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MARKET UPDATE AND FUND REVIEW

2019 JULY

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MARKET BRIEF BY NDB WEALTH

INFLATION SLOWS DOWN

Inflation as measured by the CCPI decreased to 3.3% in April on a year-on-year basis from the previous month's 3.8% mainly on account of declining prices in the food category. The subcategories contributing to the decline included vegetables, rice and coconut. Core inflation slowed marginally to 5.7% year-on-year in July from the previous month's 5.8%. On an annual average basis core inflation increased to 4.8%.

SRI LANKAN RUPEE CONTINUES TO APPRECIATE

The Sri Lankan Rupee continued to appreciate against the USD rising by 0.17% in July and overall rising by 3.69% for the year. However, the US Dollar lost against a basket of currencies due to the Federal Reserve slashing its benchmark interest rates. The Sterling Pound slumped to a 28 month low against the USD on the expectation of a 'no-deal Brexit' in October 2019.

INTEREST RATES FALL

Treasury Bill rates decreased across the board with the benchmark 364-day T-Bill rate falling to 8.38% and the 91-day and 182-day T-Bill closing the month at 7.89% and 7.96% respectively in July. Total foreign holding of LKR denominated bills and bonds decreased to 2.50%, as foreign investors were net sellers of LKR 27.30 Bn year to date. The Central Bank of Sri Lanka revised its ceiling rates on bank and finance company deposits effective 1st of July and commercial banks reduced their fixed deposit rates in line.

EQUITY MARKET TURNS POSITIVE ON SENTIMENT

The equity market in Sri Lanka has recorded a positive movement in the two main indices of the Colombo Stock Exchange (CSE), with the All Share Price Index and the S&P SL 20 Index gaining by 10.48% and 19.50% respectively, during July 2019. Low interest rates and retailer investor sentiment were the likely drives to the market turnaround. The net foreign investor recorded a net inflow for the year recording a net inflow of LKR 796Mn as at July 2019. We expect the market to be active but volatile during the next few months, as market activity is fueled through sentiment rather than fundamentals.

Ranuka De Silva
Research Analyst

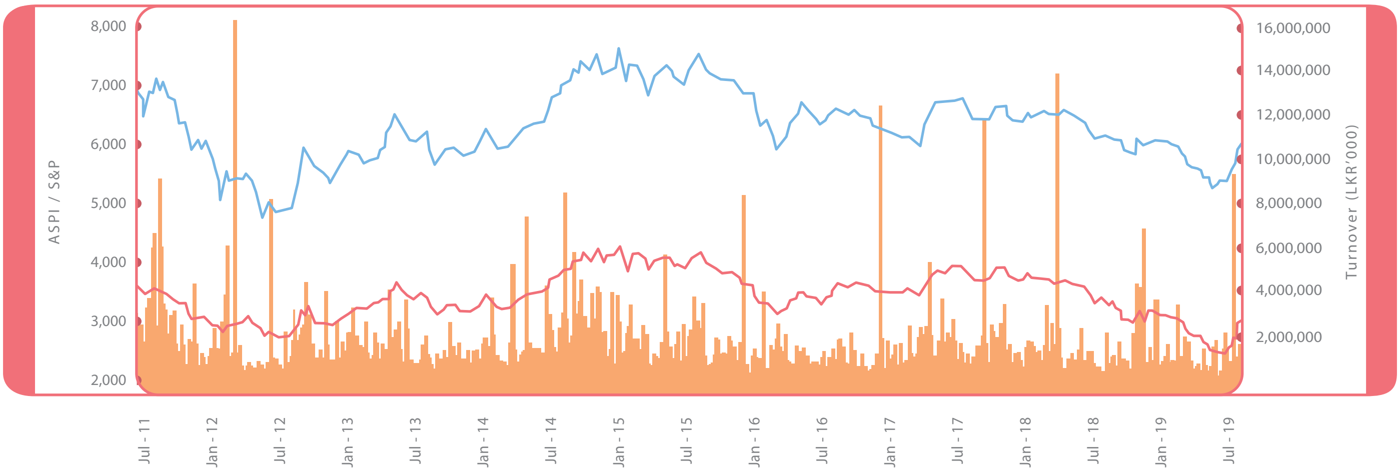
EQUITY OUTLOOK

	Past month Performance (July 2019)	Past 12 months Performance (Jul 2018 - Jul 2019)	Year to Date Performance (Dec 31, 2018 - Jul 31, 2019)
All Share Price Index	10.48%	-3.45%	-1.93%
S&P SL 20	19.50%	-10.50%	-4.84%
MSCI Frontier Markets Index	2.53%	4.05%	14.98%
MSCI World Index	0.52%	4.21%	17.99%
MSCI Emerging Markets	-1.14%	-1.80%	9.50%
MSCI Asia Ex Japan	-1.77%	-3.05%	8.74%

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

- The All Share Price Index (ASPI) and the S&P SL 20 Index recorded significant gains during July 2019, as the two main indices of the Colombo Stock Exchange (CSE) appreciated by 10.48% and 19.50% respectively.
- The lower interest rate environment diverted money flow away from banking assets and was one of the main reasons for the shift in the local investor sentiment during the month along with retail investor speculation amidst the upcoming election cycle.
- The MSCI World index of developed market equities has enjoyed an impressive 2019 for the year so far up to July 2019 recording an 18% gain, despite a backdrop of trade wars and slowdown in global growth.
- In contrast the MSCI Emerging Market Index recorded weaker performance hampered by trade concerns in China which consequently accounts for 32% of the Index.
- In addition to the trade factor, another strong driver which hampered the overall performance of the Emerging market index was the strong dollar. When the dollar is weak investors pull funds out of the US and into emerging markets as local currency returns look better in dollar-adjusted terms. However, this trend works in reverse when the US Dollar strengthens.
- A third factor which has negatively affected performance has been lack of earnings growth. UBS expects a 3% decline in emerging market earnings this year in light of fears that China's latest stimulus is not aiding profitability for countries that export to the country.
- It is important to note that Emerging and Frontier markets are less accessible than developed markets but are still investible and have the potential to provide the sort of high returns, subject to high volatility, than developed markets.

