ASSET MANAGEMENT

PRIVATE WEALTH MANAGEMENT

MY WEALTH MANAGEMENT

MARKET UPDATE AND FUND REVIEW

2020
JANUARY

It's time

NDB | WEALTH

Click here for download

MARKET BRIEF BY NDB WEALTH

INFLATION RATE INCREASES

Inflation as measured by the CCPI increased to 5.7% in January 2020 on a year on year basis from 4.8% in December 2019. Food inflation continued to drive headline inflation as it recorded a significant increase of 12.4% in January 2020. Core inflation, which excludes the more volatile features such as food, energy and transportation, continued its declining trend and reflecting a figure of 3.00% on a year on year basis in January 2020, compared to 4.8% in December. In spite of the spike in inflation mainly due to the supply side constraints, we expect the Central Bank to manage headline inflation at mid-single digit levels around 4% - 6% in 2020.

SRI LANKAN RUPEE HELD ITS VALUE AGAINST THE USD

Sri Lankan Rupee appreciated against most hard currencies in January 2020. While the Sri Lankan Rupee appreciated by a mere 0.03% against the US Dollar, it appreciated by 0.25%, 1.69% and 1.66% against the Sterling Pound, Euro and the Japanese Yen, respectively. The Central Bank was a net buyer of USD 387 million in 2019. Gross official reserves stood at USD 7.5 billion at end January 2020.

VOLATILE INTEREST RATES

The benchmark 364-day Treasury bill rate increased to 8.59% in January 2020 from 8.45% in December 2019. The Monetary Board of the Central Bank of Sri Lanka decided to reduce the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank by 50 basis points to 6.50% and 7.50%, respectively. During the month foreign inflows to the LKR denominated Government securities recorded an increase of LKR 3.9 billion. Lower demand for private sector credit coupled with less pressure on domestic debt repayments during the first half may help the Central bank to maintain interest rates at current levels.

WEAK SENTIMENT CONTINUES

The All share Price Index and the S&P SL 20 index, the two main indices of the Colombo Stock Exchange, recorded losses during the first month of 2020. Continuous foreign selling coupled with weak local investor sentiment resulted may have been the key factors for losses in January 2020. Based on the current local and global developments, we expect the stock market to be range bound during the year.

Indika De Silva
Assistant Vice President

EQUITY OUTLOOK

	Past month Performance (1st Jan - 31st Jan 2020)	Past 12 months Performance (Jan 2019 - Jan 2020)	Year to Date Performance (1st Jan 2020 - 31st Jan 2020)
All Share Price Index	-3.25%	-1.00%	-3.25%
S&P SL 20	-3.47%	-7.76%	-3.47%
MSCI Frontier Markets Index	-0.06%	12.90%	-0.06%
MSCI World Index	-0.61%	17.73%	-0.61%
MSCI Emerging Markets	-4.66%	3.81%	-4.66%
MSCI Asia Ex Japan	-4.45%	5.22%	-4.45%

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

- The two main indices of the Colombo Stock Exchange (CSE), All Share Price Index and S&P SL 20 Index, continued to make losses in January 2020.

- Overall macroeconomic weakness coupled with the possible impact of the Novel Coronavirus to tourism and other industries were the main causes for the decline in the indices.

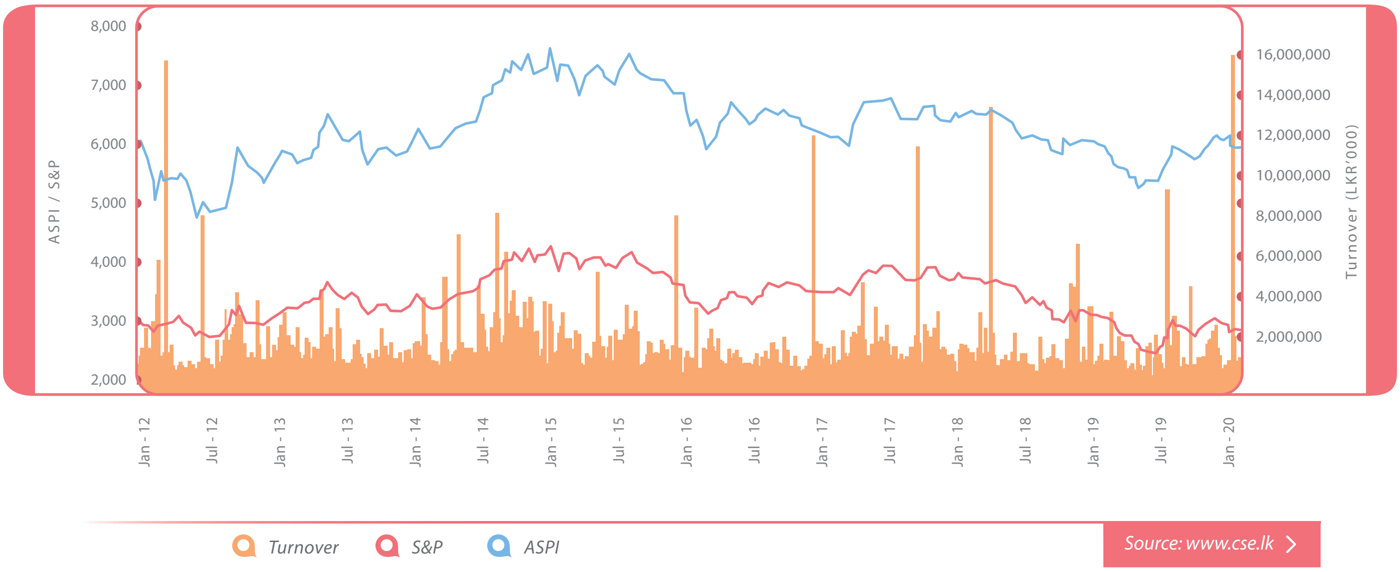
- The year started off with emerging-market governments and companies seen to be embarking on a record borrowing spree, hoping to lock in very low interest costs. Issuers including Indonesia, Mexico and Saudi Arabia sold USD 118 bn of new foreign-currency debt in January 2020, up from USD 70 billion in the same period last year.

