

MARKET UPDATE AND FUND REVIEW



2015 MAY



MARKET BRIEF BY NDB WEALTH

INFLATION UP A NOTCH

Inflation rate measured on a year on year basis, increased by 0.2% in May 2015 compared to the previous year, mainly as a result of increase in food prices during the month. However, on an annual average basis, inflation declined to 1.9% in May 2015, from 2.1% in April 2015. In spite of central bank's ability to maintain inflation at mid single digit levels, we expect inflation to increase to towards the fourth quarter of 2015.

SLIGHT RESPITE TO THE SRI LANKAN RUPEE AGAINST THE US DOLLAR

The Sri Lankan Rupee has depreciated by over 2% during the first five months of 2015. The Central Bank managed to raise USD 988 billion via sovereign bond and development bond issuances in May 2015. As a result, the Sri Lankan Rupee may stabilize in the short term. However, the Central Bank seems to be taking action to maintain the Rupee value against the US Dollar.

INTEREST RATES DECLINE

The Monetary Board decided to maintain the policy interest rates at 6.00% (rate at which the central bank will pay interest to overnight investments made by banks and primary dealers) and 7.50% (rate at which banks and primary dealers will borrow from the central bank). During May the benchmark 364 day Treasury bill rate declined to 6.29% (from 6.39% in April 2015). Credit to the private sector increased by LKR 41.4 billion in March 2015, a growth of 13.9% on a year on year basis compared to the corresponding period in 2014. The latest sovereign bond issuance and the high liquidity level in the money market will continue to result in low interest rates in the medium term.

VOLATILITY CONTINUES IN COLOMBO STOCK EXCHANGE

Colombo Stock Exchange witnessed a month of volatility, as the All Share Price Index (ASPI) gained 0.58%, while S&P SL 20 (S&P) index lost 1.30% in May 2015. Lack of clarity in economic policy and unstable parliament continued to hamper the investor sentiment. According to the latest quarterly results released, overall market earnings have grown by 2.2% on a year on year basis, compared to the first quarter of 2014. Irrespective of the improved company results, the stock market is expected to be volatile in 2015 until the general elections are concluded.

AVOID VOLATILITY AND BENEFIT FROM STABLE RETURNS VIA MONEY MARKET FUNDS

Instability in the current political environment in Sri Lanka may pose problems to the economy of the country. As a result, Sri Lanka may not be able to achieve a GDP growth rate of 7% in 2015. Thus investment in the equity market is deemed very risky at the moment. Therefore, we recommend investors remain liquid in the short term and increase exposure to money market funds offered by NDB Wealth Management Limited.

Indika de Silva
Fund Manager

EQUITY OUTLOOK

	Past month Performance (1st May – 31st May 2015)	Past 12 months Performance (May 2014 – May 2015)	Year to Date Performance (1st Jan – 31st May 2015)
All Share Price Index	0.58%	15.28%	-1.08%
S&P SL 20	-1.30%	15.81%	-2.16%
MSCI Frontier Markets Index	-3.49%	-13.62%	-2.77%
MSCI World Index	0.43%	6.27%	5.36%
MSCI Emerging Markets	-4.00%	-0.01%	5.69%
MSCI Asia Ex Japan	-2.61%	10.35%	9.53%

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

The Colombo Stock Exchange (CSE) witnessed a month of volatility, as the benchmark All Share Price Index gained 0.58% while S&PSL20 declined by 1.30% during the month.

The latest quarterly results released were encouraging as many companies managed to record higher profits on year on year basis during the first quarter of 2015. Especially, the banking sector and diversified holdings sector companies have contributed over 50% of the total earnings of listed companies.

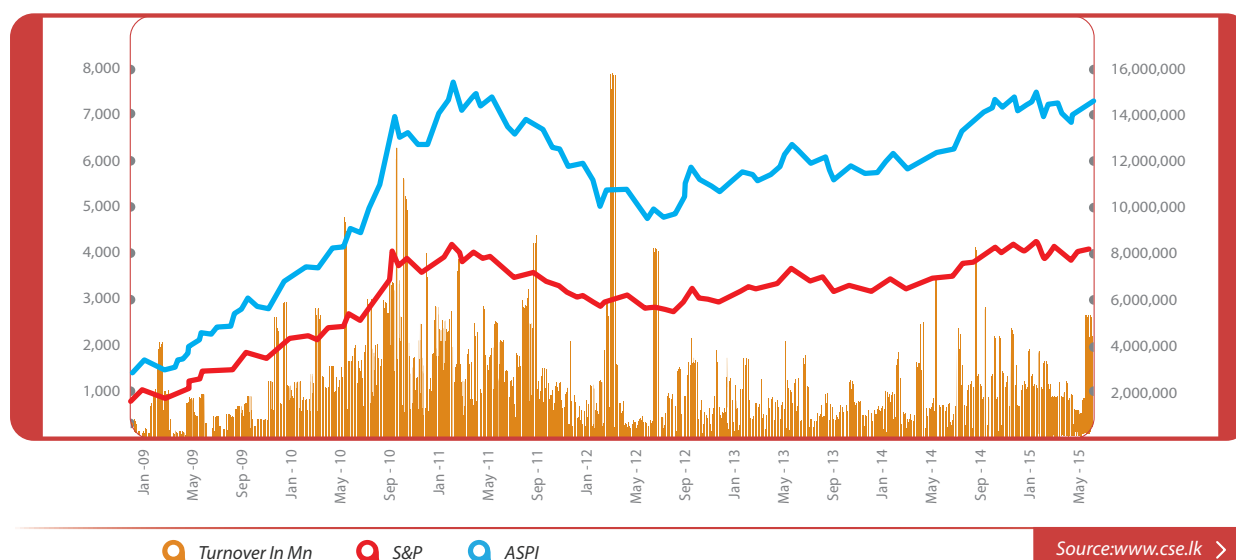
In spite of positive results released during May 2015, the bleak political scenario prevailing in the country continues to hamper the investor sentiment.

MSCI world index gained 0.43% during May 2015, while both MSCI Emerging market index and Frontier market index, which track markets of countries which are illiquid, low in capitalization and risky compared to developed markets, declined in value as a strong dollar and rising oil prices clouded sentiment.

The U.S. Dollar got a lift from U.S. data suggesting the U.S. economy might regain momentum, reinforcing expectations the Federal Reserve (The Central Bank in the US) would raise interest rates this year.

Many currencies across Asia felt the pinch during the month as Asian currencies across the board depreciated against the Dollar.

CSE PERFORMANCE



		May 2015	May 2014
CSE	Market PER	19.47 X	16.72 X
	Market PBV	2.09 X	2.05 X
	Market DY	2.07%	2.81%
MSCI Frontier Markets	Market PER	10.89 X	14.86 X
	Market PBV	1.57 X	2.09 X
	Market DY	3.81%	3.42%

Source: www.cse.lk

Even though CSE reported net foreign purchases during the month of May, CSE witnessed more days of net foreign selling during the month. The current economic environment together with the prevailing political scenario may result in low foreign inflows to the market in 2015.

