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MY WEALTH
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MARKET UPDATE AND FUND REVIEW

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NDB | WEALTH

2016
OCTOBER

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MARKET BRIEF BY NDB WEALTH

PRESSURE ON INFLATION

Inflation as measured by the CCPI, increased to 4.2% in October on a year-on-year basis as well on the NCPI to 4.7% year-on-year in September owing to increases in both food and non-food prices. We are of the view that inflation will edge up from these levels during the remainder of the year owing to the impact of the VAT increase, supply-side pressures from bad weather conditions and festive demand, increasing prices of goods and services.

PRESSURE ON THE RUPEE REMAINS

The Sri Lankan Rupee depreciated by 0.27% against the US Dollar in October with foreign selling witnessed on LKR denominated government securities. Depreciation so far for the year against the USD stands at 2.07% The LKR is expected to see further pressure in the longer term owing to the scheduled repayment of foreign debt and the higher import bill.

INTEREST RATES EDGE UP

Interest rates moved up in October with the 364-day Treasury Bill rate closing the month at 10.24%. Reversing previous month's trend, foreigners were net sellers of local government securities pushing-up rates on the longer tenure maturities. Credit growth finally witnessed a slow-down in August following the monetary tightening measures implemented by the government taking effect. However long term pressure on rates still remains owing to higher debt repayments and possibilities of a US rate hike towards the end of the year. Further, uncertainty surrounding the outcome of the US Presidential election may also weigh in on interest rates.

LACKLUSTER EQUITY MARKET

The All Share Price Index and the S&P SL 20 Index declined 1.92% and 1.59% respectively during October amid the uncertain political environment and with investors staying out of the market until the outcome of the budget in November. Foreign investors however, continued to be net buyers of over LKR 1.2 billion during the month. We expect the market to be range-bound in the shorter term until more clarity is visible through the upcoming budget.

MAXIMIZE RETURNS VIA 'MY WEALTH FUNDS'

The two money market funds offered by NDB Wealth; The NDB Wealth Money Fund and the NDB Wealth Money Plus Fund, currently offer attractive tax-free returns to short-term investors and are ideally placed to capture upswings in interest rates. Investors with a long-term investment horizon, willing to withstand the current volatility looking to enter the stock market could consider investment options via the NDB Wealth Growth Fund and the NDB Wealth Growth and income Fund.

Amaya Nagodavithane

Research Analyst

EQUITY OUTLOOK

	Past month Performance (1st Oct – 31st Oct 2016)	Past 12 months Performance (Oct 2015 – Oct 2016)	Year to Date Performance (1st Jan – 31st Oct 2016)
All Share Price Index	-1.92%	-8.99%	-7.04%
S&P SL 20	-1.59%	-6.39%	-1.81%
MSCI Frontier Markets Index	-0.40%	1.76%	1.76%
MSCI World Index	-1.91%	1.79%	4.04%
MSCI Emerging Markets	0.24%	9.27%	16.30%
MSCI Asia Ex Japan	-1.52%	6.59%	10.84%

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

The two main indices of Colombo Stock Exchange (CSE), All Share Price Index and S&P SL 20 declined by 1.92% and 1.59% respectively, during October 2016.

Lack of policy coherence and sudden uncertainty crept in to the political environment may have hampered the investor sentiment.

The expectations of tax and other economic policies in the upcoming budget in November also might have been a reason for lower activity levels in the stock market.

Emerging markets index, which has low market capitalization and liquidity relative to developed markets, was the only gainer in global markets during October, continuing to hold the top spot for year-to-date performance among the major asset classes.

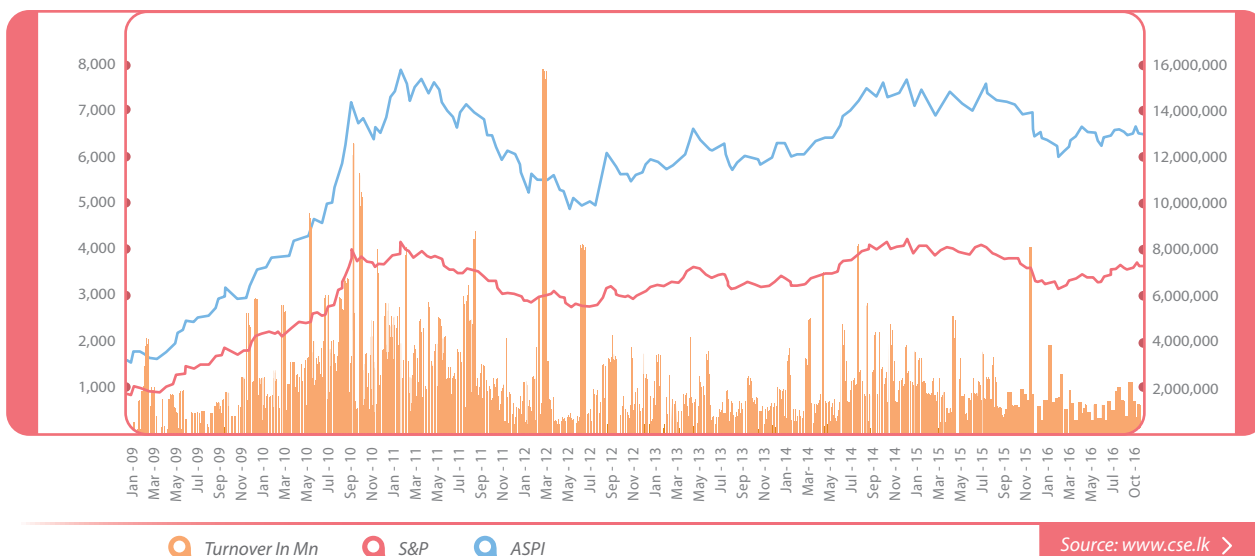
In the recent years the region struggled mainly due to the slowing growth in China (the country saw its GDP fall from about 11% in 2010 to around 7.7% in 2015), falling commodity prices and political instability, which caused investors to shift investments to developed market assets and less emerging market ones.

