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MARKET UPDATE AND FUND REVIEW

2017
FEBRUARY

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NDB | WEALTH

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MARKET BRIEF BY NDB WEALTH

INFLATIONS PICKS UP

Inflation as measured by the CCPI, increased to 6.8% year-on-year in February and price levels on the NCPI too moved up for January by 6.5% year-on-year primarily owing to food inflation. We are of the view that inflation will remain under control at mid-single-digit levels during 2017, however, rupee depreciation and supply disruptions through anticipated drought conditions could exert pressure on price levels.

RUPEE DEPRECIATION PRESSURE CONTINUES

The Sri Lankan Rupee depreciated by 0.67% against the US Dollar in February and 0.96% for the year so far, with foreign selling witnessed on LKR denominated government securities. The LKR is expected to see further pressure owing to higher import expenditure and possibilities of a US rate hike driving further funds out of emerging markets. However any significant foreign fund inflows into the country may ease pressure on the exchange rate.

INTEREST RATES MOVE UP

Interest rates edged up in February with the 364-day Treasury Bill rate closing the month at 10.58%. Foreigners were net sellers of local government securities amounting to LKR 37 billion for February pushing-up interest rates on LKR treasuries. Credit growth is expected to slow down in 2017 in line with the government's policy tightening measures taking effect. Upward pressure on rates still remain, owing to debt repayments, foreign selling on local bills and bonds and possibilities of a US rate hike, unless the government manages to secure significant foreign funding in the near term.

LACKLUSTER EQUITY MARKET

The All Share Price Index was broadly stagnant, rising by a mere 0.03% in February. The more liquid S&P SL 20 Index increased 1.55% during the month whilst net foreign buying recovered in February to LKR 2,141 million. We expect the market to remain range-bound in the near term owing to weak macro-economic conditions and lack of clear policy direction with respect to the budget proposals that were brought in last year.

ATTRACTIVE RETURNS VIA 'MY WEALTH FUNDS'

The NDB Wealth Money Fund and the NDB Wealth Money Plus Fund, currently offer attractive tax-free returns to investors providing ample liquidity and higher interest rates as opposed to the lower yielding savings accounts in the market. Investors' may use these funds to fulfil their short-term investment and liquidity needs at appealing rates.

