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MARKET UPDATE AND FUND REVIEW

2018
APRIL

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NDB | WEALTH

MARKET BRIEF BY NDB WEALTH

INFLATION SLOWS FURTHER

Inflation as measured by the CCPI slowed further to 3.8% in April 2018 on a year-on-year basis from the previous month's 4.2% mainly on account of the base effect. During the month however, overall prices increased by 0.1% of which, prices in the non-food category increased by 0.3% whilst prices in the food category fell by 0.4%. We are of the view that inflation will hover at mid-single digit levels this year mainly on account of the base effect of higher prices in 2017, however, not ruling out the possibility of administered price revisions (pricing formula to fuel and electricity) which could exert pressure on inflation.

RUPEE UNDER PRESSURE

The Sri Lankan Rupee lost 1.06% against the US Dollar in April. The Central Bank continued to be a net buyer of USD in March with purchases of USD 98.5 mn and no sales of the currency. Gross official reserves are expected at USD 9.9 bn. for end April, its highest level in history, with the Central Bank successfully raising USD 2.5 bn.via an international sovereign bond offering that took place in April. The LKR however, is expected to see further pressure owing to widening trade deficits and in view of the strengthening US dollar on higher interest rates in the US.

INTEREST RATES FALL

Interest rates decreased across the board on the backdrop of the Central Bank's international sovereign bond issuance and also on account of the 0.25% rate cut on the Standing Lending Facility rate (SLFR). Total foreign holding of LKR denominated bills and bonds improved to 6.43%, as foreign investors were net buyers for the first time since January amounting to LKR 4.5 bn. However, we expect interest rates to edge up from current levels with global yields picking up and also in view of debt repayments in the pipeline.

LACKLUSTER STOCK MARKET

The Equity market recovered slightly in April with the All Share Price Index (ASPI) rising by 0.84% and the S&P SL 20 index by 0.27% on the backdrop of foreign buying interest on the Colombo Stock Exchange (CSE). Net foreign buying for the month of April stood at LKR 1.69 bn. However, on a year-to-date basis foreigners were net-sellers amounting to LKR 0.94 bn. We expect the market to be lackluster in the short term on subdued investor sentiment owing to political instability, policy uncertainty and weak macro-economic fundamentals.

Amaya Nagodavithane
Research Analyst

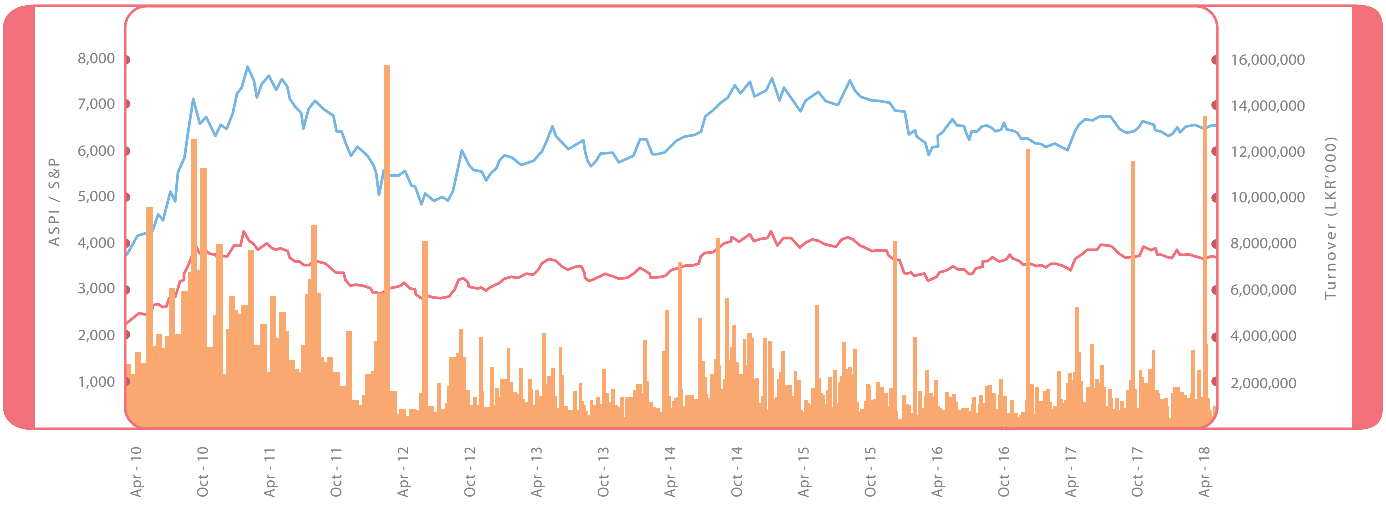
EQUITY OUTLOOK

	Past month Performance (1st Apr - 30th Apr 2018)	Past 12 months Performance (Apr 2017 - Apr 2018)	Year to Date Performance (1st Jan 2018 - 30th Apr 2018)
All Share Price Index	0.84%	7.74%	2.54%
S&P SL 20	0.27%	6.43%	-0.32%
MSCI Frontier Markets Index	-3.11%	22.15%	1.88%
MSCI World Index	1.15%	13.22%	-0.15%
MSCI Emerging Markets	-0.55%	19.07%	0.52%
MSCI Asia Ex Japan	0.71%	24.01%	1.38%

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

- The two main indices of the Colombo Stock Exchange (CSE) recorded marginal gains during April 2018, as the All Share Price Index (ASPI) and S&P SL 20 index grew by 0.84% and 0.27% respectively, for the month.
- The Plantation sector in conjunction with the oil palm and telecom were the highest gaining sectors for the month with the plantation sector gaining 5.37% following the improved weather conditions in the island. The selected sectors are expected to report better results in the upcoming quarters.
- Consumption related companies might be attractive especially if policymakers stick to past habits of with handouts and populist policies observed during election years, which will stimulate the current negative consumption pattern.
- Emerging markets stocks have been under pressure as the US dollar has gained ground, posting three straight weeks of gains and depressing emerging market stocks during that time. The trend will likely continue going forward.
- The rise in the USD has already created stress for Argentina, and in response has already seen interest rates increasing by 10%. They are currently seeking assistance from the IMF. However this problem could be far more widespread if the dollar continues to gain momentum, and will not be limited to equity markets.
- The dollar momentum is linked to the rise in crude oil prices, which will continue, following the US decision to leave Iranian nuclear agreement and trade negotiations with China, in which the US appears to many to be deliberately provoking a trade war, add to uncertainty and to upward pressure on the dollar.
- An overall slowdown is the common consensus regarding the emerging and frontier markets as to probable capital flows to developed markets.
- It is imperative to note that Emerging and frontier markets are deemed riskier as they are less liquid and riskier compared to developed markets.