Colombo Stock Exchange Performance



Source: www.cse.lk

		Jul 2019	Jul 2018
CSE	Market PER	9.53 X	9.79 X
	Market PBV	1.12 X	1.21 X
	Market DY	3.36%	3.34%
MSCI Frontier Market	Market PER	12.83 X	14.03 X
	Market PBV	1.86 X	1.93 X
	Market DY	4.18%	3.75%

Source: www.cse.lk

In July 2019, LOLC sold 62% of its subsidiary LOFC to its subsidiary in Singapore as part of its restructuring process for a consideration of LKR 8.9 bn approx. Excluding the LOFC trade, foreign investors continued to be net sellers in the market.

Disregarding the LOFC trade, net foreign selling for the month exceeded LKR 1.7 billion, while it was at LKR 8.1 billion for the first seven months.

Colombo Stock Exchange	Jan - Jul 2019	Jan - Jul 2018
Foreign Inflows	LKR 36.81 Billion	LKR 52.31 Billion
Foreign Outflows	LKR 36.01 Billion	LKR 54.83 Billion
Net Foreign Inflows/(Outflows)	**LKR 0.80 Billion**	**(LKR 2.52 Billion)**

Source: www.cse.lk

“ THE STOCK MARKET IS A WONDERFULLY EFFICIENT MECHANISM FOR TRANSFERRING WEALTH FROM THE IMPATIENT TO THE PATIENT ”

— Warren Buffet —

FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

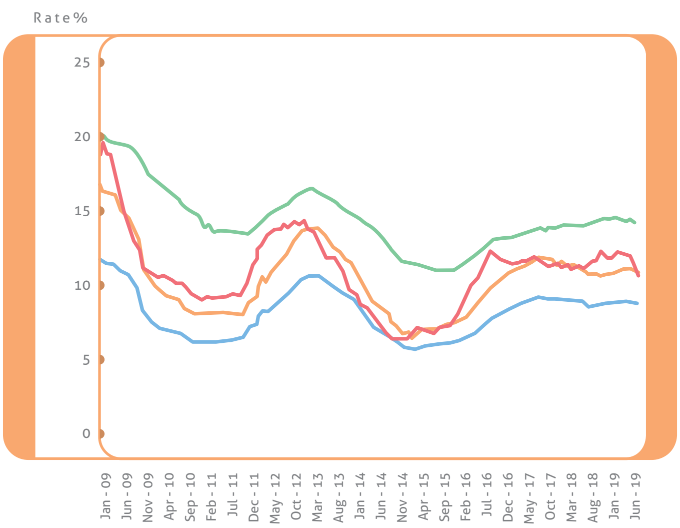
At the monetary policy meeting held in July the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) were maintained at 8.50% and 7.50% respectively.

	Jul 18	Dec 18	Jun 19	Jul 19
364 Day T-bill	9.27%	11.20%	8.70%	8.38%
5-Year Bond	10.23%	11.56%	10.00%	9.72%
1-Year Finance Company Fixed Deposit Ceiling Rate	12.46%	12.46%	12.79%	11.08%

** 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.*

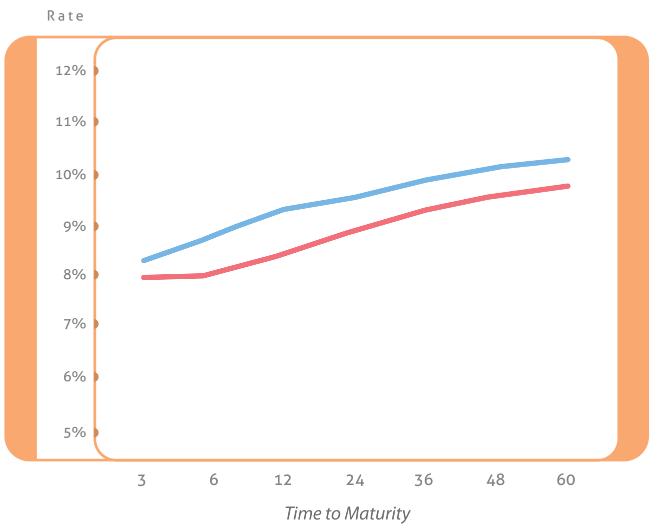
Source: Central Bank of Sri Lanka

AVERAGE LENDING & DEPOSIT RATES



AWDR (%)   AWFDR (%)   AWLR (%)   AWPR (%)

