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MARKET UPDATE AND FUND REVIEW

2019
OCTOBER

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NDB | WEALTH

MARKET BRIEF BY NDB WEALTH

INFLATION EDGED UP

Inflation as measured by the CCPI continued to increase in October 2019, as it closed the month at 5.40% on a year on year basis from 5.0% in September 2019. Food inflation was the main contributor towards the higher inflation as it increased significantly in October. However, Core inflation, which excludes the more volatile features such as food, energy and transportation, declined to 5.5% in October from 5.6% in the previous month. We expect the Central Bank to manage overall headline inflation at mid-single digit levels of 4% - 6% during 2019.

RUPEE APPRECIATED MARGINALLY

The Sri Lankan Rupee recorded mixed results against a basket of major currencies during the month of October 2019. The Rupee recorded a marginal appreciation of 0.18% against the US Dollar as well as 0.89% and 2.20% appreciation against the Japanese Yen and the Indian Rupee, respectively. However, the Sri Lankan Rupee depreciated against the Sterling Pound and the Euro. Gross official reserves stood at USD 7.6 billion as at September 2019.

INTEREST RATES DECLINED

The benchmark 364-day T-bill rate declined marginally during October as it ended the month at 8.34%. Foreign holding of LKR denominated debt increased during October to 2.0% as foreign investors were net buyers of over LKR 2.5 billion during the month. However, lower liquidity levels prevailing in the market resulted in higher secondary market Treasury bond yields. We expect interest rates to be under pressure in the medium term amid higher government spending in the midst of an election cycle coupled with low foreign interest for LKR denominated debt.

STOCK MARKET RALLIES ON SPECULATION

The All Share Price Index and S&P SL 20 index, the two main indices of the Colombo Stock Exchange, gained 4.39% and 7.99% respectively, as at October 2019. Stock market rallied on improved investor sentiment, mainly due to the policies presented by the two main presidential candidates and expectations that political stability and policy coherence may prevail post elections. Foreign investors however, continued to be net sellers in the market. We expect the stock market to be range bound as some investors take positions while others remain more cautious closer to the election date.

Indika De Silva
Fund Manager

EQUITY OUTLOOK

	Past month Performance (1st Oct - 31st Oct 2019)	Past 12 months Performance (Oct 2018 - Oct 2019)	Year to Date Performance (1st Jan - 31st Oct 2019)
All Share Price Index	4.39%	0.62%	-1.03%
S&P SL 20	7.99%	-3.37%	-4.95%
MSCI Frontier Markets Index	0.81%	10.96%	11.87%
MSCI World Index	2.57%	13.35%	21.19%
MSCI Emerging Markets	4.31%	12.29%	10.71%
MSCI Asia Ex Japan	4.55%	13.24%	10.52%

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

- The two main indices of the Colombo Stock Exchange (CSE) recorded significant gains during the month of October, on speculation of presidential elections results.

- In spite of the significant gains recorded during the month, the All Share Price Index and the S&P SL 20 Index lag the returns of MSCI Frontier market index by over 10% and the MSCI World index by over 20% on a year to date basis.

- The MSCI Emerging Market Index is trailing the MSCI World Index by 10% as at October.

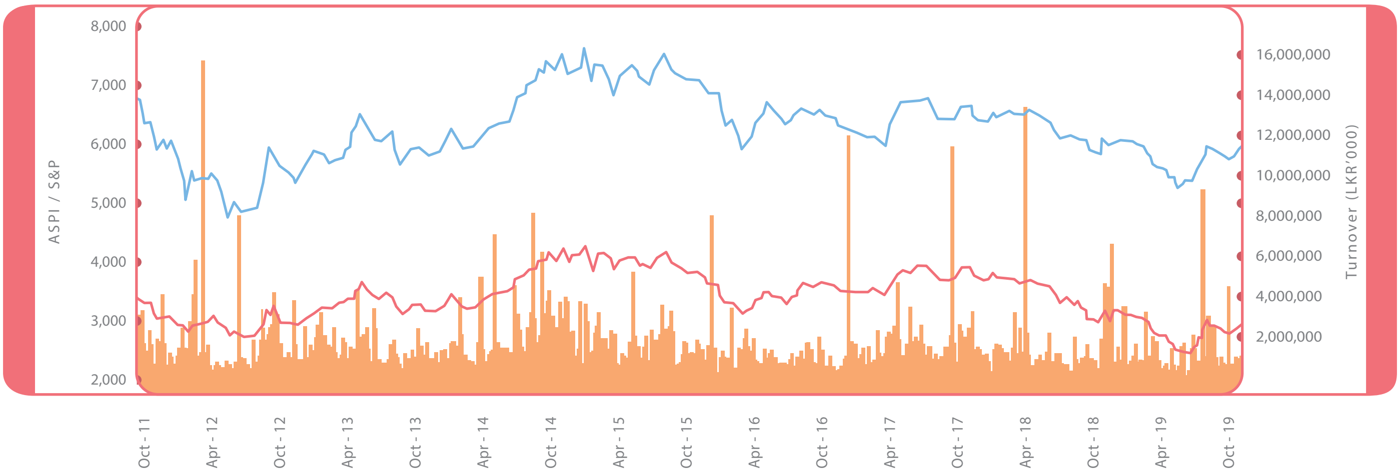
- The prospect of a limited truce on trade between China and the U.S. was enough to lift global stocks in October. However, considering the overall outlook of the major emerging market economies, this would offer little more than temporary relief for beleaguered emerging markets.

