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MARKET UPDATE AND FUND REVIEW

2019 FEBRUARY

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MARKET BRIEF BY NDB WEALTH

BASE EFFECT AFFECTS INFLATION

Inflation as measured by the CCPI (2013=100), increased to 4% in February on a year-on-year basis from the previous month's 3.7% mainly on account of the base effect, when in fact the index was down 0.5% during the month. The index declined mainly due to falling food prices. During the month, food prices fell by 2.1% whilst prices in the non-food category rose by a marginal 0.2%. We are of the view that the Central Bank will manage inflation at mid-single digit levels this year.

RUPEE CONTINUES TO APPRECIATE

The Sri Lankan Rupee gained 0.05% against the US Dollar (USD) in February leading to an overall appreciation of 1.64% for the year so far. The Rupee also appreciated against the Euro and the Japanese Yen; however, lost against the Pound Sterling. The Central Bank became a net buyer of foreign exchange in the market for the first time since April last year amounting to USD 2.5 mn in January. Despite the recovery of the Rupee amidst a weaker US Dollar, we expect that in the long term, the Rupee will experience pressure owing to widening trade deficits and foreign debt repayments.

INTEREST RATES FALL

Interest rates decreased across the board with the benchmark 364-day t-bill rate closing the month at 10.67% in February fueled by foreign buying on local government securities. The total foreign holding of LKR denominated bills and bonds improved to 3.05%, as foreign investors became net buyers amounting to LKR 9.9 bn during the month. We expect interest rates to ease from current levels as it is widely expected that the Central Bank will be successful in tapping in to international financial markets for its funding requirements.

LACKLUSTER EQUITY MARKETS

The Equity market continued on its free fall in to February with the All Share Price Index (ASPI) declining by 2.9% and the S&P SL 20 index declining by 3.08%, on the backdrop of negative investor sentiment and weak economic conditions. Net foreign selling for the month of February stood at LKR 2.63 bn and on a year-to-date basis foreigners were net-sellers amounting to LKR 4.95 bn. We expect the market to continue to be lackluster on weak local and foreign investor sentiment amid macro-economic and election uncertainty as well as global market pressures.

Amaya Nagodavithane
Research Analyst

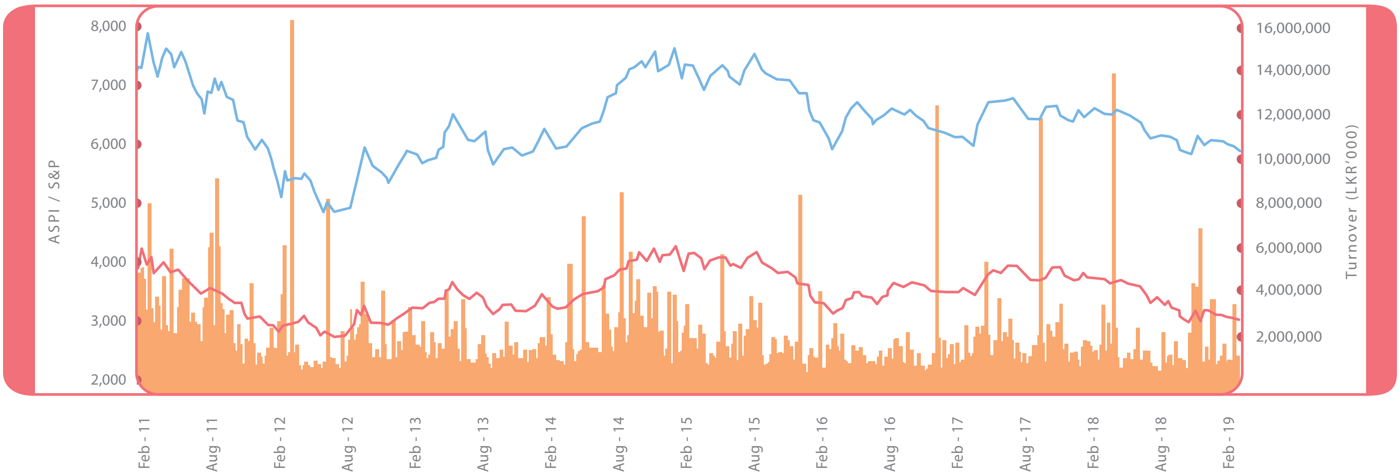
EQUITY OUTLOOK

	Past month Performance (1st Feb - 28th Feb 2019)	Past 12 months Performance (Feb 2018 - Feb 2019)	Year to Date Performance (1st Jan 2019 - 28th Feb 2019)
All Share Price Index	-2.90%	-11.23%	-3.90%
S&P SL 20	-3.08%	-19.71%	-4.98%
MSCI Frontier Markets Index	0.81%	-15.06%	5.60%
MSCI World Index	3.01%	0.43%	11.02%
MSCI Emerging Markets	0.22%	-9.89%	9.00%
MSCI Asia Ex Japan	2.09%	-8.22%	9.55%

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

- The two main indices of the Colombo Stock Exchange (CSE), the All Share Price Index and the S&P SL 20 Index, continued to record significant losses in 2019, as they declined by 2.90% and 3.08% respectively, in February 2019.
- Weak investor sentiment in the market due to political and economic instability may have been the main catalysts for the losses experienced in the Bourse.
- Moreover, the banking sector, a dominant segment of the CSE, recorded lower profitability backed by higher impairment provisions, exerting more selling pressure in the market.
- Emerging-market stocks led by Chinese shares rose in February 2019.
- MSCI increased China's weight in its flagship Emerging Markets Index, which is tracked by USD 1.9 trillion of funds, reflecting how Beijing has opened up its markets to foreign investors in recent years.
- Chinese stocks rose after global index provider MSCI said it would raise the weighting of China's mainland equities in its global benchmarks later this year. That could draw more than USD 80 billion of fresh foreign funds into China.
- Emerging and frontier markets are deemed smaller, less liquid and riskier compared to developed markets.

