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MARKET UPDATE AND FUND REVIEW

2016
JANUARY

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MARKET BRIEF BY NDB WEALTH

INFLATION SLOWS

Sri Lanka's inflation slowed to 0.9% year-on-year in January, from the previous month's 2.8% primarily owing to a fall in prices in the food and non-alcoholic beverages category. However we believe inflation will edge up from current levels as depreciation of the rupee and demand side factors are likely to push prices up.

WEAKENING RUPEE

The Sri Lankan Rupee appreciated marginally by 0.1% against the US Dollar in January. The Central bank continued to be a net seller of US Dollars in the market, as net selling exceeded USD 3.2 billion for 2015. Gross official reserves dipped by USD 1 billion to USD 6.3 billion in January. Under such circumstances the Rupee is expected to come under further pressure as a result of foreign outflows and expanding trade deficits.

INTEREST RATES RISING

Interest rates pricked up across the board following the increase of 1.5% in the Statutory reserve ratio (reserves that commercial banks are required to maintain with the central bank), and continued foreign selling on LKR denominated government securities. We believe interest rates will edge up further amidst widening budget deficits, foreign outflows and adjusting risk premiums in line with US rate increases. However, we do not rule out the possibility of a short term drop in rates if funding sought from the IMF is received.

BLEAK STOCK MARKET

The stock market began the year on a negative note with the All Share Price Index and the S&P SL 20 index falling 8.04% and 8.93% respectively amid foreign selling and weak market sentiment. This trend is expected to continue as current economic conditions do not seem to offer any respite for markets to recover at least in the short term. However under such a scenario good buying opportunities may emerge with attractive multiples and valuations.

IT'S TIME FOR MORE THAN BANKING VIA MY WEALTH FUNDS

NDB Wealth offers a series of attractive mutual funds to investors to maximize tax-free returns. The NDB Wealth Money Plus Fund and the NDB Wealth Money Fund are invested in short-term money market instruments for those investors opting for a stable return and capital protection whilst for those longer term investors with a higher appetite for risk the NDB Wealth Growth Fund, invested in equities is suggested.

Amaya Nagodavithane
Research Analyst

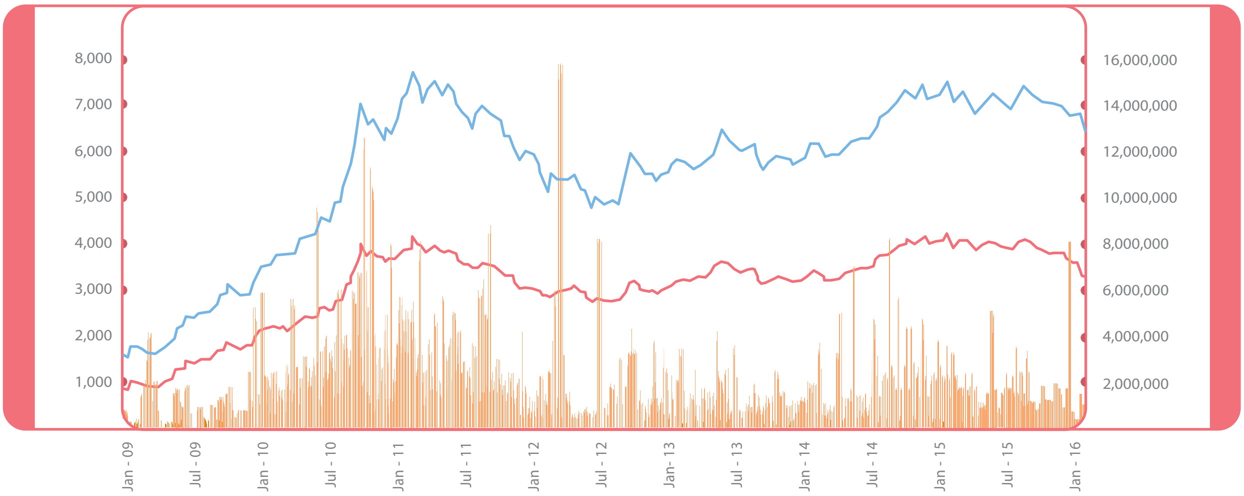
EQUITY OUTLOOK

	Past month Performance (1st Jan – 31st Jan 2016)	Past 12 months Performance (Jan 2015 – Jan 2016)	Year to Date Performance (1st Jan 2016 – 31st Dec 2016)
All Share Price Index	-8.04%	-11.70%	-8.04%
S&P SL 20	-8.93%	-16.66%	-8.93%
MSCI Frontier Markets Index	-6.84%	-16.55%	-6.84%
MSCI World Index	-5.96%	-4.55%	-5.96%
MSCI Emerging Markets	-6.49%	-20.91%	-6.49%
MSCI Asia Ex Japan	-7.64%	-18.16%	-7.64%

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

- All major indices (both local and global) recorded sharp declines in the month of January.
- Rising US interest rates, together with unfavorable economic conditions in Asian markets may have contributed to the negative market sentiment and the resulting sharp decline in market indices.
- Most emerging-market stocks fell after China's official manufacturing gauge slumped to a three year low.
- China's official PMI fell short of estimates in January because of weak demand, efforts to reduce overcapacity and increasing concern that the nation's manufacturing faces more challenges this year.
- The Shanghai equity index extended its monthly selloff as certain large companies warned its annual profit may continue to decline in 2016 (the index decreased the most since October 2008 amid anxiety of a slowdown in growth and volatility in Yuan will spur capital outflows).
- The MSCI World Index of developed-nation equities has slid 5.8% in 2016 and currently trades at a multiple of 15.2 times earnings.
- The possibilities of further interest rate increases by the US Fed, weak global economic outlook and fragile exchange rates in emerging and frontier nations may continue to hamper equity markets on a global scale.