Colombo Stock Exchange Performance



Source: www.cse.lk

		Apr 2018	Apr 2017
CSE	Market PER	10.74 X	12.62 X
	Market PBV	1.35 X	1.47 X
	Market DY	2.96%	2.71%
MSCI Frontier Market	Market PER	14.62 X	15.22 X
	Market PBV	1.92 X	1.64 X
	Market DY	3.25%	2.42%

Source: www.cse.lk

Foreign investors were net buyers in the Colombo Stock Exchange, amounting to LKR 1.6 billion in April 2018. This is mainly as a result of Mitsui Sumimoto Insurance Co. Ltd. Acquiring 900,000 voting shares of Ceylinco Insurance PLC for a consideration of Rs. 1.62 billion

Colombo Stock Exchange	Jan - Apr 2018	Jan - Apr 2017
Foreign Inflows	LKR 36.13 Billion	LKR 44.17 Billion
Foreign Outflows	LKR 37.07 Billion	LKR 28.19 Billion
Net Foreign Inflows/(Outflows)	**(LKR 0.94 Billion)**	**LKR 15.98 Billion**

Source: www.cse.lk

“ IF YOU CANNOT CONTROL YOUR EMOTIONS, YOU CANNOT CONTROL YOUR MONEY ”

— Warren Buffet —

FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

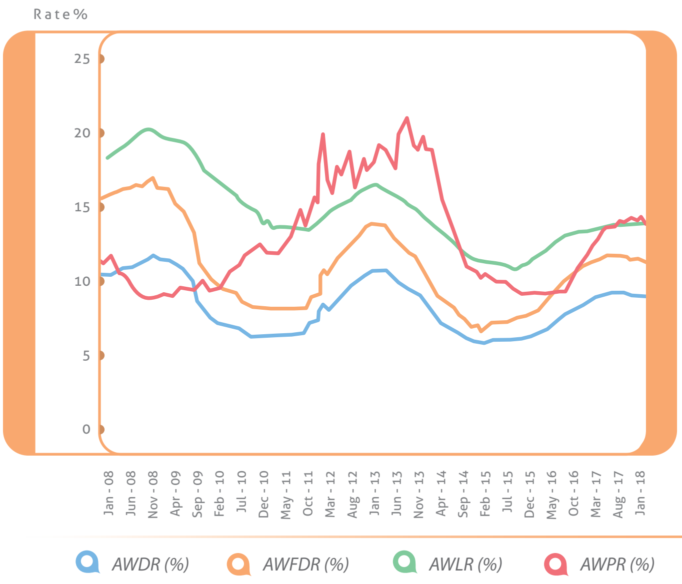
The Central Bank of Sri Lanka (CBSL) reduced its Standing Lending Facility Rate (or the rate CBSL lends to commercial banks) by 25 basis points (0.25%) to 8.50% in April, however keeping the Standing Deposit Facility Rate (or the rate which commercial banks place their excess cash with CBSL) unchanged at 7.25%.

	Apr 17	Dec 17	Mar 18	Apr 18
364 Day T-bill	11.02%	8.90%	9.69%	9.59%
5-Year Bond	12.26%	9.97%	10.06%	10.04%
1-Year Finance Company Fixed Deposit (A+)	12.50%	11.50%	11.50%	11.50%

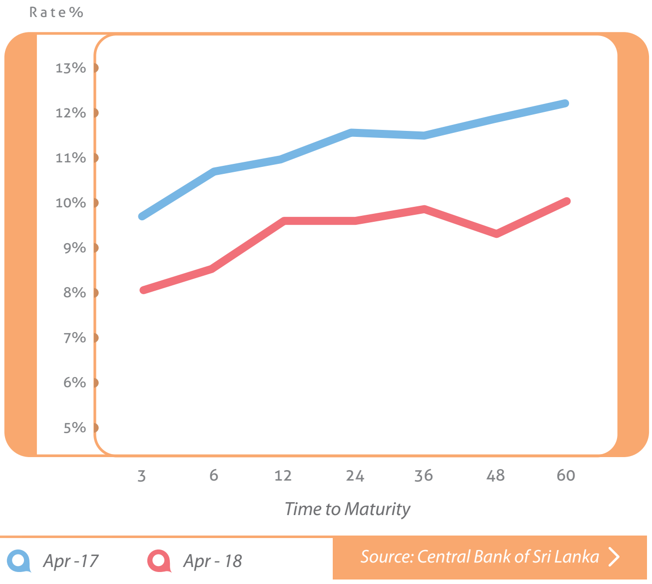
** Net returns earned on Government Securities would vary depending on the individuals tax bracket while Fixed Deposits will be subject to a final WHT of 5%.*