Colombo Stock Exchange Performance



Source: www.cse.lk

		Feb 2019	Feb 2018
CSE	Market PER	9.10 X	11.05 X
	Market PBV	1.14 X	1.35 X
	Market DY	3.42%	2.97%
MSCI Frontier Market	Market PER	13.11 X	15.91 X
	Market PBV	1.81 X	2.04 X
	Market DY	3.89%	2.92%

Source: www.cse.lk

- Foreign investors continued to be net sellers in the bourse for the 8th consecutive month.
- Foreign inflows to CSE have declined by over 48% during the first two months of 2019 compared to the corresponding period in 2018.

Colombo Stock Exchange	Jan - Feb 2019	Jan - Feb 2018
Foreign Inflows	LKR 10.07 Billion	LKR 19.40 Billion
Foreign Outflows	LKR 15.02 Billion	LKR 13.30 Billion
Net Foreign Inflows/(Outflows)	**(LKR 4.95 Billion)**	**LKR 6.10 Billion**

Source: www.cse.lk

“ IT IS NOT NECESSARY TO DO EXTRAORDINARY THINGS TO GET EXTRAORDINARY RESULTS ”

— Warren Buffet —

FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

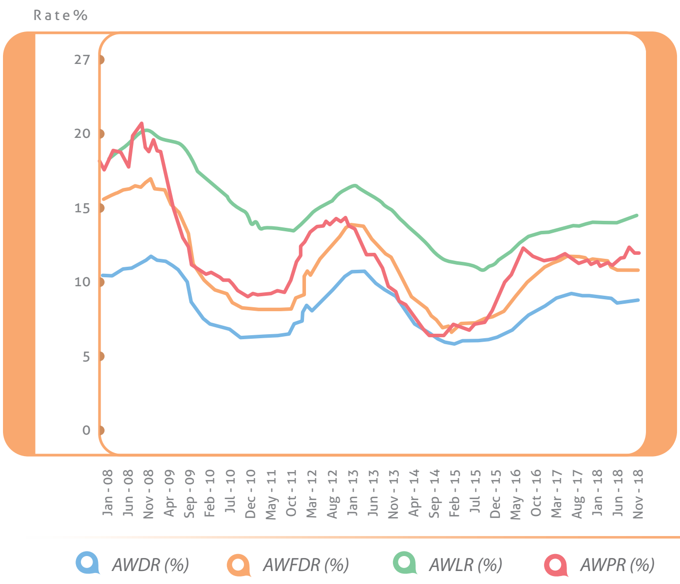
The Central Bank of Sri Lanka (CBSL) maintained its key policy rates stable in February holding the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 9.00% and 8.00% respectively. Meanwhile CBSL reduced its Statutory Reserve Ratio (The reserve requirement of Financial Institutions to maintain with the CBSL) yet again by 1.0% to 5.00%.

	Feb 18	Dec 18	Jan 19	Feb 19
364 Day T-bill	9.59%	11.20%	10.69%	10.67%
5-Year Bond	10.08%	11.56%	11.28%	11.11%
1-Year Finance Company Fixed Deposit Ceiling Rate	12.11%	12.46%	14.22%	14.22%

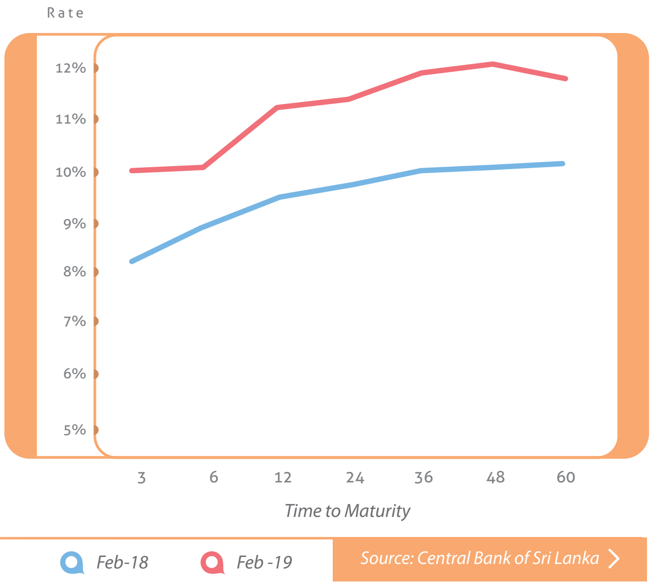
** Gross Rates provided. Net returns earned on Government Securities would vary depending on the individual's tax bracket while Fixed Deposits will be subject to a ¬final WHT of 5% for individuals.*