However, the Brexit vote led to investors shifting funds again to emerging markets, as the European markets may have deemed unstable, post election.

In spite of the above, fears over rising interest rates in the U.S, another major factor which negatively affected emerging markets, might be a decisive factor on whether funds would continue to flow in to emerging markets in the next few months.

Moreover, the outcome of the US election may also have short term repercussions on equity markets worldwide, as uncertainty could affect investor sentiment in global markets.

CSE PERFORMANCE



		Oct 2016	Oct 2015
CSE	Market PER	13.28 X	18.26 X
	Market PBV	1.47 X	2.01 X
	Market DY	3.05%	2.14%
MSCI Frontier Markets	Market PER	12.18 X	10.54 X
	Market PBV	1.52 X	10.47X
	Market DY	4.36%	4.14%

Source: www.cse.lk

Foreign investors continued to be net buyers for the fourth consecutive month, as total net foreign selling in 2016 reduced to approximately LKR 1.73 billion.

Colombo Stock Exchange	Jan - Oct 2016	Jan - Oct 2015
Foreign Inflows	LKR 54.21 Billion	LKR 70.19 Billion
Foreign Outflows	LKR 55.95 Billion	LKR 66.50 Billion
Net Foreign Inflows/(Outflows)	(LKR 1.73 Billion)	(LKR 3.70 Billion)

Source: www.cse.lk

“ DON'T BE AFRAID TO BUY THE DIPS ”

— Warren Buffet —



FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

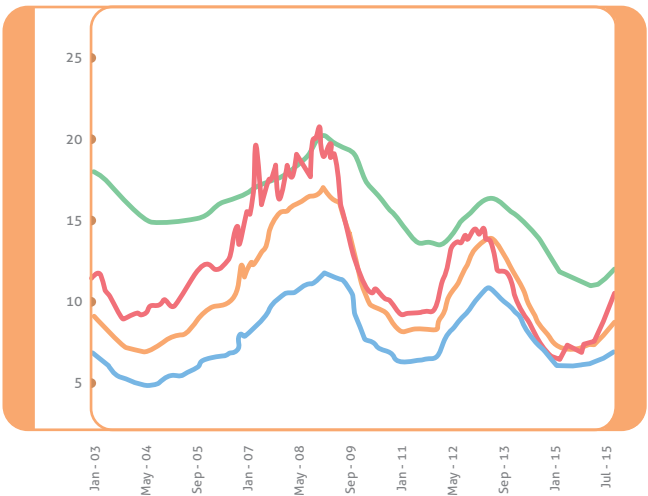
The Central Bank of Sri Lanka (CBSL) held the key policy rates stable during October maintaining the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 8.50% and 7.00% respectively.

	Oct 15	Dec 15	Sep 16	Oct 16
364 Day T-bill	7.06%	7.11%	10.11%	10.24%
5-Year Bond	10.04%	10.04%	11.27%	11.69%
1-Year Finance Company Fixed Deposit (A+)*	7.80%	8.29%	10.73%	10.73%

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

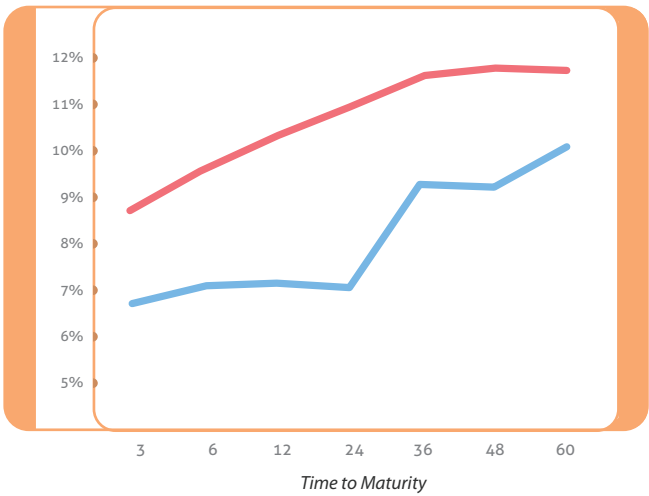
Source: Central Bank of Sri Lanka >

AVERAGE LENDING & DEPOSIT RATES



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

YIELD CURVE - LKR TREASURIES



Oct - 15 Oct - 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 edged up with the 364-day T-Bill rate rising to 10.24% and the 182-day and 91-day Treasury Bills closing the month at 9.48% and 8.60% respectively.

Money supply (Broad money - M2b) decelerated to 17.3% year-on-year in August 2016, whilst credit granted to the private sector slowed to 27.3% year-on-year, from 28.5% in the previous month indicating policy tightening measures finally taking effect.

Total Govt. Debt LKR 4,665 Billion / USD 32.12 Billion	
T Bills (Total)	T Bonds (Total)
LKR 712 Billion	LKR 3,953 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 4,364 Billion	LKR 301 Billion
Total Foreign Holding of Bills and Bonds – 6.45%	

Source: Central Bank of Sri Lanka >

Foreign holding of government securities decreased (net) in October by LKR 13.75 billion to 6.45% from 6.71% in the previous month. On a year-to-date basis too foreigners were net sellers on Rupee denominated bills and bonds amounting to LKR 3.06 billion.