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

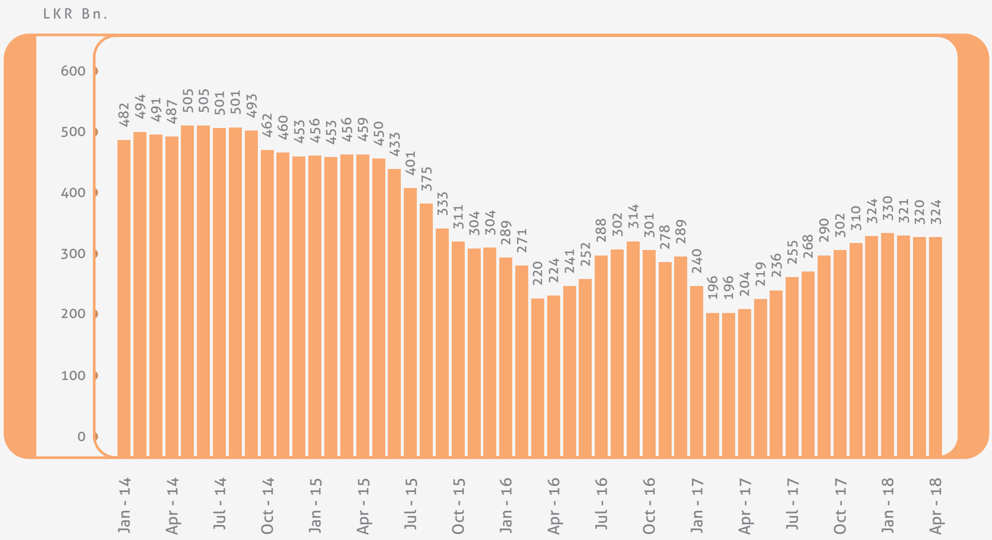
Treasury Bill rates declined with the 364-day T-Bill falling to 9.59% and the 91-day Treasury Bill closing the month at 8.10%. The 182-day T-Bill continued to be rejected since February 21, 2018.

Broad money (M2b) growth slowed to 16.2% year-on-year in February 2018, from 16.8% in the previous month whilst credit extended to the private sector continued its slowdown from the highs observed at the beginning of 2017 growing by only 14.6% (year-on-year) in February 2018, on account of the tight monetary policy adopted in 2017. The monthly increase in private sector credit disbursements was LKR 58 Bn (growth of 1.2% m-o-m).

Outstanding LKR Govt. Securities LKR 5,039 Billion / USD 32.39 Billion	
T Bills (Total)	T Bonds (Total)
LKR 887 Billion	LKR 4,152 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 4,715 Billion	LKR 324 Billion
Total Foreign Holding of Bills and Bonds - 6.43%	

Source: Central Bank of Sri Lanka

FOREIGN HOLDING OF LKR G-SEC



Source: Central Bank of Sri Lanka

Foreign holding of government securities improved on account of foreign buying interest on local government securities, reversing its declining trend observed over the last few months and increasing by LKR 4.5 billion (net) in April to 6.43%. On a year-to-date basis however foreigners remained net sellers amounting to LKR 290 million.

1 Year FD Rates – Sri Lankan Banks		
	Apr 2018	Mar 2018
NSB	10.50%	10.50%
COMB	10.50%	10.50%
SAMP	10.75%	10.75%
HNB	10.50%	10.50%
NDB	10.50%	10.50%

Rates on Credit Cards	Apr 18
HSBC	28.00%
SCB	28.00%
Sampath	28.00%
NDB	28.00%
AMEX	28.00%

Source: Respective Commercial Banks

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

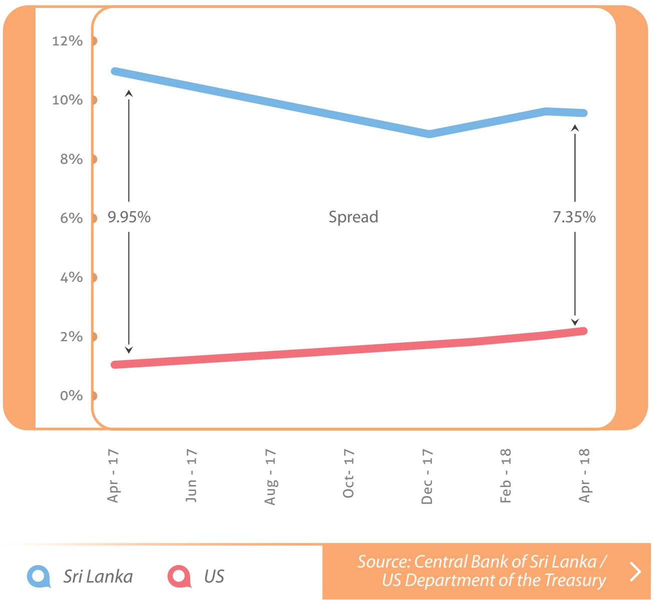
NDIB CRISIL Fixed Income Indices Total return as at 27/04/2018	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.87%	9.26%	8.10%
NDBIB-CRISIL 364 Day T-Bill Index	1.51%	10.64%	7.75%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	0.97%	15.51%	9.36%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	-0.04%	18.28%	8.82%

Source: www.crisil.com

Central Bank Policy Rates	2015	2016	2017	Latest
Sri Lanka	6.00%	7.00%	7.25%	7.25%
US	0.25% - 0.50%	0.50% - 0.75%	1.25% - 1.50%	1.50% - 1.75%
Euro Zone	0.05%	0.00%	0.00%	0.00%
Australia	2.00%	1.50%	1.50%	1.50%
India	6.75%	6.25%	6.00%	6.00%

Source: www.cbrates.com

1 YEAR TREASURY RATE - USD Vs. LKR



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

The US 10-year treasury yield crossed the 3% mark for the first time since January 2014, signaling investor confidence in the stability of economic growth and that higher interest rates are ahead in the world's largest bond market.

364 Day Treasury Bill Rate	Apr 17	Dec 17	Mar 18	Apr 18
Sri Lanka	11.02%	8.90%	9.69%	9.59%
India	6.45%	6.42%	6.49%	6.63%
US	1.07%	1.76%	2.09%	2.24%
Euro Zone	-0.77%	-0.74%	-0.70%	-0.67%

Source: Respective Central Banks

	Rates on Savings Accounts - Apr 2018
Sri Lanka	4.00%
US	0.03%
Euro Zone	0.01%
Australia	1.65%
India	3.50%

Source: Respective Commercial Banks

If an actual US-China trade war ensues, China's economic growth prospects could be negatively impacted with GDP possibly falling by 0.5%. In 2017, China exported USD 506 Bn worth of goods and services (20% of its total exports) to the US, whilst the US only exported USD 130 Bn worth of goods and services to China.

“YOU WON’T GO WRONG IF YOU LEARN TO INVEST FIRST AND SPEND AFTERWARDS.”