Source: Central Bank of Sri Lanka

AVERAGE LENDING & DEPOSIT RATES



YIELD CURVE - LKR TREASURIES



Source: Central Bank of Sri Lanka

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

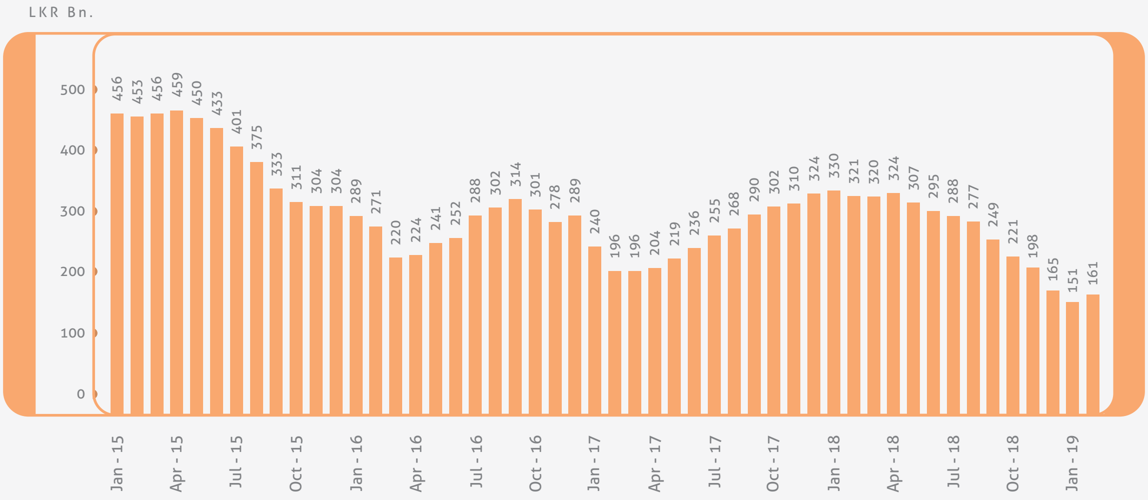
Treasury Bill rates decreased across the board with the benchmark 364-day T-Bill rate falling to 10.67% and the 91-day and 182-day T-Bill closing the month at 9.55% and 9.87% respectively.

Broad money (M2b) growth slowed to 13.0% year-on-year in December, from the previous month's 13.9% whilst credit extended to the private sector also slowed to 15.9% year-on-year in December. During the month private sector credit disbursements increased by LKR 52.4 Bn. (1% m-o-m), slower than that observed in the last few months.

Outstanding LKR Govt. Securities LKR 5,279 Billion	
T Bills (Total)	**T Bonds (Total)**
LKR 924 Billion	LKR 4,355 Billion
Domestic (Bills & Bonds)	**Foreign (Bills & Bonds)**
LKR 5,118 Billion	LKR 161 Billion
Total Foreign Holding of Bills and Bonds - 3.05%	

Source: Central Bank of Sri Lanka

FOREIGN HOLDING OF LKR G-SEC



Source: Central Bank of Sri Lanka

Foreign holding of government securities increased for the first time since April last year, improving by LKR 9.9 billion in February to represent 3.05% of outstanding Government Bills and Bonds. On a year-to-date basis however, foreigners remained net sellers amounting to LKR 3.5 billion.

1 Year FD Rates – Sri Lankan Banks		
	Feb 2019	Jan 2019
NSB	10.50%	10.50%
COMB	11.00%	11.00%
SAMP	12.00%	12.00%
HNB	11.00%	11.00%
NDB	11.75%	11.75%

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

Source: Respective Commercial Banks

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

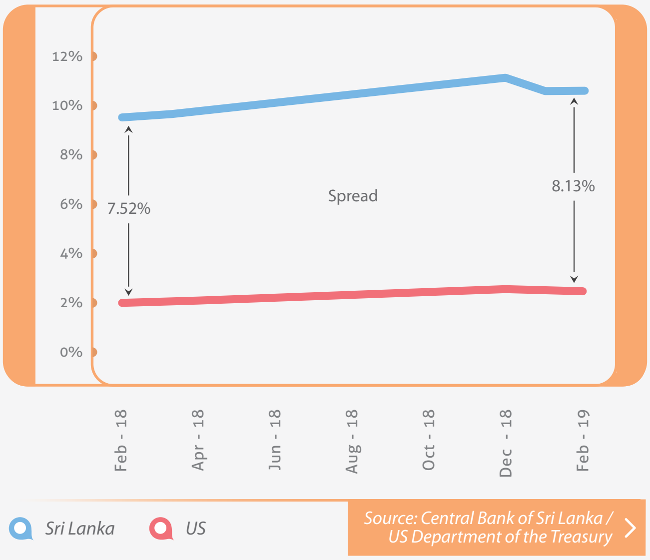
NDIB CRISIL Fixed Income Indices Total return as at 28/02/2019	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	2.56%	8.72%	8.83%
NDBIB-CRISIL 364 Day T-Bill Index	3.00%	8.40%	8.89%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	5.19%	8.35%	10.96%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	6.57%	7.12%	11.26%

Source: www.crisil.com

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

Source: www.cbrates.com

1 YEAR TREASURY RATE - USD Vs. LKR



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

It is expected that the US Federal Reserve may go ahead with only one rate hike for the year or possibly none at all, amidst slowing US economic activity.

