



ASSET
MANAGEMENT



PRIVATE
WEALTH MANAGEMENT



MY WEALTH
MANAGEMENT

MARKET UPDATE AND FUND REVIEW

!t's time

NDB | WEALTH

2018
AUGUST

[Click here for download](#)



MARKET BRIEF BY NDB WEALTH

INFLATION EDGES UP

Inflation as measured by the CCPI (2013=100), increased further to 5.9% in August 2018 on a year-on-year basis from the previous month's 5.4% mainly on account of the base effect. During the month the index remained flat with prices in the food category falling by 0.8% whilst prices in the non-food category rose by 0.3% offsetting the impact on the overall index. We are of the view that inflation will hover at mid-single digit levels this year however the expected administered price revisions could exert pressure on overall price levels.

RUPEE CONTINUES TO BE UNDER PRESSURE

The Sri Lankan Rupee lost 1.09% against the US Dollar in August and also depreciated against other hard currencies during the month falling by 0.26%, 0.72% and 1.13% against the Sterling Pound, Euro and the Japanese Yen respectively. The Central Bank was a net seller of USD 7.5 mn. in July and the gross official reserves declined to USD 8.4 bn in August. The LKR is expected to see further pressure owing to widening trade deficits as well as the strengthening US dollar and emerging market contagion.

INTEREST RATES FALL

Interest rates decreased across the board with the benchmark 364-day T-bill rate falling below the psychological 9.0% level to 8.99% in August following high levels of market liquidity that prevailed through the month. The total foreign holding of LKR denominated bills and bonds slid to 5.57%, as foreign investors continued to be net sellers amounting to LKR 10.34 bn during the month. We expect interest rates to remain at current levels until year-end and thereafter increase unless the Central Bank is successful in managing its external debt repayments in 2019.

WEAK STOCK MARKET

The Equity market continued on its free fall with the All Share Price Index (ASPI) declining by 1.09% and the S&P SL 20 index by 3.13% during the month of August 2018 on the backdrop of negative investor sentiment and weak economic conditions. Net foreign selling for the month of August stood at LKR 1.65 bn. and on a year-to-date basis foreigners were net-sellers amounting to LKR 4.17 bn. We expect the market to continue to be lackluster for the remainder of the year with investors continuing to be on the sidelines amid macro-economic uncertainty and global emerging market pressures.

Amaya Nagodavithane

Research Analyst

EQUITY OUTLOOK

	Past month Performance (1st Aug - 31st Aug 2018)	Past 12 months Performance (Aug 2017 - Aug 2018)	Year to Date Performance (1st Jan 2018 - 31st Aug 2018)
All Share Price Index	-1.09%	-4.86%	-4.54%
S&P SL 20	-3.13%	-12.39%	-12.05%
MSCI Frontier Markets Index	-5.38%	-5.54%	-12.39%
MSCI World Index	1.24%	13.10%	4.85%
MSCI Emerging Markets	-2.70%	-0.68%	-7.18%
MSCI Asia Ex Japan	-1.02%	2.76%	-4.94%

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



The All Share Price Index and S&P SL 20 index, the two main indices of the Colombo Stock Exchange, recorded sharp declines during August, continuing the trend depicted in the previous two months.



Weak investor sentiment, especially among the foreign investors due to lack of policy coherence continued to hamper the stock market.



Emerging and Frontier market equity indices declined mainly due to the concerns about imbalances in countries such as Argentina and Turkey, and rising downside risks to the economic outlook amid lingering trade tensions between the US and China.



Emerging and Frontier markets are adversely affected by a stronger US dollar and by Federal Reserve monetary tightening, which could potentially cause disruptive portfolio adjustments, sharp exchange rate movements and further reductions in capital inflows to these markets, particularly those with weaker fundamentals or higher political risks.