CSE PERFORMANCE



Source: www.cse.lk

		Jan 2016	Jan 2015
CSE	Market PER	16.57 X	19.38 X
	Market PBV	1.83 X	2.17 X
	Market DY	2.37%	2.15%
MSCI Frontier Markets	Market PER	9.91 X	10.52 X
	Market PBV	1.37 X	1.59 X
	Market DY	4.62%	4.24%

Source: www.cse.lk

- All Share Price Index (ASPI) and S&P SL 20 index continued on a downward trend, as the two main indices declined sharply by 8.04% & 8.93% during January 2016.
- The Colombo Stock Exchange continued to witness net foreign outflows, as investors continued to selloff from the region.
- According to the Institute of International Finance, net outflows from emerging markets exceeded USD 735 billion, while they expect a net outflow of around USD 500 billion in 2016.

Colombo Stock Exchange	Jan 2016	Jan 2015
Foreign Inflows	LKR 3.98 Billion	LKR 6.93 Billion
Foreign Outflows	LKR 6.72 Billion	LKR 6.81 Billion
Net Foreign Inflows/(Outflows)	(LKR 2.74 Billion)	+ LKR 0.12 Billion

Source: www.cse.lk

> “NO PRICE IS TOO LOW FOR A BEAR
> OR TOO HIGH FOR A BULL”

FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

The Central Bank maintained its key policy rates during January holding the Standing Lending Facility Rate (or the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (or the rate which commercial banks place their excess cash with CBSL) at 7.50% and 6.00% respectively.

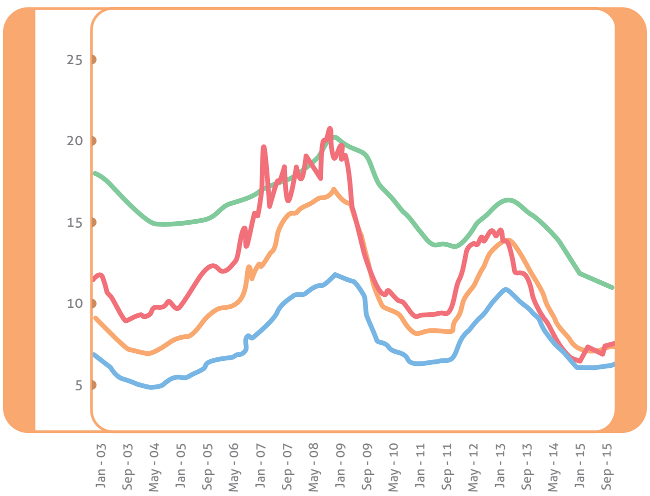
However, in December 2015, CBSL increased the Statutory Reserve Ratio (SRR - reserves that commercial banks are required to maintain with the central bank) by 1.5% to 7.5%. The increase came in to effect in January 16, 2016 and resulted in lower levels of liquidity and higher interest rates in the market.

	Jan 15	Dec 15	Jan 16
364 Day T-bill	6.05%	7.11%	7.80%
5-Year Bond	7.57%	10.04%	9.60%
Corporate Debt (A+)*	6.83%	8.29%	8.78%

** Net Rate assuming consistent WHT of 2.5% for comparison purposes*

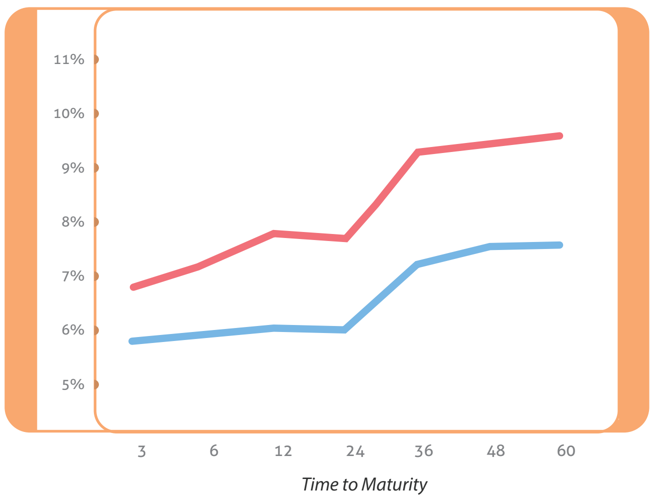
Source: Central Bank of Sri Lanka

AVERAGE LENDING & DEPOSIT RATES



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

YIELD CURVE - LKR TREASURIES



Jan - 15 Jan - 16

Source: Central Bank of Sri Lanka

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

Treasury Bill rates increased further during January with the 364-day T-Bill rate increasing to 7.80% and the 182-day and 91-day Treasury Bills rates ending at 7.40% and 7.01% respectively.

Broad money (M2b) grew by 17.2% on a year-on-year basis in November while private sector credit accelerated by 27% year-on-year. On a month-on-month basis this represented an increase of 2.8% (LKR 91.4 Bn.)

Total Govt. Debt LKR 4,329 Billion / USD 30.08 Billion	
T Bills (Total)	T Bonds (Total)
LKR 686 Billion	LKR 3,643 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 4,040 Billion	LKR 289 Billion
Total Foreign Holding of Bills and Bonds – 6.68%	

Source: Central Bank of Sri Lanka

Total foreign holding of Government Bills and Bonds stand at 6.68%, much lower than the current 10.0% limit for foreign investor holdings imposed by the Central Bank.

1 Year FD Rates – Sri Lankan Banks		
	Jan 2016	Dec 2015
NSB	8.25%	6.50%
COMB	8.25%	6.50%
SAMP	8.50%	6.50%
HNB	7.50%	6.50%
NDB	8.50%	7.50%

Rates on Credit Cards	
	Jan 16
HSBC	24.00%
SCB	24.00%
Sampath	24.00%
NDB	17.00%
AMEX	24.00%

Source: Respective Commercial Banks

Banks increased their fixed deposit rates across the board during the month of January.