Amaya Nagodavithane
Research Analyst

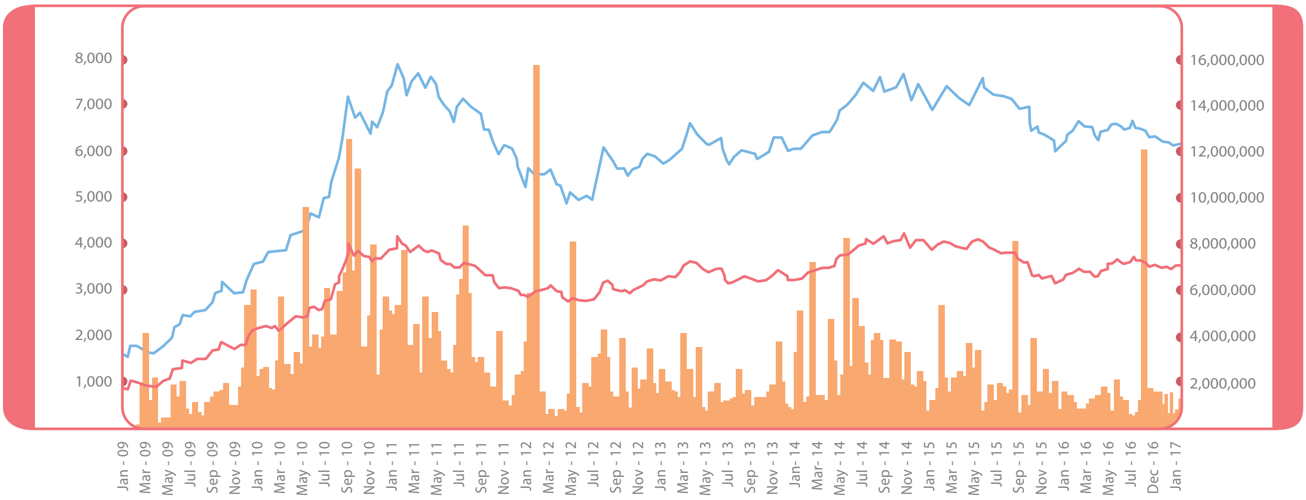
EQUITY OUTLOOK

	Past month Performance (1st Jan – 28th Feb 2017)	Past 12 months Performance (Feb 2016 – Feb 2017)	Year to Date Performance (1st Jan – 28th Feb 2017)
All Share Price Index	0.03%	-0.93%	-1.51%
S&P SL 20	1.55%	9.06%	1.36%
MSCI Frontier Markets Index	-0.36%	13.71%	6.28%
MSCI World Index	2.82%	21.97%	5.33%
MSCI Emerging Markets	3.06%	29.46%	8.70%
MSCI Asia Ex Japan	3.39%	26.52%	9.80%

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

- The two main indices of Colombo Stock Exchange closed the month of February 2017 with marginal gains despite the benchmark All Share Price Index is still yielding a negative return on a year to date basis in 2017.
- Corporate profit results released for the fourth quarter of 2016 indicate that most banks and the leading finance companies have performed well compared to the corresponding period in 2015.
- The MSCI Emerging Markets Index gained 8.7% during the first two months of 2017, following two years of underperformance compared to developed market peers due to weak commodity prices and higher dollar prices (Emerging and Frontier markets have relatively low market capitalization and liquidity relative to developed markets).
- Several emerging markets with significant commodity exposure have been benefiting from rising commodity prices supported by surge in demand and a reduction in supply glut (The prices of commodities like metals and sugar have risen and oil has stabilized above USD 50 a barrel).
- Russia and Brazil are examples of commodity producers who have benefited from this scenario, where improvements in the economic conditions in these countries have helped reignite investor sentiment in emerging markets.
- However, the sustainability of the commodity price rally should be closely monitored prior to making a decision on emerging and frontier markets, as it could vary depending on the commodity.
- According to a recent study by Institute of International Finance (IIF), share-market valuations of developing countries are close to their lowest levels (as measured by the Price Earnings ratio) while valuations on developed markets are near their highest since 2008.

CSE PERFORMANCE



Source: www.cse.lk

		Feb 2017	Feb 2016
CSE	Market PER	12.03 X	16.20 X
	Market PBV	1.37 X	1.79 X
	Market DY	2.94%	2.42%
MSCI Frontier Markets	Market PER	13.81 X	10.34 X
	Market PBV	1.63 X	1.42 X
	Market DY	3.95%	4.44%

Source: www.cse.lk

Foreign investors were net buyers in excess of LKR 2.1 billion during February, reversing the net outflow witnessed in the previous month.

Colombo Stock Exchange	Jan - Feb 2017	Jan - Feb 2016
Foreign Inflows	LKR 12.11 Billion	LKR 9.85 Billion
Foreign Outflows	LKR 12.07 Billion	LKR 11.33 Billion
Net Foreign Inflows/(Outflows)	LKR 0.04 Billion	(LKR 1.48 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