364 Day Treasury Bill Rate	Feb 18	Dec 18	Jan 19	Feb 19
Sri Lanka	9.59%	11.20%	10.69%	10.67%
India	6.66%	6.94%	6.78%	6.55%
US	2.07%	2.63%	2.55%	2.54%
Euro Zone	-0.68%	-0.75%	-0.60%	-0.57%

Source: Respective Central Banks

	Rates on Savings Accounts Feb 2019
Sri Lanka	4.00%
US	0.03%
Euro Zone	0.11%
Australia	1.65%
India	3.50%

Source: Respective Commercial Banks

The European Central Bank (ECB) is expected to maintain interest rates at current levels at least until next year amid evidence of economic slowdown in the Euro area. The ECB also unveiled a round of fresh stimulus, offering banks cheap loans to help revive its economy.

"FINANCIAL SECURITY AND SMART FINANCIAL PLANNING GO HAND IN HAND"

— NDB Wealth —

INFLATION RATES

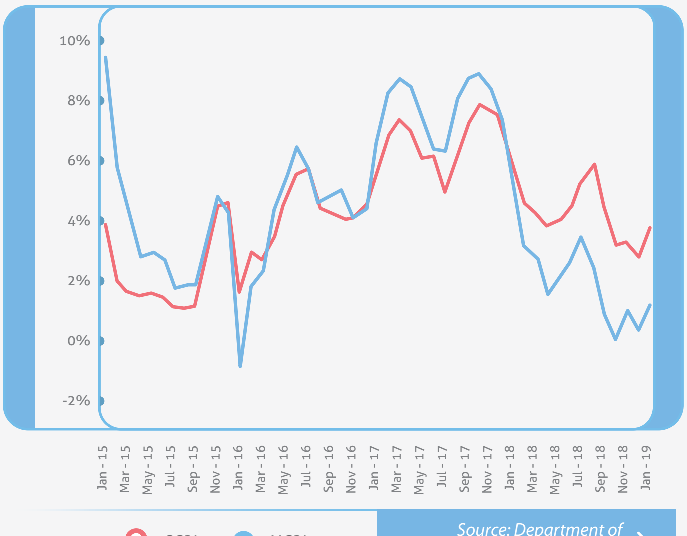
Country	Feb 18	Dec 18	Jan 19	Feb 19
Sri Lanka	7.57%	7.15%	3.15%	3.15%
US	2.20%	2.11%	2.52%	2.52%*
Euro Zone	1.54%	1.35%	2.20%	2.20%*
India	4.88%	5.21%	3.31%	3.31%*

* Jan 2019

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

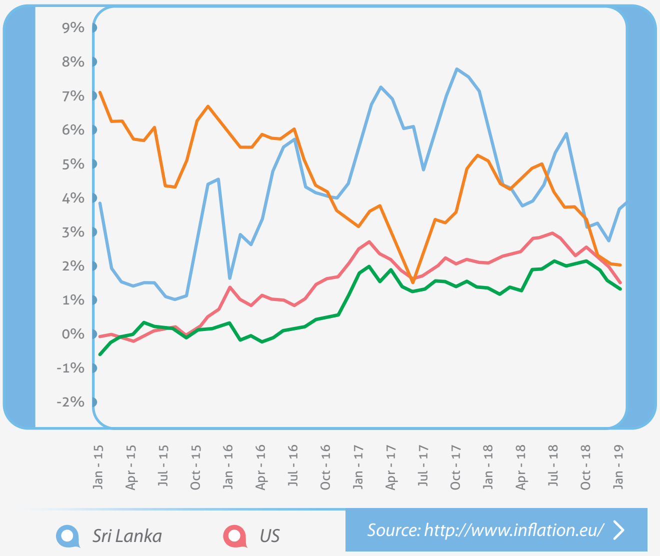
- Inflation as measured by the CCPI (2013=100), increased to 4% in February 2019 on a year-on-year basis from the previous month's 3.7% mainly on account of the base effect, when in fact the index was down 0.5% during the month.
- The index declined mainly due to falling food prices which fell by 2.1% during the month. In contrast, prices in the non-food category rose by a marginal 0.2%. Within the food category prices of mainly vegetables, green chilies, lime and rice decreased.
- On an annual average basis inflation remained flat at 4.1% in February.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport), slowed to 5.4% year-on-year in February. On an annual average basis core inflation marginally increased to 3.8% in February from 3.7% in the previous month.
- We are of the view that the Central Bank will manage inflation at mid-single digit levels this year.
- On the global front, both US and Euro Zone inflation decreased to 1.55% and 1.38% respectively in January.

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	Feb 18	Dec 18	Feb 19	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	154.87	182.75	179.80	-13.86%	1.64%
GBP	215.31	231.86	239.22	-10.00%	-3.08%
EURO	189.35	208.99	204.57	-7.44%	2.16%
YEN	1.44	1.65	1.62	-10.95%	1.75%
AUD	120.67	128.87	128.39	-6.01%	0.38%
CAD	121.26	134.08	136.69	-11.29%	-1.91%
INR	2.39	2.61	2.52	-5.49%	3.40%
BHD	407.87	484.78	476.92	-14.48%	1.65%
CNY	24.46	26.57	26.90	-9.07%	-1.24%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee continued to appreciate against the USD for the second consecutive month, rising marginally by 0.05% in February against the US Dollar (USD) to close the month at LKR 179.80 per USD. The year-to-date appreciation now stands at 1.64%.
- Further, the Rupee lost 1.35% against the Pound Sterling and gained 1.08% against the Euro during the month.
- On the global front, the USD rose against a basket of currencies as unexpectedly strong data on US services industries and new home sales eased fears about the state of its economy.
- The Pound extended losses against the Euro on Brexit uncertainties.
- The Philippine Peso emerged as Asia's best-performing currency as the currency bounced back from a 13-year low. The currency, which has climbed since the start of the year, rose 0.8% in February, in the backdrop of expectations that the Federal Reserve may relax its policy on interest rate tightening as well as easing global trade tensions which fueled demand for developing-country assets.