Colombo Stock Exchange	Jan – May 2015	Jan – May 2014
Foreign Inflows	LKR 34.07 Billion	LKR 36.26 Billion
Foreign Outflows	LKR 29.63 Billion	LKR 33.77 Billion
Net Foreign Inflows/(Outflows)	+ LKR 4.44 Billion	+ LKR 2.50 Billion

Source: www.cse.lk

“INVESTING IS SIMPLE, BUT NOT EASY”

— WARREN BUFFET —



FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

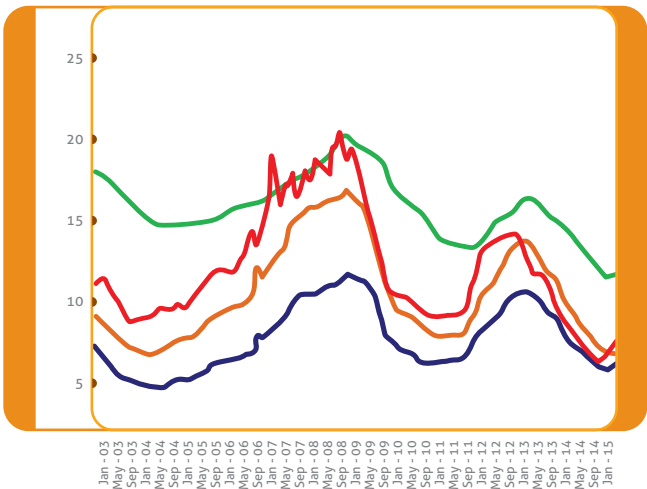
The Central Bank of Sri Lanka (CBSL) maintained its key policy rates at 7.50% (Standing Lending Facility Rate – or the rate CBSL lends to commercial banks) and at 6.00% (Standing Deposit Facility Rate – or the rate which commercial banks place their excess cash with CBSL)

	May 14	Dec 14	Apr 15	May 15
364 Day T-bill	7.02%	6.00%	6.39%	6.29%
5-Year Bond	8.86%	7.23%	8.13%	8.07%
Corporate Debt (A+)* (Net Rate)	8.29%	6.83%	7.07%	7.07%

* For Comparison purposes, a constant WHT of 2.5% is assumed across the period under consideration.

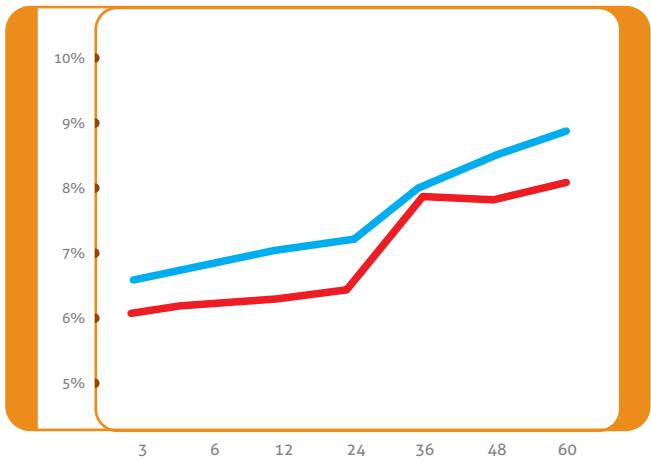
Source: Central Bank of Sri Lanka >

AVERAGE LENDING & DEPOSIT RATES



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

YIELD CURVE - LKR TREASURIES



May- 14 May - 15

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.

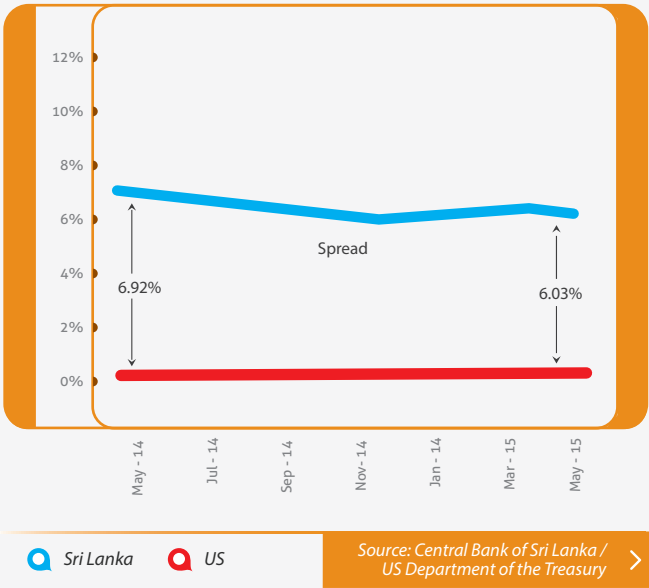
Treasury Bill rates fell across maturities with the 364-day T- Bill rate closing at 6.29% in the latest auction and the 182-day and 91-day Treasury Bills closing at 6.18% and 6.07% respectively.

Broad money growth (M2b) expanded by 12.5% year-on-year in March 2015, from 12.3% in the previous month while credit extended to the private sector grew at 13.9% on a year-on-year basis. On a month-on-month basis private sector credit disbursements grew at 1.5% (LKR 41 billion in absolute terms) showing some improvement in credit expansion in the country.

Central Bank Policy Rates	2012	2013	2014	Latest
Sri Lanka	7.50%	6.50%	6.50%	6.00%
US	0.0% - 0.25%	0.0% - 0.25%	0.0% - 0.25%	0.0% - 0.25%
Euro Zone	0.75%	0.25%	0.05%	0.05%
Australia	3.00%	2.50%	2.50%	2.00%
India	8.00%	7.75%	8.00%	7.50%

Source: www.cbrates.com >

1 YEAR TREASURY RATE - USD Vs. LKR



India’s central bank cut its main interest rate for the third time this year, citing low domestic capacity utilization, mixed indicators of recovery, and subdued investment and credit growth.

The Reserve Bank of Australia cut its benchmark lending rates by 25 basis points (0.25%) to a record low of 2% with a view of stimulating economic activity in the country.

Total Govt. Debt LKR 4,278 Billion (USD 32.24 Billion)	
T Bills (Total)	T Bonds (Total)
LKR 789 Billion	LKR 3,489 Billion
Domestic Holdings (Bills & Bonds)	Foreign Holdings (Bills & bonds)
LKR 3,833 Billion	LKR 445 Billion
Total Foreign Holding of Bills and Bonds – 10.41%	

Source: Central Bank of Sri Lanka >


 Total foreign holding of Government Bills and Bonds stand at 10.41% less than the limit of 12.50% allowed by the Central Bank.

364 Day Treasury Bill Rate	May 14	Dec 14	Apr 15	May 15
Sri Lanka	7.02%	6.00%	6.39%	6.29%
India	8.70%	8.22%	7.91%	7.83%
US	0.10%	0.25%	0.24%	0.26%
Euro Zone	0.03%	-0.09%	-0.26%	-0.25%

Source: Respective Central Banks >


 The latest US employment data is likely to support the argument that the economy’s modest contraction in the first quarter was a blip, partly a casualty of the harsh winter, rather than evidence of a more fundamental slowdown. Thus the return of stronger jobs growth is likely to bolster the resolve of Federal Reserve officials who hope to start raising interest rates from their near-zero level later this year.

	Rates on Savings Accounts - May 2015
Sri Lanka	5.00%
US	0.01%
Euro Zone	0.25%
Australia	3.05%
India	4.00%

Source: Respective Commercial Banks >

1 Year FD Rates – Sri Lankan Banks – May 2015		Rates on Credit Cards	May 15
NSB	6.50%	HSBC	24.00%
COMB	6.50%	SCB	24.00%
SAMP	5.50%	Sampath	24.00%
HNB	6.50%	NDB	18.00%
NDB	6.25%	AMEX	24.00%

Source: Respective Commercial Banks >

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

The ceiling rate on credit cards is at a maximum of 8% over and above normal lending rates.