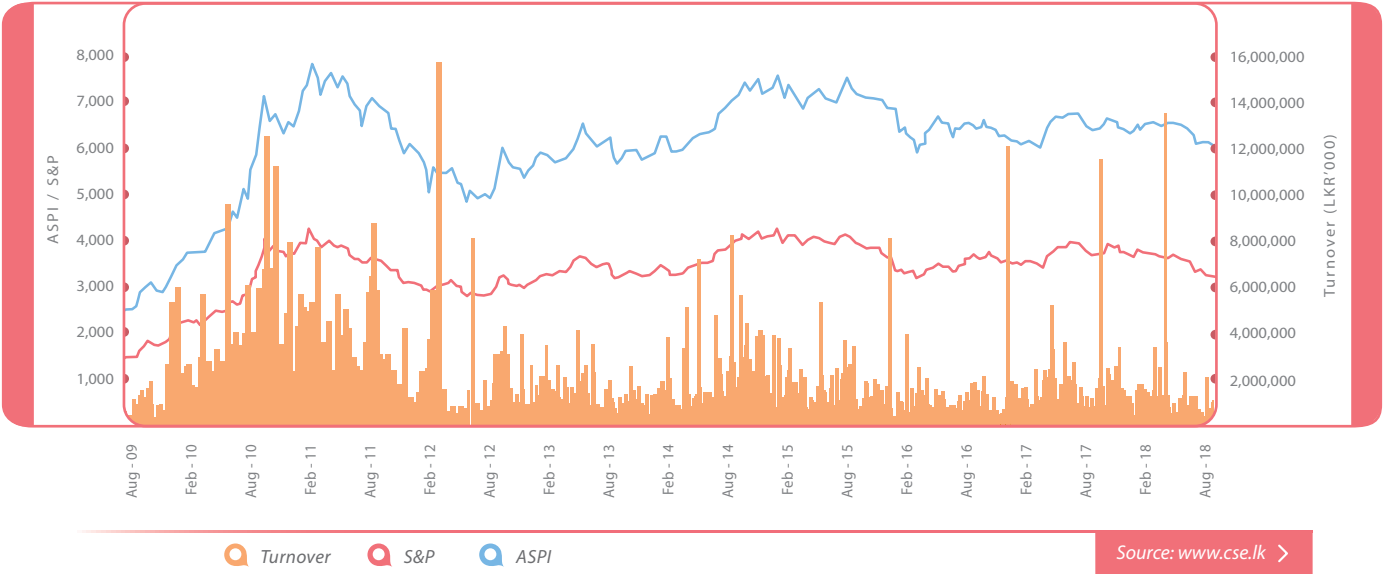


Inflows of foreign investor money in both debt and equity into emerging economies declined to USD 2.2 billion in August as portfolio managers pulled out of developing debt markets. Of this emerging equities accounted for inflows exceeding USD 7 billion, while debt markets suffered USD 4.8 billion of outflows (in contrast the month of July witnessed overall portfolio inflows of USD 13.7 billion to emerging markets).



Chinese stocks made up for USD 5.8 billion of inflows or 82% of all equity inflows in August. Year-to-date net flows to China are above USD 92 billion, marking a striking improvement from outflows of more than USD 53 billion during the same period in 2017.

Colombo Stock Exchange Performance



		Aug 2018	Aug 2017
CSE	Market PER	9.46 X	10.75 X
	Market PBV	1.19 X	1.42 X
	Market DY	3.22%	2.89%
MSCI Frontier Market	Market PER	14.40 X	15.05 X
	Market PBV	1.88 X	1.81 X
	Market DY	3.86%	3.32%

Source: www.cse.lk

Foreign investors continued to be on the selling side as foreign selling on Colombo Stock Exchange exceeded LKR 6 billion in August 2018. Net foreign selling for the month stood at LKR 1.65 billion.

Colombo Stock Exchange	Jan - Aug 2018	Jan - Aug 2017
Foreign Inflows	LKR 57.16 Billion	LKR 77.76 Billion
Foreign Outflows	LKR 61.33 Billion	LKR 50.68 Billion
Net Foreign Inflows/(Outflows)	(LKR 4.17 Billion)	LKR 27.08 Billion

Source: www.cse.lk

**“ THERE IS NO POINT IN BEING CONFIDENT
AND HAVING A SMALL POSITION ”**

— George Soros —



FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

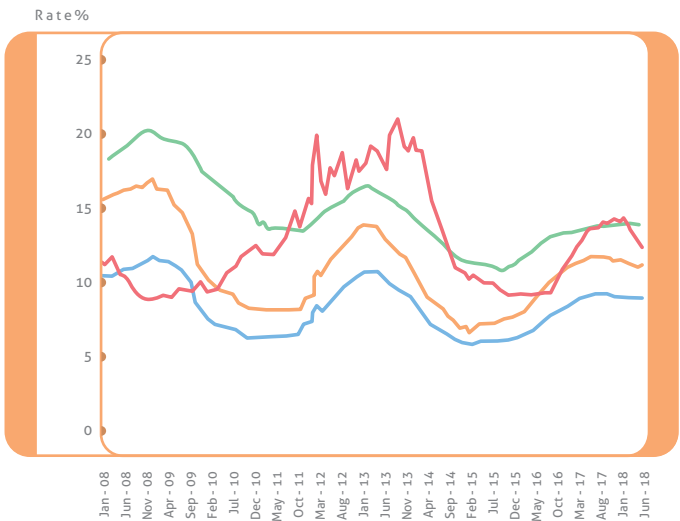
The Central Bank of Sri Lanka (CBSL) held its key policy rates stable in August holding the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 8.50% and 7.25% respectively.

	Aug 17	Dec 17	Jul 18	Aug 18
364 Day T-bill	9.67%	8.90%	9.27%	8.99%
5-Year Bond	10.44%	9.97%	10.23%	9.95%
1-Year Finance Company Fixed Deposit (A+)*	12.50%	11.50%	11.50%	11.50%

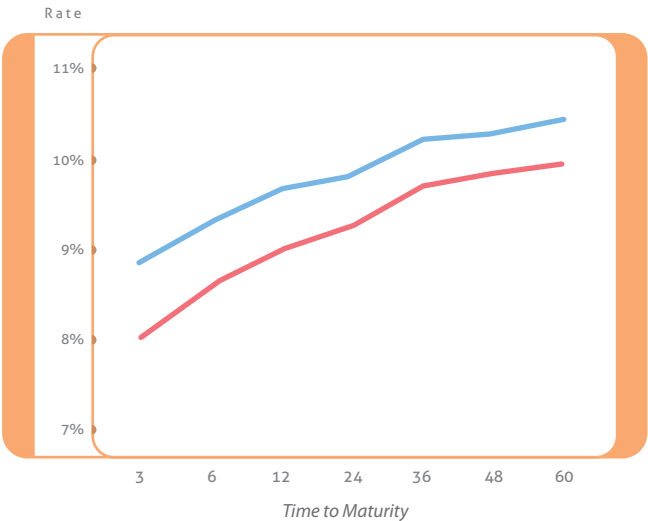
**Net returns earned on Government Securities would vary depending on the individual's tax bracket while Fixed Deposits will be subject to a final WHT of 5% for individuals.*

Source: Central Bank of Sri Lanka >

AVERAGE LENDING & DEPOSIT RATES



YIELD CURVE - LKR TREASURIES



AWDR (%)

AWFDR (%)