- However, the MSCI Emerging Market Index saw sharp declines during the month with fears that the Novel Coronavirus outbreak could impact the global economy.

- While the impact may be temporary depending on how well the virus is contained and how China plans to utilize monetary policy tools to ease the hit on its economy. To this extent, the People's Bank of China injected liquidity through open market operations to stabilize financial market expectations and restore confidence.

- Despite concerns that the volatility impacting emerging markets will spread globally, U.S. stocks remain near all-time highs.

Colombo Stock Exchange Performance



Source: www.cse.lk

		Jan 2020	Jan 2019
CSE	Market PER	10.91 X	9.37 X
	Market PBV	1.10 X	1.18 X
	Market DY	3.13%	3.33%
MSCI Frontier Market	Market PER	13.50 X	13.24 X
	Market PBV	1.93 X	1.81 X
	Market DY	3.91%	3.87%

Source: www.cse.lk

Foreign investors continued to be net sellers, with net foreign selling amounting to approximately LKR 3 billion in January 2020.

Colombo Stock Exchange	Jan 2020	Jan 2019
Foreign Inflows	LKR 27.22 Billion	LKR 4.55 Billion
Foreign Outflows	LKR 30.20 Billion	LKR 6.87 Billion
Net Foreign Inflows/(Outflows)	**(LKR 2.98 Billion)**	**(LKR 2.32 Billion)**

Source: www.cse.lk

“ FOR THE INVESTOR, A TOO-HIGH PURCHASE PRICE FOR THE STOCK OF AN EXCELLENT COMPANY CAN UNDO THE EFFECTS OF A SUBSEQUENT DECADE OF FAVORABLE BUSINESS DEVELOPMENTS ”

—— Warren Buffet ——

FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

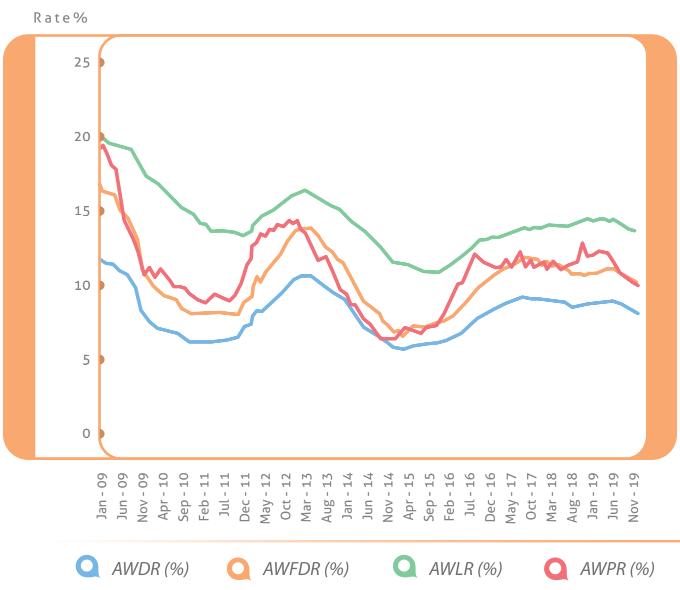
The Central Bank of Sri Lanka (CBSL) reduced its key policy rates by 50 basis points (0.50%) each in January. Accordingly the Standing Lending Facility Rate (or the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (or the rate which commercial banks place their excess cash with CBSL) now stand at 7.50% and 6.50% respectively.

	Jan 19	Dec 19	Jan 20
364 Day T-bill	10.70%	8.45%	8.59%
5-Year Bond	11.36%	9.94%	9.57%
1-Year Finance Company Fixed Deposit Ceiling Rate	14.22%	11.63%	11.59%