NDIB CRISIL Fixed Income Indices Total return as at 29/05/2015	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index'	1.55%	6.32%	8.63%
NDBIB-CRISIL 364 Day T-Bill Index'	1.43%	6.90%	11.25%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	1.23%	9.60%	16.02%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	0.03%	10.85%	19.05%

Source: www.crisil.com >

“A LOW INTEREST RATE ENVIRONMENT SHOULD
IDEALLY STIMULATE CONSUMPTION AND CREDIT GROWTH”

— NDB Wealth —



INFLATION RATES

Country	May 14	Dec 14	Apr 15	May 15
Sri Lanka	3.22%	2.10%	0.06%	0.17%
US	1.51%	0.76%	-0.03%	-0.03%*
Euro Zone	0.49%	-0.17%**	-0.01%**	-0.01%**
India	6.07%	5.86%	6.30%	6.30%*

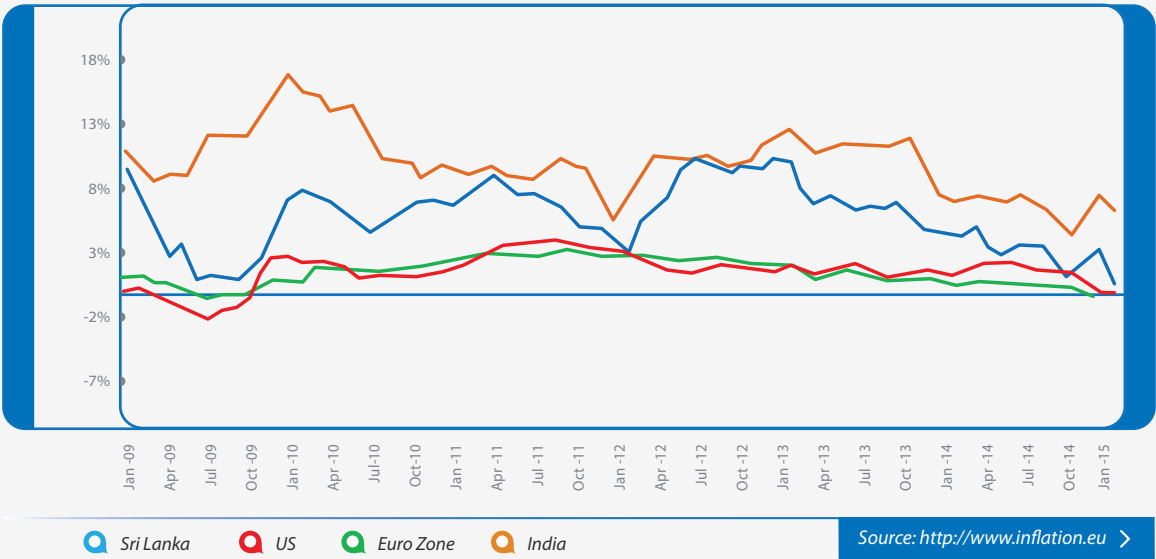
* April 2015

Source: Department of Census and Statistics - Sri Lanka >

Sri Lanka's inflation increased marginally to 0.17% in May on a year-on-year basis from the previous months 0.06%, owing to increase in food prices.

On the global front inflation declined during the month of April.

GLOBAL INFLATION RATES



FOREX OUTLOOK

Exchange Rates Vs. LKR	May 15	May 14	1 Year App / (Dep) LKR
USD	133.90	130.60	-2.57%
GBP	205.30	218.23	6.29%
EURO	146.74	177.50	20.96%
YEN	1.08	1.29	18.68%
AUD	102.67	121.57	18.41%
CAD	107.83	120.44	11.69%
INR	2.10	2.21	5.54%
BHD	355.15	346.04	-2.57%
CNY	21.60	20.91	-3.15%

Source: Central Bank of Sri Lanka >

The Sri Lankan Rupee depreciated 0.75% against the US Dollar during May 2015.

The US Dollar strengthened after better-than-expected U.S. employment data bolstered expectations for an interest rate hike by the Federal Reserve before year-end.

Asian currencies tumbled amid concern a global bond rout and Greece’s deferral of debt payments would reduce investor demand for emerging-market assets.

USD PER 1 EURO MOVEMENT



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

COMMODITY OUTLOOK

	1 month (1st – 31st May 2015)	Past 12 months (May 2014 – May 2015)	YTD (1st – 31st May 2015)
DJ UBS Index	-2.70%	-24.57%	-3.23%
Tea	7.93%	42.95%	28.98%
Gold	0.94%	-4.73%	-1.21%
Oil	1.01%	-41.34%	12.23%

Source: Bloomberg, NDB Wealth Research >

DJ UBS commodity index remained volatile, as it declined by 2.70% in May in spite of oil, which is a heavy index weight, increasing during the month.

Overall market fundamentals of oil remain weak, with millions of barrels of crude loaded in tankers waiting for buyers.

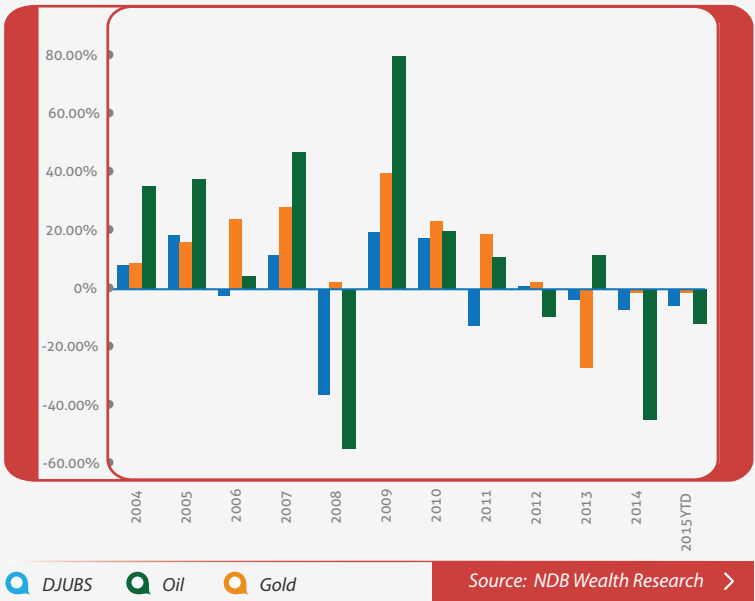
By agreeing to maintain its existing output ceiling, the OPEC would continue to support the world's top exporter Saudi Arabia, which last year said it would not cut production to keep prices high, triggering the biggest price fall since the financial crisis of 2008.

However, oil prices staged a rebound in April, where oil prices rebounded by more than a third after hitting a six-year low of USD 45 a barrel in January.

Gold prices increased by 0.94% in May, which may have been as a result of the gross domestic product (GDP) in the U. S. showing a 0.7% decline in the first quarter of 2015.

However, appreciating Dollar and speculation on a possible rise in interest rates also served as a friction against further gold price increases.