- A sustainable rally of emerging-market stocks would depend heavily on the performance of the Chinese, South Korean the South American countries.

- Slowdown of the Chinese domestic economy, which is partly related to U.S. tariffs, was the biggest factor for weak performance of the emerging markets (The flagship EM index has increased its direct weighting to China in recent years, from 17.9% a decade ago to almost 32% now).

- The cascade effect of the slowdown in the Chinese economy had affected South Korea, the second-largest component of the MSCI Emerging Market index (China buys around 25% of its exports from South Korea, up from 10% 20 years ago). In addition commodity exporters outside Asia, such as Brazil have also been negatively impacted as China accounts for more than a quarter of the South American country's outward trade (up from 2% in 1999).

Colombo Stock Exchange Performance



Source: www.cse.lk

		Oct 2019	Oct 2018
CSE	Market PER	10.56 X	9.36 X
	Market PBV	1.11 X	1.17 X
	Market DY	3.25%	3.29%
MSCI Frontier Market	Market PER	12.02 X	14.04 X
	Market PBV	1.78 X	1.90 X
	Market DY	4.35%	3.89%

Source: www.cse.lk

Total net foreign selling in the Colombo Bourse exceeded LKR 4 billion as at October 2019. Foreign investors were net sellers of LKR 1.75 billion in the market for the month of October 2019.

Colombo Stock Exchange	Jan - Oct 2019	Jan - Oct 2018
Foreign Inflows	LKR 51.36 Billion	LKR 67.18 Billion
Foreign Outflows	LKR 55.68 Billion	LKR 79.98 Billion
Net Foreign Inflows/(Outflows)	**(LKR 4.32 Billion)**	**(LKR 12.80 Billion)**

Source: www.cse.lk

> “ PRACTICAL INVESTORS USUALLY LEARN THEIR PROBLEM IS FINDING ENOUGH OUTSTANDING INVESTMENTS, RATHER THAN CHOOSING AMONG TOO MANY. ”

— Philip Fisher —

FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

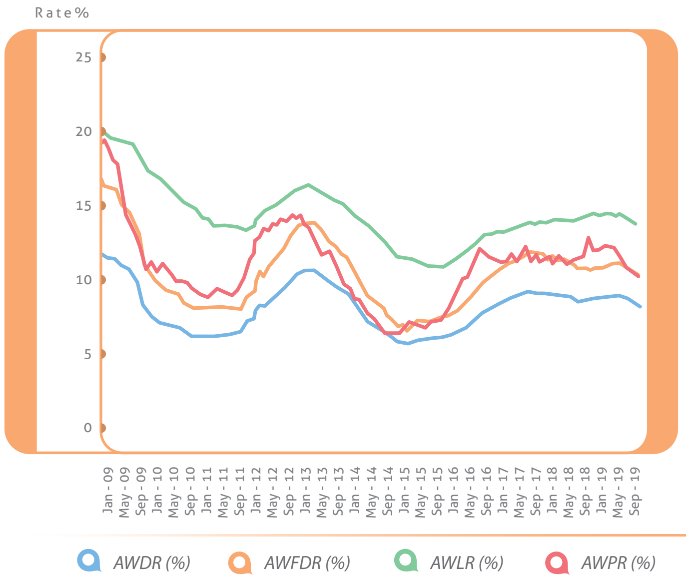
The Central Bank maintained the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 8.00% and 7.00% respectively at the monetary policy meeting held in October.

	Oct 18	Dec 18	Sep 19	Oct 19
364 Day T-bill	10.39%	11.20%	8.41%	8.34%
5-Year Bond	11.32%	11.56%	10.24%	10.24%
1-Year Finance Company Fixed Deposit Ceiling Rate	12.46%	12.46%	11.08%	11.63%

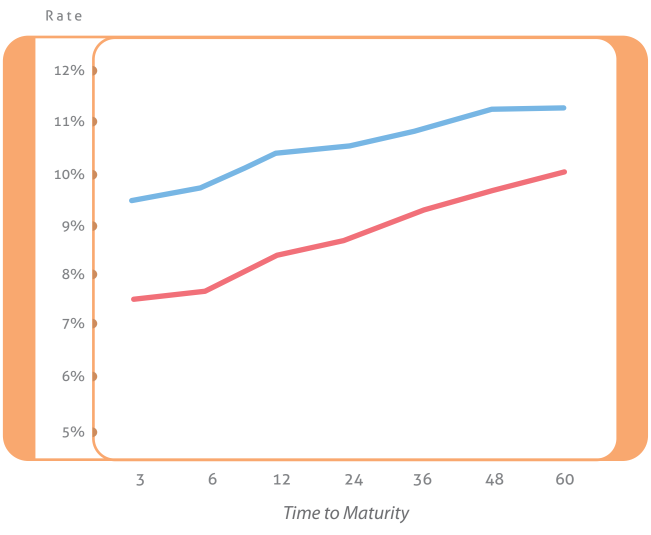
** Gross Rates provided. Net returns earned on Government Securities would vary depending on the individual's tax bracket while Fixed Deposits will be subject to a final WHT of 5% for individuals.*