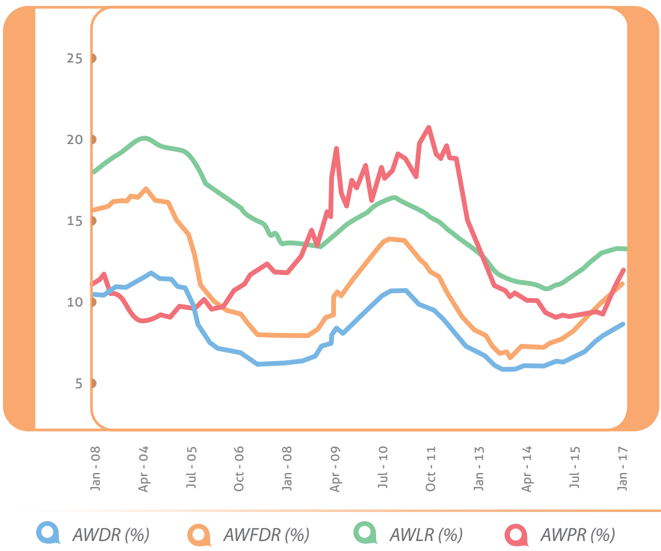
The Central Bank of Sri Lanka (CBSL) maintaining its key policy rates, holding the Standing Lending Facility Rate (the rate which CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 8.50% and 7.00% respectively.

	Feb 16	Dec 16	Jan 17	Feb 17
364 Day T-bill	8.50%	10.17%	10.37%	10.58%
5-Year Bond	10.02%	12.21%	12.12%	12.37%
1-Year Finance Company Fixed Deposit (A+)*	8.78%	11.70%	11.70%	11.70%

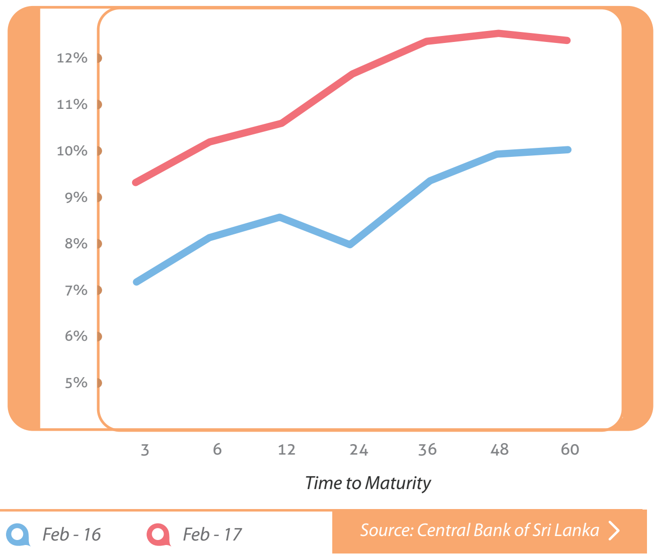
** Net Rate assuming consistent WHT of 2.5% for comparison purposes*

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 increased with the 364-day T-Bill rate rising to 10.58% and the 182-day and 91-day Treasury Bills closing the month at 10.19% and 9.32% respectively.

Broad money (M2b) grew at 18.4% year-on-year in December 2016, from 18% in the previous month whilst credit extended to the private sector edged up slightly to 21.9% year-on-year in December, from 21.1% in November. However growth in credit has eased from the peak levels that were observed in mid 2016.

Total Govt. Debt LKR 4,746 Billion / USD 31.48 Billion	
T Bills (Total)	T Bonds (Total)
LKR 794 Billion	LKR 3,952 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 4,549 Billion	LKR 197 Billion
Total Foreign Holding of Bills and Bonds – 4.15%	

Source: Central Bank of Sri Lanka

Foreign holding of government securities declined further (net) in February by LKR 37 billion to 4.15%, from the previous month's 4.90% with heavy foreign selling witnessed on local government securities. Foreigners were net sellers on Rupee denominated bills and bonds amounting to LKR 63 billion on a year-to-date basis as well.