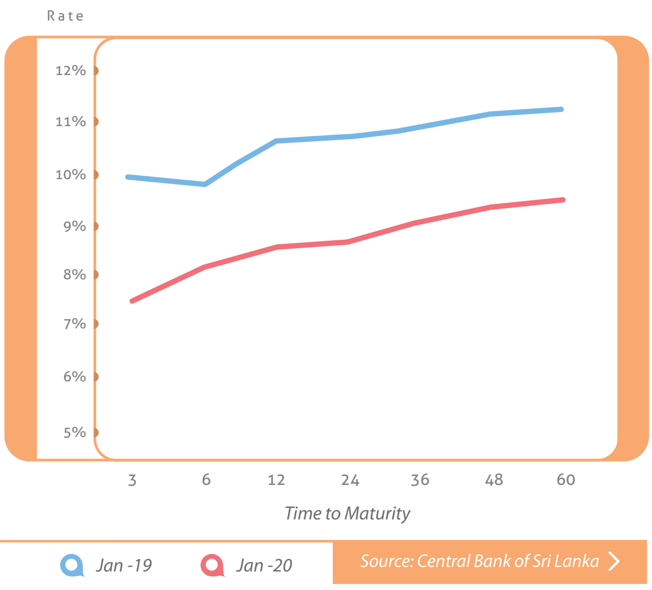
** Gross Rates provided. Net returns would change based on prevailing tax regulations.*

Source: Central Bank of Sri Lanka

AVERAGE LENDING & DEPOSIT RATES



YIELD CURVE - LKR TREASURIES



Source: Central Bank of Sri Lanka

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

Treasury Bill rates increased across the board in January with the benchmark 364-day T-Bill rate rising to 8.59% and the 91-day and 182-day T-Bill closing the month at 7.51% and 8.15% respectively.

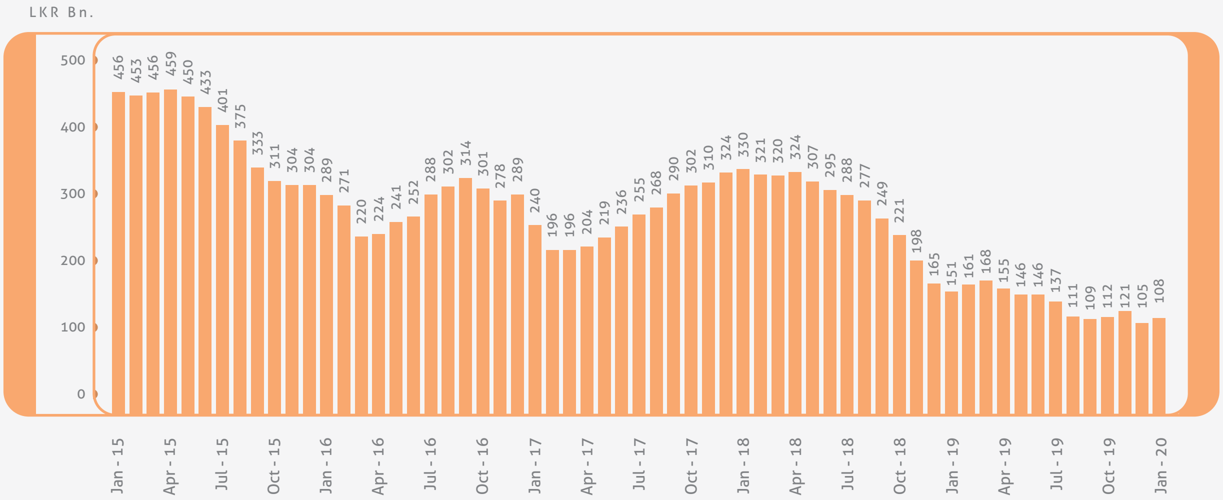
Broad money (M2b) growth picked up to 7.0% year-on-year in December, from the previous month's 6.1%.

Credit extended to the private sector accelerated to 4.5% year-on-year from 4.4% in December whilst private sector credit disbursements were up by LKR 57.9 bn (1.0% m-o-m) during the month of December.

Outstanding LKR Govt. Securities LKR 5,619 Billion	
T Bills (Total)	**T Bonds (Total)**
LKR 902 Billion	LKR 4,717 Billion
Domestic (Bills & Bonds)	**Foreign (Bills & Bonds)**
LKR 5,511 Billion	LKR 108 Billion
Total Foreign Holding of Bills and Bonds - 1.87%	

Source: Central Bank of Sri Lanka

FOREIGN HOLDING OF LKR G-SEC



Source: Central Bank of Sri Lanka

Foreign holding of LKR denominated bills and bonds improved marginally to 1.92%, as foreign investors were net buyers amounting to LKR 3.2 bn in January.

1 Year FD Rates – Sri Lankan Banks		
	Jan 2020	Dec 2019
NSB	8.75%	9.83%
COMB	8.50%	9.00%
SAMP	8.50%	8.50%
HNB	8.50%	9.00%
NDB	9.25%	9.25%

Rates on Credit Cards	Jan 20
HSBC	28.00%
SCB	28.00%
Sampath	28.00%
NDB	28.00%
AMEX	28.00%

Source: Respective Commercial Banks

Most commercial banks reduced their fixed deposit rates during the month of January in line with the policy rate reduction by the Central Bank.