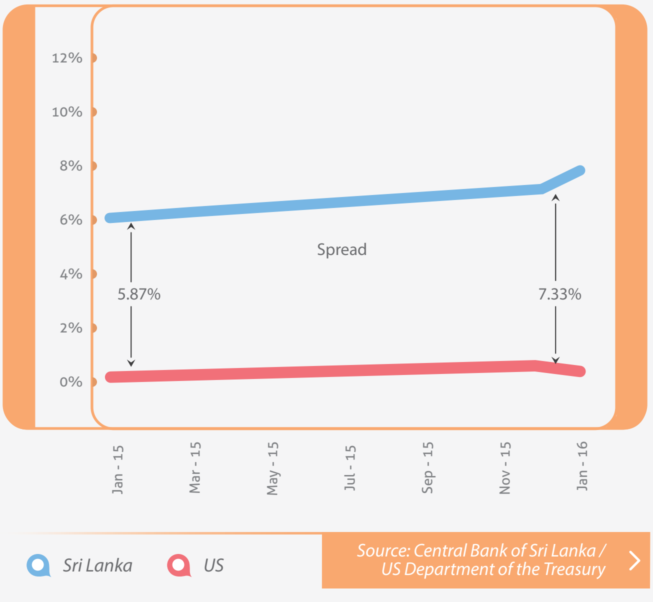
NDIB CRISIL Fixed Income Indices Total return as at 29/01/2016	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.55%	6.22%	7.41%
NDBIB-CRISIL 364 Day T-Bill Index	0.93%	4.83%	8.64%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	-0.52%	2.88%	11.22%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	-2.41%	-0.27%	11.56%

Source: www.crisil.com

Central Bank Policy Rates	2013	2014	2015	Latest
Sri Lanka	6.50%	6.50%	6.00%	6.00%
US	0.0% - 0.25%	0.0% - 0.25%	0.25% - 0.50%	0.25% - 0.50%
Euro Zone	0.25%	0.05%	0.05%	0.05%
Australia	2.50%	2.50%	2.00%	2.00%
India	7.75%	8.00%	6.75%	6.75%

Source: www.cbrates.com

1 YEAR TREASURY RATE - USD Vs. LKR



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

The more recent weak US economic data have cast doubts on the likelihood of a swift pace of Fed rate increases in 2016.

364 Day Treasury Bill Rate	Jan 15	Dec 15	Jan 16
Sri Lanka	6.05%	7.11%	7.80%
India	7.91%	7.25%	7.21%
US	0.18%	0.65%	0.47%
Euro Zone	-0.18%	-0.40%	-0.45%

Source: Respective Central Banks

	Rates on Savings Accounts - Jan 2016
Sri Lanka	4.50%
US	0.01%
Euro Zone	0.25%
Australia	2.70%
India	4.00%

Source: Respective Commercial Banks

Economic recovery in the 19-country eurozone lost steam in January, a sign that the turmoil in global financial markets is beginning to weigh on business activity in the area.

"IT'S NEVER TOO EARLY TO ENCOURAGE LONG TERM SAVINGS"

— NDB Wealth —

INFLATION RATES

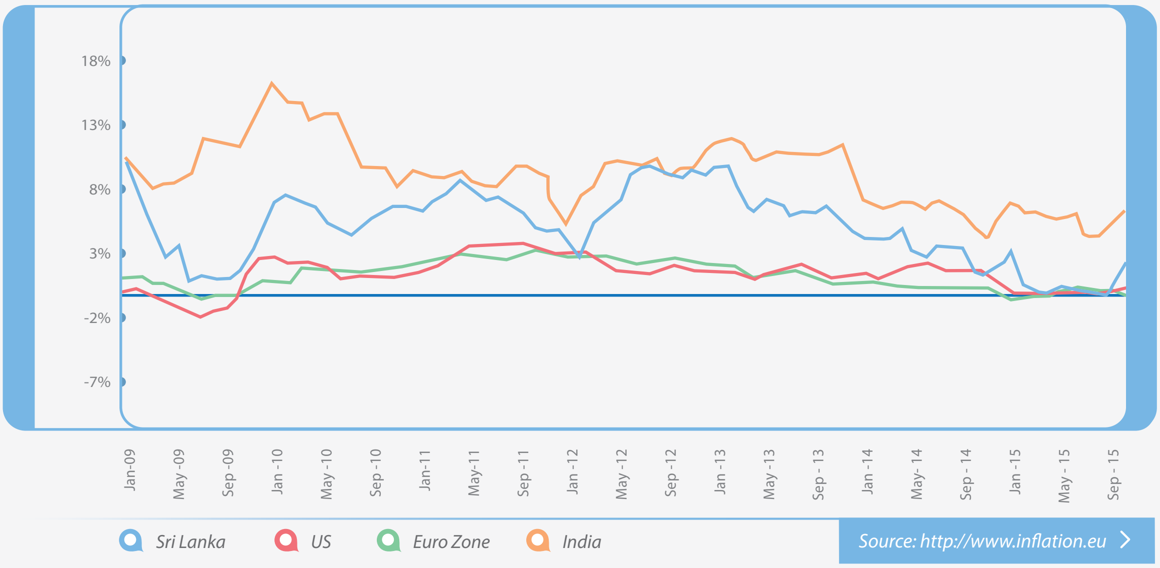
Country	Jan 15	Dec 15	Jan 16
Sri Lanka	3.21%	2.77%	0.93%
US	-0.09%	0.73%	0.73%*
Euro Zone	-0.60%	0.15%**	0.15%**
India	7.17%	6.32%	6.32%*

** November 2015 * December 2015

Source: Department of Census and Statistics - Sri Lanka

- Sri Lanka's inflation slowed to 0.9% year-on-year in January, from the previous month's 2.8% primarily owing to a fall in prices in the food and non-alcoholic beverages category
- Inflation is set to edge up from current levels in 2016 with demand side factors and LKR depreciation expected to drive prices up.
- On the global front inflation increased during the month of December.