1 Year FD Rates – Sri Lankan Banks			Rates on Credit Cards		Oct 16
	Oct 2016	Sep 2016			
NSB	11.00%	11.00%	HSBC		24.00%
COMB	10.50%	10.00%	SCB		24.00%
SAMP	11.00%	11.00%	Sampath		24.00%
HNB	10.50%	10.50%	NDB		21.00%
NDB	12.00%	12.00%	AMEX		24.00%

Source: Respective Commercial Banks >

Commercial Bank increased their fixed deposit rates during the month of October.

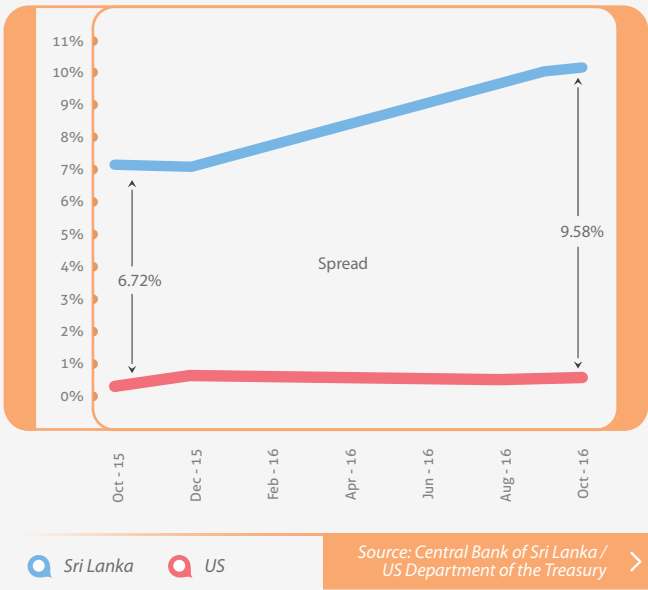
NDIB CRISIL Fixed Income Indices Total return as at 31/10/2016	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	2.17%	7.60%	7.03%
NDBIB-CRISIL 364 Day T-Bill Index	2.48%	5.64%	7.23%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	2.49%	3.84%	9.19%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	2.54%	0.20%	9.23%

Source: www.crisil.com >

Central Bank Policy Rates	2013	2014	2015	Latest
Sri Lanka	6.50%	6.50%	6.00%	7.00%
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%	0.00%
Australia	2.50%	2.50%	2.00%	1.50%
India	7.75%	8.00%	6.75%	6.25%

Source: www.cbrates.com >

1 YEAR TREASURY RATE - USD Vs. LKR



Hillary Clinton’s lead over Donald Trump in opinion polls is narrowing as the final week before the US presidential election approaches. An upset win by Donald Trump may increase market volatility in the short term until a clear direction is observed.

364 Day Treasury Bill Rate	Oct 15	Dec 15	Sep 16	Oct 16
Sri Lanka	7.06%	7.11%	10.11%	10.24%
India	7.18%	7.25%	6.58%	6.46%
US	0.34%	0.65%	0.59%	0.66%
Euro Zone	-0.33%	-0.40%	-0.72%	-0.74%

Source: Respective Central Banks >

	Rates on Savings Accounts - Oct 2016
Sri Lanka	4.25%
US	0.01%
Euro Zone	0.01%
Australia	1.95%
India	4.00%

Source: Respective Commercial Banks >

The Reserve Bank of India following the appointment of its new governor, slashed its key policy rate by 0.25% to 6.25% its lowest level since November 2010 with a view of boosting the economy.

“ IT’S TIME TO THINK BIG
AND START SMALL ”
— NDB Wealth —



INFLATION RATES

Country	Oct 15	Dec 15	Sep 16	Oct 16
Sri Lanka	1.73%	2.77%	3.91%	4.17%
US	0.17%	0.73%	1.46%	1.46%*
Euro Zone	0.12%	0.23%	0.41%	0.41%*
India	6.32%	6.32%	4.14%	4.14%*

*September 2016

Source: Department of Census and Statistics - Sri Lanka >

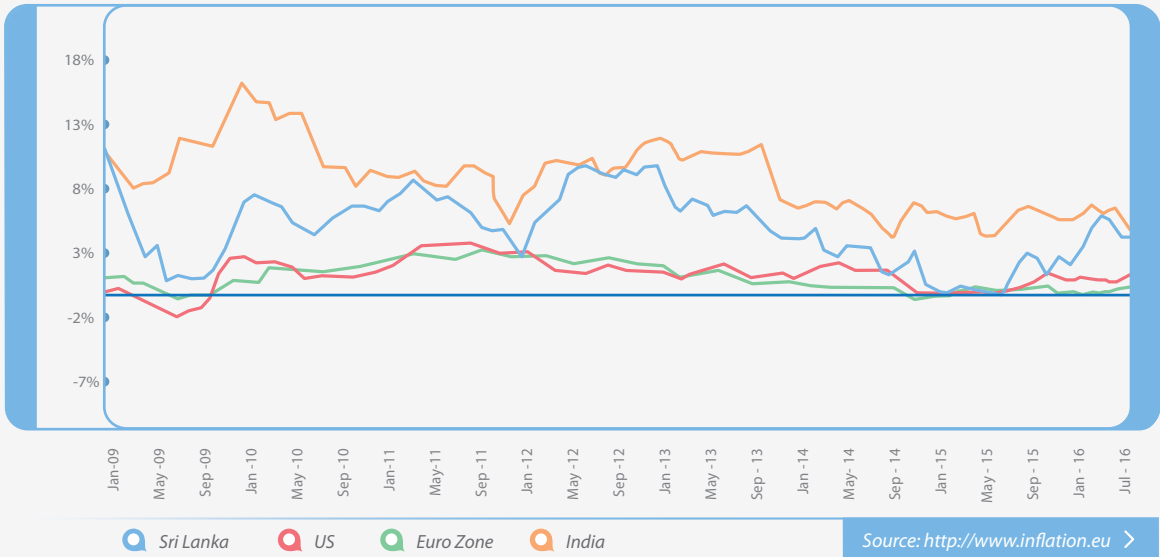
Inflation as measured by the CCPI (2006/07=100), rose to 4.2% in October on a year-on-year basis from the previous month's 3.9% owing to food inflation. On an annual average basis too inflation has been steadily rising, increasing to 3.6% in October. Core inflation, which excludes the more volatile aspects of price movements, however remained at 4.2%.