AWLR (%)

AWPR (%)

Aug -17

Aug - 18

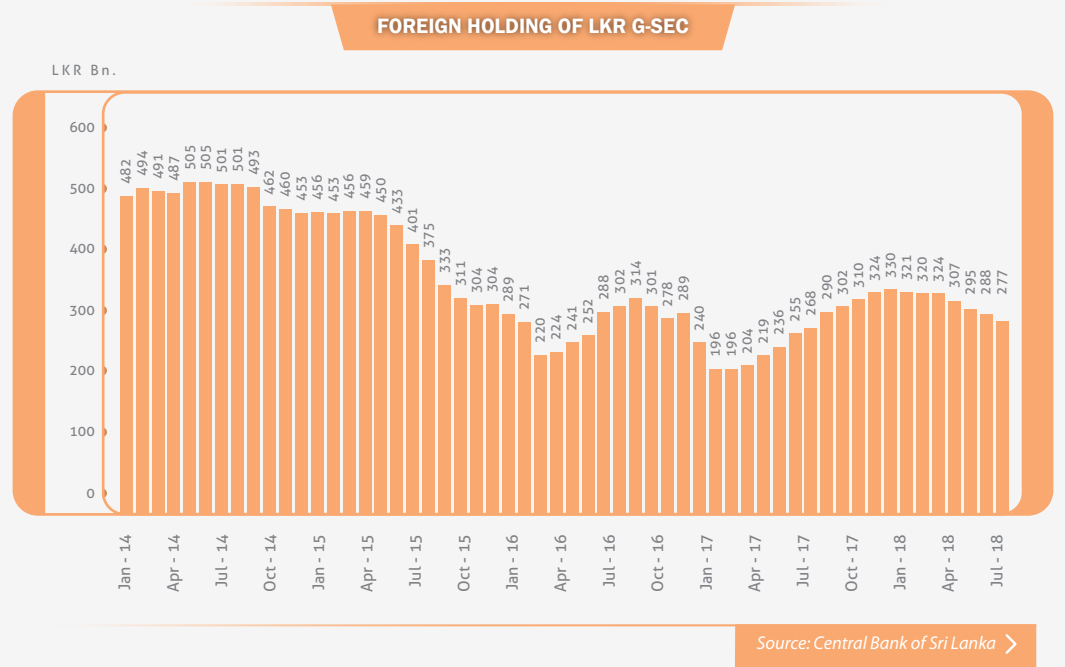
Source: Central Bank of Sri Lanka >

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 continued on its declining trend with the 364-day T-Bill rate falling below the psychological 9.0% level to 8.99% and the 182-day and 91-day Treasury Bills closing the month at 8.60% and 8.03% respectively.

Broad money (M2b) growth slowed to 14.9% year-on-year in June, from 14.95% in the previous month whilst credit to the private sector also expanded by a slower 14.94% year-on-year in June (down from 15.14% a month ago) on account of the base effect, when in fact the monthly increase in private sector credit disbursements stood high at LKR 82 Bn (1.6% m-o-m).

Outstanding LKR Govt. Securities LKR 4,978 Billion / USD 31.61 Billion	
T Bills (Total)	T Bonds (Total)
LKR 799 Billion	LKR 4,179 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 4,700 Billion	LKR 278 Billion
Total Foreign Holding of Bills and Bonds - 5.57%	
Source: Central Bank of Sri Lanka >	



Foreign holding of government securities continued on its declining trend with foreign investors selling out of local government securities. Government securities held by foreign investors fell by LKR 10.34 billion (net) in August to 5.57% of total outstanding bills and bonds. On a year-to-date basis too foreigners remained net sellers amounting to LKR 46.85 billion.

1 Year FD Rates – Sri Lankan Banks			Rates on Credit Cards		Aug 18
	Aug 2018	Jul 2018			
NSB	10.50%	10.50%	HSBC		28.00%
COMB	10.50%	10.50%	SCB		28.00%
SAMP	10.50%	10.50%	Sampath		28.00%
HNB	10.50%	10.50%	NDB		28.00%
NDB	11.00%	11.00%	AMEX		28.00%
Source: Respective Commercial Banks >					

Commercial Banks maintained their fixed deposit rates during the month of August.

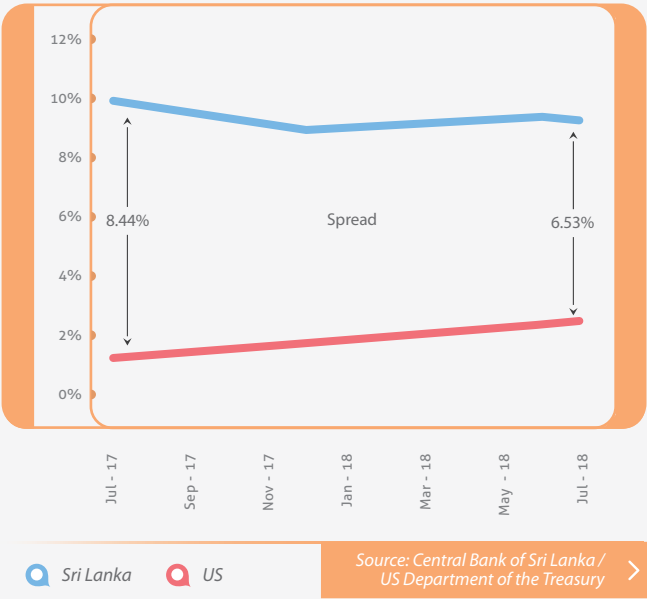
NDIB CRISIL Fixed Income Indices Total return as at 31/08/2018	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	2.11%	8.65%	8.39%
NDBIB-CRISIL 364 Day T-Bill Index	2.74%	9.60%	8.45%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	3.36%	11.75%	10.31%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	3.92%	12.43%	10.16%

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%	1.75% - 2.00%
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



US economic growth for the second quarter of 2018 came out stronger than expected, notching its best performance in nearly four years at 4.2% and placing the economy on track to hit its goal of 3% annual growth. The robust growth pace likely keeps the Federal Reserve on course to raise interest rates in September for the third time this year.