GLOBAL INFLATION RATES



Source: http://www.inflation.eu

FOREX OUTLOOK

Exchange Rates Vs. LKR	Jan 16	Jan 15	1 Year App / (Dep) LKR
USD	143.92	132.20	-8.14%
GBP	206.59	199.35	-3.50%
EURO	157.36	149.81	-4.80%
YEN	1.21	1.12	-7.67%
AUD	102.15	102.92	0.76%
CAD	102.56	104.74	2.12%
INR	2.11	2.14	1.30%
BHD	382.23	350.62	-8.27%
CNY	21.89	21.15	-3.39%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee appreciated marginally by 0.10% against the US Dollar during January.
- The euro strengthened against the dollar to its highest level since last October amidst weak US economic data.
- Pressure is lingering for more depreciation of the Yuan and analysts believe China's central bank is likely to make another attempt at devaluation after its Lunar New Year.

USD PER 1 EURO MOVEMENT

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

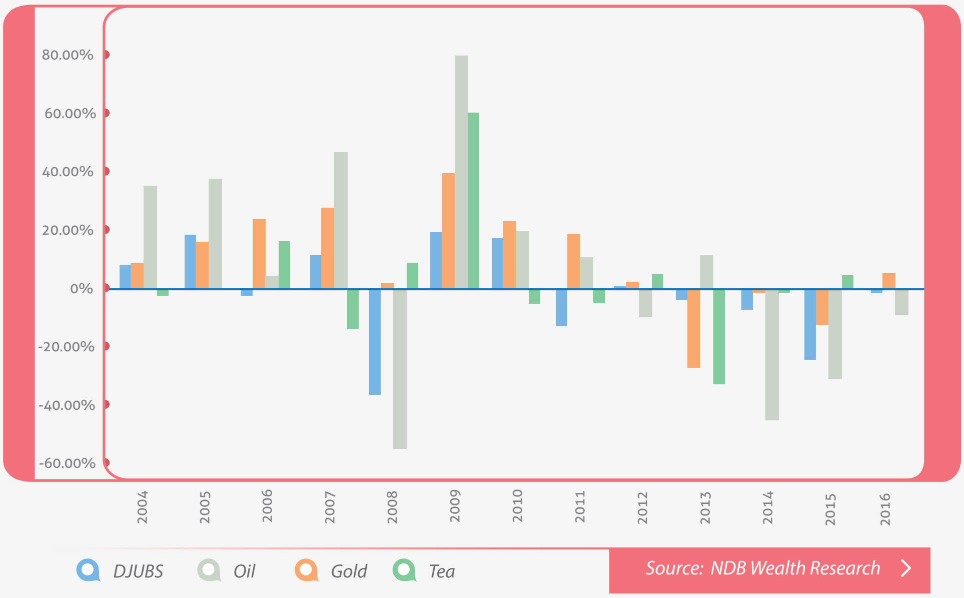
COMMODITY OUTLOOK

	1 month (1st Jan – 31st Jan 2016)	Past 12 months (Jan 2015 – Jan 2016)	YTD (1st Jan 2015 31st Jan 2016)
Bloomberg Commodity Index	-1.70%	-23.42%	-1.70%
Tea	-6.89%	18.62%	-6.89%
Gold	4.89%	-11.78%	4.89%
Oil	-9.35%	-24.28%	-9.35%

Source: Bloomberg, NDB Wealth Research

- Globally, commodity prices continued to be weak, as the demand from major consumers such as China declined further.
- The oil price dropped below USD 34 per barrel amid weak economic outlook and huge build up in US crude stockpiles suggesting the global supply glut is getting worse.
- According to the Wall Street Journal, latest data from the US Energy Information Administration has revealed another 7.8 million barrels had been added to domestic reserves last week of January 2016.
- Having hit a near 13-year low earlier this month of around USD 27.00 a barrel, crude oil price have risen to USD 36.00. The price has decoupled from the actual cost of production and is now dependent on whether there will be a deal to cut global supplies, which still exceed demand by at least one million barrels a day.
- Amid the market volatility in 2016, gold futures prices are already up nearly 9.5% in 2016, buoyed by expectations that global economic and financial headwinds could make it tough for the US Federal Reserve to raise rates in the near term.
- After posting three consecutive years of losses and falling to the lowest level in six years back in November 2015, gold prices are once again on the rise as investors seek shelter from the global volatility in the commodity known for its safe haven appeal.