Source: Central Bank of Sri Lanka

AVERAGE LENDING & DEPOSIT RATES



YIELD CURVE - LKR TREASURIES



Source: Central Bank of Sri Lanka

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

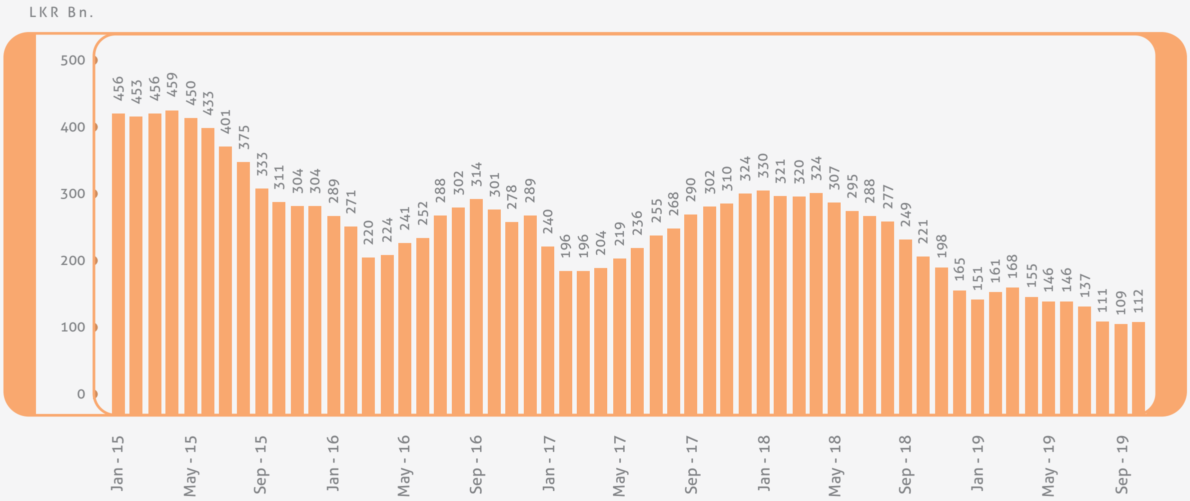
Treasury Bill rates decreased across the board with the benchmark 364-day T-Bill rate falling to 8.34% and the 91-day and 182-day T-Bill closing the month at 7.50% and 7.66% respectively.

Broad money (M2b) growth slowed to 7.70% year-on-year in August, from the previous month's 8.20% whilst credit extended to the private sector slowed to 7.20% year-on-year from 7.70% in July. During the month however private sector credit disbursements were up by LKR 22.20 Bn (0.4% m-o-m).

Outstanding LKR Govt. Securities LKR 5,555 Billion	
T Bills (Total)	**T Bonds (Total)**
LKR 893 Billion	LKR 4,662 Billion
Domestic (Bills & Bonds)	**Foreign (Bills & Bonds)**
LKR 5,443 Billion	LKR 112 Billion
Total Foreign Holding of Bills and Bonds - 2.02%	

Source: Central Bank of Sri Lanka

FOREIGN HOLDING OF LKR G-SEC



Source: Central Bank of Sri Lanka

Reversing its declining trend, foreign holding of government securities improved for the first time since March, increasing by LKR 3.2 billion in October to 2.02%. On a year-to-date basis foreigners continued to remain net sellers amounting to LKR 52.1 billion.

1 Year FD Rates – Sri Lankan Banks		
	Oct 2019	Sep 2019
NSB	9.83%	9.83%
COMB	9.00%	9.00%
SAMP	8.50%	8.50%
HNB	9.00%	9.83%
NDB	10.00%	9.83%

Rates on Credit Cards	Oct 19
HSBC	31.00%
SCB	31.80%
Sampath	31.80%
NDB	31.80%
AMEX	31.80%

Source: Respective Commercial Banks

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

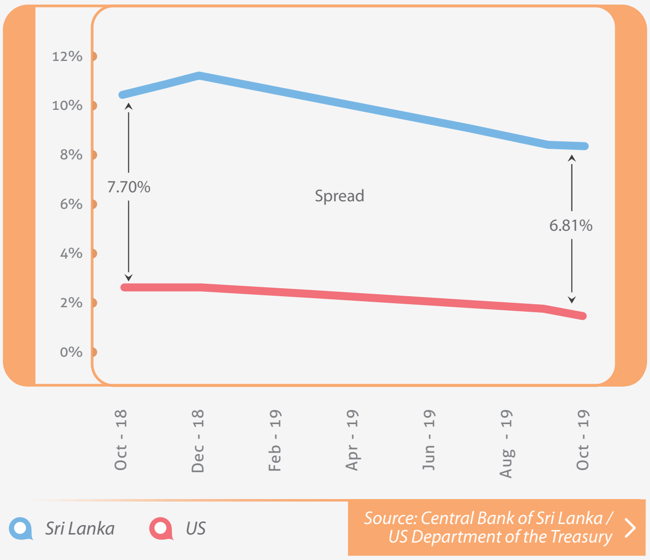
NDIB CRISIL Fixed Income Indices Total return as at 31/10/2019	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.96%	9.46%	9.02%
NDBIB-CRISIL 364 Day T-Bill Index	1.94%	11.38%	9.99%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	2.29%	16.15%	13.17%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	1.95%	17.70%	13.78%

Source: www.crisil.com

Central Bank Policy Rates	2016	2017	2018	Latest
Sri Lanka	7.00%	7.25%	8.00%	7.00%
US	0.50% - 0.75%	1.25% - 1.50%	2.25% - 2.50%	1.50% - 1.75%
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 Federal Reserve cut interest rates by 0.25% to a range of 1.50%-1.75% in October, whilst signalling it wouldn't reduce rates further unless the economy slowed sharply. This is the third interest rate cut for the year.