— NDB Wealth —

INFLATION RATES

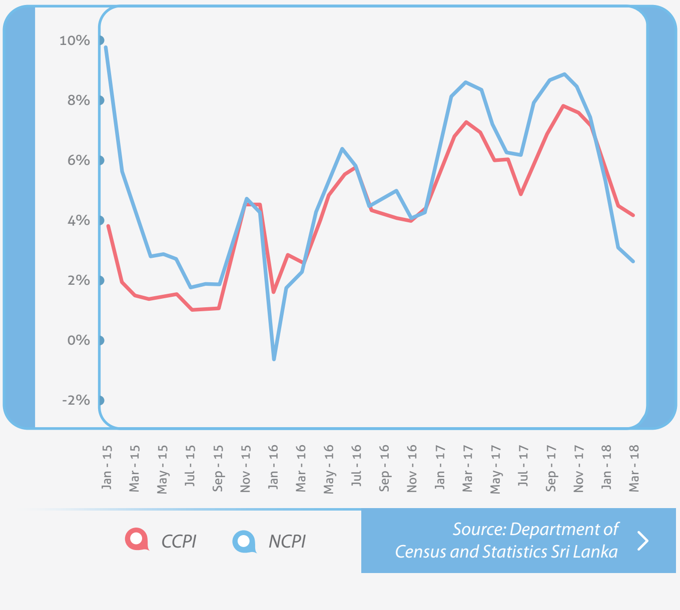
Country	Apr 17	Dec 17	Mar 18	Apr 18
Sri Lanka	6.94%	7.15%	4.21%	3.76%
US	2.20%	2.11%	2.36%	2.36%*
Euro Zone	1.89%	1.35%	1.34%	1.34%*
India	2.99%	5.21%	4.28%	4.28%*

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

* March 2018

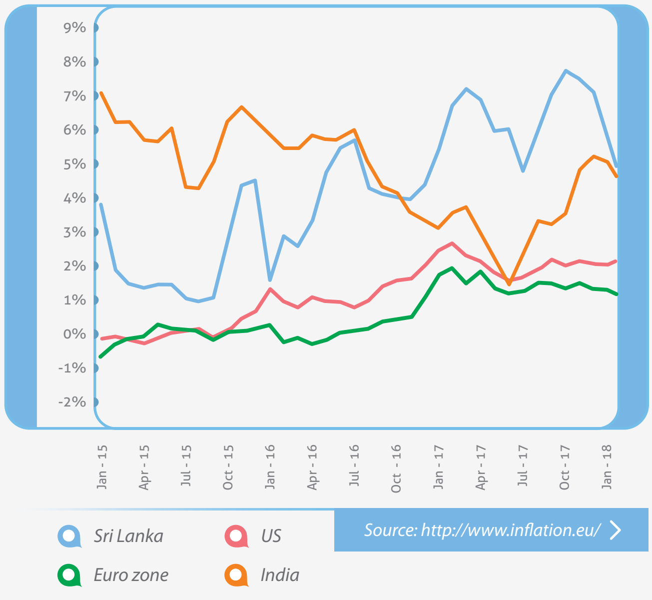
- Inflation as measured by the CCPI (2013=100), slowed further to 3.8% in April 2018 on a year-on-year basis from the previous month's 4.2% mainly on account of the base effect.
- On a month-on-month basis prices in the CCPI increased by 0.1% in April 2018, due to the increase of 0.3% (m-o-m) recorded for prices in the non-food category mainly due to price increases in transport and health. The prices in the food category recorded a decline of 0.4%. fueled by price declines in vegetables, big onions and sea fish.
- On an annual average basis too inflation slowed to 5.9% in April.
- Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) however, edged up to 3.5% year-on-year in April from the previous month's 3.4% whilst on an annual average basis core inflation slowed from 5.0% to 4.7% in April 2018.
- We are of the view that inflation will hover at mid-single digit levels this year mainly on account of the base effect of higher prices in 2017. However, inflation will come under pressure if administered price revisions in fuel and energy are implemented.
- On the global front, US and Euro zone inflation edged up to 2.36% and 1.34% respectively in March 2018.

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	Apr 17	Dec 17	Apr 18	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	151.90	152.85	157.65	-3.64%	-3.04%
GBP	196.10	205.54	219.49	-10.66%	-6.36%
EURO	165.13	182.49	190.91	-13.50%	-4.41%
YEN	1.37	1.36	1.44	-5.37%	-6.10%
AUD	113.50	119.10	119.09	-4.70%	0.01%
CAD	111.35	121.61	122.49	-9.09%	-0.72%
INR	2.37	2.39	2.36	0.40%	1.08%
BHD	402.92	405.36	418.10	-3.63%	-3.05%
CNY	22.03	23.45	24.89	-11.46%	-5.76%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee depreciated 1.06% against the US Dollar (USD) in April to close the month at LKR 157.65 per 1 USD and gained 0.02% against the Sterling Pound. Year-to-date depreciation against the USD stood at 3.04%.
- The US Dollar's rebound in April gained momentum as bond yields rose and expectations of more rate increases from the Federal Reserve offset worries about a trade war and a ballooning US budget deficit.
- The Sterling Pound edged higher against the Euro with the UK budget reporting a surplus for the first time in 16 years.
- Emerging Asian currencies remained under selling pressure as the benchmark 10-year US bond yield peaked above the 3% level and lifted the dollar.

