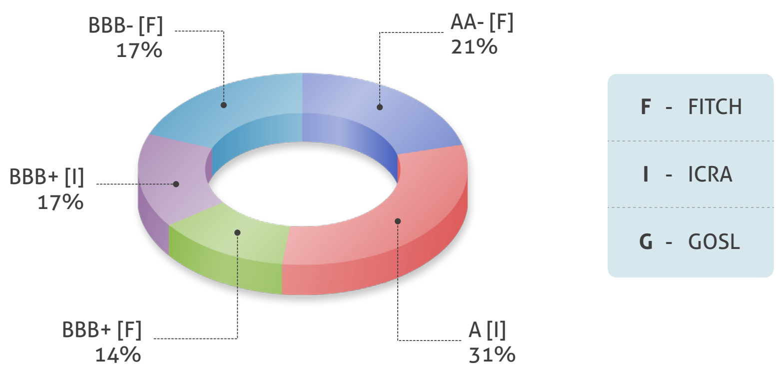
Investments: Corporate Debt Instruments
ISIN: LKNWINU00000

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

Fund Snapshot

Fund Snapshot	30-Sep-18
YTD Yield	8.14%
YTD Yield (Annualized)	10.88%
NAV per unit	12.2529
AUM (LKR Mn.)	322.51
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.31%
Average Maturity (Yrs)	2.13
Average Duration	1.47

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
1 Month - 3 Months	12.00%	11.40%
3 Months - 6 Months	13.70%	10.90%
1 Year - 5 Years	54.20%	11.80%
Over 5 Years	20.10%	12.10%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	8.14%	10.88%	11.45%
Last month	0.15%	1.78%	1.87%
Last 3 months	2.26%	8.98%	9.45%
Last 6 months	5.33%	10.62%	11.18%
Last 12 months	11.16%	11.16%	11.75%
Year 2017	14.34%	14.34%	15.10%
Year 2016	8.00%	8.00%	8.43%

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

Other Features

Valuation	Daily Valuation All Instruments are marked to market.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Exposure Restrictions	Maximum exposure restrictions on investments depend on the features of each security, (Ex: Rated, Guaranteed, etc), and are regulated by the Trustee and the SEC.
Fee Details	Management Fee : 1.00% p.a. of NAV. Trustee fee : 0.10 - 0.19% p.a. of NAV based on fund size. Custodian fee : 0.05% p.a.of NAV.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

Fund Overview

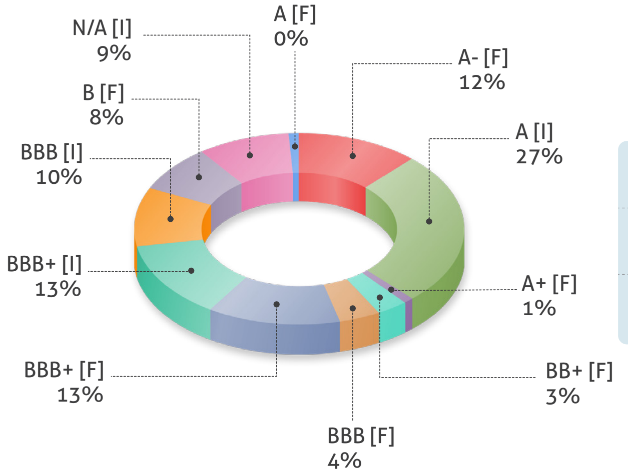
NDB Wealth Income Plus Fund

Type: Open Ended
Currency: LKR

Investments: Fixed Income Securities
ISIN: LKNWIPU00005

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

Portfolio Allocation By Credit Rating



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I - ICRA	
G - GOSL	

Fund Snapshot 30-Sep-18

YTD Yield	9.00%
YTD Yield (Annualized)	12.03%
NAV per unit	13.0976
AUM (LKR Mn.)	1,213.96
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.70%
Average Maturity (Yrs)	0.32
Average Duration	0.3

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	3.20%	11.30%
1 Month - 3 Months	46.60%	11.60%
3 Months - 6 Months	30.90%	11.80%
6 Months - 1 Year	19.30%	12.30%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	9.00%	12.03%	12.66%
Last month	0.93%	11.28%	11.87%
Last 3 months	2.89%	11.46%	12.06%
Last 6 months	5.98%	11.93%	12.55%
Last 12 months	12.16%	12.16%	12.80%