USD PER 1 EURO MOVEMENT

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

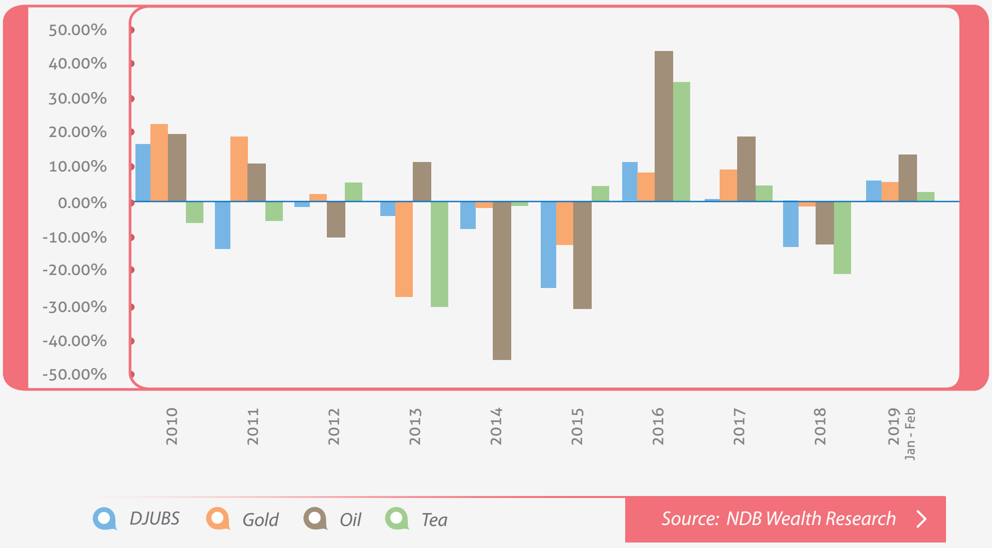
COMMODITY OUTLOOK

	Past month Performance (1st Feb - 28th Feb 2019)	Past 12 months Performance (Feb 2018 - Feb 2019)	Year to Date Performance (1st Jan 2019 - 28th Feb 2019)
Bloomberg Commodity Index	0.82%	-7.66%	6.09%
Gold	2.19%	-0.80%	5.57%
Tea	1.36%	-19.81%	2.82%
Oil (Brent)	8.20%	-1.97%	13.58%

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

- Bloomberg commodity index continued its impressive start to 2019 by gaining 0.82% in February.
- One notable feature of the commodities markets so far this year has been the outperformance of the more industrial commodities (energy and industrial metals) compared to the performance of precious metals and particularly the lagging agriculture and livestock commodities.
- However, it is imperative that the uncertain economic outlook tied to U.S. trade policy and geopolitical risk surrounding Venezuela and Iran are closely monitored.
- Brent crude increased by 8.20% in February in spite of surging US supply and concerns of a global economic slowdown.
- Oil prices increased in February as OPEC and its allies made headway in cutting production to withhold about 1.2 million bpd of supply to prop up prices.
- Concerns about what turmoil in big producer Venezuela may mean for supplies going forward also contributed to the increase in prices. Oil exports in Venezuela have plunged by 40% to about 920,000 barrels per day (bpd) since the US government slapped sanctions on its petroleum industry in January.
- The bullish trend in gold is expected to continue, according to analysts at Goldman Sachs, amid a weaker dollar and elevated geopolitical tensions.

Commodity Price Movements



Source: NDB Wealth Research

PROPERTY OUTLOOK

- KMPG Sri Lanka remains bullish on Sri Lanka's luxury real estate market citing population growth, fast urbanization, increasing housing requirement, surge in tourism and growth in household and per capita income as the main catalysts driving the demand for luxury real estate during the next few years.
- According to KPMG, Sri Lanka's population is expected to increase to 24 million by 2030, from 21.4 million in 2017, which would drive the population density in the Colombo District from 3,495 people per square kilometer to 5,722 per square kilometer, by 2030.
- Sri Lanka's urbanization growth is also expected to amplify from 0.3% to 3 – 4% in the next 15 years, to reach an urbanization rate of 30% by 2030.
- As per the above assumptions, 100,000 units per annum are required to fill the housing gap, compared to the 25,000 housing units are currently coming into the market annually.
- Sri Lanka's super luxury apartments are currently valued around USD 400 - 550 per square foot, while the luxury apartments are priced at USD 200-399 per square foot. Luxury apartments in the suburban areas are priced between USD 120-199 per square foot.
- However, the recent activities that took place in the country have made serious dents to making vertical living a reality as it gets further out of reach for the average Sri Lankan due to protectionist taxes and lack of financing.
- The rupee depreciation, the political crisis in October 2018 and high interest rates have dented the confidence in the market.
- Additionally, high construction costs in Sri Lanka, which are around 30% higher compared to rest of South Asia, are also driving apartment prices up.
- Protectionist tariffs on construction material such as steel, ceramics and aluminum are hurting the sector.
- Under such circumstances, the outlook on the demand for super luxury and luxury apartments may not be as positive in the short to medium term.