364 Day Treasury Bill Rate	Aug 17	Dec 17	Jul 18	Aug 18
Sri Lanka	9.67%	8.90%	9.27%	8.99%
India	6.25%	6.42%	7.27%	7.33%
US	1.23%	1.76%	2.44%	2.46%
Euro Zone	-0.77%	-0.74%	-0.65%	-0.67%

Source: Respective Central Banks >

Rates on Savings Accounts - Aug 2018

Sri Lanka	4.00%
US	0.03%
Euro Zone	0.11%
Australia	1.65%
India	3.50%

Source: Respective Commercial Banks >

Argentina hiked its benchmark interest rate by 15.0% to 60.0% the world's highest, as the economy took dramatic steps to restore confidence in its plunging currency, in the latest sign of turmoil among emerging market economies this year.

**“ BECOME ‘MONEY SMART’ AT AN EARLY AGE
TO ENSURE A BRIGHT FINANCIAL FUTURE. ”**

— NDB Wealth —



INFLATION RATES

Country	Aug 17	Dec 17	Jul 18	Aug 18
Sri Lanka	5.98%	7.15%	5.36%	5.89%
US	1.94%	2.11%	2.95%	2.95%*
Euro Zone	1.50%	1.35%	2.14%	2.14%*
India	3.36%	5.21%	4.17%	4.17%*

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

* Aug 2018

Inflation as measured by the CCPI (2013=100), increased further to 5.9% in August 2018 on a year-on-year basis from the previous month's 5.4% mainly on account of the base effect. During the month, the index remained flat with the impact of rise in non-food items being counterbalanced by the fall in prices within the food category.

Prices in the food category fell by 0.8% of which prices of mainly vegetables and coconut decreased. In contrast prices in the non-food category rose by 0.3% offsetting the impact on the overall index.

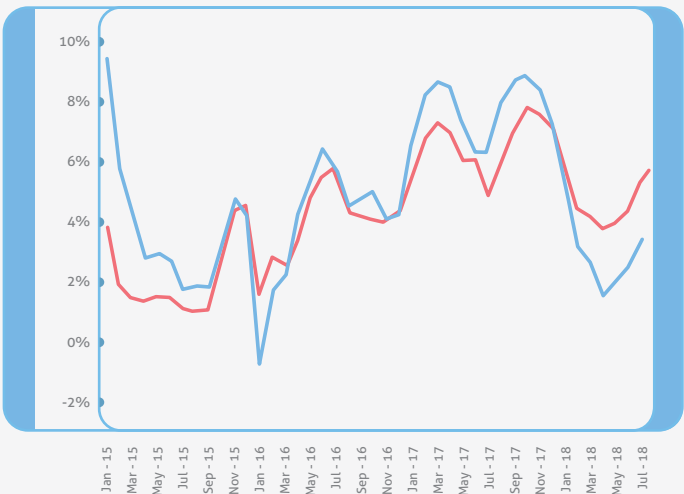
On an annual average basis inflation continued to remain steady at 5.6% in August.

Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport), fell to 3.7% year-on-year in August from the previous month's 3.9%. On an annual average basis too core inflation decreased to 4.1% from 4.3% in July.

We are of the view that inflation will hover at mid-single digit levels this year however the anticipated administered price revisions in electricity and fuel could exert pressure on overall price levels.

On the global front, both US and Euro Zone inflation increased to 2.87% and 1.96% respectively.

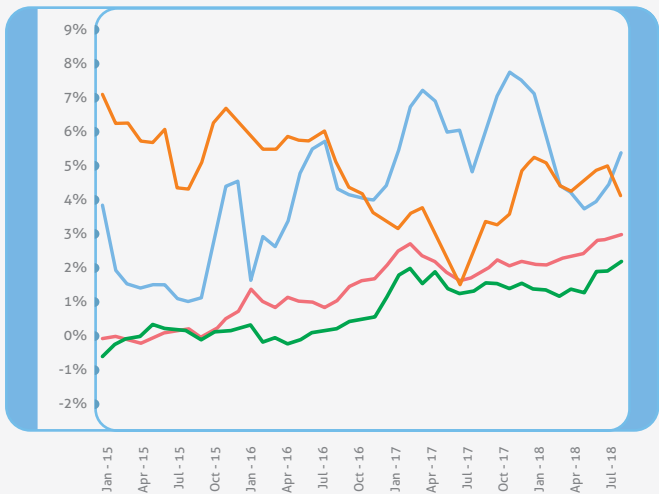
INFLATION - POINT TO POINT CHANGE - CCPI VS. NCPI



CCPI NCPI

Source: Department of
Census and Statistics Sri Lanka

GLOBAL INFLATION RATES



Sri Lanka US
Euro zone India

Source: <http://www.inflation.eu/>

FOREX OUTLOOK

Exchange Rates Vs. LKR	Aug 17	Dec 17	Aug 18	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	152.84	152.85	161.47	-5.35%	-5.34%
GBP	197.38	205.54	210.11	-6.06%	-2.18%
EURO	181.51	182.49	188.33	-3.62%	-3.10%
YEN	1.38	1.36	1.46	-4.93%	-6.81%
AUD	120.75	119.10	117.07	3.14%	1.74%
CAD	120.89	121.61	124.02	-2.52%	-1.94%
INR	2.39	2.39	2.28	4.64%	4.51%
BHD	405.35	405.36	428.08	-5.31%	-5.31%
CNY	23.16	23.45	23.63	-1.96%	-0.74%

Source: Central Bank of Sri Lanka >

The Sri Lankan Rupee depreciated 1.09% against the US Dollar (USD) in August to close the month at LKR 161.47 per USD and 0.26% against the Sterling Pound. Year-to-date depreciation against the USD stood at 5.34%.