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

Other Features

Valuation	Daily Valuation Cost plus accrued basis
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Fee Details	Management Fee : 0.50% p.a. of NAV. Trustee and Custodian fee : 0.065 - 0.1% p.a. of NAV, based on fund size. Exit fee : 2% if less than 1 year ; 0 if greater than 1 year
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

Fund Overview

NDB Wealth Money Fund

Type: Open Ended
Currency: LKR

Investments: Short Term Government Securities
ISIN: LKNWMNU00002

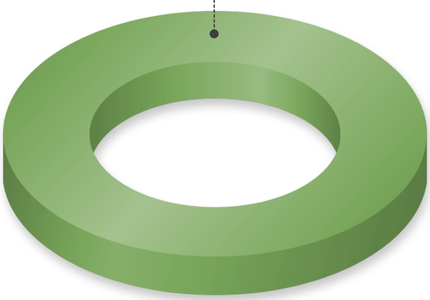
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka,invested in Government of Sri Lanka Treasury Bills, government securities backed Repurchase transactions and short term bank deposits.

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

Fund Snapshot

Fund Snapshot	30-Sep-18
YTD Yield	6.34%
YTD Yield (Annualized)	8.48%
NAV per unit	16.8429
AUM (LKR Mn.)	226.93
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.86%
Average Maturity (Yrs)	0.09
Average Duration	0.09

Portfolio Allocation By Credit Rating



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Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	54.30%	9.00%
1 Month - 3 Months	45.70%	9.10%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	6.34%	8.48%
Last month	0.67%	8.19%
Last 3 months	2.09%	8.31%
Last 6 months	4.33%	8.63%
Last 12 months	8.60%	8.60%
Year 2017	9.50%	9.50%
Year 2016	8.94%	8.94%

Other Features

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

Fund Overview

NDB Wealth Money Plus Fund

Type: Open Ended
Currency: LKR

Investments: Money Market Corporate Debt Securities
ISIN: LKNWMPU00007

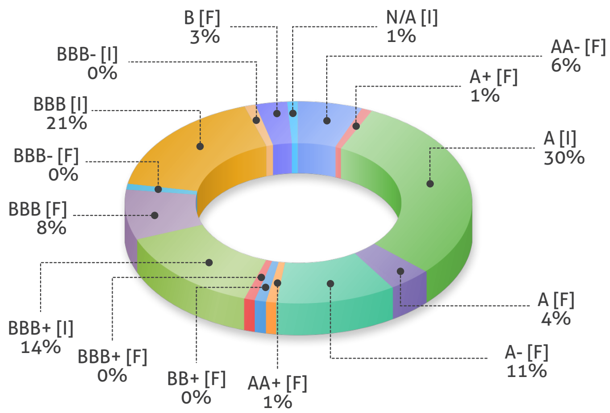
NDB Wealth Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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

Fund Snapshot

Fund Snapshot	30-Sep-18
YTD Yield	8.47%
YTD Yield (Annualized)	11.32%
NAV per unit	18.6475
AUM (LKR Mn.)	13,085.19
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.87%
Average Maturity (Yrs)	0.27
Average Duration	0.25

Portfolio Allocation By Credit Rating



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Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	24.30%	11.00%
1 Month - 3 Months	29.20%	12.00%
3 Months - 6 Months	34.60%	12.10%
6 Months - 1 Year	12.00%	12.40%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	8.47%	11.32%	11.91%
Last month	0.89%	10.86%	11.43%
Last 3 months	2.74%	10.85%	11.43%
Last 6 months	5.75%	11.46%	12.06%
Last 12 months	11.42%	11.42%	12.02%
Year 2017	11.38%	11.38%	11.98%
Year 2016	8.81%	8.81%	9.27%

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

Other Features

Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis, Instruments greater than one year - n/a.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Exposure Restrictions	Maximum exposure restrictions on investments depend on the features of each security, (Ex: Rated, Guaranteed, et) and are regulated by the Trustee and the SEC.
Fee Details	Management Fee : 0.65% p.a. of NAV. Trustee fee : 0.11-0.15% p.a. of NAV, depending on fund size. Custody Fee : Rs.10,000 per Month
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Hatton National Bank PLC