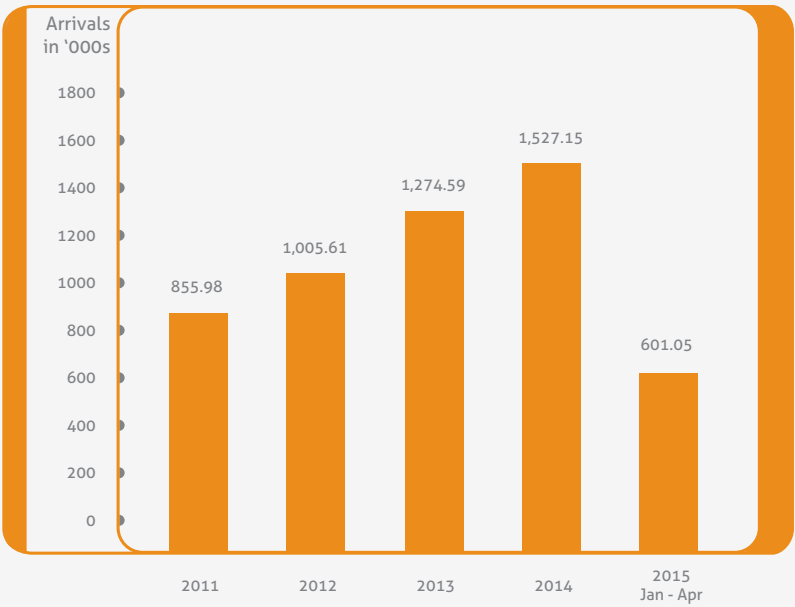
Commodity Price Movemets



TOURISM AND PROPERTY OUTLOOK

- Tourists arrival in Sri Lanka reached 1.5 million in 2014, the country's best ever year, which is expected to drive towards the 2.5 million target in 2016, which amounts to a compounded annual growth of over 25% year on year.
- However, based on the annualized figure of arrivals from January 2015 – April 2015, the compounded annual growth rate in tourists arrivals since 2011 stands at 20.50%.
- According to CNN, based on data gathered over the last six years, Colombo is the fastest growing tourist city in the world.
- The potential for tourism in Sri Lanka has drawn attention of several international hotel chains to enter the country via FDIs, while current local players too deciding to increase and improve their hotel chains in the country.
- ITC, Hyatt and Movenpick have all announced hotel projects in the capital, while other big hotel firms with their sights set on the country include Shangri-La and Marriott.
- Earnings from tourism has become a major component in determining Sri Lanka's balance of payments position. In 2014, tourism earnings grew by approximately 29% to USD 2.2 billion.
- Judging by the earnings growth recorded in the first quarter of 2015, Sri Lanka should be able to reach USD 2.5 billion in 2015.

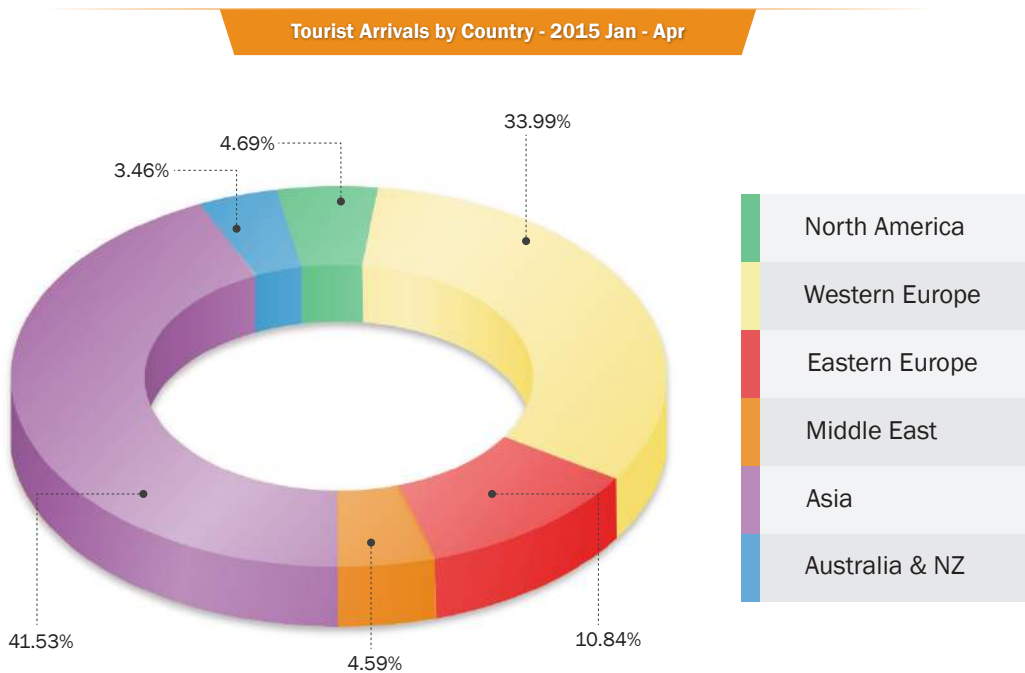
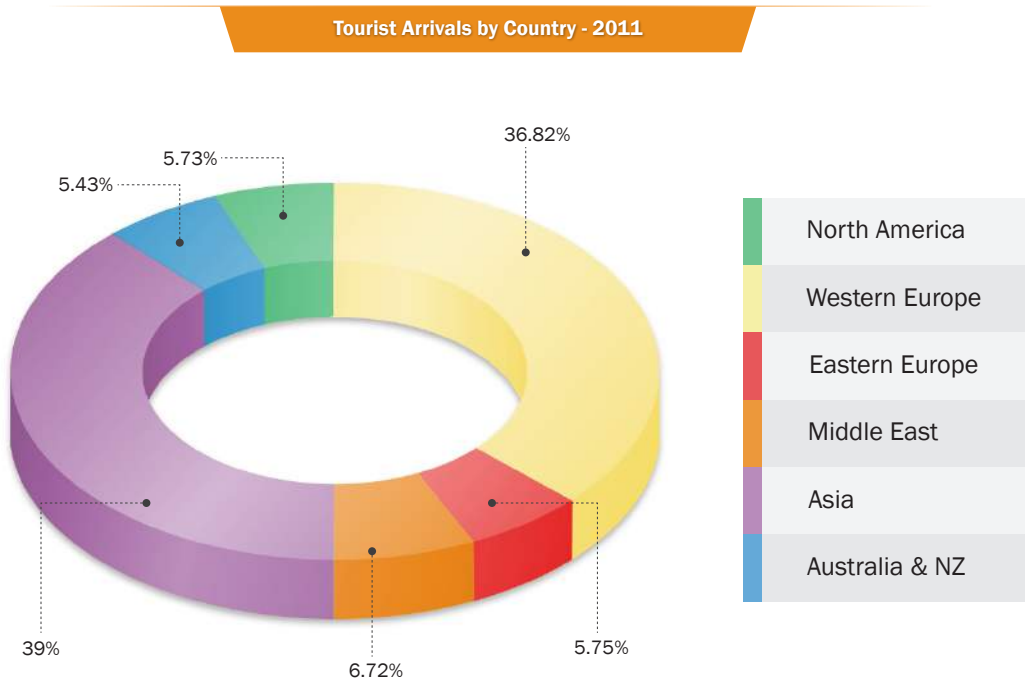
Tourists Arrivals to Sri Lanka



Source: www.sltda.lk >

In 2015, Sri Lanka is expected to witness few more city hotels of the affordable range (budget hotels) in Colombo and outer cities in Kandy and Galle. During 2014, hotel chains such as Centara, Ozo and Best Western opened hotels in Sri Lanka.

Sri Lanka witnessed increased arrivals in tourists from Asia Pacific, led by Indian and Chinese tourists, while arrivals from Europe too grew steadily.