YIELD CURVE - LKR TREASURIES



Jul -18   Jul -19

Source: Central Bank of Sri Lanka

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

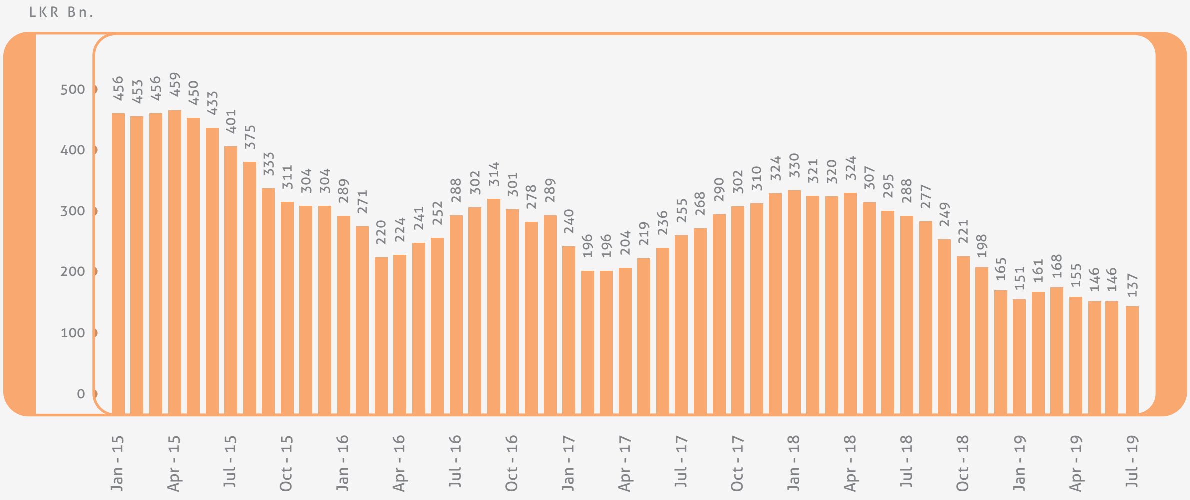
Treasury Bill rates decreased across the board with the benchmark 364-day T-Bill rate falling to 8.38% and the 91-day and 182-day T-Bill closing the month at 7.89% and 7.96% respectively.

Broad money (M2b) growth accelerated to 9.40% year-on-year in May, from the previous month's 9.00% whilst credit extended to the private sector slowed to 9.20% year-on-year from 9.90% in April. During the month private sector credit disbursements were down marginally by LKR 2.50 Bn. (-0.05% m-o-m).

Outstanding LKR Govt. Securities LKR 5,494 Billion	
T Bills (Total)	**T Bonds (Total)**
LKR 918 Billion	LKR 4,576 Billion
Domestic (Bills & Bonds)	**Foreign (Bills & Bonds)**
LKR 5,357 Billion	LKR 137 Billion
Total Foreign Holding of Bills and Bonds - 2.50%	

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 8.9 billion in July to 2.50%, with foreign investors selling out of local government securities. On a year-to-date basis too foreigners remained net sellers amounting to LKR 27.3 billion.

1 Year FD Rates – Sri Lankan Banks		
	Jul 2019	Jun 2019
NSB	9.83%	10.50%
COMB	9.00%	10.00%
SAMP	9.00%	10.00%
HNB	9.83%	11.00%
NDB	9.83%	11.00%

Rates on Credit Cards	Jul 19
HSBC	31.80%
SCB	31.80%
Sampath	31.80%
NDB	28.00%
AMEX	31.80%

Source: Respective Commercial Banks

All commercial banks reduced their fixed deposit rates in July following the revision of deposit ceiling rates effective July 1st.

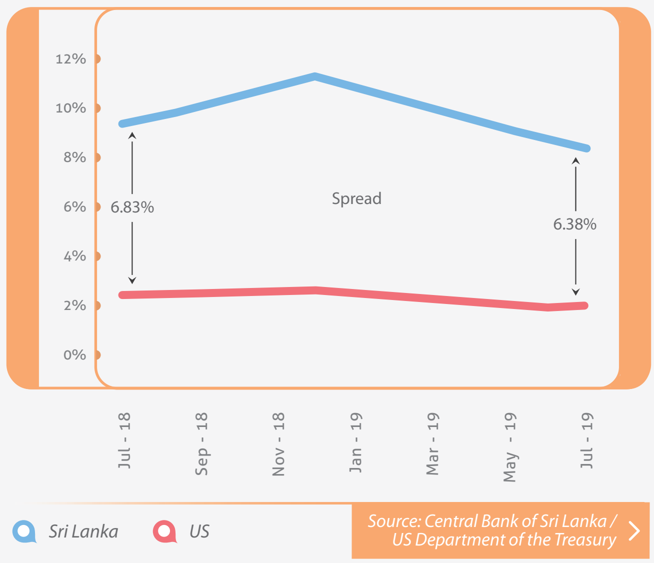
NDIB CRISIL Fixed Income Indices Total return as at 31/07/2019	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	2.37%	9.35%	9.09%
NDBIB-CRISIL 364 Day T-Bill Index	3.52%	10.40%	10.18%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	5.89%	13.09%	13.24%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	7.27%	13.28%	13.99%

Source: www.crisil.com

Central Bank Policy Rates	2016	2017	2018	Latest
Sri Lanka	7.00%	7.25%	8.00%	7.50%
US	0.50% - 0.75%	1.25% - 1.50%	2.25% - 2.50%	2.00% - 2.25%
Euro Zone	0.00%	0.00%	0.00%	0.00%
Australia	1.50%	1.50%	1.50%	1.00%
India	6.25%	6.00%	6.50%	5.40%

Source: www.cbrates.com

1 YEAR TREASURY RATE - USD Vs. LKR



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

The US Federal Reserve slashed its benchmark interest rate for the first time since 2008 by 0.25% lowering its target range to 2%-2.25% with a view of boosting economic growth.