1 Year FD Rates – Sri Lankan Banks		
	Feb 2017	Jan 2017
NSB	11.00%	11.00%
COMB	11.00%	11.00%
SAMP	12.00%	11.00%
HNB	11.00%	11.00%
NDB	12.00%	12.00%

Rates on Credit Cards	Feb 17
HSBC	24.00%
SCB	24.00%
Sampath	24.00%
NDB	21.00%
AMEX	24.00%

Source: Respective Commercial Banks

Commercial banks maintained their fixed deposit rates during the month of February

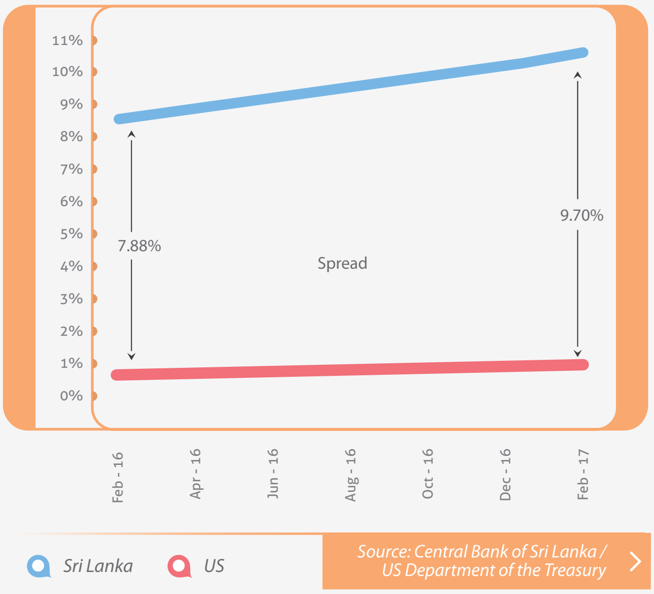
NDIB CRISIL Fixed Income Indices Total return as at 28/02/2017	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	2.07%	8.48%	7.01%
NDBIB-CRISIL 364 Day T-Bill Index	2.16%	7.86%	6.45%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	1.69%	7.33%	6.67%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	0.86%	5.52%	5.73%

Source: www.crisil.com

Central Bank Policy Rates	2014	2015	2016	Latest
Sri Lanka	6.50%	6.00%	7.00%	7.00%
US	0.0% - 0.25%	0.25% - 0.50%	0.50% - 0.75%	0.50% - 0.75%
Euro Zone	0.05%	0.05%	0.00%	0.00%
Australia	2.50%	2.00%	1.50%	1.50%
India	8.00%	6.75%	6.25%	6.25%

Source: www.cbrates.com

1 YEAR TREASURY RATE - USD Vs. LKR



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

Analysts are strongly expecting that the US Federal reserve would raise policy interest rates in March on the backdrop of improved US economic data with employment and inflation numbers on course to support a rate hike.

364 Day Treasury Bill Rate	Feb 16	Dec 16	Jan 17	Feb 17
Sri Lanka	8.50%	10.17%	10.37%	10.58%
India	7.28%	6.34%	6.25%	6.30%
US	0.62%	0.85%	0.84%	0.88%
Euro Zone	-0.51%	-0.82%	-0.70%	-0.88%

Source: Respective Central Banks

	Rates on Savings Accounts - Feb 2017
Sri Lanka	4.25%
US	0.01%
Euro Zone	0.01%
Australia	1.80%
India	4.00%

Source: Respective Commercial Banks

China's banking system surpassed that of the eurozone to become the world's largest by assets, an indication of the country's increased influence in world finance and its reliance on debt to drive growth.

" EFFECTIVE WEALTH PLANNING TODAY IS ESSENTIAL FOR FINANCIAL STABILITY TOMORROW "