Fund Overview

NDB Wealth Islamic Money Plus Fund

Type: Open Ended
Currency: LKR

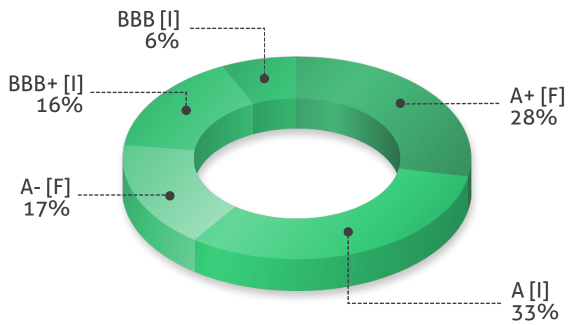
Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

NDB Wealth Islamic Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested exclusively in short term LKR based Shariah compliant investments including Mudharabah term deposits, Mudharabah savings deposits, Wakala investments and sukuk investments less than 366 days.
The Fund aims to provide investors with liquidity and regular income through investing in a portfolio of short term shariah compaliant securities.

Fund Snapshot

Fund Snapshot	30-Sep-18
YTD Yield	7.48%
YTD Yield (Annualized)	10.00%
NAV per unit	13.09
AUM (LKR Mn.)	192.75
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.24%
Average Duration	0.38

Portfolio Allocation By Credit Rating



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Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	24.99%	9.50%
1 Month - 3 Months	5.34%	11.70%
3 Months - 6 Months	63.26%	12.00%
6 Months - 1 Year	6.41%	12.10%

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	Tax Equivalent Return (Annualized)*
Year to Date	7.48%	10.00%	10.53%
Last month	0.79%	9.59%	10.10%
Last 3 months	2.64%	10.45%	11.00%
Last 6 months	5.14%	10.26%	10.80%
Last 12 months	10.12%	10.12%	10.66%

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

Other Features

Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis, Instruments greater than one year - n/a.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Fee Details	Management Fee : 0.80% p.a. of NAV. Trustee fee :0.11% - 0.15% p.a. of NAV, based on the fund size Custody Fee : Rs.10,000 per Month.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Hatton National Bank PLC

Fund Overview

NDB Wealth Gilt Edged Fund

Type: Open Ended
Currency: LKR

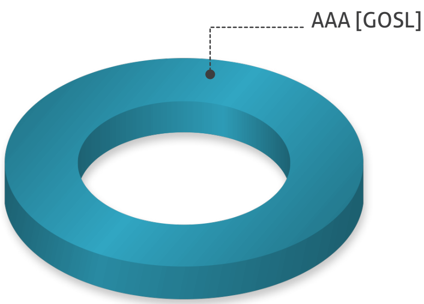
Investments: Government of Sri Lanka Securities
ISIN: LKNWGEU00003

NDB Wealth Gilt Edged Fund is an open-ended unit trust fund incorporated in Sri Lanka, invested in Government of Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions. The Fund aims to maximize returns from investments by investing the fund exclusively in government securities and government guaranteed securities.

Fund Snapshot 30-Sep-18

YTD Yield	5.99%
YTD Yield (Annualized)	8.00%
NAV per unit	13.5188
AUM (LKR Mn.)	54.29
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	0.84%
Average Maturity (Yrs)	0.07
Average Duration	0.07

Portfolio Allocation By Credit Rating



G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	100.0%	9.40%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	5.99%	8.00%
Last month	0.64%	7.81%
Last 3 months	2.04%	8.09%
Last 6 months	4.04%	8.05%
Last 12 months	8.07%	8.07%
Year 2017	10.41%	10.41%
Year 2016	20.19%	20.19%

Other Features

Valuation	Daily Valuation All Instruments are marked to market.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Fee Details	Management Fee : 0.65% p.a. of NAV Trustee fee : 0.10-0.19% p.a. of NAV, depending on fund size Custodian fee : 0.05% p.a.of NAV.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

DISCLAIMER

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