364 Day Treasury Bill Rate	Jul 18	Dec 18	Jun 19	Jul 19
Sri Lanka	9.27%	11.20%	8.70%	8.38%
India	7.13%	6.94%	6.15%	5.93%
US	2.44%	2.63%	1.92%	2.00%
Euro Zone	-0.65%	-0.75%	-0.69%	-0.74%

Source: Respective Central Banks

	Rates on Savings Accounts Jul 2019
Sri Lanka	4.00%
US	0.03%
Euro Zone	0.11%
Australia	1.15%
India	3.50%

Source: Respective Commercial Banks

The Central Banks of India, Thailand and New Zealand all lowered their policy interest rates, as a means of tackling slowing growth and economic uncertainty particularly with the outlook for the US-China trade war. This was India's fourth rate cut for the year bringing its benchmark interest rate down to 5.4%, the lowest in nine years.

Most central banks in emerging economies retained a tight monetary policy stance in the past to prevent their currencies depreciating with the Fed's previous rate hike regime. But with the Fed cutting rates, other central banks now have space to maneuver allowing them to tackle growth concerns that are cropping up.

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

— NDB Wealth —

INFLATION RATES

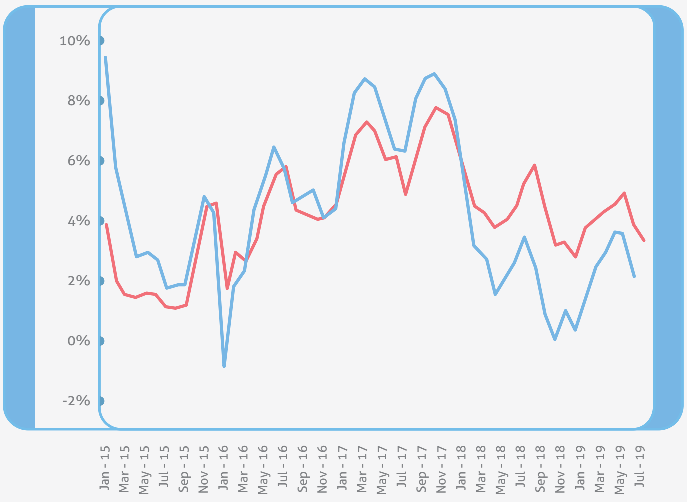
Country	Jul 18	Dec 18	Jun 19	Jul 19
Sri Lanka	5.36%	2.77%	3.83%	3.34%
US	2.95%	1.91%	1.65%	1.65%*
Euro Zone	2.19%	1.52%	1.27%	1.27%*
India	4.17%	2.11%	3.18%	3.18%*

* Jun 2019

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

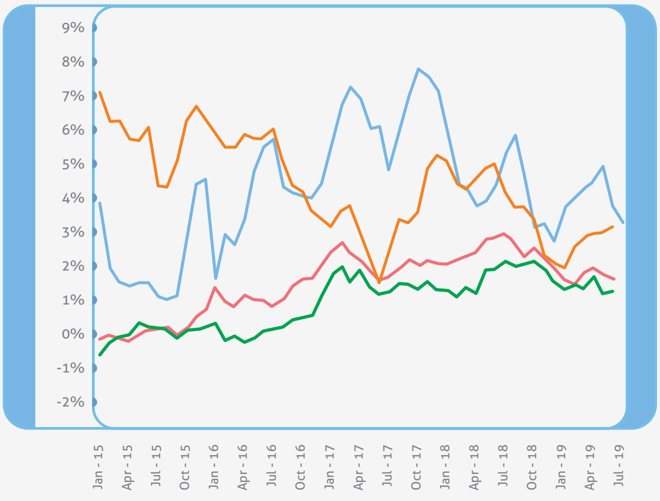
- Inflation as measured by the CCPI (2013=100) slowed further to 3.3% in July on a year-on-year basis from the previous month's 3.8%, mainly owing to falling food prices. During the month the index was down 0.2% as prices in the food category declined by 0.7%. Within the food category prices of mainly vegetables, rice and coconuts declined. Non-food prices however remained stagnant.
- On an annual average basis inflation slowed to 4.0% in July.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport), slowed to 5.7% year-on-year in July from the previous month's 5.8%. On an annual average basis core inflation increased marginally to 4.8%.
- On the global front, US inflation slowed to 1.65% whilst Euro Zone inflation accelerated to 1.27% year-on-year in June.

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	Jul 18	Dec 18	Jul 19	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	159.71	182.75	176.24	-9.38%	3.69%
GBP	209.55	231.86	214.17	-2.16%	8.26%
EURO	186.98	208.99	196.56	-4.88%	6.32%
YEN	1.44	1.65	1.62	-11.39%	1.63%
AUD	118.49	128.87	121.26	-2.29%	6.27%
CAD	122.29	134.08	134.15	-8.84%	-0.05%
INR	2.33	2.61	2.56	-9.09%	1.93%
BHD	422.26	484.78	467.49	-9.68%	3.70%
CNY	23.39	26.57	25.59	-8.60%	3.82%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee appreciated by 0.17% in July to close the month at LKR 176.24 per USD. The rupee continues to be a net gainer on a year-to-date basis at 3.69% against the USD. The Rupee gained a considerable 4.44% against the Pound Sterling and 2.11% against the Euro during the month.
- The US Dollar lost against a basket of currencies following the Federal Reserves' decision to cut its benchmark interest rate.
- China's currency has weakened to its lowest point in more than a decade, after the currency fell below 7 Yuan per USD for the first time since 2008, sparking fears of a currency war between the US and China.
- The Pound slumped to a 28-month low against the US Dollar on the possibility of a 'no-deal Brexit' outcome indicating UK could leave the EU in October without extensions.