Commodity Price Movemets

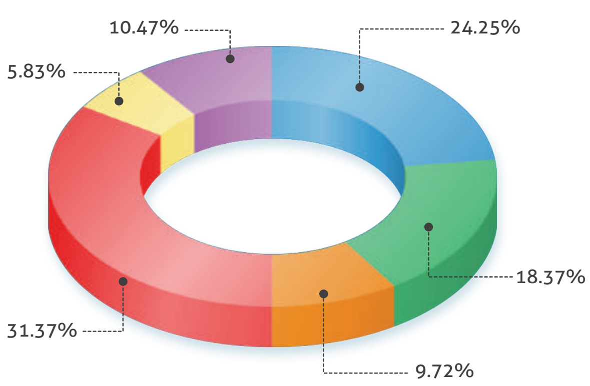


Source: NDB Wealth Research

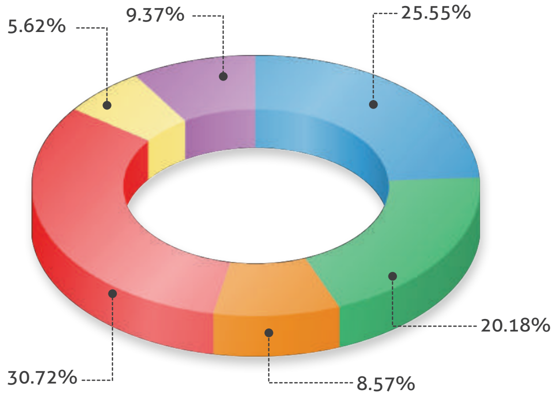
PROPERTY OUTLOOK

- According to the Travel and Tourism Index 2015, Sri Lanka's travel and tourism competitiveness jumped 18 ranks over the past four years.
- Improved focus on the tourism sector, significant infrastructure growth and enhanced marketing and promotional efforts by the government and the private sector, are expected to improve overall performance of the tourism industry, which is currently considered as a valuable contributor to the Sri Lankan economy.
- The number of tourists arriving to Sri Lanka increased to almost 1.8 million in attracting foreign currency worth USD 2.9 billion during the year (approximately).
- As a net importing nation, the Sri Lankan economy relies heavily on earnings from tourism to bridge the balance of payments deficit and thus seen as an important element of country's GDP growth.
- The tourism industry continues to experience the shift in the markets for the country's tourism sector, where higher number of arrivals is witnessed from Asian markets, while the arrivals from European tourists are declining as a percentage of arrivals (absolute numbers are still increasing).
- In 2015, tourists from India and China accounted for approximately 30% of total arrivals, which increased by over 43% in 2015 compared to 2014.
- Increase in tourists from India and China contributed to approximately 60% of the total increase in tourist arrivals during 2015.

TOURIST ARRIVALS BY REGION 2014



TOURIST ARRIVALS BY REGION 2015



South Asia | East Asia | Eastern Europe | Western Europe | Middle East | Other

Source: www.sltda.gov.lk

- According to the latest report released on Sri Lanka by JLL (A Review of Sri Lanka's Hospitality Industry), Sri Lanka has tremendous potential to target alternative source markets.

- The report states that Sri Lanka's cultural triangle is of great significance to the Buddhist population, with the country having a repository of over 6,000 Buddhist monasteries, which could attract Buddhist tourists in the Asia Pacific region.

- In spite of the improvement in the occupancy rates at graded hotel establishments to 74.3% during 2014, the demand growth has largely benefited the informal segment, with small boutique hotels and independent villas posing a strong threat to the formal hotel sector.

- Moreover, according to the report published by JLL, hotel markets in the north-west and south-west regions of the country have over the past years seen strong demand due to their proximity to Colombo, excellent road connectivity and strong existing infrastructure,

- Sri Lanka is currently in the middle of an infrastructure drive that could substantially alter the dynamics of the country's economy and provide a substantial boost to both domestic and international tourism.

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** launched 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 January 2016									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	2.83%	-	6.00%	6.00%	7.08%	7.55%	8.03%	-	8.50%
Bank of Ceylon Islamic Business Unit - As of January 2015									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.68%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-Al Adalah Islamic Banking unit - As of December 2015									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25				
Distributed Profit	4.00%	-	4.70%	5.08%	5.90%				
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of September 2015									
Profit Sharing Ratio*	45:55	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	4.07%	-	5.75%	6.00%	6.50%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of January 2016									
Profit Sharing Ratio*	40:60	-	-	60:40	65:35	-	-	-	-
3Mn - 50Mn									
Distributed Profit	5.14%	-	-	7.98%	8.98%	-	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of December 2015									
Profit Sharing Ratio*	46:54	-	46:54	50:50	56:44	74:26	78:22	-	-
Distributed Profit	6.46%	-	6.46%	7.03%	7.87%	10.24%	10.90%	-	-
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of December 2015									
Profit Sharing Ratio*	25:75	23:77	25:75	27:73	39:61	-	-	-	-
Distributed Profit	6.07%	5.59%	6.07%	6.56%	9.48%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of January 2016									
Profit Sharing Ratio*	30:70	35:65	40:60	42:58	45:55	50:50	52:48	55:45	60:40
Distributed Profit	4.88%	5.69%	6.50%	6.83%	7.32%	8.13%	8.45%	8.94%	9.75%
Peoples Leasing Islamic Business Unit - As of January 2016									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.16%	-	7.39%	8.01%	9.24%	-	-	-	-

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 MARCH 2015

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 Wayamba 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 PLC
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
		Information Technology	E B Creasy & Company PLC
		PC House PLC	Gestetner of Ceylon PLC

White List as at March 2015 valid up to March 2016.

Source: www.amanaasset.com

UNIT TRUST FUNDS OFFERED BY NDB WM

- NDB Wealth Growth Fund
- NDB Wealth Growth & Income Fund
- NDB Wealth Income Fund
- NDB Wealth Gilt Edged Fund
- NDB Wealth Money Fund
- NDB Wealth Money Plus Fund
- NDB Wealth Islamic Money Plus Fund
- LKR Short Term Treasury Fund

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GROWTH FUND

Fund Overview

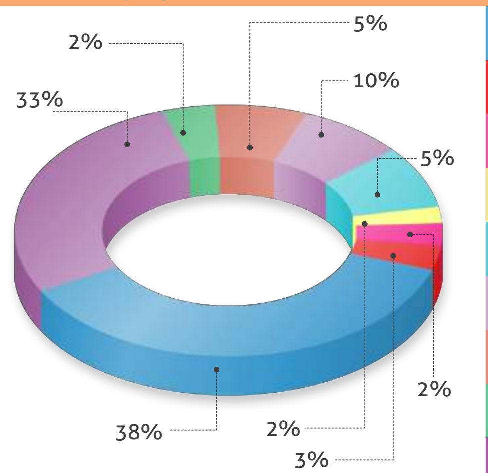
Type : Open Ended
Currency: LKR
Investments: Listed Equities