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 January 2019									
*Profit Sharing Ratio**	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.52%	-	7.03%	7.62%	8.79%	9.37%	9.96%	-	10.55%
Bank of Ceylon Islamic Business Unit - As of January 2019									
*Profit Sharing Ratio**	45:55	-	-	-	-	-	-	-	-
Distributed Profit	5.40%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-Al Adalah Islamic Banking unit - As of January 2019									
*Profit Sharing Ratio**	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	6.20%	-	7.69%	9.01%	9.05%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of December 2018 (Released Quarterly)									
*Profit Sharing Ratio**	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	4.10%	-	9.50%	10.00%	10.75%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of January 2019									
*Profit Sharing Ratio** *(3Mn - 50Mn)*	40:60	60:40	65:35	40:60	65:35	65:35	-	-	-
Distributed Profit	5.68%	7.10%	7.70%	8.15%	11.50%	11.50%	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of January 2019									
*Profit Sharing Ratio**	32:68	52:48	52:48	52:48	55:45	62:38	62:38	-	-
Distributed Profit	6.43%	11.45%	12.04%	12.45%	13.05%	14.05%	14.45%	-	-
Commercial Leasing & Finance PLC- Islamic Finance – As of January 2019									
*Profit Sharing Ratio**	35 :65	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	8.45%	11.96%	12.20%	12.44%	12.68%	13.63%	13.87%	14.35%	15.07%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of January 2019									
*Profit Sharing Ratio**	20:80	26:74	28:72	30:70	31:69	-	-	-	-
Distributed Profit	7.51%	9.76%	10.51%	11.26%	11.64%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of January 2019									
*Profit Sharing Ratio**	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	5.62%	11.24%	11.61%	12.36%	12.36.%	12.55%	12.93%	13.11%	13.86%
Peoples Leasing Islamic Business Unit - As of January 2019									
*Profit Sharing Ratio**	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	8.27%	-	11.03%	11.95%	13.79%	-	-	-	-

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

Source: Respective Company Data

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

WHITE LIST AS OF APRIL 2018

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

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

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

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

UNIT TRUST FUNDS OFFERED BY NDB WM

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

NDB | WEALTH

Fund Overview

NDB Wealth Growth Fund

Type: Open Ended
Currency: LKR

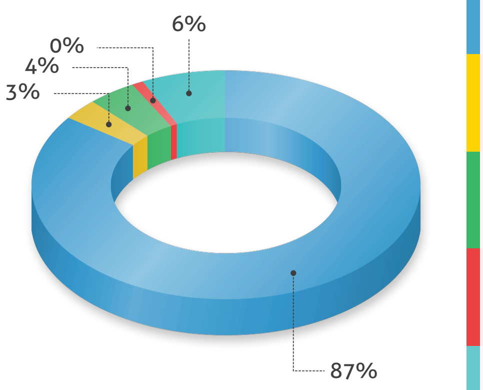
Investments: Listed Equities
ISIN: LKNWGRU00005

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

Fund Snapshot

Fund Snapshot	31-Jan-19
YTD Yield	-0.69%
NAV per unit	10.1376
AUM (LKR Mn.)	205.84
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.58%
Max Equity Allocation	97.00%
Current Equity Allocation	86.35%
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	-0.69%	-1.03%
Last 3 months	0.18%	0.61%
Last 6 months	-5.53%	-2.56%
Last 12 months	-8.84%	-7.51%
Year 2018	-6.79%	-4.98%
Year 2017	7.09%	2.26%

* After fees, excluding front end and back end loads

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	13.65%
Average Duration	0.02

Maturity	% Holding
Under 1 Month	100.00%

Other Features

Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis. Instruments greater than one year - n/a.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Exposure Restrictions	Maximum exposure restrictions to listed equity 15% of NAV; maximum exposure restrictions on fixed income investments depend on the features of each security, (Ex: Rated, Guaranteed, etc.), and are regulated by the Trustee and the SEC.
Fee Details	Management Fee : 2.25% p.a. of NAV. Trustee fee : 0.10 - 0.19% p.a. of NAV. Custodian fee : 0.05% p.a.of NAV, depending on fund size Front-end fee : 2% / Exit fee : 1% if less than 1 year ; 0 if greater than 1 year.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

Fund Overview

NDB Wealth Growth and Income Fund

Type: Open Ended
Currency: LKR

Investments: Listed Equities and Corporate Debt
ISIN: LKNWGIU00004

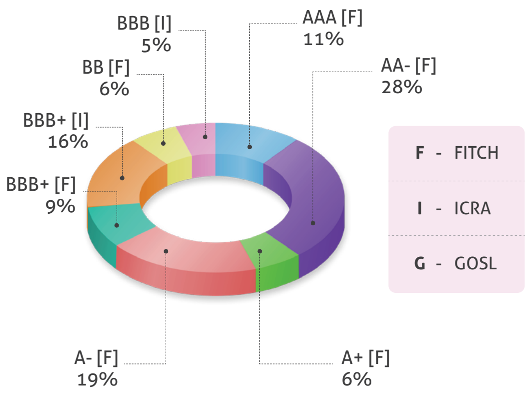
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing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