USD PER 1 EURO MOVEMENT

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

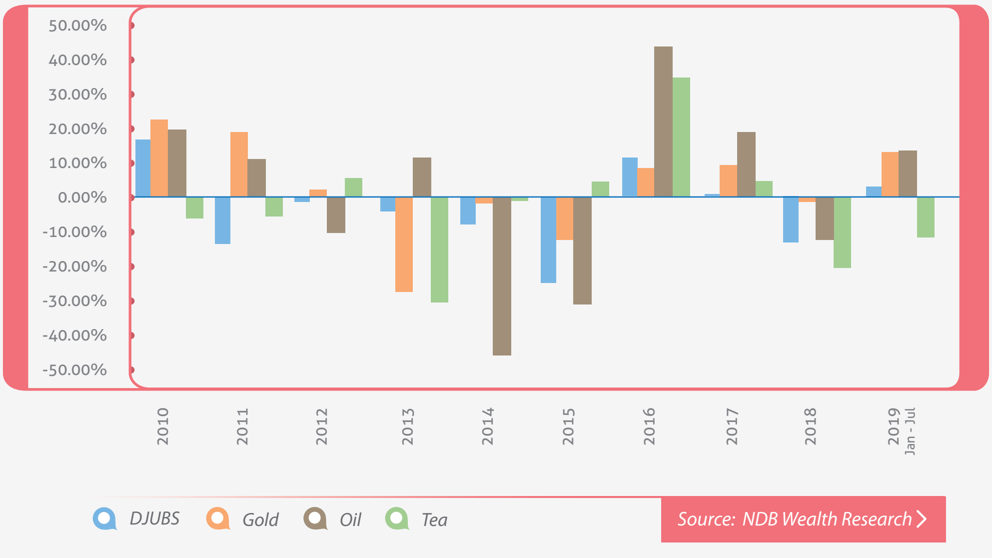
COMMODITY OUTLOOK

	Past month Performance (1st Jul - 31st Jul 2019)	Past 12 months Performance (Jul 2018 - Jul 2019)	Year to Date Performance (1st Jan 2019 - 31st Jul 2019)
Bloomberg Commodity Index	-0.87%	-7.53%	2.92%
Gold	3.96%	14.15%	13.00%
Tea	1.32%	-17.40%	-11.43%
Oil (Brent)	1.11%	-14.02%	13.35%

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

- The interest rate cut announced by the US Central bank coupled with Trump's return to tariff strategies, boded poorly for commodities, as the Bloomberg Commodity Index fell by 0.87% in July 2019.
- Trump announced that he would impose a 10% tariff on a further USD 300 billion of Chinese imports, including smart-phones, laptops and children's clothing, from September 2019.
- China has vowed to respond to Trump's tariffs which has had negative consequences on the Bloomberg Commodity Index, which measures returns from raw materials including oil, corn and copper.
- In addition to Trump's latest tariffs', Copper is falling due to concerns over global growth and China's decision to not use the property sector as a short term stimulus.
- Oil prices may hold up with OPEC cuts and geopolitical risks constantly threatening supply. However, the sentiment will keep dragging oil down on concerns about global consumption in a tariff hindered world.
- A dovish Fed may help Gold extend its next run. However, the neutral stance taken by the US Central bank may not give Gold an immediate boost.
- Conversely, as a longer term safe haven in a low yielding world, gold still remains attractive, especially amid the impending trade war.

Commodity Price Movements



Source: NDB Wealth Research

PROPERTY OUTLOOK

- The digitalisation of the land bank in Sri Lanka was originally proposed in 2016 and was to be funded by the Korean government. Although, the project did not come to light due to political reasons, the ideas were not forgotten.

- Fast-forwarding to present day, Sri Lankan policymakers have been successful in securing one of the largest grant funding received by the island of USD 480Mn in April 2019 under the Millennium Challenge Corporation Grant to be disbursed over five years.

- Under the MCC evaluation, it has identified weak transport infrastructure and weak land administration practices as two binding constrains for economic growth in Sri Lanka. The transport project will receive the bulk of funding. However, the land project budget is said to have been allocated USD 67Mn out of the total funds dispatched.

- The project aims to aid Sri Lanka to enhance the availability of special data and land rights information. Further, to identify underutilized state-owned land that can be utilized for more productive functions.

- The project will address a major gap in the land records by initiating the digitisation of deed records. This is expected to enhance the security and tradability of land and will move to a Title Registration System from the current Deeds System.

- Further, the project is expected to enhance and implement the land policy and legal governance improvement activities that are in dire need of being addressed. This is expected to bring in a more structured system in to play and further facilitate other land related financial instruments.

- The selected districts for the project are Kegalle, Kandy, Matale, Kurunegala, Anuradhapura, Polonnaruwa and Trincomalee and will be in support to the planned Colombo - Trincomalee economic corridor.

- In contrast, other countries, have taken the digitization a step further to include all the deeds in to Blockchain systems which will enhance the security of the entire system. As amendments are not possible under the blockchain system and new entries must be made to for any changes; providing an audit trail to the titles and deeds.