364 Day Treasury Bill Rate	Oct 18	Dec 18	Sep 19	Oct 19
Sri Lanka	10.39%	11.20%	8.41%	8.34%
India	7.48%	6.94%	5.59%	5.29%
US	2.69%	2.63%	1.75%	1.53%
Euro Zone	-0.73%	-0.75%	-0.76%	-0.69%

Source: Respective Central Banks

	Rates on Savings Accounts Oct 2019
Sri Lanka	4.00%
US	0.03%
Euro Zone	0.11%
Australia	0.90%
India	3.50%

Source: Respective Commercial Banks

The Reserve Bank of India cut interest rates for the fifth time this year in October, lowering its repo rate by 0.25% to 5.15% with a view of reviving its sluggish economy and weakening consumption.

Australia's Central Bank also slashed its official cash rate by 0.25% to a record low of 0.75% with the objective of increasing employment and lifting inflation. This was the third reduction in their policy rate in five months.

“ SAVINGS AND INVESTMENTS ARE STEPPING STONES OF FINANCIAL INDEPENDENCE ”

— NDB Wealth —

INFLATION RATES

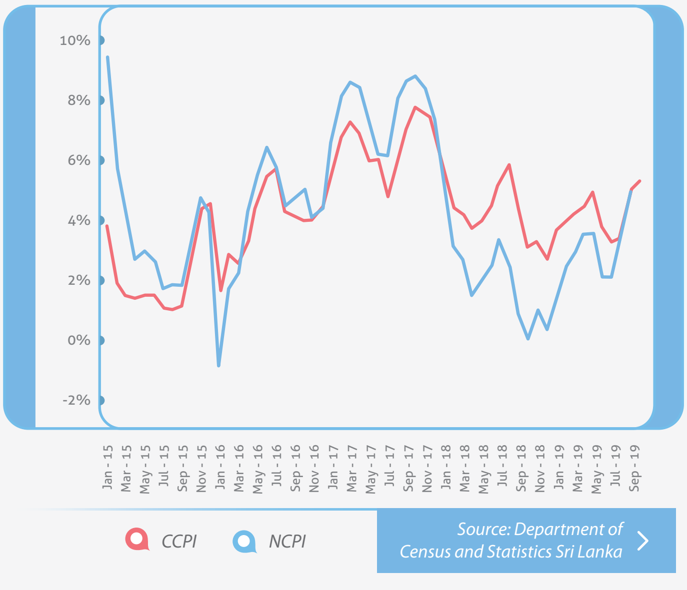
Country	Oct 18	Dec 18	Sep 19	Oct 19
Sri Lanka	3.15%	2.77%	4.96%	5.38%
US	2.52%	1.91%	1.71%	1.71%*
Euro Zone	2.29%	1.52%	0.83%	0.83%*
India	3.38%	2.11%	3.99%	3.99%*

* Sep 2019

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

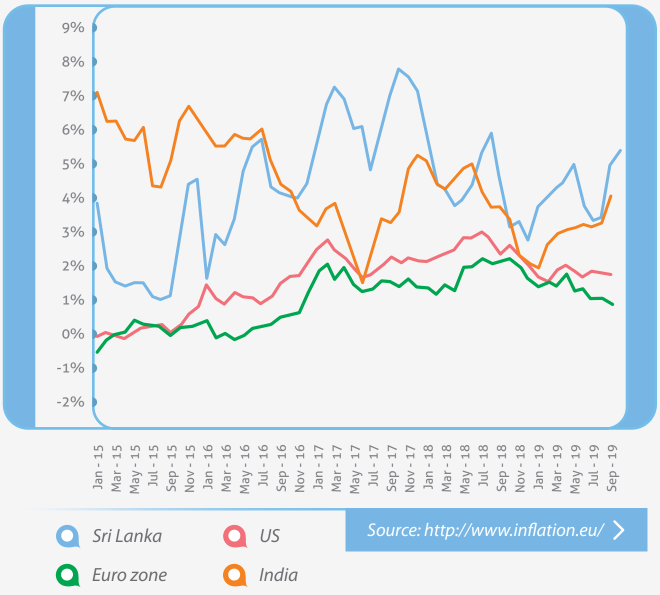
- Inflation as measured by the CCPI (2013=100) edged up further to 5.4% in October on a year-on-year basis from the previous month's 5.0%, mainly owing to rising food prices. During the month the index was up 0.2% as prices in the food category increased by 1.6% and non-food prices declined by 0.4%. Within the food category, prices of mainly big onions, vegetables and chicken increased. On an annual average basis inflation increased marginally to 4.0% in October.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) slowed marginally to 5.5% year-on-year in October. On an annual average basis core inflation increased to 5.3%.
- We are of the view that the Central Bank will be able to manage inflation at mid-single digit levels this year.
- On the global front, both US and Euro zone inflation slowed to 1.71% and 0.83% year-on-year respectively in September.