Inflation as measured by the NCPI (2013=100; which has a time lag of 21 days) also increased to 4.7% on a year-on-year basis in September from 4.5% in August with both food and Non-food categories contributing towards this increase.

We are of the view that inflation will edge up from current levels amid the VAT increase (from 11% to 15%) and festive demand and supply disruptions from bad weather conditions.

On the global front, US and Euro zone inflation increased to 1.46% and 0.41% year-on-year respectively during the month of September.

GLOBAL INFLATION RATES



FOREX OUTLOOK

Exchange Rates Vs. LKR	Oct 16	Oct 15	1 Year App / (Dep) LKR
USD	147.11	140.85	-4.25%
GBP	179.20	215.77	20.41%
EURO	161.27	154.63	-4.12%
YEN	1.40	1.17	-16.94%
AUD	111.81	100.03	-10.53%
CAD	109.66	107.04	-2.38%
INR	2.20	2.16	-2.10%
BHD	390.11	373.60	-4.23%
CNY	21.73	22.19	2.10%

Source: Central Bank of Sri Lanka >



The Sri Lankan Rupee depreciated by 0.27% against the US Dollar (USD) during October to close the month at LKR 147.1136 per 1 USD however continued to appreciate against the British Pound rising 6.12%.



The US dollar fell against the euro on political uncertainty, surrounding the US presidential election.



On the above backdrop the Pound rose against the Dollar as investors were pushing away from the USD based on election uncertainty.

USD PER 1 EURO MOVEMENT



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

COMMODITY OUTLOOK

	1 month (1st Oct – 31st Oct 2016)	Past 12 months (Oct 2015 – Oct 2016)	YTD (1st Jan - 31st Oct 2016)
Bloomberg Commodity Index	-0.52%	-2.89%	8.07%
Tea	6.76%	36.06%	29.97%
Gold	-4.55%	9.23%	18.54%
Oil (Brent)	7.66%	3.35%	31.84%

Source: www.worldbank.com, Bloomberg and NDB Wealth Researchh >

The fourth quarter of 2016 started on a weak note, with total returns on Bloomberg Commodity Index falling by 0.52% (year to date return of the index is 8.07%).

Oil started strong, with hopes of an agreed output cap between OPEC and Non-OPEC producers pushing the international marker Brent above USD 50 a barrel.

However, by the end of the month oil prices decreased as discussions between OPEC and other producers failed to yield details on an accord to cut output.

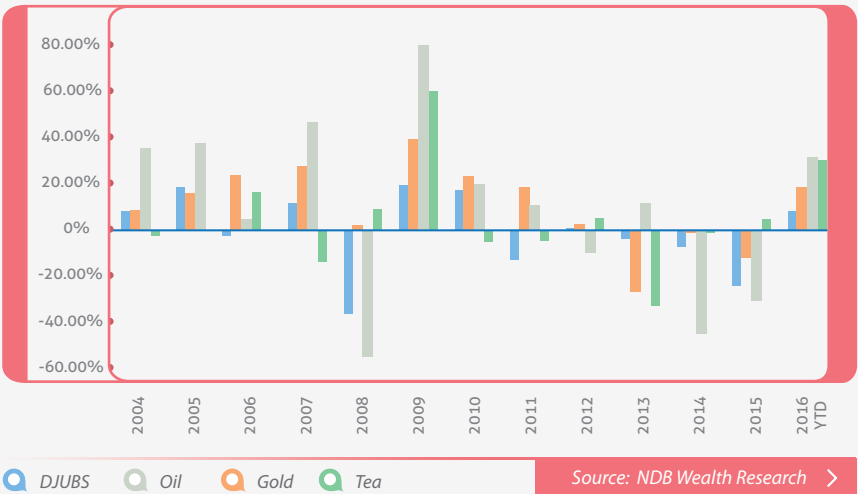
The outcome of the OPEC meeting at the end of November may decide the future of oil prices, which may vary between USD 45 to USD 55, depending on the decision on some form of production freeze.

Gold prices declined below USD 1,300 a troy ounce during October, reducing the year to date gain on the precious metal during 2016 below 20% in 2016.

However, analysts point out that physical demand from the likes of China and India is strong, which is supporting the market at its current level for now. HSBC mentioned that Hong Kong's net gold exports to mainland China totaled 555,300 kg for the first eight months of 2016, an increase of 15% compared with the same period last year.

HSBC also mentioned that gold may not move significantly until "geopolitical uncertainty" clears. Broadly, a victory for Donald Trump in the US election may negatively affect markets and could support the price of safe haven assets like gold.

Commodity Price Movemets



PROPERTY OUTLOOK

In recent years, Sri Lanka has been experiencing a rapid demand for property within Colombo and its suburbs.

As new large-scale developments are rising in the city, many local and international investors have shown interest in Sri Lanka's real estate market.