ISLAMIC FINANCE INDUSTRY

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

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

In **June 2015**, **NDB WM** will launch a Shari'ah compliant unit trust fund. **The Islamic Money Plus Fund, a fund approved by the Securities Exchange Commission of Sri Lanka**, would invest in a diversified portfolio of Shari'ah compliant short term securities issued by corporates and in Mudharabah deposits and savings accounts. The fund would provide a high level of liquidity and tax free income to its investors and would be an ideal substitute for direct investments in Mudharabah savings accounts and deposits. (Trustee: Deutsche Bank)

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 May 2015									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	2.70%	-	5.75%	6.25%	6.75%	7.21%	7.66%	-	8.10%
Bank of Ceylon Islamic Business Unit - As of April 2015									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.44%	-	-	-	-	-	-	-	-
LOLC AI-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of April 2015									
Profit Sharing Ratio*	30:70	35:65	40:60	42:58	45:55	50:50	52:48	55:45	60:40
Distributed Profit	-	6.26%	7.15%	7.51%	8.05%	8.94%	9.30%	9.84%	10.73%
LB AI Salamah (LB Finance PLC - Islamic Business Unit) - As of April 2015									
Profit Sharing Ratio*	15:85	23:77	25:75	27:73	30:70	-	-	-	-
Distributed Profit	-	6.46%	7.02%	7.58%	8.42%	-	-	-	-
Peoples Leasing Islamic Business Unit - As of April 2015									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.24%	-	5.82%	6.31%	7.28%	-	-	-	-
Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of March 2014									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	3.00%	-	3.62%	4.26%	5.4%	-	-	-	-
Hatton National Bank PLC-"Hnb AI- Najah" Islamic Banking unit - As of March 2015									
Profit Sharing Ratio*	45:55	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.85%	-	5.75%	6.00%	6.25%	-	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of May 2015									
Profit Sharing Ratio*	-	-	46:54	50:50	56:44	74:26	78:22	-	-
Distributed Profit	-	-	6.48%	7.04%	7.89%	10.43%	10.99%	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of March 2015									
Profit Sharing Ratio*									
1-3 Mn	30:70	-	-	55:45	60:40	65:35	70:30	-	-
3Mn - 50Mn	40:60	-	-	60:40	65:35	70:30	75:25	-	-
50Mn & Above	50:50	-	-	65:35	70:30	75:25	80:20	-	-
Distributed Profit									
1-3 Mn	2.88%	-	-	-	5.77%	-	-	-	-
3Mn - 50Mn	3.85%	-	-	5.77%	6.25%	-	-	-	-
50Mn & Above	4.81%	-	-	-	-	-	-	-	-

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 DECEMBER 2014

Finance and Insurance	Diversified Holdings	Manufacturing	Services
Amana Takaful PLC	Expo Lanka Holdings PLC	Abans Electricals PLC	Asia Siyaka Commodities Limited
Amana Bank PLC	Free Lanka Capital Holdings PLC	ACL Cables PLC	Ceylon Printers PLC
Beverages and Food	PCH Holdings PLC	ACL Plastics PLC	Hunter & Company PLC
Bairaha Farms PLC	Sunshine Holdings PLC	Agstar Fertilizers PLC	Kalamazoo Systems PLC
Ceylon Tea Services PLC	The Colombo Fort Land & Building Co. PLC	Alumex PLC	Lake House Printing & Publishers PLC
Convenience Foods PLC	Healthcare	Central Industries PLC	Power & Energy
Harischandra Mills Ltd.	Asiri Surgical Hospitals PLC	Ceylon Grain Elevators PLC	Hemas Power PLC
Heladiv Foods PLC	Ceylon Hospitals PLC (Durdans)	Chevron Lubricants Lanka PLC	Lanka IOC PLC
Kotmale Holdings PLC	Nawaloka Hospitals PLC	Dankotuwa Porcelain PLC	Laugfs Gas PLC
Nestle Lanka PLC	The Lanka Hospital Corporation PLC	Dipped Products PLC	Panasian Power PLC
Raigam Wayaba Salterns PLC	Land and Property	Hayleys Fibre PLC	Vallibel Power Erathna PLC
Renuka Agri Foods PLC	City Housing & Real Estate Company PLC	Kelani Cables PLC	Vidullanka PLC
Renuka Shaw Wallace PLC	Colombo Land & Development Com PLC	Kelani Tyres PLC	Plantations
Tea SmallHolder Factories PLC	CT Land Development PLC	Lanka Cement PLC	Balangoda Plantations PLC
Three Acre Farms PLC	Huejay International Investment PLC	Lanka Ceramic PLC	Elpitiya Plantations PLC
Motors	Serendib Engineering Group PLC	Lanka Floortiles PLC	Hapugastanne Plantations PLC
Colonial Motors PLC	Serendib Land PLC	Lanka Walltiles PLC	Horana Plantations PLC
DIMO PLC	Seylan Developments PLC	Laxapana Batteries PLC	Kahawatte Plantation PLC
Lanka Ashok Leyland PLC	York man Holdings PLC	Printcare PLC	Kelani Valley Plantations PLC
Sathosa Motors PLC	Chemicals and Pharmaceuticals	Regnis (Lanka) PLC	Kotagala Plantations
United Motors Lanka PLC	Chemanex PLC	Royal Ceramic Lanka PLC	Madulsima Plantations PLC
Construction & Engineering	Haycarb PLC	Samson International PLC	Malwatte Valley Plantations PLC
Access Engineering PLC	Industrial Asphalts (Ceylon) PLC	Sierra Cables PLC	Maskeliya Plantations PLC
Colombo Dockyard PLC	J.L. Morison Son & Jones (Ceylon) PLC	Singer Industries (Ceylon) PLC	Metropolitan Resource Holdings PLC
Lankem Development PLC	Lankem Ceylon PLC	Swisstek (Ceylon) PLC	Namunukula Plantation PLC
MTD Walkers PLC	Union Chemical Lanka PLC	Textured Jersey Lanka PLC	Talawakelle Tea Estate PLC
Footwear and Textiles	Trading	Tokyo Cement (Company) PLC	Tess Agro PLC
Ceylon Leather Products PLC	C. W. Mackie PLC	Telecommunications	Udapussellawa Plantation PLC
Kuruwita Textile Mills PLC	Eastern Merchants PLC	Dialog Axiata PLC	Watawala Plantations PLC
Odel PLC	Office Equipment PLC	Sri Lanka Telecom PLC	Stores & Supplies
	Singer (Sri Lanka) PLC	Information Technology	E B Creasy & Company PLC
		PC House PLC	Gestetner of Ceylon PLC