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 June 2019									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.53%	-	7.07%	7.66%	8.84%	9.42%	10.01%	-	10.60%
Bank of Ceylon Islamic Business Unit - As of June 2019									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.69%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC - Al Adalah Islamic Banking unit - As of June 2019									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	6.02%	-	7.56%	8.71%	10.06%	-	-	-	-
Hatton National Bank PLC - "Hnb Al - Najah" Islamic Banking unit - As of June 2019 (Released Quarterly)									
Profit Sharing Ratio*	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.60%	-	8.25%	8.75%	9.50%	-	-	-	-
National Development Bank PLC - "Shareek" Islamic Banking unit - As of April 2019									
Profit Sharing Ratio* *(3Mn - 50Mn)*	40:60	60:40	65:35	40:60	65:35	65:35	-	-	-
Distributed Profit	5.25%	7.10%	7.75%	8.25%	11.00%	10.80%	-	-	-
Citizen Development Business Finance PLC - Islamic Banking unit - As of June 2019									
Profit Sharing Ratio*	32:68	52:48	52:48	52:48	55:45	62:38	62:38	-	-
Distributed Profit	6.41%	10.02%	10.42%	11.02%	12.23%	13.03%	13.43%	-	-
Commercial Leasing & Finance PLC - Islamic Finance - As of June 2019									
Profit Sharing Ratio*	30:70	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	5.68%	8.33%	8.83%	9.33%	11.08%	11.83%	12.33%	12.33%	12.83%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of June 2019									
Profit Sharing Ratio*	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	7.43%	9.22%	10.11%	10.70%	11.30%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of June 2019									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	4.20%	10.04%	10.50%	11.04%	11.18%	11.35%	11.69%	11.86%	11.85%
Peoples Leasing Islamic Business Unit - As of June 2019									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.46%	-	8.62%	9.34%	10.05%	-	-	-	-

* 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

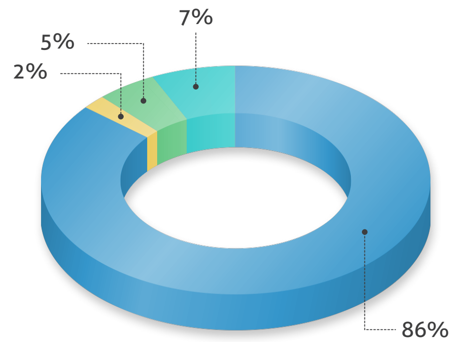
Fund Overview

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.

Equity Allocation



Banks Finance and Insurance

Beverage Food and Tobacco

Footwear and Textiles

Telecommunications

Historical Returns

Period	Fund Returns *	ASPI Returns
Last Month	1.14%	1.15%
Last 3 months	-7.38%	-3.33%
Last 6 months	-17.46%	-11.24%
Last 12 months	-21.86%	-13.28%
Year 2018	-6.79%	-4.98%
Year 2017	7.09%	2.26%

* After fees, excluding front end and back end loads

Fund Snapshot 30-Jun-19

YTD Yield	-17.46%
NAV per unit	8.4257
AUM (LKR Mn.)	158.58
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.46%
Max Equity Allocation	97.00%
Current Equity Allocation	84.10%
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	15.90%
Average Duration	0.21

Maturity	% Holding
Under 1 Month	40.21%
3 Months - 6 Months	59.79%

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

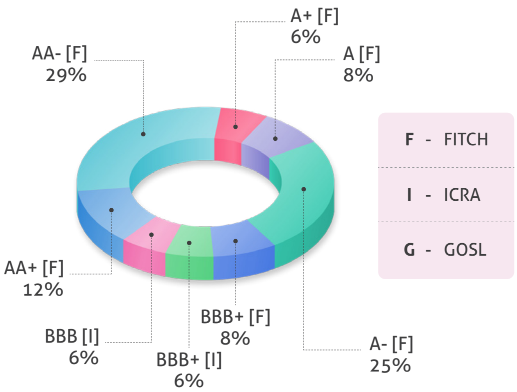
Type: Open Ended
Currency: LKR

Investments: Listed Equities and Corporate Debt
ISIN: LKNWGIU00004

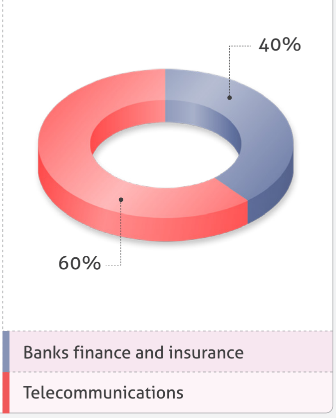
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing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

Portfolio Allocation

By Credit Rating



By Equity Sector



Fund Snapshot

Fund Snapshot	30-Jun-19
YTD Yield	4.46%
NAV per unit	36.8886
AUM (LKR Mn.)	197.18
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.98%
Max Equity Allocation	97.00%
Current Equity Allocation	7.53%
Fund Leverage	0.00%

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	0.90%	1.15%
Last 3 months	2.76%	-3.33%
Last 6 months	4.46%	-11.24%
Last 12 months	7.24%	-13.28%
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	92.47%
Average Duration	0.65

Maturity	% Holding
Under 1 Month	25.13%
1 Month - 3 Months	12.10%
3 Months - 6 Months	6.19%
6 Months - 1 Year	36.07%
1 Year - 5 Years	20.51%