— NDB Wealth —

INFLATION RATES

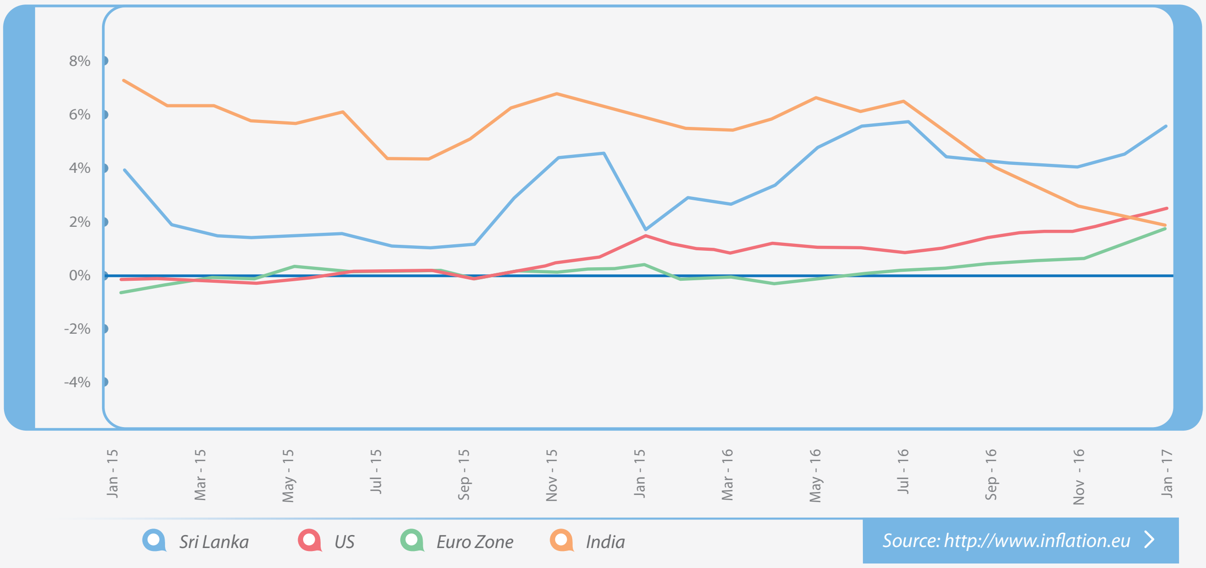
Country	Feb 16	Dec 16	Jan 17	Feb 17
Sri Lanka	2.92%	4.46%	5.55%	6.77%
US	1.02%	2.07%	2.50%	2.50%*
Euro Zone	-0.15%	1.14%	1.76%	1.76%*
India	5.53%	2.23%	1.86%	1.86%*

*January 2016

Source: Department of Census and Statistics - Sri Lanka

- Inflation as measured by the CCPI increased to 6.8% in February 2017 on a year-on-year basis from the previous month's 5.5% on account of food inflation of 7.7%. Inflation also edged up on an annual average basis, rising to 4.6% in February.
- Core inflation (which excludes the more volatile aspects of price movements), has been rising continuously, increasing marginally to 7.1% in February year-on-year from 7.0% in the previous month.
- Inflation as measured by the NCPI (2013=100), increased considerably to 6.5% on a year-on-year basis in January from 4.2% in December mainly due to increasing food prices (rice, coconuts, fruits).
- We are of the view that inflation will remain under control at mid-single-digit levels during 2017, although rupee depreciation and supply disruptions through anticipated drought conditions could exert pressure on price levels.
- On the global front, US and Euro zone inflation increased to 2.50% and 1.76% year-on-year respectively during the month of January.

GLOBAL INFLATION RATES



Source: http://www.inflation.eu

FOREX OUTLOOK

Exchange Rates Vs. LKR	Feb 17	Feb 16	1 Year App / (Dep) LKR
USD	151.25	144.35	-4.57%
GBP	188.03	200.03	6.38%
EURO	160.09	157.87	-1.39%
YEN	1.34	1.27	-5.21%
AUD	116.21	102.79	-11.55%
CAD	114.68	106.68	-6.97%
INR	2.27	2.10	-7.45%
BHD	401.17	382.95	-4.54%
CNY	22.02	22.04	0.08%

Source: Central Bank of Sri Lanka

- The Sri Lankan Rupee depreciated by 0.67% against the US Dollar (USD) during February to close the month at LKR 151.25 per US Dollar and depreciated marginally by 0.03% against the British Pound.
- The US dollar gained against a basket of currencies with most emerging Asian currencies falling against the dollar due to the widely anticipated US interest rate hike.