Fund Snapshot

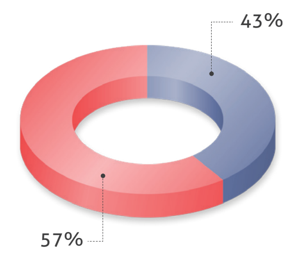
Fund Snapshot	31-Jan-19
YTD Yield	0.88%
NAV per unit	35.6250
AUM (LKR Mn.)	192.70
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.03%
Max Equity Allocation	97.00%
Current Equity Allocation	8.80%
Fund Leverage	0.00%

Portfolio Allocation

By Credit Rating



By Equity Sector



Top 4 Portfolio Holdings (In Alphabetical Order)

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

Historical Returns

Period	Fund Returns*	ASPI Returns
Last month	0.88%	-1.03%
Last 3 months	1.11%	0.61%
Last 6 months	2.65%	-2.56%
Last 12 months	7.41%	-7.51%
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	91.20%
Average Duration	0.83

Maturity	% Holding
Under 1 Month	17.42%
1 Month - 3 Months	9.51%
3 Months - 6 Months	18.89%
6 Months - 1 Year	29.41%
1 Year - 5 Years	24.78%

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

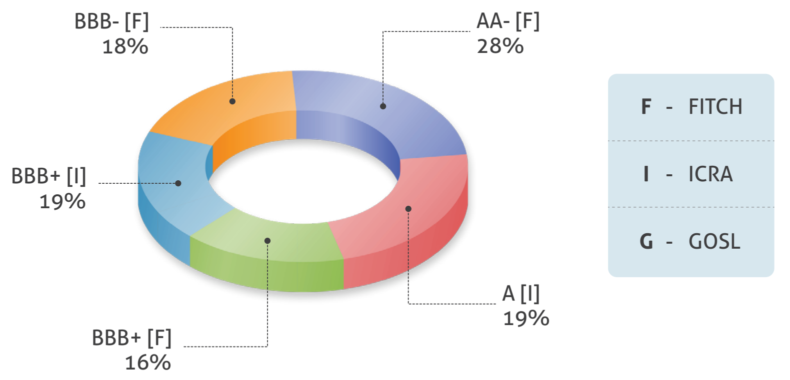
Fund Overview

NDB Wealth Income Fund

Type: Open Ended | **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.

Portfolio Allocation By Credit Rating



Fund Snapshot

Fund Snapshot	31-Jan-19
YTD Yield	1.23%
YTD Yield (Annualized)	14.53%
NAV per unit	12.6043
AUM (LKR Mn.)	289.88
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.34%
Average Maturity (Yrs)	1.96
Average Duration	1.41

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	18.97%	11.97%
6 Months - 1 Year	46.59%	11.10%
1 Year - 5 Years	16.87%	12.30%
Over 5 Years	17.58%	12.00%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	1.23%	14.53%	15.29%
Last month	1.23%	14.53%	15.29%
Last 3 months	2.87%	11.37%	11.97%
Last 6 months	4.31%	8.55%	9.00%
Last 12 months	9.56%	9.56%	10.06%
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

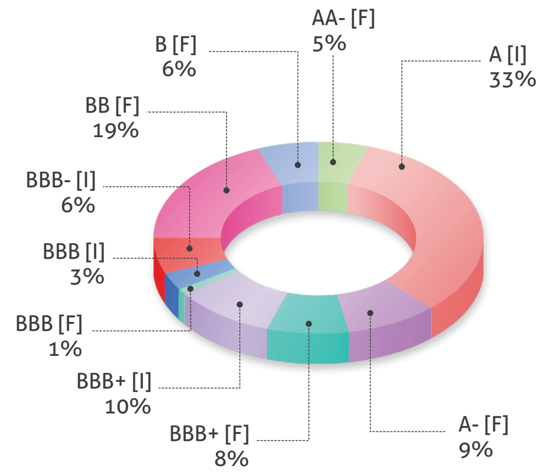
NDB Wealth Income Plus Fund

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.

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Fund Snapshot

Fund Snapshot	31-Jan-19
YTD Yield	0.97%
YTD Yield (Annualized)	11.39%
NAV per unit	13.6051
AUM (LKR Mn.)	710.71
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.69%
Average Maturity (Yrs)	0.22
Average Duration	0.20

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	11.68%	11.68%
1 Month - 3 Months	49.39%	11.80%
3 Months - 6 Months	38.93%	12.50%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	0.97%	11.39%	11.99%
Last month	0.97%	11.39%	11.99%
Last 3 months	2.89%	11.45%	12.06%
Last 6 months	5.85%	11.60%	12.21%
Last 12 months	12.13%	12.13%	12.76%

* 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

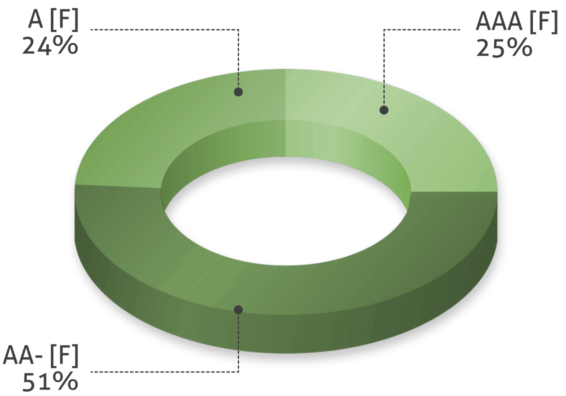
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka,invested in Government of Sri Lanka Treasury Bills, government securities backed Repurchase transactions and short term bank deposits.