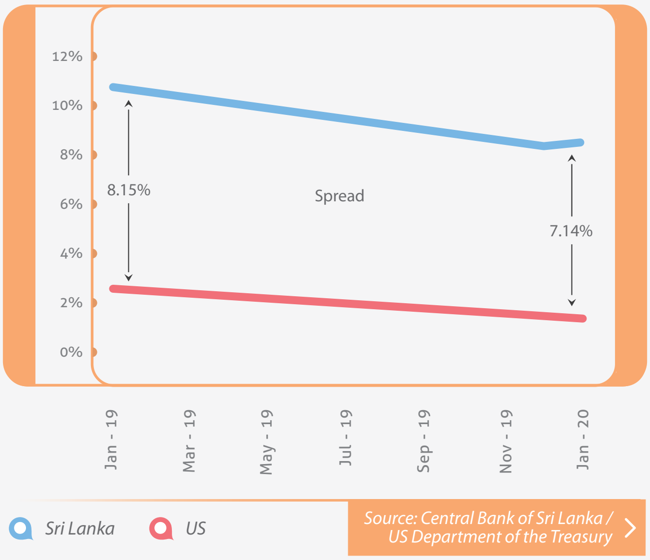
NDIB CRISIL Fixed Income Indices Total return as at 31/01/2020	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.97%	8.98%	8.97%
NDBIB-CRISIL 364 Day T-Bill Index	2.05%	11.03%	9.87%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	3.80%	16.43%	13.97%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	4.97%	19.13%	15.67%

Source: www.crisil.com

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

Source: www.cbrates.com

1 YEAR TREASURY RATE - USD Vs. LKR



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

The World Bank is expected to revise its global growth forecast downward due to the Novel Coronavirus outbreak, amid fears that the epidemic in China will harm global supply chains. The World Bank, in December, forecast a recovery in global growth this year at 2.5% following trade tensions between U.S. and China easing.

364 Day Treasury Bill Rate	Jan 19	Dec 19	Jan 20
Sri Lanka	10.70%	8.45%	8.59%
India	6.94%	5.14%	5.29%
US	2.55%	1.59%	1.45%
Euro Zone	-0.60%	-0.66%	-0.65%

Source: Respective Central Banks

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

Source: Respective Commercial Banks

Fears of negative repercussions from the Novel Coronavirus outbreak drove investors into the US treasury market as a safe haven play and brought yields sharply lower with the benchmark 10-year bond yield falling 27% in January to 1.59%.

“ IT’S NOT HOW MUCH MONEY YOU MAKE THAT MAKES YOU RICH, IT’S HOW YOU INVEST IT ”

— NDB Wealth —

INFLATION RATES

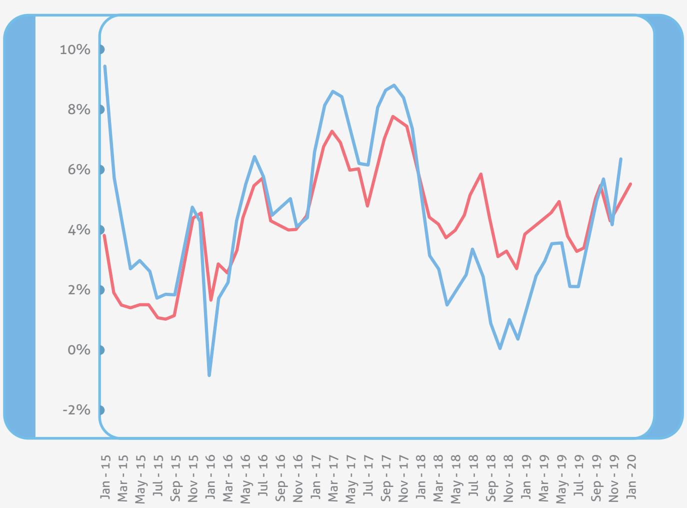
Country	Jan 19	Dec 19	Jan 20
Sri Lanka	3.75%	4.83%	5.65%
US	1.55%	2.29%	2.29%*
Euro Zone	1.39%	1.33%	1.33%*
India	1.97%	7.35%	7.35%*

* Dec 2019

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

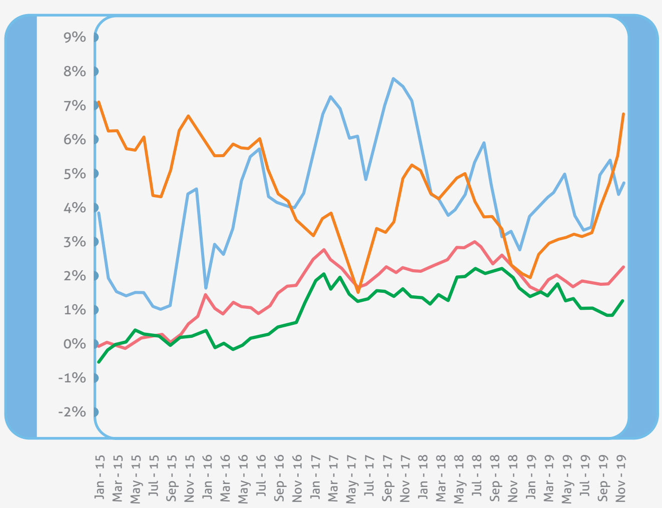
- Inflation as measured by the CCPI (2013=100), accelerated to 5.7% on a year-on-year basis in January 2020 from the previous month's 4.8% primarily due to rising food prices.
- During the month the index was up 1.7% as both food and non-food increased by 3.2% and 0.9% respectively.
- Within the food category, prices of mainly vegetables and coconut increased, whilst within the non-food category prices of Housing, Water, Electricity and Gas increased.
- On an annual average basis too, inflation increased to 4.5% in December.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) however, slowed to 3.0% year-on-year in January. On an annual average basis too, core inflation slowed to 5.3%.
- We are of the view that prices will see pressure in 2020, however we believe the central bank will broadly be able to manage inflation around mid-single digit levels.
- On the global front, both U.S. and Euro zone inflation increased to 2.29% and 1.33% year-on-year respectively in December.