INFLATION - POINT TO POINT CHANGE - CCPI VS. NCPI



Source: Department of Census and Statistics Sri Lanka

GLOBAL INFLATION RATES



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

FOREX OUTLOOK

Exchange Rates Vs. LKR	Oct 18	Dec 18	Oct 19	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	174.38	182.75	181.60	-3.98%	0.63%
GBP	221.66	231.86	234.66	-5.54%	-1.19%
EURO	197.81	208.99	202.73	-2.43%	3.09%
YEN	1.54	1.65	1.67	-7.77%	-1.27%
AUD	125.25	128.87	125.69	-0.35%	2.53%
CAD	132.88	134.08	137.96	-3.69%	-2.81%
INR	2.42	2.61	2.52	-4.00%	3.38%
BHD	462.38	484.78	481.71	-4.01%	0.64%
CNY	25.04	26.57	25.76	-2.82%	3.13%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee appreciated in October by 0.18% to close the month at LKR 181.60 per 1 USD and continues to be a net gainer on a year-to-date basis at 0.63% against the USD. The Rupee however lost a considerable 4.72% against the Pound Sterling and 1.87% 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 during the month.
- The Pound Sterling advanced against both the Euro and the US Dollar on expectations that a Brexit deal could be struck between the EU and UK.
- Asian currencies strengthened after US and China signalled progress in their trade negotiations, which lifted investor sentiment and encouraged the pursuit for risky assets such as emerging market currencies.

USD PER 1 EURO MOVEMENT

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

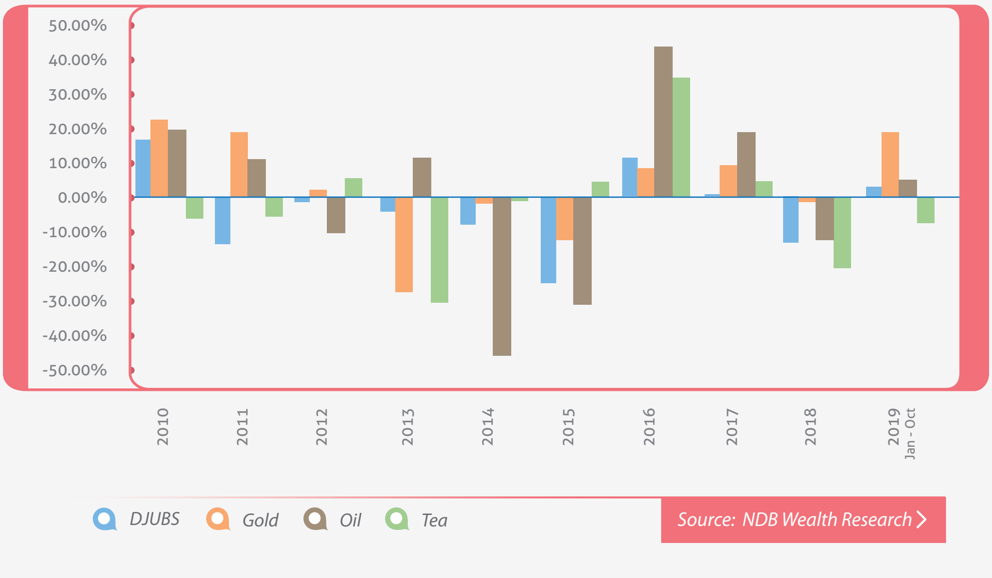
COMMODITY OUTLOOK

	Past month Performance (1st Oct – 31st Oct 2019)	Past 12 months Performance (Oct 2018 –Oct 2019)	Year to Date Performance (1st Jan 2019 – 31st Oct 2019)
Bloomberg Commodity Index	1.88%	-4.75%	3.28%
Gold	-1.04%	22.99%	19.55%
Tea	2.73%	-14.98%	-6.96%
Oil (Brent)	-4.75%	-26.22%	5.15%

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

- The Bloomberg Commodity Index posted its first back-to-back monthly increase in September and October since January and February. The gains have been broad-based, with the energy, agriculture and industrial metals sectors all rising for the month.
- The World Bank cut its price forecast for commodities, citing that slower global growth will sap demand for energy, metals and crops
- Oil prices came under pressure due to rising U.S. crude oil stocks and weak factory activity in China. Factory activity in China shrank for a sixth straight month in October while growth in the country's service sector activity was its slowest since February 2016. The protracted trade war between China and the United States has been weighing on the demand outlook for oil.
- Gold prices will continue to be volatile depending on the US-China trade deal and the risk appetite of the investors. A surging stock market could exert pressure on gold prices.

Commodity Price Movements



Source: NDB Wealth Research

PROPERTY OUTLOOK

The Central Bank's recent publication 'Recent Economic Developments: Highlights of 2019 and Prospects for 2020' highlights the following progress in Sri Lanka's Land and Property Sector.

- As at end June 2019, 1,171 projects were in progress and 42 projects completed under the UDA's Township Development Programme (Sukitha Purawara) and the Small Township Development Programme (Mini Sukitha Purawara), with the aim of improving the comfort, convenience and developing the city economy.