The US Dollar rose against a basket of currencies with the US economy continuing to exhibit strength amid rising concerns about the stresses enveloping some emerging markets.

The Sterling Pound tumbled against both the US dollar and Euro after UK manufacturing growth slumped to its slowest in more than two years.

Most Asian currencies retreated against the US Dollar amid global trade tensions and strains in emerging markets with contagion fears.

USD PER 1 EURO MOVEMENT



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

COMMODITY OUTLOOK

	Past month Performance (1st Aug - 31st Aug 2018)	Past 12 months Performance (Aug 2017 - Aug 2018)	Year to Date Performance (1st Jan 2018 - 31st Aug 2018)
Bloomberg Commodity Index	-1.93%	-1.08%	-5.02%
Gold	-1.91%	-6.45%	-5.07%
Oil (Brent)	4.27%	50.71%	20.57%

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

The Bloomberg Commodity Index recorded its third straight monthly decline, dropping 1.93% in August. The weakness has been largely attributable to a stronger dollar, which makes buying commodities more expensive since they are traded in the US currency.

US sanctions on Iran's oil exports and falling Venezuelan output and declining US inventories supported the oil prices to gain some ground during the month of August.

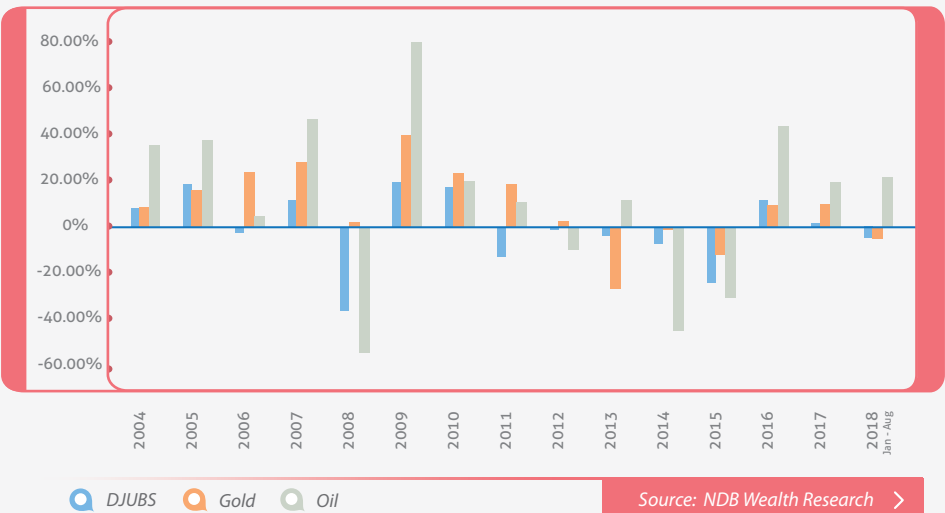
According to a Reuters report, an OPEC and non-OPEC monitoring committee found that oil producers as part of a supply reduction agreement slashed output in July by 9% more than what was called for in their pact, which gave further boost to oil prices.

The oil prices could stay in the current range amid a firm demand and falling supplies. However, upside could be limited on concerns that the trade war between the US and China could intensify.

Gold performance continued to be sluggish and the upside on gold prices may be capped with expectations of rising US interest rates. Higher rates raise the opportunity cost of holding gold, which can be costly to store and insure.

On the flipside however, going forward gold may closely track movements of the dollar, in which the metal is priced, especially as a safe haven investment, with investors bracing for the next round of the US-China trade conflict.

Commodity Price Movements



REAL-ESTATE OUTLOOK

The demand for office and apartment space is expected to remain robust given the anticipated influx of expatriates and Diaspora returning to Sri Lanka. Further, the port city project is expected to add further demand on to the real-estate space in the island.

The property consultancy company, Research Intelligence Unit (RIU) believes that the market will benefit from the foreign and expat communities and expect to play a more significant role in the coming years. This will be in conjunction with the cabinet approving new visa regulation changes for visitors and expats. According to RIU research dual citizenships issued to the Diaspora community has increased significantly.

The port city is expected to be the catalyst for future growth. The project spanning over 25 years will have a positive impact on all real-estate projects such as residential, commercial and hospitality with in Colombo and its immediate suburbs.

Further the project is estimated to create 83,000 jobs in the labour market; which will in turn create a demand for residential property within the city limits and have a positive impact on the range of residential property (luxury and semi luxury).

High end luxury apartments supply has been enjoying a sustainable growth with over 4,000 units as at 2016 and with current approvals and projects under construction it is estimated that over 14,000 units will be completed by 2020 (Source: RIU).

The growing middle class with rise in incomes will poise demand for global brands and consumption as a whole. Which will in turn have a positive impact on the service sectors such as, wholesale and retail trade, hotels and restaurants, banking, insurance, transport and communication which will drive demand for grade A and B office space.

However, due to internal and external macro economic factors the market sentiment has not been conducive for the luxury apartment developers. Therefore in the medium term we may not see this segment reaching its potential.