USD PER 1 EURO MOVEMENT

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

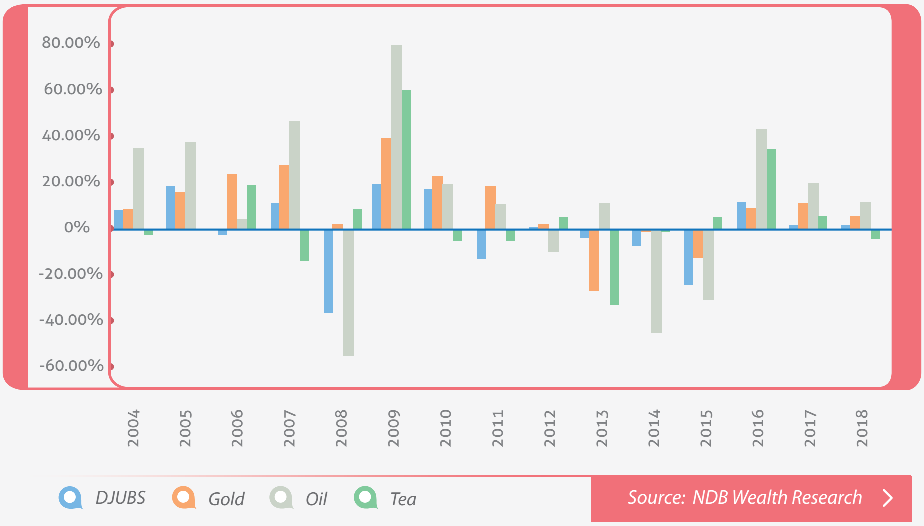
COMMODITY OUTLOOK

	Past month Performance (1st Apr - 30th Apr 2018)	Past 12 months Performance (Apr 2017 - Apr 2018)	Year to Date Performance (1st Jan 2018 - 30th Apr 2018)
Bloomberg Commodity Index	2.42%	6.64%	1.61%
Tea	-1.45%	-9.07%	-4.24%
Gold	0.76%	5.36%	5.56%
Oil (Brent)	7.80%	35.20%	11.56%

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

- Bloomberg Commodity Index recorded a gain as it grew by 2.42% in April 2018.
- Prices strengthened towards the end of April fueled by both demand and supply factors where accelerating global growth lifted demand for commodities, while a number of commodities faced supply constraints.
- Many factors were contributory to the price increases witnessed in both energy and non-energy products including; broad-based global economic recovery increasing demand for commodities, China reducing the production of polluting metals and energy products, lower grain planting intentions in the US and increasing geo-political tensions in the Middle East.
- The escalating risks of additional reciprocal tariffs increasing the onset of an all-out trade war between the US and China could dampen global commodity prices, especially in the short term.
- Continuing the trend from the previous month, oil prices saw an increase in April as a result of OPEC and Non-OPEC countries agreeing to cut production resulting in reduced inventories. Rising geo-political tensions (Possible US sanctions against Iran, Military escalation in Iran, Tensions between Saudi Arabia and Iran) threatened several oil exporting countries and further contributed to the increase in oil prices.
- Gold prices increased marginally during the month, and may witness a rise in demand if the volatility in the markets continues to increase taking in to consideration possible trade wars as well as geo-political tension.

Commodity Price Movemets



Source: NDB Wealth Research

PROPERTY OUTLOOK

- Raw material prices in the construction sector witnessed an increase especially in the backdrop of the global aluminium prices surging by approximately 3.2% as at May 2018. Prices spiked to 2,537 USD/MT during April 2018. The rise in prices were on account of US sanctions on Russian aluminium giant United Co. The company is the second largest aluminium supplier and accounts for over 6% of the global production.

- The Chamber of Construction Industry - Sri Lanka, has expressed concern on the impact the surge in prices will have on property developers expecting to place orders for aluminium products. Aluminium products account for 5% - 8% of an apartment cost with the luxury apartments at the higher end of the spectrum. The main products demanded include aluminium doors, windows and frames, because higher altitudes require resilient structures to withstand adverse weather conditions.

- Traditionally the Sri Lankan consumer will opt for timber for individual houses, in regard to doors, windows and pantry cupboards. However, this trend is changing with better aluminium extrusions available in the market and new upmarket designs.

- Commercial space developers will also be directly affected as such properties will utilize a large amount of aluminium for construction, partitions and finishes.

- The 52 week price range for aluminium was quoted as 1,855.00 - 2,718.00 USD/MT, and Goldman Sachs, a leading US Investment bank, expects aluminium prices to spike at US$ 3,000 in the short-term.

- We expect this, in conjunction with the LKR depreciation of 3.2% YTD will post pressure on developers' margins if they are to maintain current price levels. The luxury residential market is further challenged with the expected over supply from FY2019 onwards and challenging credit availability added with cost escalations will add further pressure to margins.

- However, there will be opportunites for buy and hold real-estate investors as leveraged investors might potentially look for an exit.

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: 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 February 2018									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.48%	-	6.96%	7.54%	8.70%	9.28%	9.86%	-	10.44%
Bank of Ceylon Islamic Business Unit - As of March 2018									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	4.88%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-Al Adalah Islamic Banking unit - As of March 2018									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	6.05%	-	7.51%	8.70%	11.30%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of March 2018 (Released Quarterly)									
Profit Sharing Ratio*	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.85%	-	8.50%	9.50%	10.50%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of March 2018									
Profit Sharing Ratio* (3Mn - 50Mn)	40:60	60:40	65:35	40:60	65:35	65:35	-	-	-
Distributed Profit	5.00%	6.00%	7.00%	8.00%	10.50%	10.50%	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of March 2018									
Profit Sharing Ratio*	34:66	52:48	52:48	52:48	55:45	62:38	62:38	-	-
Distributed Profit	6.46%	9.69%	10.50%	10.50%	11.10%	12.52%	12.52%	-	-
Commercial Leasing & Finance PLC- Islamic Finance – As of March 2018									
Profit Sharing Ratio*	35:65	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	5.00%	10.89%	11.54%	11.98%	11.98%	12.85%	13.06%	13.94%	14.15%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of March 2018									
Profit Sharing Ratio*	22:78	26:74	28:72	30:70	31:69	-	-	-	-
Distributed Profit	7.43%	9.66%	10.40%	11.14%	11.52%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of March 2018									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	5.32%	10.63%	10.98%	11.69%	11.69.%	11.87%	12.22%	12.40%	13.11%
Peoples Leasing Islamic Business Unit - As of March 2018									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	7.20%	-	9.60%	10.40%	12.00%	-	-	-	-