Source: www.amanaasset.com >

UNIT TRUST FUNDS OFFERED BY NDB WM



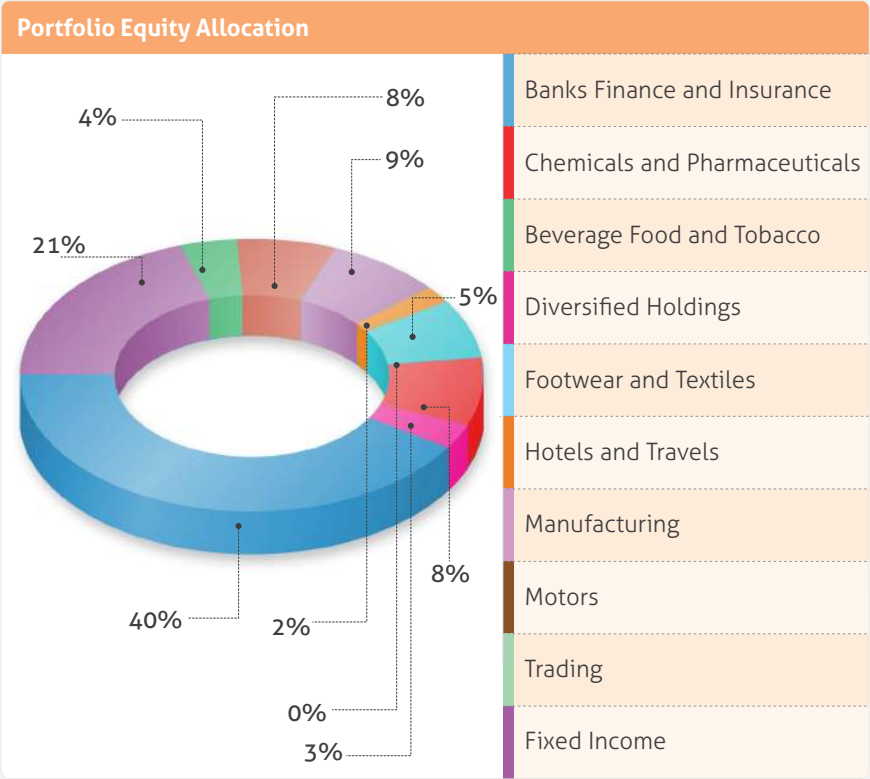
- Eagle Growth Fund
- Eagle Growth and Income Fund
- Eagle Gilt Edged Fund
- Eagle Income Fund
- Eagle Money Fund
- Eagle Money Plus Fund
- LKR Short Term Treasury Fund
- Islamic Money Plus Fund

Fund Overview

Type : Open Ended
Currency: LKR

Investments: Listed Equities

Eagle Growth Fund is an open-end 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.



Fund Snapshot	31 May 2015
YTD Yield	7.15%
NAV per unit	107.9349
AUM (LKR Mn.)	310.60
Fund Currency	LKR
Fund Inception	1 Dec 1997
Expense Ratio	3.23%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Max Equity Allocaiton	97.00%
Current Equity Allocaiton	78.74%
Fund Leverage	0.00%

Top 5 Portfolio Holdings (In Alphabetical Order)
CIC HOLDINGS PLC
NATIONAL DEVELOPMENT BANK PLC
SEYLAN BANK PLC
TEXTURED JERSEY LANKA PLC
UNITED MOTORS LANKA PLC

Historical Returns		
Period	Fund Returns **	ASPI Returns
Last Month	4.99%	0.58%
Last 3 Months	6.13%	-1.11%
Last 6 Months	10.38%	-0.93%
Last 12 Months	33.10%	15.28%
Year 2014	32.45%	23.44%
Year 2013	11.44%	4.78%
★ Returns in LKR terms ● After fees, excluding front end and back end loads		

Fixed Income Allocation			
Minimum Fixed Income Allocation			3.00%
Current Fixed Income Allocation			21.26%
Average Rating of Fixed Income			AAA
Average Duration			0.01
Maturity Profile			
	Maturity	% Holding	
	Under 1 Month	100.00%	

Other Features	
Valuation	Daily Valuation. Instruments less than one year – cost plus accrued basis. Instruments greater tha.n 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, No 40, Nawam Mawatha, Colombo 02, Sri Lanka.	Trustee and Custodian Bank of Ceylon, 01 BOC Square, BOC Mawatha, Colombo 01, Sri Lanka.	Contact General - +94 11 2 303 232 Corporates - +94 773 567550 Sales Hotline - +94 719 788788
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Fund Overview

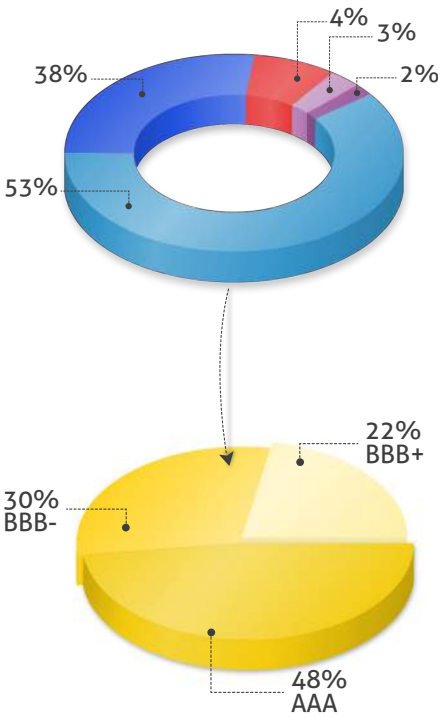
Type : Open Ended

Currency: LKR

Investments: Listed Equities and Corporate Debt

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

Portfolio Allocation



Fund Snapshot

31 May 2015

YTD Yield	6.00%
NAV per unit	37.0720
AUM (LKR Mn.)	212.61
Fund Currency	LKR
Fund Inception	1 Dec 1997
Expense Ratio	2.07%
Dividend Frequency	Irregular
Last Dividend (LKR)	3.00
Max Equity Allocaiton	97.00%
Current Equity Allocaiton	46.66%
Fund Leverage	0.00%

Top 5 Portfolio Holdings (In Alphabetical Order)

CIC HOLDINGS PLC

DFCC BANK

NATIONAL DEVELOPMENT BANK PLC

PEOPLE'S LEASING COMPANY PLC

SEYLAN BANK PLC

Historical Returns

Period	Fund Returns **	ASPI Returns
Last Month	2.75%	0.58%
Last 3 Months	4.20%	-1.11%
Last 6 Months	8.68%	0.93%
Last 12 Months	24.01%	15.28%
Year 2014	24.64%	23.44%
Year 2013	16.43%	4.78%

★ Returns in LKR terms.
● After fees, excluding front end and back end loads.

Fixed Income Allocaiton

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	53.34%
Average Rating of Fixed Income	A
Average Duration	0.56

Marurity Profile

Marurity	% Holding
Under 1 Month	47.80%
6 Months - 1 Year	11.20%
1 Year - 4 Years	41.00%

Other Features

Valuation	Daily Valuation. Instruments less than one year – cost plus accrued basis. Instruments greater than one year – mark 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 : 1.5% p.a. of NAV Trustee fee : 0.25% p.a. of NAV Custodian fee : 0.10% p.a.of NAV Front-end fee : 5%.

Fund Manager

NDB Wealth Management Ltd,
No 40, Nawam Mawatha,
Colombo 02, Sri Lanka.

Trustee and Custodian

Deutsche Bank,
No 86, Galle Road,
Colombo 03, Sri Lanka.

Contact

General - +94 11 2 303 232
Corporates - +94 773 567550
Sales Hotline - +94 719 788788

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Fund Overview

Type : Open Ended

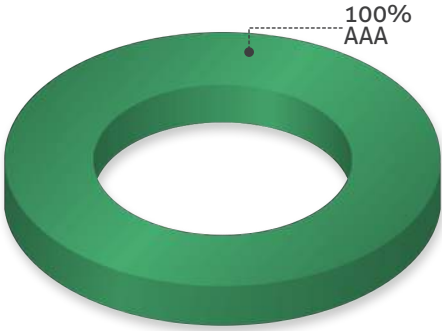
Investments: Government of Sri Lanka Securities

Currency: LKR

Eagle Gilt Edged Fund is an open-end 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. The fund pays a regular income through the **quarterly dividends** which can be automatically reinvested in the fund.