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 July 2018									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.46%	-	6.92%	7.50%	8.66%	9.23%	9.81%	-	10.39%
Bank of Ceylon Islamic Business Unit - As of July 2018									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	7.35%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of July 2018									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	7.80%	-	8.10%	9.20%	10.80%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of June 2018 (Released Quarterly)									
Profit Sharing Ratio*	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.61%	-	8.50%	9.50%	10.50%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of July 2018									
Profit Sharing Ratio* (3Mn - 50Mn)	40:60	60:40	65:35	40:60	65:35	65:35	-	-	-
Distributed Profit	5.25%	5.50%	6.50%	7.50%	11.00%	11.00%	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of July 2018									
Profit Sharing Ratio*	32:68	52:48	52:48	52:48	55:45	62:38	62:38	-	-
Distributed Profit	6.45%	9.68%	10.49%	10.49%	11.09%	12.50%	12.50%	-	-
Commercial Leasing & Finance PLC- Islamic Finance - As of July 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%	10.59%	11.23%	11.65%	11.65%	12.50%	12.71%	13.56%	13.77%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of June 2018									
Profit Sharing Ratio*	20:80	26:74	28:72	30:70	31:69	-	-	-	-
Distributed Profit	7.24%	9.41%	10.13%	10.86%	11.22%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of July 2018									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	3.74%	7.47%	7.72%	8.22%	8.22%	8.34%	8.59%	8.72%	9.21%
Peoples Leasing Islamic Business Unit - As of July 2018									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.33%	-	8.45%	9.15%	10.56%	-	-	-	-

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

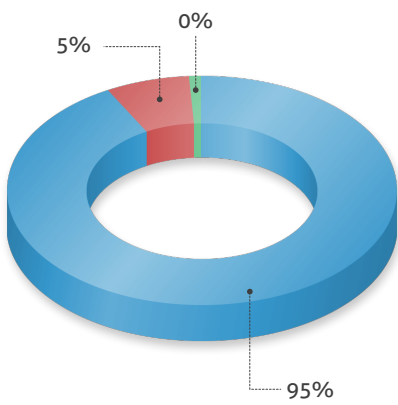
NOTE 2: No changes from the previous month's list

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

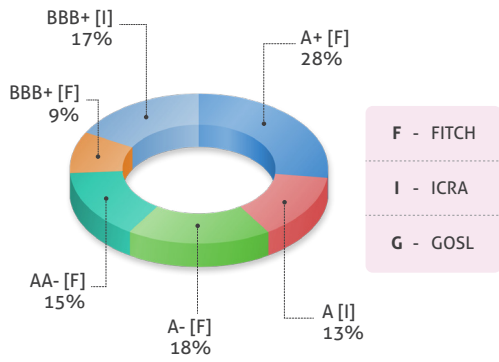
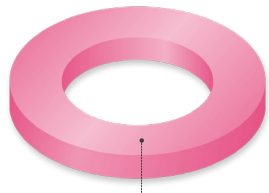
Fund Overview

NDB Wealth Growth Fund		Fund Snapshot		31-Jul-18
Type: Open Ended	Investments: Listed Equities	YTD Yield	-2.23%	
Currency: LKR	ISIN: LKNWGRU00005	NAV per unit	10.7313	
NDB Wealth Growth Fund is an open-ended equity fund incorporated in Sri Lanka, invested in listed shares of the Colombo Stock Exchange. The Fund aims to achieve capital growth on a medium to long term basis by investing in a diversified portfolio of stocks of stable companies with a proven track record.		AUM (LKR Mn.)	234.48	
		Fund Currency	LKR	
		Fund Inception	1-Dec-97	
		Expense Ratio	2.74%	
		Max Equity Allocaiton	97.00%	
		Current Equity Allocaiton	67.05%	
		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		Fixed Income Allocation		
Period	Fund Returns *	ASPI Returns	Minimum Fixed Income Allocation	3.00%
Last Month	-0.48%	-0.76%	Current Fixed Income Allocation	32.95%
Last 3 months	-4.93%	-5.88%	Average Duration	0.59
Last 6 months	-3.51%	-5.08%	Maturity	% Holding
Last 12 months	-1.18%	-7.38%	3 Months - 6 Months	54.30%
Year 2017	7.09%	2.26%	6 Months - 1 Year	45.70%
Year 2016	-0.92%	-9.66%		
★ After fees, excluding front end and back end loads				
Other Features				
Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis. Instruments greater than one year - n/a.			
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.			
Exposure Restrictions	Maximum exposure restrictions to listed equity 15% of NAV; maximum exposure restrictions on fixed income investments depend on the features of each security, (Ex: Rated, Guaranteed, etc.), and are regulated by the Trustee and the SEC.			
Fee Details	Management Fee : 2.25% p.a. of NAV. Trustee fee : 0.10 - 0.19% p.a. of NAV. Custodian fee : 0.05% p.a.of NAV, depending on fund size Front-end fee : 2% / Exit fee : 1% if less than 1 year ; 0 if greater than 1 year.			
Fund Manager	NDB Wealth Management Ltd.			
Trustee & Custodian	Bank of Ceylon			