Other Features

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

Fund Overview

NDB Wealth Income Fund

Type: Open Ended
Currency: LKR

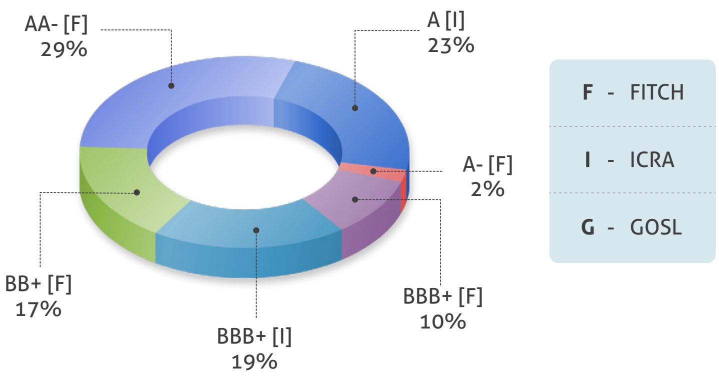
Investments: Corporate Debt Instruments
ISIN: LKNWINU00000

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

Fund Snapshot

Fund Snapshot	30-Jun-19
YTD Yield	7.19%
YTD Yield (Annualized)	14.50%
NAV per unit	13.3457
AUM (LKR Mn.)	308.39
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.35%
Average Maturity (Yrs)	1.95
Average Duration	1.35

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	1.53%	7.13%
1 Month - 3 Months	7.96%	15.60%
3 Months - 6 Months	39.68%	10.60%
6 Months - 1 Year	18.14%	11.20%
1 Year - 10 Years	32.69%	13.00%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	7.19%	14.50%	15.26%
Last month	0.89%	10.85%	11.42%
Last 3 months	3.74%	14.99%	15.78%
Last 6 months	7.19%	14.50%	15.26%
Last 12 months	11.50%	11.50%	12.10%
Year 2018	10.00%	10.00%	10.52%
Year 2017	14.34%	14.34%	15.10%

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

Other Features

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

Fund Overview

NDB Wealth Income Plus Fund

Type: Open Ended
Currency: LKR

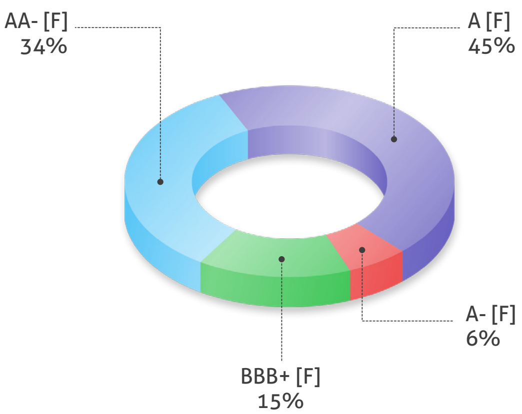
Investments: Fixed Income Securities
ISIN: LKNWIPU00005

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

Fund Snapshot

Fund Snapshot	30-Jun-19
YTD Yield	5.88%
YTD Yield (Annualized)	11.87%
NAV per unit	14.2678
AUM (LKR Mn.)	194.59
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.72%
Average Maturity (Yrs)	0.70
Average Duration	0.63

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	12.25%	13.03%
1 Month - 3 Months	0.81%	12.90%
3 Months - 6 Months	8.84%	13.60%
6 Months - 1 Year	78.10%	12.50%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	5.88%	11.87%	12.49%
Last month	0.99%	12.06%	12.70%
Last 3 months	2.97%	11.89%	12.52%
Last 6 months	5.88%	11.87%	12.49%
Last 12 months	12.08%	12.08%	12.72%

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

Other Features

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

Fund Overview

NDB Wealth Money Fund

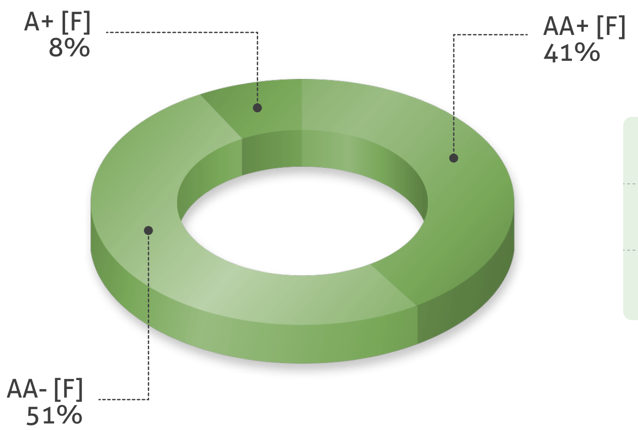
Type: Open Ended
Currency: LKR

Investments: Short Term Bank Deposits
ISIN: LKNWMNU00002

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

The Fund aims to provide optimal returns with low risk and moderate liquidity to investors by investing in short-term high quality bank deposits with maturities less than 365 days with credit ratings of A- and above.