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 AUGUST 2017

Finance and Insurance	Shalimar (Malay) PLC	Telecommunications
Amana Takaful PLC	Diversified Holdings	Sri Lanka Telecom PLC
Amana Takaful Life PLC	The Colombo Fort Land & Building PLC	Manufacturing
Amana Bank PLC	Browns Capital PLC	ACL Cables PLC
Beverages and Food	Expo Lanka Holdings PLC	Agstar Fertilizers PLC
Bairaha Farms PLC	Hayleys PLC	Ceylon Grain Elevators PLC
Ceylon Cold Stores PLC	Hemas Holdings PLC	Chevron Lubricants Lanka PLC
Dilmah Ceylon Tea Company PLC	Richard Pieris and Company PLC	Dankotuwa Porcelain PLC
Harischandra Mills PLC	Sunshine Holdings PLC	Dipped Products PLC
Nestle Lanka PLC	Healthcare	Kelani Tyres PLC
Renuka Agri Foods PLC	Asiri Surgical Hospitals PLC	Kelani Cables PLC
Renuka Foods PLC	Ceylon Hospitals PLC (Durdans)	Lanka Ceramic PLC
Three Acre Farms PLC	The Lanka Hospital Corpoartion PLC	Lanka Tiles PLC
Motors	Land and Property	Lanka Walltiles PLC
Autodrome PLC	CT Land Development PLC	Lanka Cement PLC
C M Holdings PLC	Chemicals and Pharmaceuticals	Piramal Glass Ceylon PLC
Diesel & Motor Engineering PLC	Chemanex PLC	Printcare PLC
Lanka Ashok Leyland PLC	Haycarb PLC	Royal Ceramic Lanka PLC
Sathosa Motors PLC	J.L. Morison Son & Jones (Ceylon) PLC	Sierra Cables PLC
United Motors Lanka PLC	Trading	Bogala Graphite Lanka PLC
Construction & Engineering	Brown & Company PLC	Teejay Lanka PLC
Access Engineering PLC	C. W. Mackie PLC	Tokyo Cement (Company) PLC
Colombo Dockyard PLC	Eastern Merchants PLC	Services
Footwear and Textiles	Stores & Supplies	Hunter & Company PLC
Ceylon Leather Products PLC	Colombo City Holdings PLC	Lake House Printing & Publishers PLC
Odel PLC	Hunters & Company PLC	Kalamazoo Systems PLC
Hayleys Fabric PLC	Plantations	Power & Energy
Oil Palms	Bogawantalawa Tea Estates PLC	Lanka IOC PLC
Good Hope PLC	Kahawatte Plantation PLC	Panasian Power PLC
Indo Malay Plc	Namunukula Plantation PLC	Vallibel Power Erathna PLC
Selinsing PLC	Watawala Plantations PLC	

Source: www.amanaasset.com

Note 1: The White List has taken to consideration company financials as at March 31, 2017 and June 30, 2017

Note 2: No changes from the previous month's list.

UNIT TRUST FUNDS OFFERED BY NDB WM

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

NDB | WEALTH

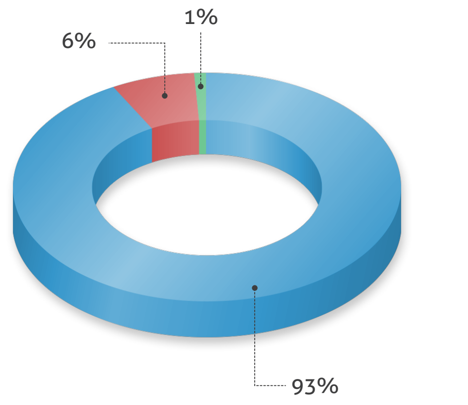
Fund Overview

NDB Wealth Growth Fund

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

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

Portfolio Allocation



Historical Returns

Period	Fund Returns *•	ASPI Returns
Last Month	-1.25%	-1.14%
Last 3 Months	1.13%	1.69%
Last 6 Months	2.73%	0.60%
Last 12 Months	8.67%	6.84%
Year 2017	7.09%	2.26%
Year 2016	-0.92%	-9.66%

* Returns in LKR terms
• After fees, excluding front end and back end loads

Fund Snapshot

Fund Snapshot	31-Mar-18
YTD Yield	1.13%
NAV per unit	11.1003
AUM (LKR Mn.)	267.71
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.89%
Max Equity Allocation	97.00%
Current Equity Allocation	56.59%
Fund Leverage	0.00%

Top 5 Portfolio Holdings (In Alphabetical Order)

CENTRAL FINANCE COMPANY PLC
COMMERCIAL BANK OF CEYLON PLC
HATTON NATIONAL BANK PLC
PEOPLES INSURANCE LTD
SEYLAN BANK PLC

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	43.41%
Average Duration	0.32

Maturity	% Holding
Under 1 Month	27.20%
1 Month - 3 Months	33.60%
6 Months - 1 Year	39.20%

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

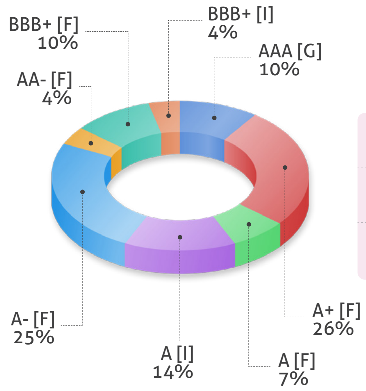
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing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

Fund Snapshot — 31-Mar-18

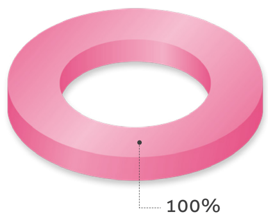
YTD Yield	2.13%
NAV per unit	33.5582
AUM (LKR Mn.)	186.08
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.12%
Max Equity Allocation	97.00%
Current Equity Allocation	1.68%
Fund Leverage	0.00%

Portfolio Allocation

Fixed Income Allocation By Credit Rating



Equity Allocation By Sector



Top 3 Portfolio Holdings (In Alphabetical Order)

- SINGER FINANCE (LANKA) PLC
- SAMPATH BANK PLC
- SAMPATH BANK RIGHT ISSUE

Historical Returns

Period	Fund Returns*•	ASPI Returns
Last Month	0.65%	-1.14%
Last 3 Months	2.13%	1.69%
Last 6 Months	3.47%	0.60%
Last 12 Months	9.94%	6.84%
Year 2017	10.10%	2.26%
Year 2016	4.13%	-9.66%