Disclaimer

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

Fund Overview

NDB Wealth Growth and Income Fund		Fund Snapshot		31-Jul-18	
Type: Open Ended	Investments: Listed Equities and Corporate Debt	YTD Yield	5.62%		
Currency: LKR	ISIN: LKNWGIU00004	NAV per unit	34.7069		
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.		AUM (LKR Mn.)	189.62		
		Fund Currency	LKR		
		Fund Inception	1-Dec-97		
		Expense Ratio	2.12%		
		Max Equity Allocaiton	97.00%		
		Current Equity Allocaiton	1.98%		
		Fund Leverage	0.00%		
		Portfolio Allocation		Top 2 Portfolio Holdings (In Alphabetical Order)	
		By Credit Rating  F - FITCH I - ICRA G - GOSL		SINGER FINANCE (LANKA) PLC	
By Equity Sector  Banks finance and insurance 100%		SAMPATH BANK PLC			
Historical Returns		Fixed Income Allocation			
Period	Fund Returns★	ASPI Returns	Minimum Fixed Income Allocation	3.00%	
Last month	0.90%	-0.76%	Current Fixed Income Allocation	98.02%	
Last 3 months	2.18%	-5.88%	Average Duration	0.77	
Last 6 months	4.64%	-5.08%	Maturity	% Holding	
Last 12 months	8.49%	-7.38%	Under 1 Month	11.70%	
Year 2017	10.10%	2.26%	1 Month - 3 Months	39.40%	
Year 2016	4.13%	-9.66%	3 Months - 6 Months	12.90%	
★ After fees, excluding front end and back end loads.		6 Months - 1 Year	11.40%		
		1 Year - 5 Years	24.60%		
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 : 0.25% p.a. of NAV. Custodian fee : 0.10% p.a. of NAV. Front-end fee : 1.5%.				
Fund Manager	NDB Wealth Management Ltd.				
Trustee & Custodian	Deutsche Bank				

Disclaimer

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

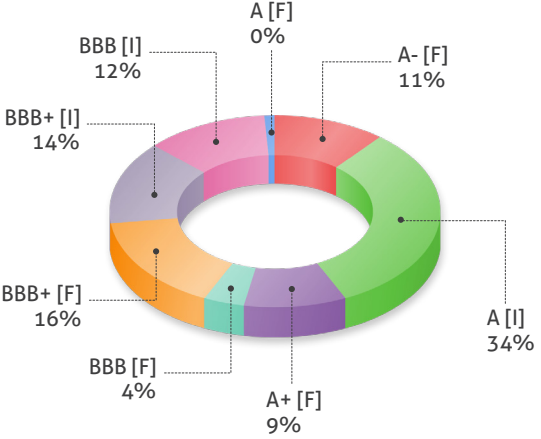
Fund Overview

</

Disclaimer

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

Fund Overview

NDB Wealth Income Plus Fund		Fund Snapshot	31-Jul-18
Type: Open Ended	Investments: Fixed Income Securities	YTD Yield	6.96%
Currency: LKR	ISIN: LKNWIPU00005	YTD Yield (Annualized)	11.99%
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.		NAV per unit	12.8536
		AUM (LKR Mn.)	951.39
		Fund Currency	LKR
		Fund Inception	7-Apr-16
		Expense Ratio	0.73%
		Average Maturity (Yrs)	0.45
		Average Duration	0.42
Portfolio Allocation By Credit Rating		Maturity Profile	
		Maturity	% Holding
		1 Month - 3 Months	4.00%
		3 Months - 6 Months	67.50%
		6 Months - 1 Year	28.50%
		AVG YTM (Net)	
		11.50%	
		11.90%	
		12.20%	
Historical Returns			
Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	6.96%	11.99%	12.62%
Last month	0.97%	11.42%	12.02%
Last 3 months	2.92%	11.59%	12.20%
Last 6 months	5.93%	11.96%	12.59%
Last 12 months	12.17%	12.17%	12.81%
★ 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		

Disclaimer

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

Fund Overview

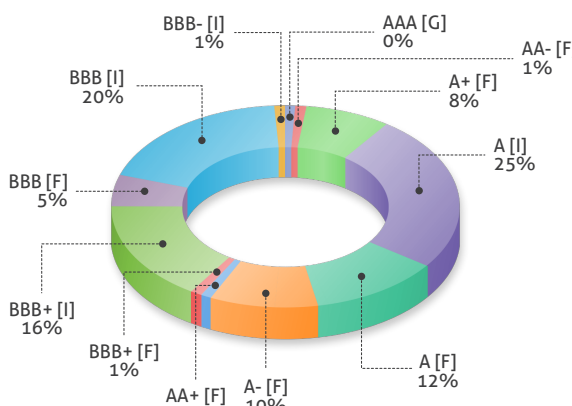
NDB Wealth Money Fund		
Type: Open Ended Currency: LKR	Investments: Short Term Government Securities ISIN: LKNWMNU00002	
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka,invested in Government of Sri Lanka Treasury Bills, government securities backed Repurchase transactions 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.		
Portfolio Allocation By Credit Rating		
AA+ [F] 13% AAA [G] 87% F - FITCH I - ICRA G - GOSL		
Fund Snapshot		
YTD Yield	4.89%	
YTD Yield (Annualized)	8.43%	
NAV per unit	16.6136	
AUM (LKR Mn.)	258.79	
Fund Currency	LKR	
Fund Inception	1-Jun-12	
Expense Ratio	0.85%	
Average Maturity (Yrs)	0.1	
Average Duration	0.1	
Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	36.10%	8.90%
1 Month - 3 Months	63.90%	9.30%
Historical Returns		
Period	Fund Returns	Annualized Return
Year to Date	4.89%	8.43%
Last month	0.70%	8.30%
Last 3 months	2.10%	8.32%
Last 6 months	4.19%	8.44%
Last 12 months	8.76%	8.76%
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 - 0.16% p.a. of NAV, depending on fund size.	
Fund Manager	NDB Wealth Management Ltd.	
Trustee & Custodian	Deutsche Bank	