Portfolio Allocation By Credit Rating



F - FITCH	
I - ICRA	
G - GOSL	

Fund Snapshot

Fund Snapshot	30-Jun-19
YTD Yield	5.22%
YTD Yield (Annualized)	10.52%
NAV per unit	18.1209
AUM (LKR Mn.)	179.12
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.99%
Average Maturity (Yrs)	0.36
Average Duration	0.33

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	32.54%	8.55%
3 Months - 6 Months	20.40%	10.60%
6 Months - 1 Year	47.06%	12.00%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	5.22%	10.52%
Last month	0.80%	9.75%
Last 3 months	2.52%	10.13%
Last 6 months	5.22%	10.52%
Last 12 months	9.84%	9.84%
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

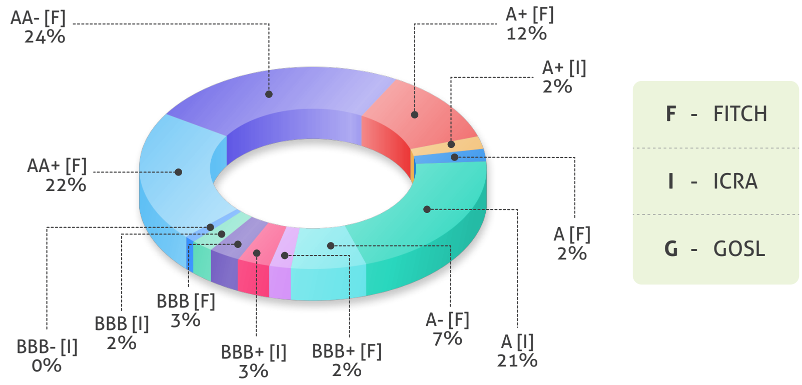
NDB Wealth Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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	30-Jun-19
YTD Yield	5.98%
YTD Yield (Annualized)	12.06%
NAV per unit	20.3212
AUM (LKR Mn.)	19,786.18
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.85%
Average Maturity (Yrs)	0.54
Average Duration	0.50

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	9.36%	12.54%
1 Month - 3 Months	17.82%	13.80%
3 Months - 6 Months	6.84%	13.20%
6 Months - 1 Year	65.97%	12.20%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	5.98%	12.06%	12.70%
Last month	0.95%	11.57%	12.18%
Last 3 months	2.98%	11.94%	12.57%
Last 6 months	5.98%	12.06%	12.70%
Last 12 months	11.96%	11.96%	12.59%
Year 2018	11.53%	11.53%	12.14%
Year 2017	11.38%	11.38%	11.98%

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

Other Features

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

Fund Overview

NDB Wealth Islamic Money Plus Fund

Type: Open Ended
Currency: LKR

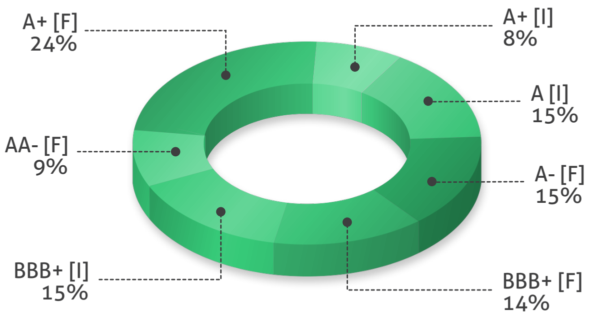
Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

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

Fund Snapshot 30-Jun-19

YTD Yield	5.45%
YTD Yield (Annualized)	10.99%
NAV per unit	14.16
AUM (LKR Mn.)	288.76
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.48%
Average Duration	0.35

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	29.83%	10.48%
1 Month - 3 Months	20.52%	13.60%
3 Months - 6 Months	8.87%	12.90%
6 Months - 1 Year	40.78%	11.80%

Target Asset Allocation

Investment Type	Asset Allocation
Shariah compliant money market investments up to 366 days	Max 90%
Shariah compliant money market investments less than 15 days	Min 10%

Approved Investments

	Investment Type
Shariah compliant money market investments up to 366 days	Mudharabah term deposits and Wakala Investments in Commercial Banks / Specialised Banks / Finance Companies or any other authorized deposit taking Institution Sukuk / Wakala / Mudharabah securities issued by corporate entities subject to Shariah council approval.
Shariah compliant money market investments less than 15 days	Mudharabah savings deposits

Shariah Supervisory Board

Shafique Jakhura	Mufti
Muhammed Huzaifah	Maulana

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	5.45%	10.99%	11.57%
Last month	0.88%	10.66%	11.22%
Last 3 months	2.77%	11.10%	11.68%
Last 6 months	5.45%	10.99%	11.57%
Last 12 months	11.05%	11.05%	11.63%

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

Other Features

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

Fund Overview

NDB Wealth Gilt Edged Fund

Type: Open Ended
Currency: LKR

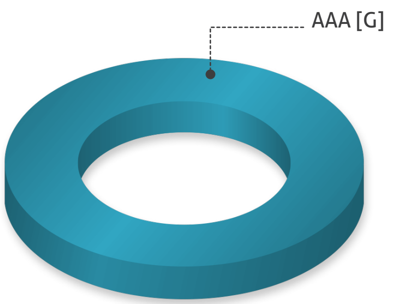
Investments: Government of Sri Lanka Securities
ISIN: LKNWGEU00003

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

Fund Snapshot

Fund Snapshot	30-Jun-19
YTD Yield	13.44%
YTD Yield (Annualized)	27.09%
NAV per unit	16.1252
AUM (LKR Mn.)	66.26
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.20%
Average Maturity (Yrs)	8.81
Average Duration	5.08

Portfolio Allocation By Credit Rating



G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	10.3%	8.00%
Over 5 Years	89.7%	10.70%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	13.44%	27.09%
Last month	1.24%	15.11%
Last 3 months	7.32%	29.36%
Last 6 months	13.44%	27.09%
Last 12 months	21.71%	21.71%
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

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