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	31-Jan-19
YTD Yield	0.86%
YTD Yield (Annualized)	10.16%
NAV per unit	17.3713
AUM (LKR Mn.)	204.83
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.94%
Average Maturity (Yrs)	0.52
Average Duration	0.47

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	26.52%	9.03%
1 Month - 3 Months	24.43%	11.80%
6 Months - 1 Year	49.04%	12.40%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	0.86%	10.16%
Last month	0.86%	10.16%
Last 3 months	2.42%	9.60%
Last 6 months	4.56%	9.05%
Last 12 months	8.94%	8.94%
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

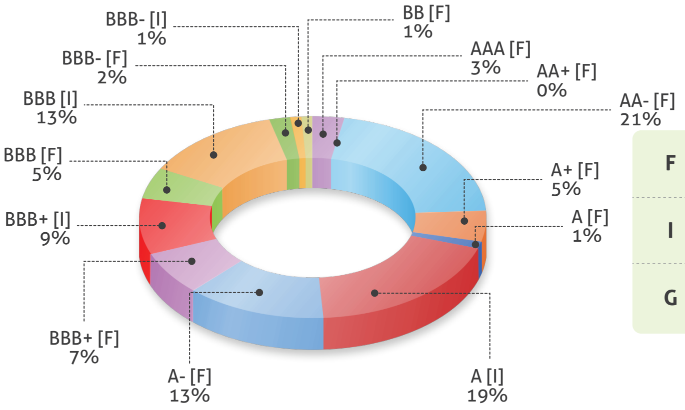
NDB Wealth Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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

Fund Snapshot	31-Jan-19
YTD Yield	0.97%
YTD Yield (Annualized)	11.45%
NAV per unit	19.3608
AUM (LKR Mn.)	14,869.09
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.86%
Average Maturity (Yrs)	0.34
Average Duration	0.30

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	27.60%	10.84%
1 Month - 3 Months	33.70%	12.70%
3 Months - 6 Months	14.09%	12.60%
6 Months - 1 Year	24.61%	13.23%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	0.97%	11.45%	12.06%
Last month	0.97%	11.45%	12.06%
Last 3 months	2.87%	11.39%	11.99%
Last 6 months	5.71%	11.34%	11.93%
Last 12 months	11.62%	11.62%	12.24%
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, 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

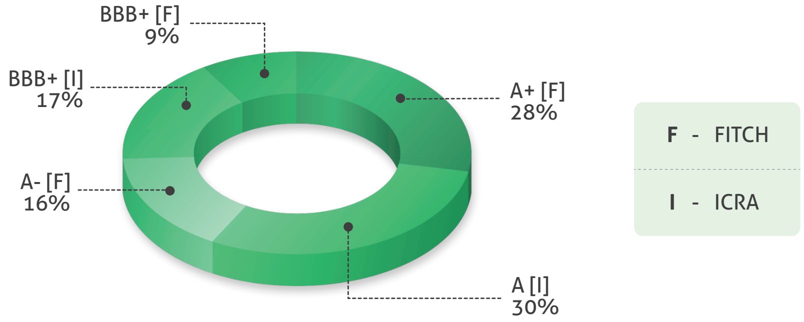
Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

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 compliant securities.

Fund Snapshot

Fund Snapshot	31-Jan-19
YTD Yield	0.89%
YTD Yield (Annualized)	10.51%
NAV per unit	13.55
AUM (LKR Mn.)	249.79
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.31%
Average Duration	0.23

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	19.20%	8.27%
1 Month - 3 Months	50.46%	11.90%
3 Months - 6 Months	20.71%	13.70%
6 Months - 1 Year	9.62%	11.90%

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	0.89%	10.51%	11.07%
Last month	0.89%	10.51%	11.07%
Last 3 months	2.63%	10.43%	10.97%
Last 6 months	5.15%	10.22%	10.75%
Last 12 months	10.40%	10.40%	10.95%

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

Other Features

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

Fund Overview

NDB Wealth Gilt Edged Fund

Type: Open Ended
Currency: LKR

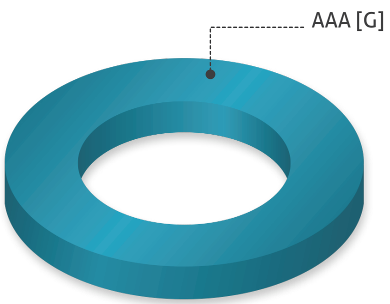
Investments: Government of Sri Lanka Securities
ISIN: LKNWGEU00003

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

Fund Snapshot

Fund Snapshot	31-Jan-19
YTD Yield	2.38%
YTD Yield (Annualized)	28.02%
NAV per unit	14.5537
AUM (LKR Mn.)	58.15
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	0.70%
Average Maturity (Yrs)	9.86
Average Duration	5.37

Portfolio Allocation By Credit Rating



G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	3.7%	8.90%
Over 5 Years	96.3%	11.80%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	2.38%	28.02%
Last month	2.38%	28.02%
Last 3 months	6.89%	27.35%
Last 6 months	9.09%	18.03%
Last 12 months	13.40%	13.40%
Year 2018	11.45%	11.45%
Year 2017	10.41%	10.41%

Other Features

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

DISCLAIMER

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