* 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	98.32%
Average Duration	0.81

Maturity	% Holding
Under 1 Month	20.30%
1 Month - 3 Months	24.60%
6 Months - 1 Year	29.40%
1 Year - 5 Years	25.70%

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 : 0.25% p.a. of NAV. Custodian fee : 0.10% p.a.of NAV. Front-end fee : 1.5%.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Deutsche Bank

Fund Overview

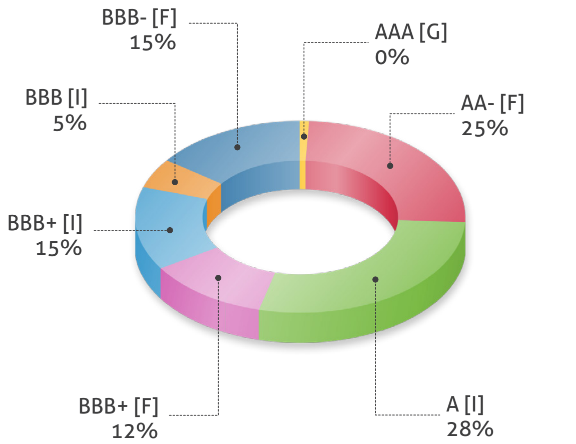
NDB Wealth Income Fund

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.

Portfolio Allocation By Credit Rating



F - FITCH	
I - ICRA	
G - GOSL	

Fund Snapshot

Fund Snapshot	31-Mar-18
YTD Yield	2.67%
YTD Yield (Annualized)	10.82%
NAV per unit	11.6332
AUM (LKR Mn.)	347.51
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.34%
Average Maturity (Yrs)	2.28
Average Duration	1.62

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	7.50%	11.10%
1 Month - 3 Months	4.80%	11.40%
6 Months - 1 Year	25.80%	11.70%
1 Year - 5 Years	44.60%	12.30%
Over 5 Years	17.30%	12.10%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*
Year to Date	2.67%	10.82%	15.03%
Last Month	0.83%	9.75%	13.54%
Last 3 Months	2.67%	10.82%	15.03%
Last 6 Months	5.54%	11.11%	15.43%
Last 12 Months	14.48%	14.48%	20.11%
Year 2017	14.34%	14.34%	19.92%
Year 2016	8.00%	8.00%	11.12%

★ 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 : 0.10 - 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

Disclaimer

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

Fund Overview

NDB Wealth Income Plus Fund

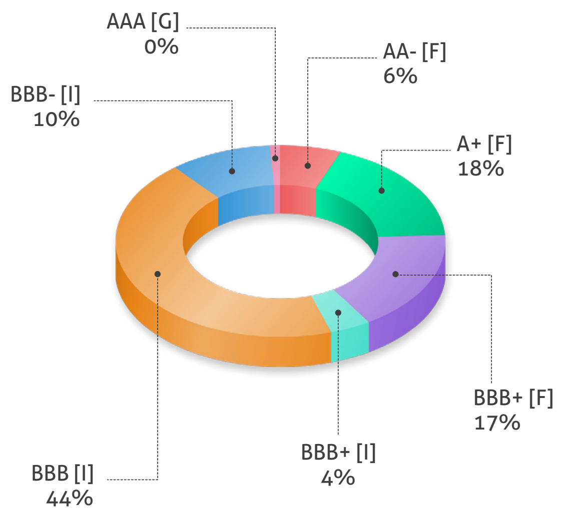
Type: Open Ended | **Investments:** Fixed Income Securities
Currency: LKR | **ISIN:** LKNWIPU00005

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

Fund Snapshot

Fund Snapshot	31-Mar-18
YTD Yield	2.85%
YTD Yield (Annualized)	11.54%
NAV per unit	12.3586
AUM (LKR Mn.)	208.94
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.76%
Average Maturity (Yrs)	0.28
Average Duration	0.26

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	64.90%	11.30%
6 Months - 1 Year	35.10%	11.60%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*•	
Year to date	2.85%	11.54%	16.03%	14.43% Net of WHT
Last Month	0.97%	11.37%	15.79%	14.21% Net of WHT
Last 3 months	2.85%	11.54%	16.03%	14.43% Net of WHT
Last 6 months	5.83%	11.69%	16.24%	14.62% Net of WHT
Last 12 months	11.82%	11.82%	16.42%	14.78% 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 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 Government Securities
ISIN: LKNWMNU00002

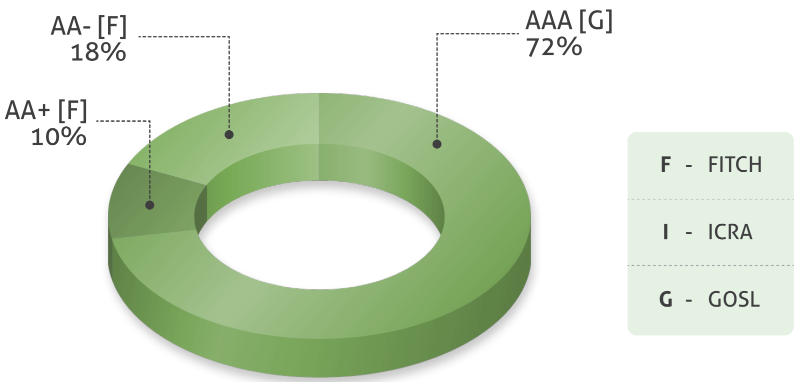
NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka,invested in Government of Sri Lanka Treasury Bills, government securities backed Repurchase transactions and short term bank deposits.

The Fund aims to provide liquidity to investors by investing in short term high quality instruments with maturities less than 365 days which include government securities, government guaranteed securities and short term bank deposits with credit ratings of AA- and above.