- The UDA also continued its urban regeneration programme to construct 60,000 housing units, which include projects in Maligawatta, Bloemendhal Road and Torrington Avenue, to relocate underserved settlements in Colombo and suburbs.

- The Ministry of Megapolis and Western Development (MMWD) is constructing a sanitary landfill at Aruwakkalu in the Puttalam District able to dispose 600 mt of garbage per day and a waste loading station at Kelaniya.

- Housing Development Authority (NHDA) continued its housing development projects including 975 Uda Gammana projects consisting of 20,699 housing units mainly targeting people from rural areas.

- The preliminary work of the elevated railway track from Malabe to Fort under the Light Rail Transit Project was carried out with the aid of Japan International Cooperation Agency (JICA).

- Land reclamation work for the Colombo Port City Development project was completed in January 2019 and by end June 2019, 5% of the infrastructure development activities have been completed.

ISLAMIC FINANCE INDUSTRY

Islamic Financing is finance activity that is consistent with principles of Islamic law (Shari'ah) which prohibits the payment or acceptance of interest.

NDB WM provides our client's discretionary management services on a shari'ah compliant basis for portfolio values above Rs. 100.0 million.

The Islamic Money Plus Fund is a unit trust fund offered by NDB Wealth Management and approved by the Securities Exchange Commission of Sri Lanka, investing in a diversified portfolio of Shari'ah compliant short term securities issued by corporates and in Mudharabah deposits and savings accounts. The fund provides reasonable liquidity and tax free income to its investors and would be an ideal substitute for direct investments in Mudharabah savings accounts and deposits. (Trustee: Hatton National Bank PLC)

Mudharabah Deposit Rates of Selected Service Providers

	Savings	1 month	3 month	6 month	1 Year+	2 Year+	3 Year+	4 Year+	5 Year+
Amana Bank - As of September 2019									
*Profit Sharing Ratio**	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.54%	-	7.07%	7.66%	8.84%	9.43%	10.02%	-	10.61%
Bank of Ceylon Islamic Business Unit - As of September 2019									
*Profit Sharing Ratio**	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.80%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-Al Adalah Islamic Banking unit - As of September 2019									
*Profit Sharing Ratio**	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	5.30%	-	6.40%	7.60%	9.05%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of September 2019 (Released Quarterly)									
*Profit Sharing Ratio**	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.70%	-	8.25%	8.75%	9.50%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of September 2019									
Profit Sharing Ratio (3Mn - 50Mn)*	40:60	60:40	65:35	40:60	65:35	-	-	-	-
Distributed Profit	5.30%	6.80%	7.10%	7.65%	9.75%	-	-	-	-
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 September 2019									
*Profit Sharing Ratio**	30:70	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	5.69%	8.33%	8.83%	9.23%	10.60%	10.99%	11.19%	11.58%	11.98%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of September 2019									
*Profit Sharing Ratio**	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	6.40%	7.94%	8.71%	9.22%	9.73%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of September 2019									
*Profit Sharing Ratio**	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	5.07%	8.33%	8.79%	9.30%	10.31.%	11.49%	11.83%	12.17%	12.51%
Peoples Leasing Islamic Business Unit - As of September 2019									
*Profit Sharing Ratio**	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.11%	-	8.58%	9.30%	10.73%	-	-	-	-

* 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
Currency: LKR

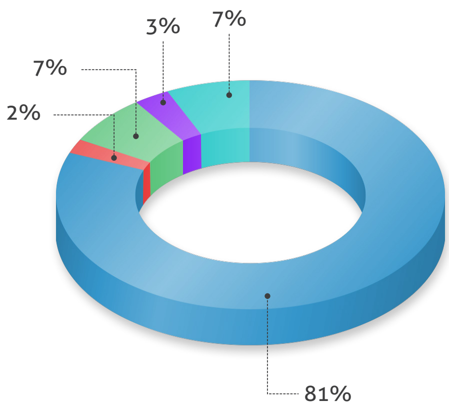
Investments: Listed Equities
ISIN: LKNWGRU00005

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

Fund Snapshot 30-Sep-19

YTD Yield	-8.58%
NAV per unit	9.3326
AUM (LKR Mn.)	175.63
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.59%
Max Equity Allocation	97.00%
Current Equity Allocation	88.20%
Fund Leverage	0.00%

Equity Allocation



- Banks Finance and Insurance
- Beverage Food and Tobacco
- Footwear and Textiles
- Manufacturing
- Telecommunications

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	-7.73%	-2.57%
Last 3 months	10.76%	6.81%
Last 6 months	2.59%	3.26%
Last 12 months	-6.96%	-2.11%
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	11.80%
Average Duration	0.09

Maturity	% Holding
Under 1 Month	24.58%
1 Month - 3 Months	75.42%

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

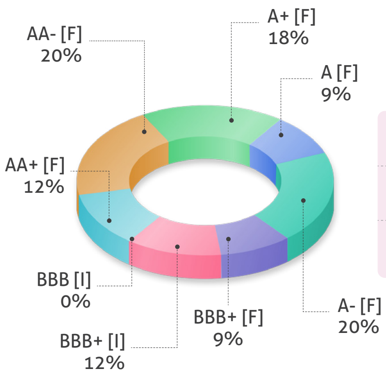
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing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