Disclaimer

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

Fund Overview

NDB Wealth Money Plus Fund	
Type: Open Ended	Investments: Money Market Corporate Debt Securities
Currency: LKR	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	

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

Fund Snapshot		31-Jul-18
YTD Yield	6.53%	
YTD Yield (Annualized)	11.24%	
NAV per unit	18.3142	
AUM (LKR Mn.)	13,499.68	
Fund Currency	LKR	
Fund Inception	1-Jun-12	
Expense Ratio	0.87%	
Average Maturity (Yrs)	0.24	
Average Duration	0.23	

Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	25.60%	10.10%
1 Month - 3 Months	39.60%	11.30%
3 Months - 6 Months	22.10%	11.90%
6 Months - 1 Year	12.70%	12.10%

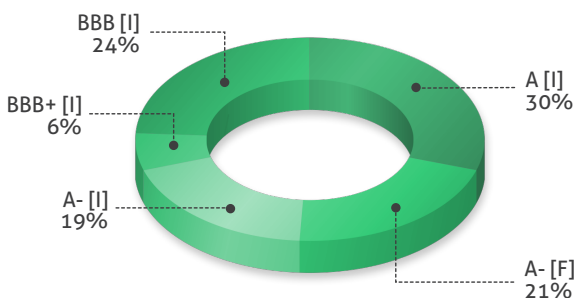
Historical Returns			
Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	6.53%	11.24%	11.83%
Last month	0.90%	10.59%	11.15%
Last 3 months	2.71%	10.75%	11.32%
Last 6 months	5.59%	11.27%	11.87%
Last 12 months	11.45%	11.45%	12.05%
Year 2017	11.38%	11.38%	11.98%
Year 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 - 0.16% p.a. of NAV, depending on fund size.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Deutsche Bank

Disclaimer

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

Fund Overview

NDB Wealth Islamic Money Plus Fund			
Type: Open Ended	Investments: Short Term Shariah Compliant Investments		
Currency: LKR	ISIN: LKNWISU00009		
NDB Wealth Islamic Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested exclusively in short term LKR based Shariah compliant investments including Mudharabah term deposits, Mudharabah savings deposits, Wakala investments and sukuk investments less than 366 days.			
The Fund aims to provide investors with liquidity and regular income through investing in a portfolio of short term shariah compaliant securities.			
Portfolio Allocation By Credit Rating			
			
Fund Snapshot			
YTD Yield	5.82%		
YTD Yield (Annualized)	10.01%		
NAV per unit	12.88		
AUM (LKR Mn.)	181.31		
Fund Currency	LKR		
Fund Inception	1-Jun-15		
Expense Ratio	1.18%		
Average Duration	0.15		
Maturity Profile			
Maturity	% Holding	AVG YTM (Net)	
Under 1 Month	33.47%	8.96%	
1 Month - 3 Months	58.00%	11.90%	
3 Months - 6 Months	8.52%	11.70%	
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	5.82%	10.01%	10.54%
Last month	1.04%	12.30%	12.94%
Last 3 months	2.57%	10.18%	10.71%
Last 6 months	4.99%	10.07%	10.60%
Last 12 months	10.23%	10.23%	10.77%
★ 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 : 0.10% - 0.20% p.a. of NAV, based on the fund size.		
Fund Manager	NDB Wealth Management Ltd.		
Trustee & Custodian	Deutsche Bank		

Disclaimer

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

Fund Overview

NDB Wealth Gilt Edged Fund		Fund Snapshot		31-Jul-18
Type: Open Ended	Investments: Government of Sri Lanka Securities ISIN: LKNWGEU00003	YTD Yield	4.59%	
Currency: LKR		YTD Yield (Annualized)	7.91%	
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.		NAV per unit	13.3409	
		AUM (LKR Mn.)	54.02	
		Fund Currency	LKR	
		Fund Inception	1-Dec-97	
		Expense Ratio	0.88%	
		Average Maturity (Yrs)	0.08	
		Average Duration	0.08	
Portfolio Allocation By Credit Rating		Maturity Profile		
AAA [GOSL] G - GOSL		Maturity	% Holding	AVG YTM (Net)
		Under 1 Month	4.2%	8.30%
		1 Month - 3 Months	95.8%	9.30%
Historical Returns				
Period	Fund Returns		Annualized Return	
Year to Date	4.59%		7.91%	
Last month	0.70%		8.18%	
Last 3 months	2.04%		8.08%	
Last 6 months	3.95%		7.96%	
Last 12 months	10.05%		10.05%	
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

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

DISCLAIMER

This document is compiled by NDB Wealth Management Limited (NDBWealth) for the use of its clients, and should not be construed as an offer or solicitation of an offer to buy/sell any securities or assets. This document is for the personal information of the authorized recipient and is not for public distribution. This should not be reproduced or redistributed to any other person or in any form. All information has been compiled using information from news sources, available documentation and NDBWealth's own research material and relates to current and historical information, but do not guarantee its accuracy or completeness. In compiling this report, NDBWealth has made every endeavour to ensure its accuracy, but cannot hold NDBWealth or its employees for any error that maybe found herein. Neither NDBWealth nor its employees can accept responsibility for any loss or damage caused due to any decisional action made by the investors based on such information or any options, conclusions or recommendations herein whether that loss or damage is caused by any fault or negligence on the part of NDBWealth.

NDB WEALTH MANAGEMENT LTD

NDB Capital Building, Level G, No: 135, Bauddhaloka Mawatha, Colombo 4, Sri Lanka

Tel (+94) 77 744 8888 | (+94) 11 230 3232

E-mail : contact@ndbinvestors.com | Web : www.ndbwealth.com