Fund Snapshot

Fund Snapshot	31-Mar-18
YTD Yield	1.93%
YTD Yield (Annualized)	7.84%
NAV per unit	16.1445
AUM (LKR Mn.)	307.66
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.82%
Average Maturity (Yrs)	0.06
Average Duration	0.05

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	89.70%	8.50%
3 Months - 6 Months	10.30%	10.20%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)★●	
Year to Date	1.93%	7.84%	10.89%	9.80% Net of WHT
Last month	0.65%	7.66%	10.64%	9.58% Net of WHT
Last 3 months	1.93%	7.84%	10.89%	9.80% Net of WHT
Last 6 months	4.10%	8.22%	11.42%	10.27% Net of WHT
Last 12 months	9.06%	9.06%	12.59%	11.33% Net of WHT
Year 2017	9.50%	9.50%	13.19%	11.87% Net of WHT
Year 2016	8.94%	8.94%	12.42%	11.17% 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 : 0.11 - 0.16% p.a. of NAV, depending on fund size.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Deutsche Bank

Fund Overview

NDB Wealth Money Plus Fund

Type: Open Ended
Currency: LKR

Investments: Money Market Corporate Debt Securities
ISIN: LKNWMPU00007

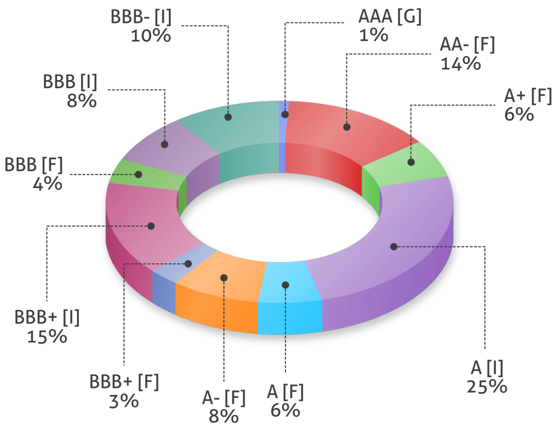
NDB Wealth Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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-Mar-18
YTD Yield	2.57%
YTD Yield (Annualized)	10.43%
NAV per unit	17.6344
AUM (LKR Mn.)	12,750.11
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.86%
Average Maturity (Yrs)	0.26
Average Duration	0.25

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA
G - GOSL

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	42.60%	10.70%
1 Month - 3 Months	8.20%	11.40%
3 Months - 6 Months	29.70%	11.50%
6 Months - 1 Year	19.50%	11.60%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*
Year to Date	2.57%	10.43%	14.49%
Last Month	0.88%	10.32%	14.33%
Last 3 Months	2.57%	10.43%	14.49%
Last 6 Months	5.37%	10.77%	14.96%
Last 12 Months	11.27%	11.27%	15.65%
Year 2017	11.38%	11.38%	15.81%
Year 2016	8.81%	8.81%	12.23%

★ 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, et) and are regulated by the Trustee and the SEC.
Fee Details	Management Fee : 0.65% p.a. of NAV. Trustee fee : 0.11 - 0.16% p.a. of NAV, depending on fund size.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Deutsche Bank

Fund Overview

NDB Wealth Islamic Money Plus Fund

Type: Open Ended
Currency: LKR

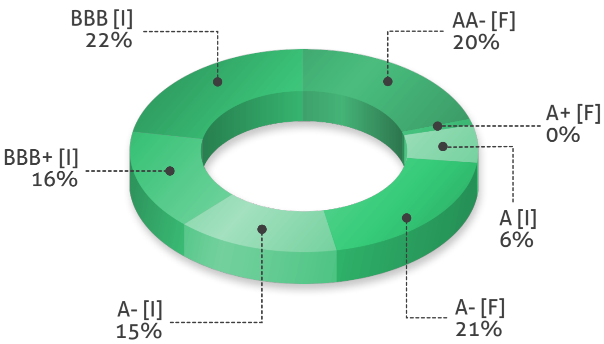
Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

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 compalaint securities.

Fund Snapshot

Fund Snapshot	31-Mar-18
YTD Yield	2.22%
YTD Yield (Annualized)	9.02%
NAV per unit	12.45
AUM (LKR Mn.)	537.88
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.12%
Average Duration	0.11

Portfolio Allocation By Credit Rating



F - FITCH
I - ICRA

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	40.33%	9.18%
1 Month - 3 Months	58.36%	11.30%
3 Months - 6 Months	0.96%	11.20%
6 Months - 1 Year	0.34%	11.10%

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	Tax Equivalent Return (Annualized)*
Year to Date	2.22%	9.02%	12.53%
Last month	0.74%	8.67%	12.04%
Last 3 months	2.22%	9.02%	12.53%
Last 6 months	4.74%	9.50%	13.19%
Last 12 months	9.82%	9.82%	13.63%

* 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.
Fee Details	Management Fee : 0.80% p.a. of NAV. Trustee fee : 0.10% - 0.20% p.a. of NAV, based on the fund size.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Deutsche Bank

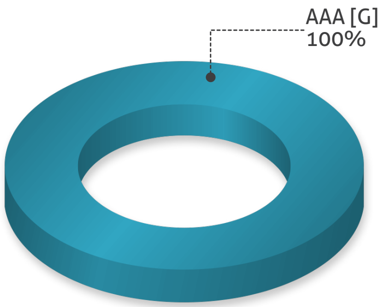
Fund Overview

NDB Wealth Glit 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.

Portfolio Allocation By Credit Rating



Fund Snapshot

Fund Snapshot	31-Mar-18
YTD Yield	1.88%
YTD Yield (Annualized)	7.60%
NAV per unit	12.9943
AUM (LKR Mn.)	53.71
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	0.95%
Average Maturity (Yrs)	0.12
Average Duration	0.12

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	51.7%	8.30%
1 Month - 3 Months	48.3%	8.70%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*●	
Year to Date	1.88%	7.60%	10.56%	9.51% Net of WHT
Last Month	0.68%	7.97%	11.06%	9.96% Net of WHT
Last 3 Months	1.88%	7.60%	10.56%	9.51% Net of WHT
Last 6 Months	3.88%	7.77%	10.80%	9.72% Net of WHT
Last 12 Months	10.34%	10.34%	14.37%	12.93% Net of WHT
Year 2017	10.41%	10.41%	14.46%	13.02% Net of WHT
Year 2016	20.19%	20.19%	28.05%	25.24% 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 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 : 0.10-0.19% 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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