The Eagle Gilt Edged Fund is rated “AAAmf” by ICRA Lanka Limited (a fully owned subsidiary of ICRA Limited of India, an associate Company of Moody’s Investors service, Inc).

Credit Profile



Rating	Duration
AAA	0.1

Fund Snapshot

31 May 2015

YTD Yield	2.30%
YTD Yield (Annualized)	5.64%
NAV per unit	10.2828
AUM (LKR Mn.)	903.18
Fund Currency	LKR
Fund Inception	1 Dec 1997
Expense Ratio	0.93%
Dividend Frequency	Quarterly
Last Dividend (LKR)	0.15
Average Maturity (Yrs)	0.11
Average Duration	0.11
Average Rating	AAA

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	37.90%	8.00%
1 Month - 3 Months	58.90%	6.20%
3 Months - 6 Months	3.20%	6.20%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Last Month	0.45%	5.69%	7.90%	7.11% Net of WHT
Last 3 Months	1.42%	5.70%	7.91%	7.12% Net of WHT
Last 6 Months	2.88%	5.78%	8.02%	7.22% Net of WHT
Last 12 Months	6.24%	6.24%	8.67%	7.80% Net of WHT
Year 2014	7.46%	7.46%	10.36%	9.33% Net of WHT
Year 2013	11.22%	11.22%	15.58%	14.02% Net of WHT

★ Tax equivalent return is calculated assuming a corporate tax rate of 28%.
● The tax equivalent return net of Withholding Taxes (WHT) indicate the equivalent annualized government securities rate.

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 : 0.15-0.24% p.a. of NAV, depending on fund size.

Fund Manager

NDB Wealth Management Ltd,
No 40, Nawam Mawatha,
Colombo 02, Sri Lanka.

Trustee and Custodian

Bank of Ceylon,
01 BOC Square, BOC Mawatha,
Colombo 01, Sri Lanka.

Contact

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Fund Overview

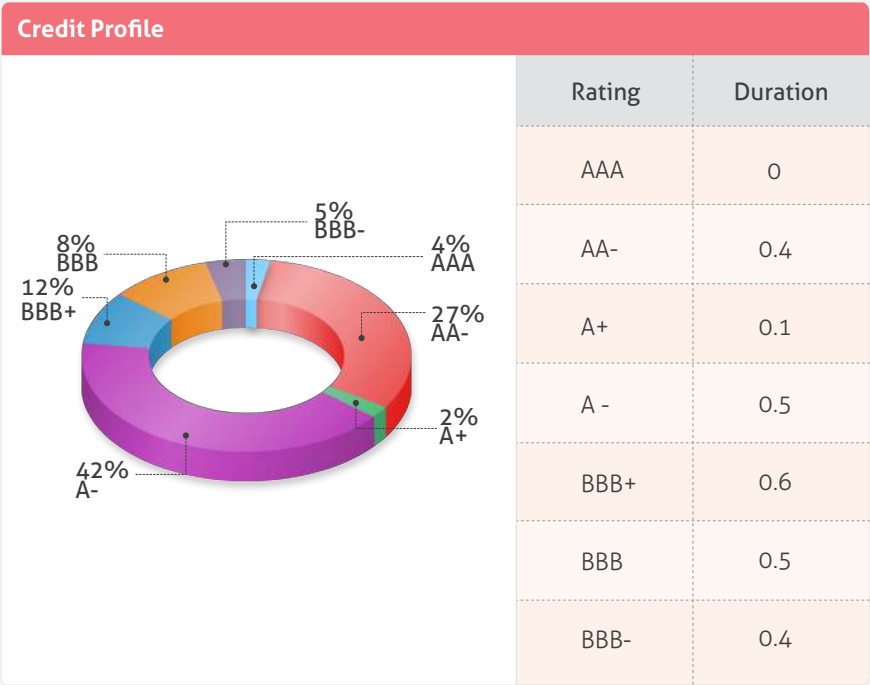
Type : Open Ended

Currency: LKR

Investments: Corporate Debt Instruments

Eagle Income Fund is an open-end 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.

The fund pays a regular income through the **semi-annual dividends** which can be automatically reinvested in the fund.



Fund Snapshot	31 May 2015
YTD Yield	2.69%
YTD Yield (Annualized)	6.59%
NAV per unit	10.3119
AUM (LKR Mn.)	2,988.37
Fund Currency	LKR
Fund Inception	1 Dec 1997
Expense Ratio	1.25%
Dividend Frequency	Semi Annual
Last Dividend	0.50
Average Maturity (Yrs)	0.46
Average Duration	0.43
Average Rating	A-

Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	11.40%	7.60%
1 Month - 3 Months	26.00%	7.40%
3 Months - 6 Months	26.40%	7.90%
6 Months - 1 Years	22.90%	8.70%
1 Year - 4 Years	13.20%	8.70%

Historical Returns			
Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*
Last Month	0.54%	6.84%	9.49%
Last 3 Months	1.60%	6.42%	8.92%
Last 6 Months	3.44%	6.90%	9.58%
Last 12 Months	8.37%	8.37%	11.62%
Year 2014	10.68%	10.68%	14.84%
Year 2013	13.83%	13.83%	19.21%
★ Tax equivalent return is calculated assuming a corporate tax rate of 28%.			

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 : 0.15-0.24% p.a. of NAV, based on fund size.

Fund Manager

NDB Wealth Management Ltd,
No 40, Nawam Mawatha,
Colombo 02, Sri Lanka.

Trustee and Custodian

Bank of Ceylon,
01 BOC Square, BOC Mawatha,
Colombo 01, Sri Lanka.

Contact

General - +94 11 2 303 232
Corporates - +94 773 567550
Sales Hotline - +94 719 788788

Fund Overview

Type : Open Ended

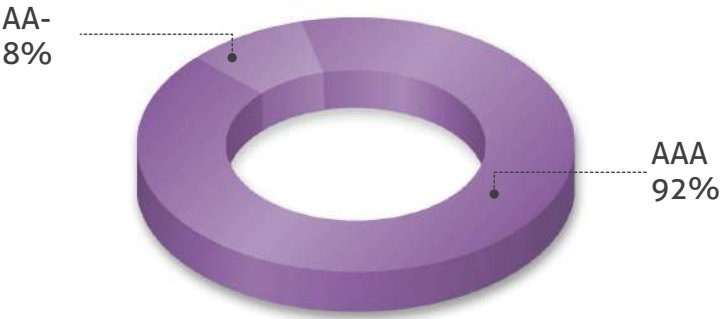
Investments: Short Term Government Securities

Currency: LKR

Eagle Money Fund is an open-end 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.