While lower interest rates prevailed in 2013/2014 and the perception of scarcity of land within the city limits may have largely contributed towards the price increase.

On the other hand, the high living cost in Colombo has resulted in an increase in demand for housing in the outer suburbs of Colombo, where locals are looking to relocate to the suburbs which are well connected by public transport services.

Thilan Wijesinghe, Chariman of TWC Corp (Pvt) Ltd believes the government should intervene to correct the real estate prices in Colombo to create opportunities for the middle class.

According to an article published on dailymirror.lk, Mr. Wijesinghe reflected that the Urban Development Authority (UDA) relying on unrealistic valuations of a chief valuer, has missed the opportunity of releasing state land at realistic price levels, while the private land owners had capitalized on this situation by selling their properties at prices set by the government.

However, Mawilmada, who was the previous UDA Director General, was of the view that such a move was not possible for the government, since releasing land had to be done through a systematic tender process and the government's land bank of over 229 acres around Colombo 1, 2 and 11 could be set aside for investment related to entertainment under the Megapolis Project.

According to the article, Suresh Rajendra, President of John Keells Holdings PLC Property Sector, noted that due to the long term nature of the investment, real estate bubble within the Colombo city is likely to continue as long as the luxury apartments remain trendy and in demand.

However, considering the affordability of current land prices in the capital Colombo and the suburbs, it may be realistic to expect a correction from the current levels which seem to be unsustainable, especially considering the market interest rates and possible over supply of land, if the UDA decides to release more than in the coming years.

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 October 2016									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.01%	-	6.96%	7.21%	8.45%	9.44%	9.49%	-	9.94%
Bank of Ceylon Islamic Business Unit - As of September 2016									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.81%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of October 2016									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25				
Distributed Profit	5.60%	-	7.48%	8.12%	9.42%				
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of June 2016									
Profit Sharing Ratio*	40:60	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	4.16%	-	7.00%	7.50%	8.00%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of October 2016									
Profit Sharing Ratio*	40:60	40:60	45:65	60:40	65:35	-	-	-	-
3Mn - 50Mn									
Distributed Profit	5.00%	5.75%	7.25%	8.00%	11.00%	-	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of October 2016									
Profit Sharing Ratio*	40:60	42:58	54:46	60:40	64:36	72:28	75:25	-	-
Distributed Profit	6.62%	6.95%	8.93%	9.93%	10.59%	11.91%	12.41%	-	-
Commercial Leasing & Finance PLC- Islamic Finance – As of September 2016									
Profit Sharing Ratio*	35:65	45:55	47:53	47:53	55:45	59:41	61:39	63:47	65:35
Distributed Profit	7.23%	9.29%	9.71%	10.33%	11.36%	12.18%	12.60%	13.01%	13.42%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of September 2016									
Profit Sharing Ratio*	30:70	30:70	34:66	38:62	42:58	-	-	-	-
Distributed Profit	7.74%	9.05%	9.83%	10.60%	11.12%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of August 2016									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	56:44	59:41	60:40	63:37
Distributed Profit	5.09%	10.17%	10.51%	11.19%	11.19%	9.49%	10.00%	10.17%	10.68%
Peoples Leasing Islamic Business Unit - As of October 2016									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.36%	-	8.48%	9.19%	10.60%	-	-	-	-

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 SEPTEMBER 2016

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	Lake House Printing & Publishers PLC
Ceylon Tea Services PLC	The Colombo Fort Land & Building Co. PLC	Alumex PLC	Kalamazoo Systems PLC
Convenience Foods PLC	Healthcare	Central Industries PLC	Power & Energy
Harischandra Mills PLC	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

Source: www.amanaasset.com >

Note 1: The White List has taken to consideration company financials as at December 31, 2015 and March 31, 2016
 Note 2: No exclusions from previously published White List
 Note 3: No new inclusions from previously published White List

UNIT TRUST FUNDS OFFERED BY NDB WM

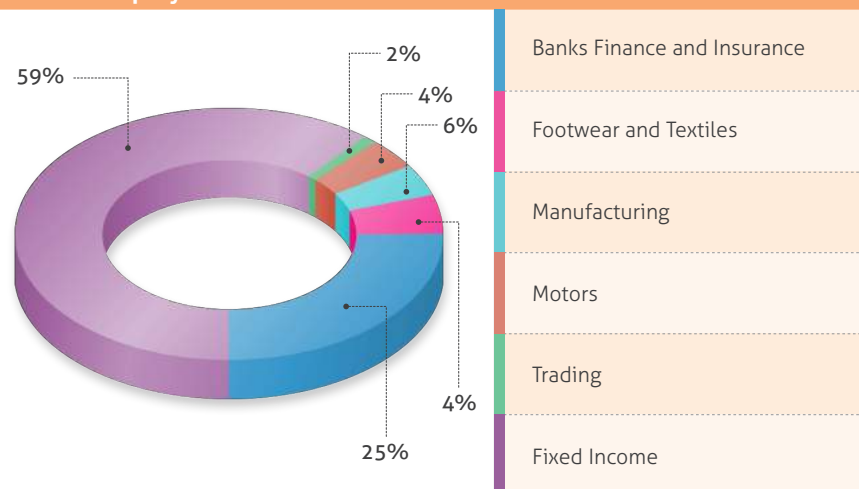


- NDB Wealth Growth Fund
- NDB Wealth Growth & Income Fund
- NDB Wealth Income Fund
- NDB Wealth Income Plus Fund
- NDB Wealth Money Fund
- NDB Wealth Money Plus Fund
- NDB Wealth Islamic Money Plus Fund
- LKR Short Term Treasury Fund
- NDB Wealth Gilt Edged Fund

Fund Overview

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

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.