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	Jan 19	Jan 20	1 Year App/(Dep) LKR
USD	179.88	181.59	-0.94%
GBP	236.00	237.87	-0.79%
EURO	206.77	200.28	3.24%
YEN	1.65	1.66	-0.75%
AUD	130.53	122.00	6.99%
CAD	136.91	137.53	-0.45%
INR	2.53	2.53	-0.22%
BHD	477.13	481.67	-0.94%
CNY	26.79	26.03	2.92%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee appreciated marginally in January by 0.03% against the USD to close the month at LKR 181.59 per USD. The Rupee gained a considerable 0.25% against the Pound Sterling, and 1.69% against the Euro in January.
- The US Dollar index, the Japanese Yen and the Swiss Franc rose, while the off-shore Yuan tumbled to a 2020 low as growing fears about the spread of the Coronavirus from China pushed investors into safer assets.
- Other Asian currencies also weakened, hard hit by worries over virus' rapid spread and its potential economic impact.
- The Pound to Euro exchange rate fluctuated following the Brexit in January as the pressure for trade deals between the UK and EU increased.

USD PER 1 EURO MOVEMENT

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

COMMODITY OUTLOOK

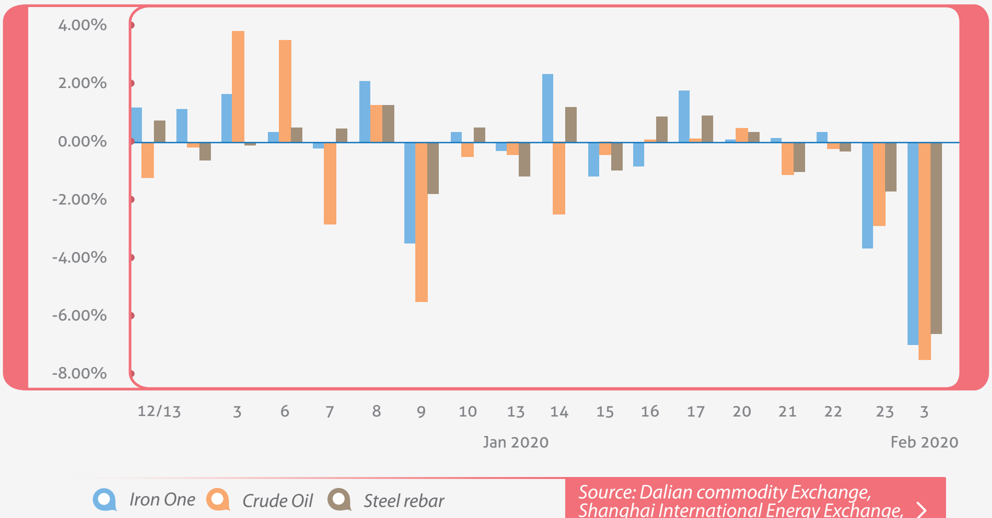
	Past month Performance (1st Jan - 31st Jan 2020)	Past 12 months Performance (Jan 2019 - Jan 2020)	Year to Date Performance (1st Jan 2020 - 31st Jan 2020)
Bloomberg Commodity Index	-7.48%	-7.30%	-7.48%
Gold	5.51%	20.82%	5.51%
Tea	1.96%	1.47%	1.96%
Oil (Brent)	-3.42%	7.31%	-3.42%

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

- The Bloomberg Commodity Index recorded a significant decline in January 2020, as the index recorded a loss of 7.48% for the month.
- The optimism, post trade deal between US and China, was short lived; with news of the Novel Coronavirus taking lead, investors have retreated from commodities and emerging markets dependent on Chinese consumption.
- Chinese commodity prices collapsed on the first day of trading after the Lunar New Year break as investors returned to markets gripped by fear over the impact the Coronavirus will have on demand in the world's biggest consumer of raw materials.
- Metals, energy and agriculture futures were all negatively affected, with iron ore, crude, copper and palm oil contracts all sinking by their daily allowable limit within seconds of markets opening.
- Chinese oil demand has dropped by about three million barrels a day, or 20% of total consumption, the drop is probably the largest demand shock the oil market has suffered since the global financial crisis of 2008 to 2009. China is the world's largest oil importer, and thus, any change in consumption has an immense impact on the global energy market.
- As a result of the fears on a possible global slowdown, demand for Gold has increased, leading to a gain in excess of 5.5% during January 2020, as the prices exceeded USD 1,500 per ounce.