Fund Snapshot

Fund Snapshot	30-Sep-19
YTD Yield	6.25%
NAV per unit	37.5195
AUM (LKR Mn.)	224.82
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.96%
Max Equity Allocation	97.00%
Current Equity Allocation	21.57%
Fund Leverage	0.00%

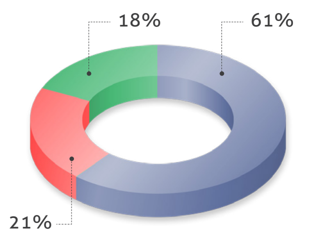
Portfolio Allocation

By Credit Rating



F - FITCH
I - ICRA
G - GOSL

By Equity Sector



Banks finance and insurance
Telecommunications
Manufacturing

Top 5 Portfolio Holdings (In Alphabetical Order)

- DFCC BANK
- DIALOG AXIATA PLC
- HATTON NATIONAL BANK PLC
- SAMPATH BANK PLC
- TOKYO CEMENT COMPANY (LANKA) PLC

Historical Returns

Period	Fund Returns*	ASPI Returns
Last month	-0.43%	-2.57%
Last 3 months	1.71%	6.81%
Last 6 months	4.52%	3.26%
Last 12 months	6.98%	-2.11%
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	78.43%
Average Duration	0.56

Maturity	% Holding
Under 1 Month	20.74%
1 Months - 3 Months	6.57%
3 Months - 6 Year	33.33%
6 Year - 1 Year	18.13%

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

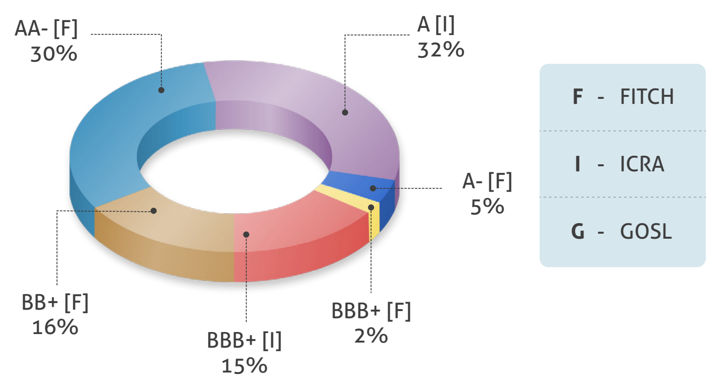
Investments: Corporate Debt Instruments
ISIN: LKNWINU00000

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-Sep-19
YTD Yield	9.88%
YTD Yield (Annualized)	13.21%
NAV per unit	13.6808
AUM (LKR Mn.)	335.62
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.35%
Average Maturity (Yrs)	1.81
Average Duration	1.23

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	23.44%	11.90%
1 Month - 3 Months	18.07%	9.50%
3 Months - 6 Months	15.54%	10.80%
6 Months - 1 Year	1.55%	11.70%
1 Year - 10 Years	41.39%	13.10%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	9.88%	13.21%	13.90%
Last month	0.67%	8.11%	8.54%
Last 3 months	2.51%	9.96%	10.48%
Last 6 months	6.34%	12.65%	13.31%
Last 12 months	11.77%	11.77%	12.39%
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

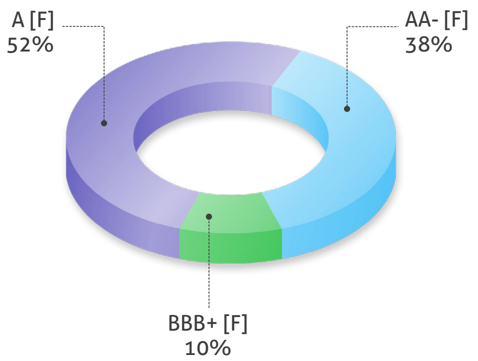
NDB Wealth Income Plus Fund

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



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I - ICRA	
G - GOSL	

Fund Snapshot

Fund Snapshot	30-Sep-19
YTD Yield	9.04%
YTD Yield (Annualized)	12.09%
NAV per unit	14.6930
AUM (LKR Mn.)	176.06
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.74%
Average Maturity (Yrs)	0.54
Average Duration	0.51

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	0.84%	6.65%
1 Month - 3 Months	10.10%	13.10%
6 Months - 1 Year	89.06%	12.10%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	9.04%	12.09%	12.72%
Last month	0.95%	11.55%	12.15%
Last 3 months	2.98%	11.82%	12.45%
Last 6 months	6.03%	12.03%	12.67%
Last 12 months	12.18%	12.18%	12.82%

* 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

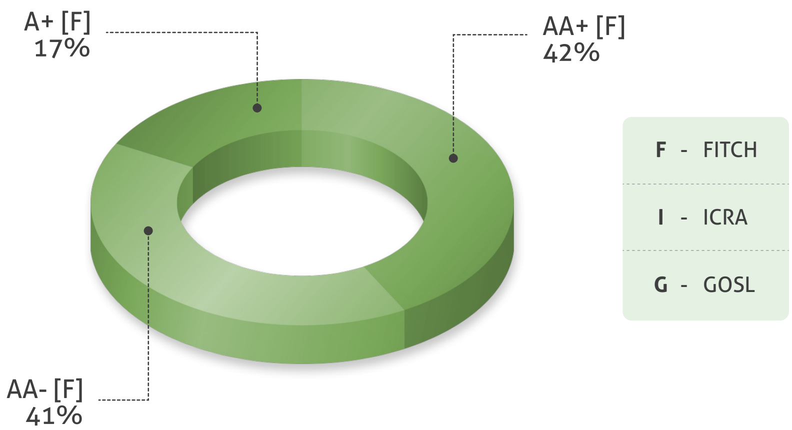
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short-term high credit quality LKR based bank deposits.