Portfolio Equity Allocation

Historical Returns

Period	Fund Returns **	ASPI Returns
Last Month	-0.80%	-1.92%
Last 3 Months	2.74%	0.24%
Last 6 Months	2.48%	-1.64%
Last 12 Months	-2.19%	-8.99%
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

Fund Snapshot
31 Oct 2016

YTD Yield	-0.48%
NAV per unit	10.2945
AUM (LKR Mn.)	308.55
Fund Currency	LKR
Fund Inception	1 Dec 97
Expense Ratio	2.33%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Max Equity Allocation	97.00%
Current Equity Allocation	41.29%
Fund Leverage	0.00%

Top 5 Portfolio Holdings (In Alphabetical Order)

HAYLEYS MGT KNITTING MILLS PLC
PEOPLES INSURANCE LTD
SEYLAN BANK PLC
TEXTURED JERSEY LANKA PLC
UNITED MOTORS LANKA PLC

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	58.71%
Average Rating of Fixed Income	A+
Average Duration	0.04

Marurity Profile

Marurity	% Holding
Under 1 Month	100.00%

Other Features

Valuation	Daily Valuation. Instruments less than one year - cost plus accrued basis. Instruments greater than one year - n/a.
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,
 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

Disclaimer

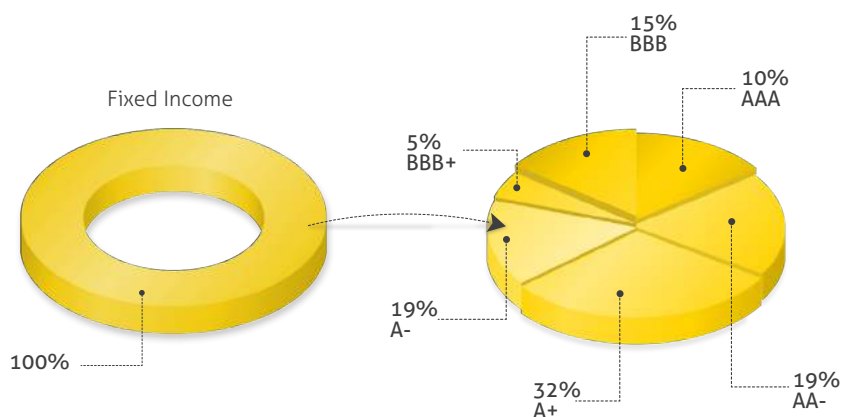
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Fund Overview

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.

Portfolio Allocation

Historical Returns

Period	Fund Returns**	ASPI Returns
Last Month	0.71%	-1.92%
Last 3 Months	2.45%	0.24%
Last 6 Months	4.43%	-1.64%
Last 12 Months	1.74%	-8.99%
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.

Fund Snapshot
31 Oct 2016

YTD Yield	2.85%
NAV per unit	34.1062
AUM (LKR Mn.)	196.36
Fund Currency	LKR
Fund Inception	1 Dec 97
Expense Ratio	1.89%
Dividend Frequency	Irregular
Last Dividend (LKR)	2.50
Max Equity Allocation	97.00%
Current Equity Allocation	0.00%
Fund Leverage	0.00%

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	100.00%
Average Rating of Fixed Income	A
Average Duration	0.72

Maturity Profile

Maturity	% Holding
Under 1 Month	49.60%
1 Month - 3 Months	5.30%
3 Months - 6 Months	10.50%
6 Months - 1 Year	20.70%
1 Year - 5 Years	8.80%
Over 5 Years	5.10%

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,
No 42, 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

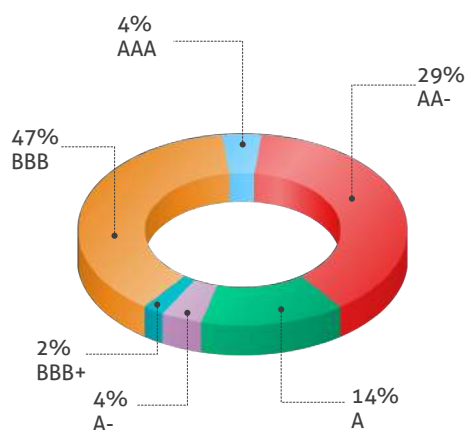
Investments: Corporate Debt Instruments

Currency: LKR

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.

Credit Profile



Rating	Duration
AAA	0.01
AA-	0.2
A	0.1
A-	0.9
BBB+	0.5
BBB	2

Fund Snapshot

31 Oct 2016

YTD Yield	6.82%
YTD Yield (Annualized)	8.16%
NAV per unit	10.3350
AUM (LKR Mn.)	300.32
Fund Currency	LKR
Fund Inception	1 Dec 97
Expense Ratio	1.28%
Dividend Frequency	Semi Annual
Last Dividend	0.45
Average Maturity (Yrs)	1.79
Average Duration	1.02
Average Rating	A-

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	18.40%	10.30%
1 Month - 3 Months	49.10%	10.90%
3 Months - 6 Months	7.20%	7.90%
6 Months - 1 Year	2.50%	10.40%
1 Year - 5 Years	3.80%	12.10%
Over 5 Years	19.00%	12.00%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*
Year to Date	6.82%	8.16%	11.34%
Last Month	0.80%	9.39%	13.04%
Last 3 Months	2.41%	9.57%	13.29%
Last 6 Months	4.61%	9.15%	12.71%
Last 12 Months	7.84%	7.84%	10.89%
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,
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
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Fund Overview