NDB Wealth 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

Fund Snapshot	31 Jan 2016
YTD Yield	-4.01%
NAV per unit	9.9290
AUM (LKR Mn.)	307.91
Fund Currency	LKR
Fund Inception	1 Dec 1997
Expense Ratio	2.52%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Max Equity Allocaiton	97.00%
Current Equity Allocaiton	66.89%
Fund Leverage	0.00%

Portfolio Equity Allocation



Top 5 Portfolio Holdings (In Alphabetical Order)

- HAYLEYS MGT KNITTING MILLS PLC
- NATIONAL DEVELOPMENT BANK PLC
- PEOPLES INSURANCE LTD
- SEYLAN BANK PLC
- TEXTURED JERSEY LANKA PLC

Historical Returns

Period	Fund Returns *•	ASPI Returns
Last Month	-4.01%	-8.04%
Last 3 Months	-5.66%	-9.97%
Last 6 Months	-8.72%	-13.53%
Last 12 Months	0.45%	-11.70%
Year 2015	2.69%	-5.54%
Year 2014	32.45%	23.44%

* 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	33.11%
Average Rating of Fixed Income	AAA
Average Duration	0.01

Maturity Profile

Marurity	% 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.
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 42, Nawam Mawatha,
Colombo 02, Sri Lanka.

Trustee and Custodian
Bank of Ceylon,
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Colombo 01, Sri Lanka.

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NDB | WEALTH

GROWTH AND INCOME FUND

Fund Overview

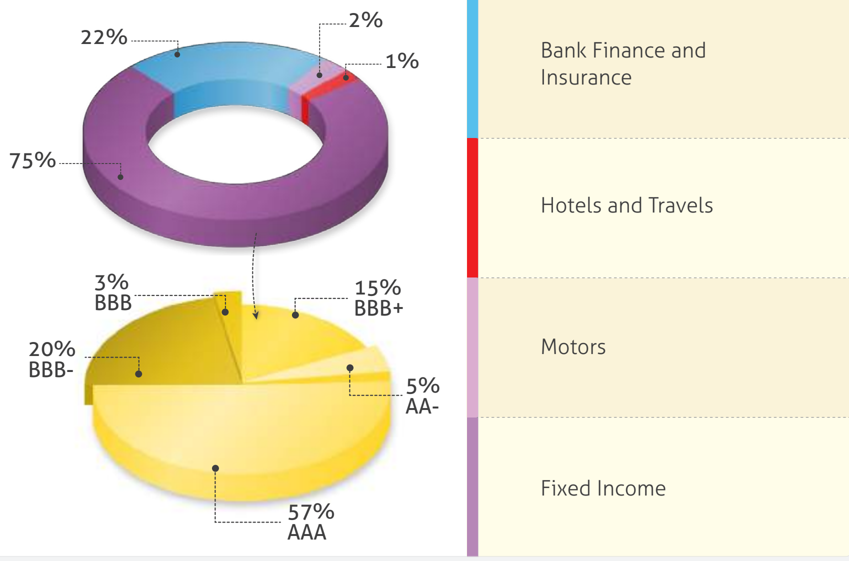
Type : Open Ended
Currency: LKR
Investments: Listed Equities and Corporate Debt

NDB Wealth 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.

Fund Snapshot

Fund Snapshot	31 Jan 2016
YTD Yield	-2.59%
NAV per unit	32.3050
AUM (LKR Mn.)	184.03
Fund Currency	LKR
Fund Inception	1 Dec 1997
Expense Ratio	2.00%
Dividend Frequency	Irregular
Last Dividend (LKR)	2.50
Max Equity Allocaiton	97.00%
Current Equity Allocaiton	25.03%
Fund Leverage	0.00%

Portfolio Allocation



Top 5 Portfolio Holdings (In Alphabetical Order)

- NATIONAL DEVELOPMENT BANK PLC
- PEOPLE'S LEASING COMPANY PLC
- SAMPATH BANK PLC
- SEYLAN BANK PLC
- UNITED MOTORS LANKA PLC

Historical Returns

Period	Fund Returns*●	ASPI Returns
Last Month	-2.59%	-8.04%
Last 3 Months	-3.63%	-9.97%
Last 6 Months	-6.66%	-13.53%
Last 12 Months	-0.03%	-11.70%
Year 2015	2.16%	-5.54%
Year 2014	24.64%	23.44%

* 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	74.97%
Average Rating of Fixed Income	A+
Average Duration	0.4

Marurity Profile

Marurity	% Holding
Under 1 Month	57.30%
3 Months - 6 Months	7.60%
6 Months - 1 Year	19.80%
1 Year - 5 Years	15.40%

Other Features

Valuation	Daily Valuation. Instruments less than one year - cost plus accrued basis. Instruments greater than one year - marked to market.
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,
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NDB | WEALTH

INCOME FUND

Fund Overview

Type : Open Ended
Currency: LKR

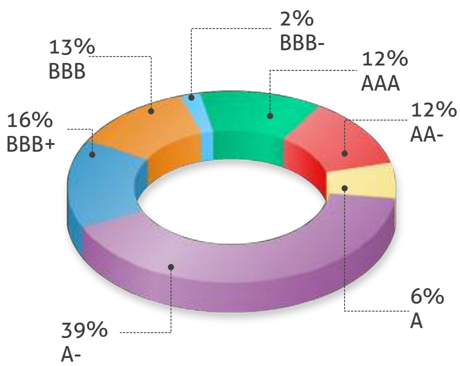
Investments: Corporate Debt Instruments

NDB Wealth 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 Jan 2016

YTD Yield	0.59%
YTD Yield (Annualized)	6.92%
NAV per unit	10.1658
AUM (LKR Mn.)	1,308.68
Fund Currency	LKR
Fund Inception	1 Dec 1997
Expense Ratio	1.24%
Dividend Frequency	Semi Annual
Last Dividend	0.35
Average Maturity (Yrs)	0.6
Average Duration	0.43
Average Rating	A-