Credit Profile



Rating	Duration
AAA	0.1
AA-	0

Fund Snapshot

31 May 15

YTD Yield	2.76%
YTD Yield (Annualized)	6.67%
NAV per unit	12.7967
AUM (LKR Mn.)	1,262.24
Fund Currency	LKR
Fund Inception	1 Jan 2012
Expense Ratio	0.76%
Dividend Frequency	Irregular
Last Dividend	None
Average Maturity (Yrs)	0.12
Average Duration	0.12
Average Rating	AA+

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	67.40%	8.40%
1 Month - 3 Months	11.90%	6.40%
3 Moth - 6 Months	20.60%	6.50%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Last Month	0.61%	7.21%	10.02%	9.01% Net of WHT
Last 3 Months	1.87%	7.43%	10.32%	9.29% Net of WHT
Last 6 Months	3.27%	6.57%	9.12%	8.21% Net of WHT
Last 12 Months	6.66%	6.66%	9.25%	8.33% Net of WHT
Year 2014	6.82%	6.82%	9.48%	8.53% Net of WHT
Year 2013	10.33%	10.33%	14.35%	12.91% Net of WHT

★ Tax equivalent return is calculated assuming a corporate tax rate of 28%.
● The tax equivalent return net of Withholding Taxes (WHT) indicate the equivalent annualized government securities rate.

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 : 0.10-0.20% p.a. of NAV, depending on fund size.

Fund Manager

NDB Wealth Management Ltd,
No 40, Nawam Mawatha,
Colombo 02, Sri Lanka.

Trustee and Custodian

Deutsche Bank,
No 86, Galle Road,
Colombo 03, Sri Lanka.

Contact

General - +94 11 2 303 232
Corporates - +94 773 567550
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Fund Overview

Type : Open Ended

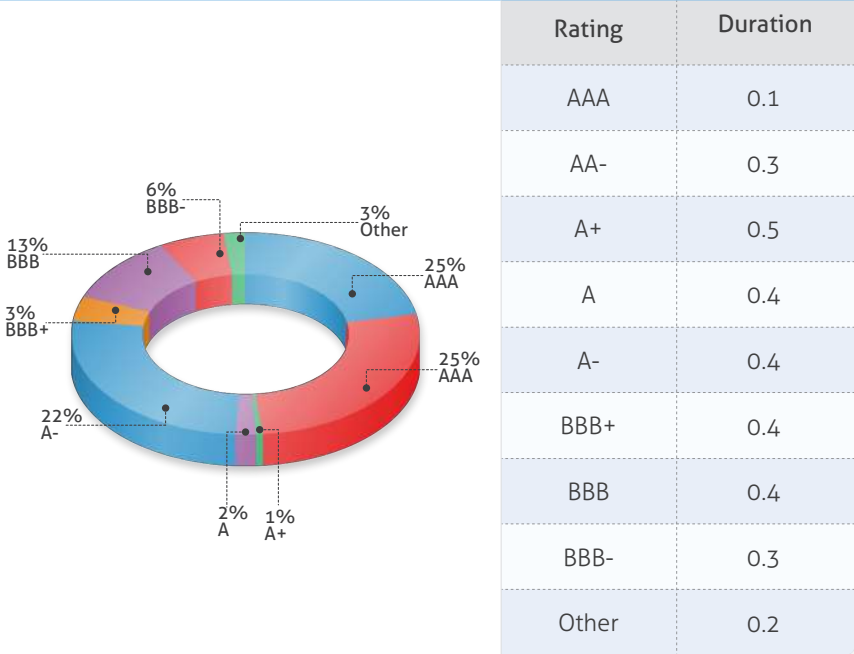
Currency: LKR

Investments: Money Market Corporate Debt Securities

Eagle Money Plus Fund is an open-end 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.

Credit Profile



Fund Snapshot

31 May 2015

YTD Yield	2.67%
YTD Yield (Annualized)	6.45%
NAV per unit	13.6309
AUM (LKR Mn.)	26,786.53
Fund Currency	LKR
Fund Inception	1 Jan 2012
Expense Ratio	0.80%
Dividend Frequency	Irregular
Last Dividend	None
Average Maturity (Yrs)	0.27
Average Duration	0.26
Average Rating	A

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	33.40%	7.70%
1 Month - 3 Months	27.80%	7.30%
3 Months - 6 Months	22.60%	7.00%
6 Months - 1 Year	16.30%	7.80%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*
Last Month	0.56%	6.60%	9.16%
Last 3 Months	1.67%	6.61%	9.17%
Last 6 Months	3.26%	6.53%	9.08%
Last 12 Months	7.31%	7.31%	10.16%
Year 2014	8.66%	8.66%	12.02%
Year 2013	13.62%	13.62%	18.92%

★ Tax equivalent return is calculated assuming a corporate tax rate of 28%

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 : 0.10-0.20% p.a. of NAV, depending on fund size.

Fund Manager

NDB Wealth Management Ltd,
No 40, Nawam Mawatha,
Colombo 02, Sri Lanka.

Trustee and Custodian

Deutsche Bank,
No 86, Galle Road,
Colombo 03, Sri Lanka.

Contact

General - +94 11 2 303 232
Corporates - +94 773 567550
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Fund Overview

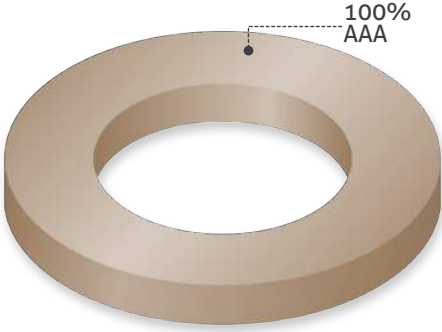
Type : Open Ended
Currency: LKR

Investments: Short Term Government
& Government backed Securities

Short-term LKR Treasury Fund is an open-end money market fund which will invest exclusively in Government and Government backed securities.

The Fund aims to provide reasonable returns, commensurate with low risk while providing high level of liquidity through a portfolio of Government securities with maturities up to 366 days which include Treasury bills, Treasury bonds (including reverse repo and cash).

Credit Profile



Rating	Duration
AAA	0.1

Fund Snapshot	31 May 2015
YTD Yield	2.22%
YTD Yield (Annualized)	5.37%
NAV per unit	10.2391
AUM (LKR Mn.)	506.33
Fund Currency	LKR
Fund Inception	19 Dec 2014
Expense Ratio	0.74%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Average Maturity (Yrs)	0.03
Average Duration	0.03
Average Rating	AAA

Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	100.00%	7.00%

Historical Returns				
Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Last Month	0.51%	6.03%	8.38%	7.54% Net of WHT
Last 3 Months	1.45%	5.77%	8.01%	7.21% Net of WHT
★ Tax equivalent return is calculated assuming a corporate tax rate of 28%. ● The tax equivalent return net of Withholding Taxes (WHT) indicate the equivalent annualized government securities rate.				

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 : 0.1% p.a. of NAV.

Fund Manager NDB Wealth Management Ltd, No 40, Nawam Mawatha, Colombo 02, Sri Lanka.	Trustee and Custodian Deutsche Bank, No 86, Galle Road, Colombo 03, Sri Lanka	Contact General - +94 11 2 303 232 Corporates - +94 773 567550 Sales Hotline - +94 719 788788
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Fund Overview

Type : Open Ended
Currency: LKR

Investments: Shariah Compliant Money Market Securities

Islamic Money Plus Fund is an open-end 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

31 May 2015

Launch Date	Jun 01, 2015
IPO period	15th Apr - 31st May 2015
Unit Issue Price	Rs. 10 during IPO period
Fund Currency	LKR
Dividend	Irregular
Frequency	-

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

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 : Annual fee of 0.80% p.a. of NAV Trustee fee : Variable; Annual fee of 0.10%-0.20% p.a. of NAV based on fund size Exit fee: NIL Front-end fee: NIL

Fund Manager

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 No 40, Nawam Mawatha,
 Colombo 02, Sri Lanka.

Trustee and Custodian

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NDB WEALTH MANAGEMENT LTD

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