Commodities Down

Chinese commodity fututres slumped in the first trading after Luna New Year



Source: Dalian commodity Exchange, Shanghai International Energy Exchange, Shanghai Futures Exchange

PROPERTY OUTLOOK

- Construction work on major projects in Colombo as well as highway projects which employ Chinese workers remain stalled post the Coronavirus outbreak, with Sri Lankan workers refusing to report to work while Chinese workers have been asked to stay indoors.
- Chamber of Construction Secretary General/CEO Nissanka N. Wijeratne said fears over the possible spread of the virus had had a big impact on the progress of ongoing projects with much of the work on hold for over three weeks.
- As per Mr. Wijeratne, Lankan workers are reluctant to return over fears that they may fall ill while the Chinese workers fear discrimination.
- A delegation from the Chamber met Chinese Embassy officials last week to discuss the issue and urged them to take measures to dispel fears as well as to ensure that Chinese workers who had gone back to their country for the Lunar New Year holidays return soon.
- Nearly 30% - 40% of the workers on major Chinese projects in Sri Lanka are Chinese nationals and local companies too have also started employing workers from China. While official figures indicate around 15,000 Chinese workers in the local construction sector, unofficially close to 100,000 are believed to be working in Sri Lanka.
- Chinese construction sector workers are paid higher than their local counterparts at around USD 1,000 per month; but the industry believes that the differential is justified with the output of a Chinese worker estimated to be about three times that of a local worker.

Source: dailyFT

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 December 2019									
*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%	9.60%	9.23%	9.81%	-	10.39%
Bank of Ceylon Islamic Business Unit - As of December 2019									
*Profit Sharing Ratio**	45:55	-	-	-	-	-	-	-	-
Distributed Profit	7.30%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-Al Adalah Islamic Banking unit - As of December 2019									
*Profit Sharing Ratio**	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	5.04%	-	6.16%	7.30%	8.65%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of December 2019 (Released Quarterly)									
*Profit Sharing Ratio**	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.87%	-	8.25%	8.50%	9.25%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of December 2019									
*Profit Sharing Ratio** *(3Mn - 50Mn)*	40:60	60:40	65:35	40:60	65:35	-	-	-	-
Distributed Profit	5.25%	6.05%	7.05%	7.55%	10.00%	-	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of August 2019									
*Profit Sharing Ratio**	32:68	52:48	52:48	52:48	55:45	62:38	62:38	-	-
Distributed Profit	6.43%	8.23%	8.64%	9.24%	11.05%	11.65%	12.25%	-	-
Commercial Leasing & Finance PLC- Islamic Finance - As of December 2019									
*Profit Sharing Ratio**	30 :70	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	6.05%	8.84%	9.34%	9.84%	11.59%	12.15%	12.37%	12.80%	13.23%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of December 2019									
*Profit Sharing Ratio**	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	6.63%	8.22%	9.01%	9.54%	10.08%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of December 2019									
*Profit Sharing Ratio**	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	4.66%	7.76%	8.07%	8.54%	9.47.%	10.56%	10.87%	11.18%	11.49%
Peoples Leasing Islamic Business Unit - As of December 2019									
*Profit Sharing Ratio**	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.11%	-	8.40%	9.10%	9.80%	-	-	-	-

* 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 JULY 2019

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

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

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

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

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

UNIT TRUST FUNDS OFFERED BY NDB WM

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

NDB | WEALTH

Fund Overview

NDB Wealth Growth Fund

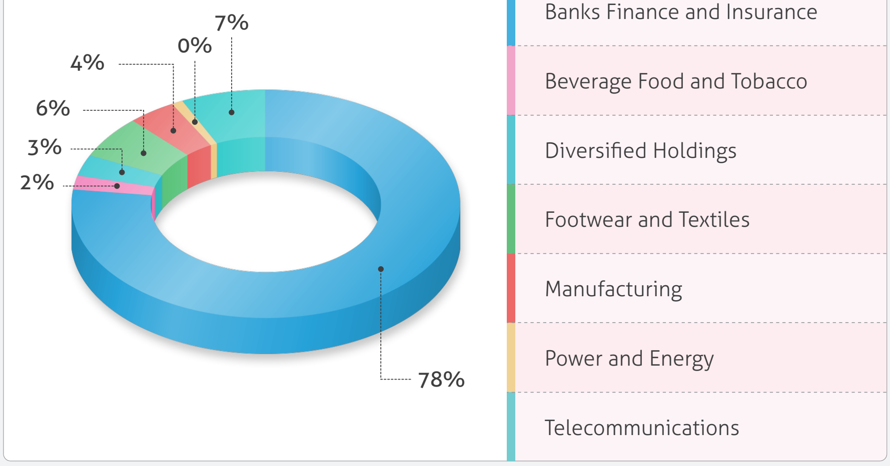
Type: Open Ended | **Investments:** Listed Equities
Currency: LKR | **ISIN:** LKNWGRU00005

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 — 31-Dec-19

YTD Yield	-0.59%
NAV per unit	10.15
AUM (LKR Mn.)	199.34
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.54%
Current Equity Allocation	95.20%
Max Equity Allocation	97.00%
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	-3.13%	-1.33%
Last 3 months	8.74%	6.81%
Last 6 months	20.44%	14.09%
Last 12 months	-0.59%	1.27%
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	4.80%
Average Duration	0.0027