Credit Profile



Rating	Duration
AAA	0.01
AA-	0.1
A	0.1
A-	0.3
BBB+	0.3
BBB	1.7
BBB-	0.5

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	30.20%	7.90%
1 Month - 3 Months	28.80%	8.40%
3 Months - 6 Months	26.50%	8.50%
6 Months - 1 Year	10.70%	9.60%
Over 5 Years	3.80%	12.00%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*
Year to Date	0.59%	6.92%	9.61%
Last Month	0.59%	6.92%	9.61%
Last 3 Months	1.56%	6.21%	8.62%
Last 6 Months	3.27%	6.46%	8.97%
Last 12 Months	6.68%	6.68%	9.28%
Year 2015	6.65%	6.65%	9.24%
Year 2014	10.68%	10.68%	14.84%

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

Other Features

Valuation	Daily Valuation. All Instruments are Marked to market.
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,
No 42, Nawam Mawatha,
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Trustee and Custodian
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NDB | WEALTH

GILT EDGED FUND

Fund Overview

Type : Open Ended
Currency: LKR

Investments: Government of Sri Lanka Securities

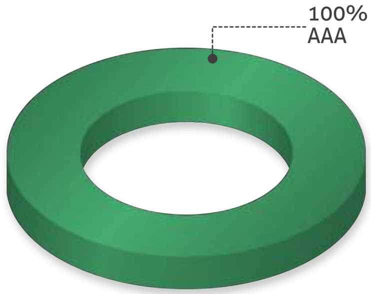
NDB Wealth Gilt Edged Fund is an open-end fund incorporated in Sri Lanka, invested in Government of Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions. The Fund aims to maximize returns from investments by investing the fund exclusively in government securities and government guaranteed securities. The fund pays a regular income through the **quarterly dividends** which can be automatically reinvested in the fund.

The NDB Wealth 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).

Fund Snapshot

Fund Snapshot	31 Jan 2016
YTD Yield	0.55%
YTD Yield (Annualized)	6.47%
NAV per unit	10.2074
AUM (LKR Mn.)	372.29
Fund Currency	LKR
Fund Inception	1 Dec 1997
Expense Ratio	0.92%
Dividend Frequency	Quarterly
Last Dividend (LKR)	0.1
Average Maturity (Yrs)	0.12
Average Duration	0.12
Average Rating	AAA

Credit Profile



Rating	Duration
AAA	0.1

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	63.10%	7.70%
1 Month - 3 Months	24.50%	7.40%
6 Months - 1 Year	12.40%	7.30%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Year to Date	0.55%	6.47%	8.98%	8.08% Net of WHT
Last Month	0.55%	6.47%	8.98%	8.08% Net of WHT
Last 3 Months	1.68%	6.67%	9.26%	8.34% Net of WHT
Last 6 Months	3.22%	6.39%	8.87%	7.99% Net of WHT
Last 12 Months	6.13%	6.13%	8.51%	7.66% Net of WHT
Year 2015	6.04%	6.04%	8.39%	7.55% Net of WHT
Year 2014	7.46%	7.46%	10.36%	9.33% 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.
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,
No 42, Nawam Mawatha,
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NDB | WEALTH

MONEY FUND

Fund Overview

Type : Open Ended
Currency: LKR

Investments: Short Term Government Securities

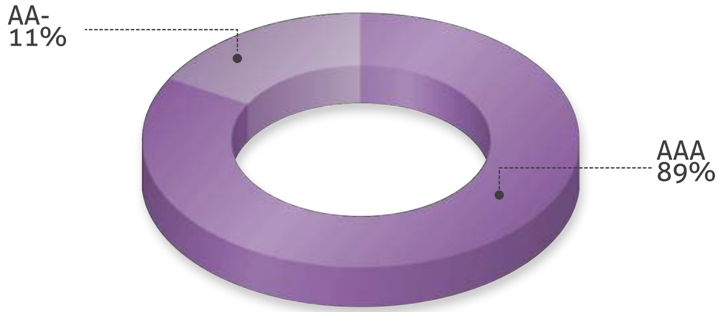
NDB Wealth Money Fund is an open-end money market fund incorporated in Sri Lanka,invested in Government of Sri Lanka Treasury Bills, government securities backed Repurchase transactions and short term bank deposits.

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.

Fund Snapshot

Fund Snapshot	31 Jan 2016
YTD Yield	0.55%
YTD Yield (Annualized)	6.45%
NAV per unit	13.3502
AUM (LKR Mn.)	1,950.48
Fund Currency	LKR
Fund Inception	1 Jun 2012
Expense Ratio	0.72%
Dividend Frequency	Irregular
Last Dividend	None
Average Maturity (Yrs)	0.08
Average Duration	0.07
Average Rating	AA+

Credit Profile



Rating	Duration
AAA	0.01
AA-	0.4

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	85.70%	7.10%
3 Month - 6 Months	5.40%	6.60%
6 Month - 1 Year	9.00%	7.20%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Year to Date	0.55%	6.45%	8.96%	8.07% Net of WHT
Last month	0.55%	6.45%	8.96%	8.07% Net of WHT
Last 3 months	1.59%	6.32%	8.77%	7.89% Net of WHT
Last 6 months	3.23%	6.41%	8.90%	8.01% Net of WHT
Last 12 months	6.71%	6.71%	9.33%	8.39% Net of WHT
Year 2015	6.62%	6.62%	9.19%	8.28% Net of WHT
Year 2014	6.82%	6.82%	9.47%	8.53% 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.
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 42, Nawam Mawatha,
Colombo 02, Sri Lanka.