Type : Open Ended | Investments: Fixed Income Securities
Currency: LKR

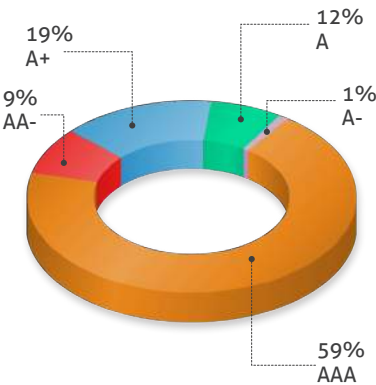
NDB Wealth Income Plus Fund is an open-end fixed Income fund incorporated in Sri Lanka, invested in LKR based corporate debt instruments including commercial paper, securitized paper, quoted and unquoted debentures,bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed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

Fund Snapshot

31 Oct 2016

Inception to date Yield	6.05%
Inception to date Yield (Annualized)	10.67%
NAV per unit	10.6051
AUM (LKR Mn.)	1,751.63
Fund Currency	LKR
Fund Inception	7 Apr 16
Expense Ratio	0.65%
Dividend Frequency	Irregular
Last Dividend	None
Average Maturity (Yrs)	0.49
Average Duration	0.46
Average Rating	AA

Credit Profile



Rating	Duration
AAA	0.4
AA-	0.4
A+	0.7
A	0.3
A-	0.1

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	5.50%	12.60%
1 Month - 3 Months	2.90%	10.90%
3 Months - 6 Months	59.40%	10.40%
6 Months - 1 Year	32.20%	11.20%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Inception to Date	6.05%	10.67%	14.82%	13.34% Net of WHT
Last Month	0.87%	10.23%	14.21%	12.79% Net of WHT
Last 3 months	2.62%	10.40%	14.44%	13.00% 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
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,
No 42, Nawam Mawatha,
Colombo 02, Sri Lanka.

Trustee and Custodian

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

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Fund Overview

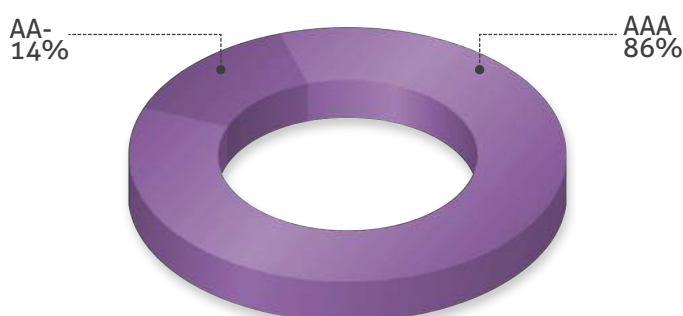
Type : Open Ended
Currency: LKR

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.

Credit Profile



Rating	Duration
AAA	0.1
AA-	0.2

Fund Snapshot

31 Oct 2016

YTD Yield	7.20%
YTD Yield (Annualized)	8.62%
NAV per unit	14.2335
AUM (LKR Mn.)	4,928.68
Fund Currency	LKR
Fund Inception	1 Jun 12
Expense Ratio	0.72%
Dividend Frequency	Irregular
Last Dividend	None
Average Maturity (Yrs)	0.09
Average Duration	0.09
Average Rating	AA+

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	54.30%	10.00%
1 Month - 3 Months	45.70%	10.80%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Year to Date	7.20%	8.62%	11.97%	10.77% Net of WHT
Last month	0.83%	9.73%	13.51%	12.16% Net of WHT
Last 3 months	2.42%	9.61%	13.35%	12.01% Net of WHT
Last 6 months	4.74%	9.40%	13.06%	11.75% Net of WHT
Last 12 months	8.29%	8.29%	11.51%	10.36% Net of WHT
Year 2015	6.62%	6.62%	9.19%	8.27% Net of WHT
Year 2014	6.82%	6.82%	9.48%	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,
No 86, Galle Road,
Colombo 03, Sri Lanka.

Contact

General - +94 11 2 303 232
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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.

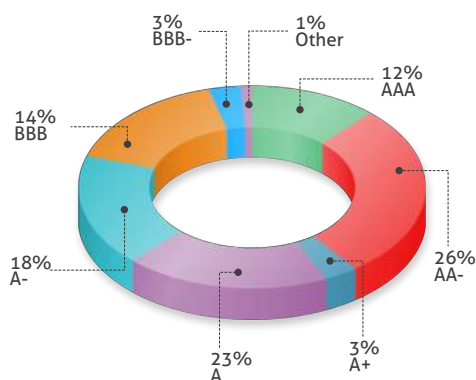
The Fund aims to provide liquidity to investors while enhancing returns by investing in a diversified portfolio of short term corporate debt securities with maturities less than 365 days.

Fund Snapshot

31 Oct 2016

YTD Yield	6.92%
YTD Yield (Annualized)	8.28%
NAV per unit	15.1675
AUM (LKR Mn.)	5,581.93
Fund Currency	LKR
Fund Inception	1 Jun 12
Expense Ratio	0.82%
Dividend Frequency	Irregular
Last Dividend	None
Average Maturity (Yrs)	0.25
Average Duration	0.23
Average Rating	A

Credit Profile



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

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	55.90%	10.40%
1 Month - 3 Months	9.70%	10.40%
3 Months - 6 Months	6.70%	11.90%
6 Months - 1 Year	27.70%	11.30%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*
Year to Date	6.92%	8.28%	11.50%
Last Month	0.83%	9.78%	13.59%
Last 3 Months	2.36%	9.35%	12.99%
Last 6 Months	4.39%	8.71%	12.10%
Last 12 Months	8.18%	8.18%	11.36%
Year 2015	6.85%	6.85%	9.52%
Year 2014	8.66%	8.66%	12.02%

* 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,
No 86, Galle Road,
Colombo 03, Sri Lanka.