Maturity	% Holding
Under 1 Month	100.00%

Other Features

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

Fund Overview

NDB Wealth Growth and Income Fund

Type: Open Ended
Currency: LKR

Investments: Listed Equities and Corporate Debt
ISIN: LKNWGIU00004

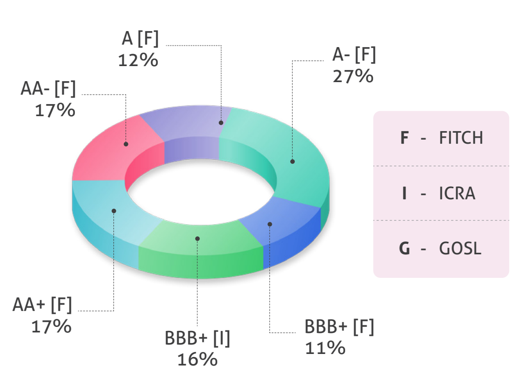
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing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

Fund Snapshot

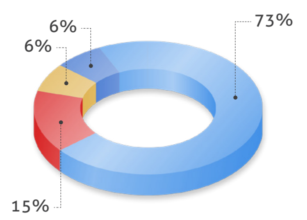
Fund Snapshot	31-Dec-19
YTD Yield	11.09%
NAV per unit	39.23
AUM (LKR Mn.)	331.04
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.95%
Max Equity Allocation	97.00%
Current Equity Allocation	60.74%
Fund Leverage	0.00%

Portfolio Allocation

By Credit Rating



By Equity Sector



- Banks finance and insurance
- Diversified Holdings
- Manufacturing
- Telecommunications

Top 5 Portfolio Holdings (In Alphabetical Order)

- COMMERCIAL BANK OF CEYLON PLC
- HATTON NATIONAL BANK PLC
- JOHN KEELLS HOLDINGS PLC
- PEOPLE'S LEASING COMPANY PLC
- SAMPATH BANK PLC

Historical Returns

Period	Fund Returns*	ASPI Returns
Last month	-2.40%	-1.33%
Last 3 months	4.56%	6.81%
Last 6 months	6.35%	14.09%
Last 12 months	11.09%	1.27%
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	39.26%
Average Duration	0.50

Maturity	% Holding
Under 1 Month	28.97%
1 Month - 3 Months	18.30%
3 Months - 6 Months	24.55%
6 Months - 1 Year	11.48%
1 Year - 10 Years	16.70%

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

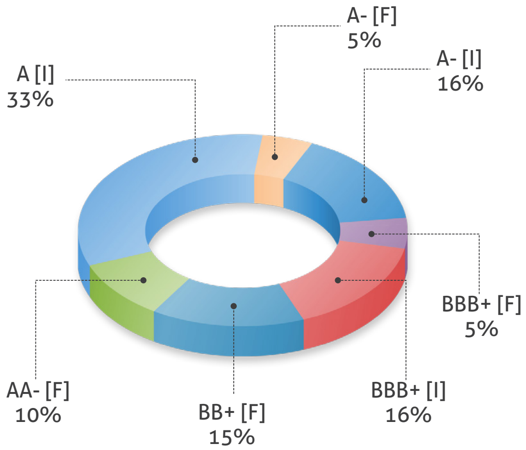
Investments: Corporate Debt Instruments
ISIN: LKNWINU00000

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	31-Dec-19
YTD Yield	12.97%
YTD Yield (Annualized)	12.97%
NAV per unit	14.0661
AUM (LKR Mn.)	334.26
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.36%
Average Maturity (Yrs)	1.94
Average Duration	1.43

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	10.81%	10.78%
1 Month - 3 Months	12.75%	11.00%
3 Months - 6 Months	15.27%	12.70%
6 Months - 1 Year	6.78%	11.70%
1 Year - 10 Years	54.38%	13.10%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	12.97%	12.97%	13.66%
Last month	0.86%	10.07%	10.60%
Last 3 months	2.82%	11.18%	11.76%
Last 6 months	5.40%	10.71%	11.27%
Last 12 months	12.97%	12.97%	13.66%
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

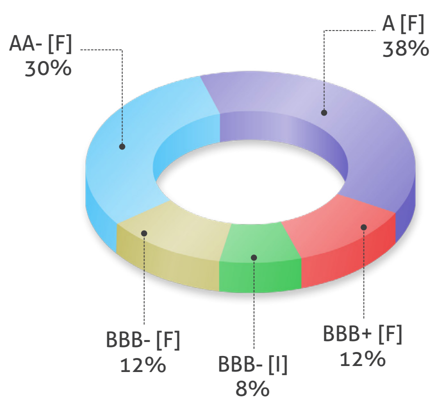
NDB Wealth Income Plus Fund

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-Dec-19
YTD Yield	12.20%
YTD Yield (Annualized)	12.20%
NAV per unit	15.1190
AUM (LKR Mn.)	249.22
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.77%
Average Maturity (Yrs)	0.36
Average Duration	0.34

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	2.81%	7.60%
3 Months - 6 Months	97.19%	12.00%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	12.20%	12.20%	12.84%
Last month	0.96%	11.34%	11.93%
Last 3 months	2.90%	11.50%	12.11%
Last 6 months	5.97%	11.83%	12.46%
Last 12 months	12.20%	12.20%	12.84%