Trustee and Custodian
Deutsche Bank,
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Sales Hotline - +94 719 788788

NDB | WEALTH

MONEY PLUS FUND

Fund Overview

Type : Open Ended
Currency: LKR

Investments: Money Market Corporate Debt Securities

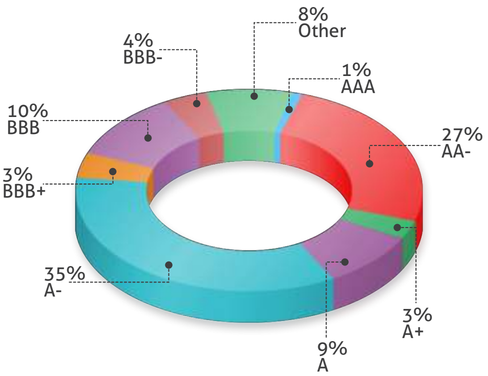
NDB Wealth Money Plus Fund is an open-end money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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.

Fund Snapshot

Fund Snapshot	31 Jan 2016
YTD Yield	0.62%
YTD Yield (Annualized)	7.35%
NAV per unit	14.2746
AUM (LKR Mn.)	25,915.70
Fund Currency	LKR
Fund Inception	1 Jun 2012
Expense Ratio	0.79%
Dividend Frequency	Irregular
Last Dividend	None
Average Maturity (Yrs)	0.28
Average Duration	0.27
Average Rating	A-

Credit Profile



Rating	Duration
AAA	0.01
AA-	0.2
A+	0.1
A	0.4
A-	0.2
BBB+	0.5
BBB	0.4
BBB-	0.2
Other	0.2

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	24.60%	8.20%
1 Month - 3 Months	21.50%	8.50%
3 Months - 6 Months	38.90%	7.80%
6 Months - 1 Year	15.00%	8.20%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*
Year to Date	0.62%	7.35%	10.20%
Last Month	0.62%	7.35%	10.20%
Last 3 Months	1.83%	7.27%	10.09%
Last 6 Months	3.58%	7.11%	9.87%
Last 12 Months	6.95%	6.95%	9.66%
Year 2015	6.85%	6.85%	9.51%
Year 2014	8.66%	8.66%	12.03%

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

Fund Manager
NDB Wealth Management Ltd,
No 42, Nawam Mawatha,
Colombo 02, Sri Lanka.

Trustee and Custodian
Deutsche Bank,
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Colombo 03, Sri Lanka.

Contact
General - +94 11 2 303 232
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Sales Hotline - +94 719 788788

NDB | WEALTH

ISLAMIC MONEY PLUS FUND

Fund Overview

Type : Open Ended
Currency: LKR

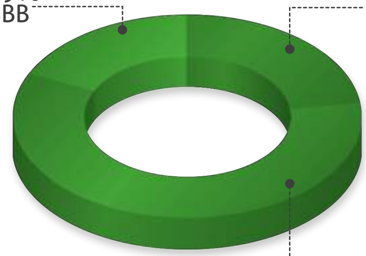
Investments: Short Term Shariah Compliant Investments

NDB Wealth 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 compaliant securities.

Fund Snapshot

Fund Snapshot	31 Jan 2016
YTD Yield	0.56%
YTD Yield (Annualized)	6.55%
NAV per unit	10.35
AUM (LKR Mn.)	12.80
Fund Currency	LKR
Fund Inception	1 Jun 2015
Expense Ratio	1.05%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Average Duration	0.41
Average Rating	A-

Credit Profile



Rating	Duration
AA-	0.49
A-	0.42
BBB	0.34

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Less than - 1 Month	33.26%	4.84%
1 Months - 3 Months	13.28%	7.90%
3 Months - 6 Months	8.25%	7.30%
6 Months - 1 Year	45.21%	6.60%

Target Asset Allocation

Investment Type	Asset Allocation
Shariah compliant money market investments up to 366 days	Max 90%
Shariah compliant money market investments less than 15 days	Min 10%

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	0.56%	6.55%	9.10%
Last month	0.56%	6.55%	9.10%
Last 3 months	1.45%	5.76%	7.99%
Year to Date	0.56%	6.55%	9.10%

* 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.
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,
No 42, Nawam Mawatha,
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NDB | WEALTH

LKR TREASURY FUND

Fund Overview

Type : Open Ended
Currency: LKR

Investments: Short Term Government & Government backed Securities

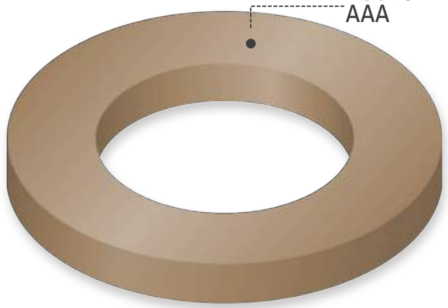
Short-term LKR Treasury Fund is an open-end money market fund which will invest exclusively in Government and Government backed securities.

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).

Fund Snapshot

Fund Snapshot	31 Jan 2016
YTD Yield	0.49%
YTD Yield (Annualized)	5.74%
NAV per unit	10.6338
AUM (LKR Mn.)	1,257.84
Fund Currency	LKR
Fund Inception	19 Dec 2014
Expense Ratio	0.75%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Average Maturity (Yrs)	0.04
Average Duration	0.04
Average Rating	AAA

Credit Profile



Rating	Duration
AAA	0.01

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	100.00%	7.10%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Year to Date	0.49%	5.74%	7.97%	7.18% Net of WHT
Last month	0.49%	5.74%	7.97%	7.18% Net of WHT
Last 3 months	1.41%	5.61%	7.79%	7.01% 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.
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% p.a. of NAV.

Fund Manager
NDB Wealth Management Ltd,
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DISCLAIMER

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