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 30-Sep-19

YTD Yield	7.70%
YTD Yield (Annualized)	10.30%
NAV per unit	18.5489
AUM (LKR Mn.)	180.73
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.98%
Average Maturity (Yrs)	0.22
Average Duration	0.21

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	19.73%	7.43%
1 Month - 6 Months	20.74%	10.30%
3 Months - 6 Months	59.53%	10.90%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	7.70%	10.30%
Last month	0.75%	9.16%
Last 3 months	2.36%	9.37%
Last 6 months	4.95%	9.87%
Last 12 months	10.13%	10.13%
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

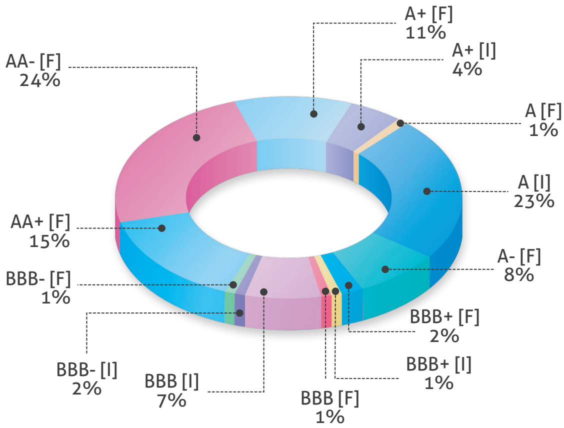
NDB Wealth Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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 30-Sep-19

YTD Yield	8.89%
YTD Yield (Annualized)	11.89%
NAV per unit	20.8794
AUM (LKR Mn.)	30,271.01
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.84%
Average Maturity (Yrs)	0.39
Average Duration	0.37

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	16.24%	9.37%
1 Month - 3 Months	13.88%	10.30%
3 Months - 6 Months	37.17%	11.90%
6 Months - 1 Year	32.71%	11.30%

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized) *
Year to Date	8.89%	11.89%	12.52%
Last month	0.86%	10.50%	11.05%
Last 3 months	2.75%	10.90%	11.47%
Last 6 months	5.81%	11.58%	12.19%
Last 12 months	11.97%	11.97%	12.60%
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

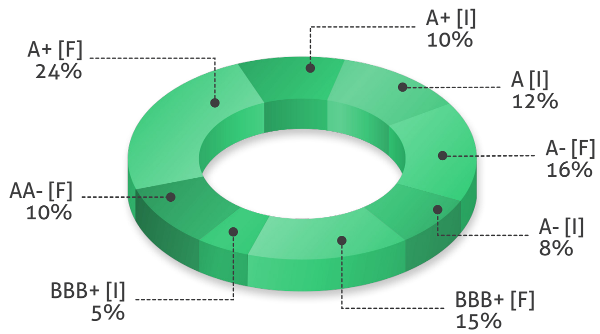
Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

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	30-Sep-19
YTD Yield	8.11%
YTD Yield (Annualized)	10.85%
NAV per unit	14.52
AUM (LKR Mn.)	302.51
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.44%
Average Duration	0.29

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	22.44%	10.03%
1 Month - 3 Months	19.82%	11.50%
3 Months - 6 Months	44.84%	10.70%
6 Months - 1 Year	12.91%	10.70%

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%

Shariah Supervisory Board

Shafique Jakhura	Mufti
Muhammed Huzaifah	Maulana

Approved Investments

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

Historical Returns

Period	Fund Returns	Annualized Return	Equivalent Gross Return (Annualized)*
Year to Date	8.11%	10.85%	11.42%
Last month	0.80%	9.70%	10.21%
Last 3 months	2.53%	10.02%	10.55%
Last 6 months	5.36%	10.70%	11.26%
Last 12 months	10.93%	10.93%	11.50%

* 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

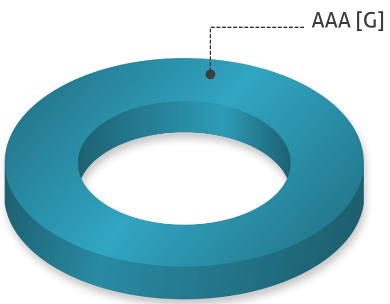
Investments: Government of Sri Lanka Securities
ISIN: LKNWGEU00003

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-Sep-19
YTD Yield	17.28%
YTD Yield (Annualized)	23.10%
NAV per unit	16.6712
AUM (LKR Mn.)	65.96
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.48%
Average Maturity (Yrs)	0.02
Average Duration	0.02

Portfolio Allocation By Credit Rating



G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	100.0%	8.10%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	17.28%	23.10%
Last month	0.51%	6.19%
Last 3 months	3.39%	13.43%
Last 6 months	10.95%	21.85%
Last 12 months	23.32%	23.32%
Year 2018	11.45%	11.45%
Year 2017	10.41%	10.41%

Other Features

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

DISCLAIMER

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