Contact

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Sales Hotline - +94 719 788788

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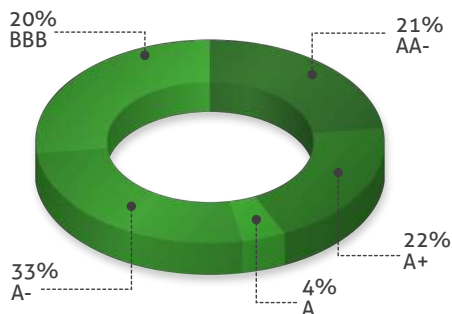
Fund Overview
Type : Open Ended

Investments: Short Term Shariah

Currency: LKR

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 compliant securities.

Credit Profile


Rating	Duration
AA-	0.20
A+	0.39
A	0.78
A-	0.40
BBB	0.26

Fund Snapshot
31 Oct 2016

YTD Yield	6.33%
YTD Yield (Annualized)	7.57%
NAV per unit	10.94
AUM (LKR Mn.)	19.14
Fund Currency	LKR
Fund Inception	1 Jun 15
Expense Ratio	1.03%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Average Duration	0.34
Average Rating	A-

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	21.55%	5.33%
1 Months - 3 Months	7.30%	9.40%
3 Months - 6 Months	51.85%	8.30%
6 Months - 1 Year	19.29%	9.70%

Target Asset Allocation

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

Shariah Supervisory Board

Shafique Jakhura	Mufti
Muhammed Huzaifah	Maulana

Approved Investments

	Investment Type
Shariah compliant money market investments up to 366 days	Mudharabah term deposits and Wakala Investments in Commercial Banks / Specialised Banks / Finance Companies or another 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	6.33%	7.57%	10.52%
Last month	0.78%	9.22%	12.81%
Last 3 months	2.17%	8.60%	11.94%
Last 6 months	4.08%	8.10%	11.25%
Last 12 months	7.25%	7.25%	10.07%

* 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,
Colombo 02, Sri Lanka.

Trustee and Custodian

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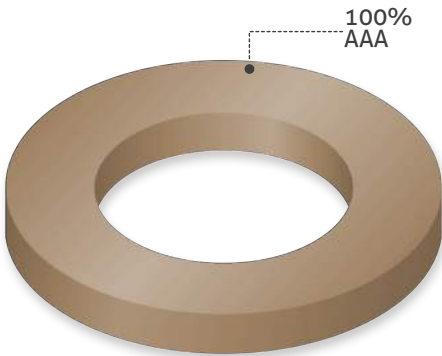
Fund Overview

Type : Open Ended | Investments: Short Term Government & Government backed Securities
Currency: LKR

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, Government securities backed Repurchase Agreements, Treasury bonds with maturity less than 366 days.

Credit Profile



Rating	Duration
AAA	0.1

Fund Snapshot 31 Oct 2016

YTD Yield	6.79%
YTD Yield (Annualized)	8.13%
NAV per unit	11.3009
AUM (LKR Mn.)	2,384.78
Fund Currency	LKR
Fund Inception	19 Dec 14
Expense Ratio	0.73%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Average Maturity (Yrs)	0.08
Average Duration	0.08
Average Rating	AAA

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	59.10%	9.90%
1 Month - 3 Months	40.90%	10.70%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Year to Date	6.79%	8.13%	11.29%	10.16% Net of WHT
Last month	0.79%	9.34%	12.97%	11.68% Net of WHT
Last 3 months	2.35%	9.34%	12.97%	11.67% Net of WHT
Last 6 months	4.57%	9.07%	12.60%	11.34% Net of WHT
Last 12 months	7.75%	7.75%	10.76%	9.69% 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,
No 42, Nawam Mawatha,
Colombo 02, Sri Lanka.

Trustee and Custodian

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Colombo 03, Sri Lanka.

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Fund Overview

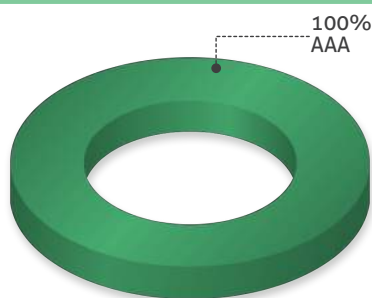
Type : Open Ended
Currency: LKR

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 "AAA_{mf}" 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 Oct 2016

YTD Yield	18.52%
YTD Yield (Annualized)	22.16%
NAV per unit	11.5371
AUM (LKR Mn.)	555.26
Fund Currency	LKR
Fund Inception	1 Dec 97
Expense Ratio	1.22%
Dividend Frequency	Quarterly
Last Dividend (LKR)	0.15
Average Maturity (Yrs)	0.14
Average Duration	0.14
Average Rating	AAA

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	0.6%	11.60%
1 Month - 3 Months	89.3%	10.60%
3 Months - 6 Months	10.1%	10.40%

Historical Returns

Period	Fund Returns	Tax Equivalent Return**	
Year to Date	18.52%	25.72%	23.15% Net of WHT
Last Month	0.87%	1.20%	1.08% Net of WHT
Last 3 Months	13.13%	18.24%	16.41% Net of WHT
Last 6 Months	16.42%	22.80%	20.52% Net of WHT
Last 12 Months	19.85%	27.57%	24.81% Net of WHT
Year 2015	6.04%	8.39%	7.55% Net of WHT
Year 2014	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 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

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Trustee and Custodian

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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.

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