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

Other Features

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

Fund Overview

NDB Wealth Money Fund

Type: Open Ended
Currency: LKR

Investments: Short Term Bank Deposits
ISIN: LKNWMNU00002

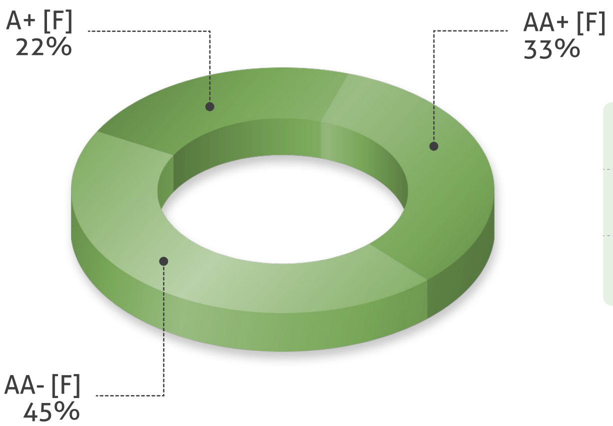
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short-term high credit quality LKR based bank deposits.

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.

Fund Snapshot

Fund Snapshot	31-Dec-19
YTD Yield	10.24%
YTD Yield (Annualized)	10.24%
NAV per unit	18.9869
AUM (LKR Mn.)	164.04
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.99%
Average Maturity (Yrs)	0.08
Average Duration	0.08

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	78.05%	10.19%
1 Month - 3 Months	21.95%	9.70%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	10.24%	10.24%
Last month	0.78%	9.13%
Last 3 months	2.36%	9.37%
Last 6 months	4.78%	9.48%
Last 12 months	10.24%	10.24%
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

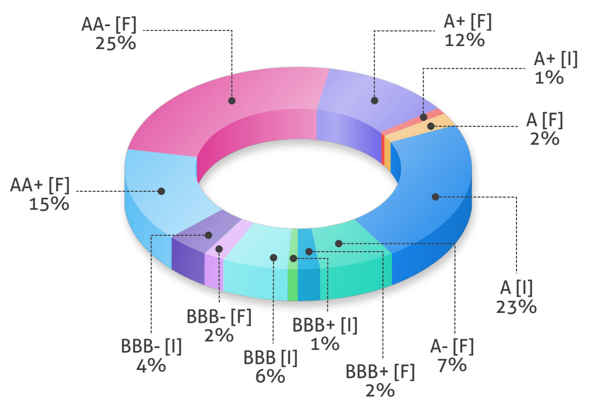
NDB Wealth Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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-Dec-19
YTD Yield	11.73%
YTD Yield (Annualized)	11.73%
NAV per unit	21.4239
AUM (LKR Mn.)	33,481.22
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.83%
Average Maturity (Yrs)	0.29
Average Duration	0.27

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	18.80%	10.77%
1 Month - 3 Months	35.78%	11.30%
3 Months - 6 Months	27.69%	11.10%
6 Months - 1 Year	17.73%	11.20%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	11.73%	11.73%	12.35%
Last month	0.88%	10.30%	10.85%
Last 3 months	2.61%	10.35%	10.89%
Last 6 months	5.43%	10.76%	11.33%
Last 12 months	11.73%	11.73%	12.35%
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

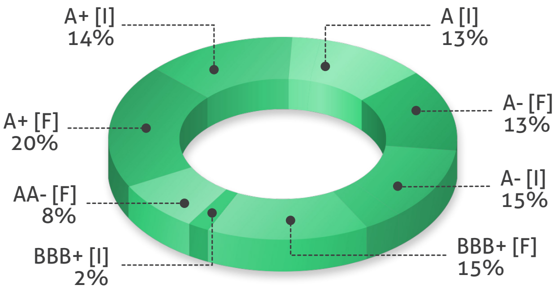
Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

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

Fund Snapshot	31-Dec-19
YTD Yield	10.69%
YTD Yield (Annualized)	10.69%
NAV per unit	14.8627
AUM (LKR Mn.)	374.83
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.39%
Average Duration	0.25

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	25.23%	8.67%
1 Month - 3 Months	43.38%	11.80%
3 Months - 6 Months	19.08%	11.30%
6 Months - 1 Year	12.30%	10.60%

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	10.69%	10.69%	11.25%
Last month	0.81%	9.56%	10.07%
Last 3 months	2.39%	9.47%	9.97%
Last 6 months	4.97%	9.86%	10.38%
Last 12 months	10.69%	10.69%	11.25%

* 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

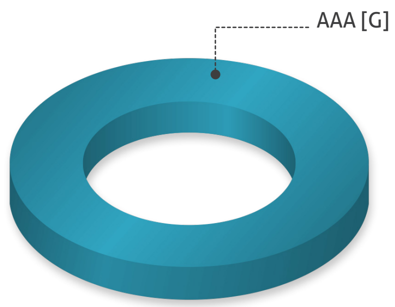
Investments: Government of Sri Lanka Securities
ISIN: LKNWGEU00003

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-Dec-19
YTD Yield	19.12%
YTD Yield (Annualized)	19.12%
NAV per unit	16.9331
AUM (LKR Mn.)	62.10
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.73%
Average Maturity (Yrs)	0.05
Average Duration	0.05

Portfolio Allocation By Credit Rating



G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	100.0%	8.20%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	19.12%	19.12%
Last month	0.53%	6.25%
Last 3 months	1.57%	6.23%
Last 6 months	5.01%	9.94%
Last 12 months	19.12%	19.12%
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

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