USD PER 1 EURO MOVEMENT

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

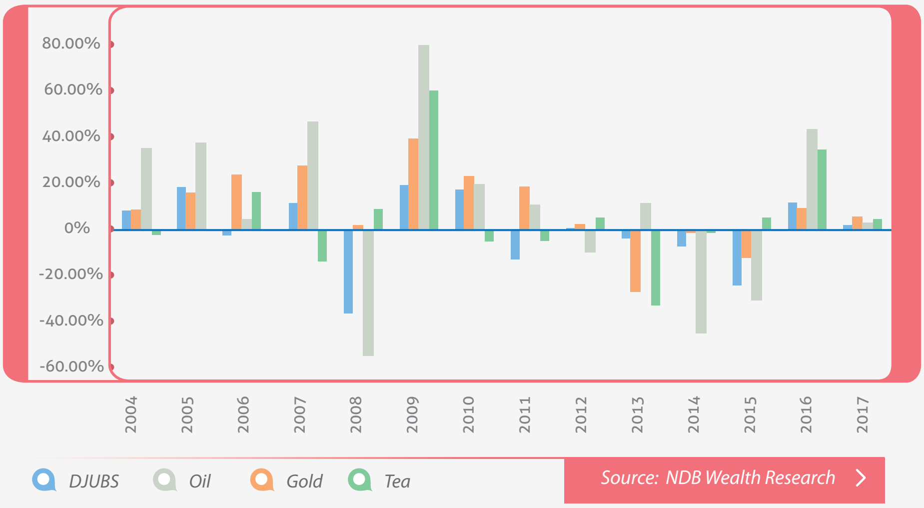
COMMODITY OUTLOOK

	1 month (1st Feb – 28th Feb 2017)	Past 12 months (Feb 2016 – Feb 2017)	YTD (1st Jan - 28th Feb 2017)
Bloomberg Commodity Index	0.17%	15.53%	0.26%
Tea	-1.10%	40.86%	1.27%
Gold	3.53%	2.89%	6.64%
Oil (Brent)	1.09%	67.14%	2.63%

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

- Bloomberg commodity index gained over 15% in the past 12 months, led by gains in zinc, sugar and Brent crude, as supplies trailed demand.
- Commodity markets may continue to reflect a stable pattern until there are definite signs of real demand and shrinking stockpiles to support the recent price rally.
- The probability of higher prices is greater in metals markets than oil because of the supply response from U.S. shale producers beginning to gain momentum.
- Crude oil prices may come under pressure as crude oil in U.S. storage rose to a record high
- U.S. oil production continued to increase, confounding efforts by the OPEC, Russia and other exporters to reduce global oil inventories by curbing their own output.
- Gold started the year on a mildly positive note, gaining over 6.5% during the first two months of 2017. However, the anticipated US interest rate hike in March and the strengthening dollar may halt the upward momentum, at least in the near term. Higher interest rates and the rising US dollar tends to put pressure on gold prices because they raise the opportunity cost of holding non-yielding assets (ex: gold).
- Gold prices may still hold towards the second half of 2017 due to global uncertainties including lack of clarity and direction on US President Donald Trump's polices and forthcoming elections in France, Germany and the Netherlands raising questions about the future of the European Union, a key political risk.

Commodity Price Movemets



Source: NDB Wealth Research

PROPERTY OUTLOOK

- The construction sector is currently witnessing a market of mixed sentiments on a potential real estate bubble in Sri Lanka.

- According to an article published in Mirror Business, CEO/Secretary General of Chamber of Construction Industries (CCI) believes that investors should be cautious about investments in apartments as currently, there are 49 towers being built, where the ongoing projects also seem to be struggling to sell the entire block.

- Data from KPMG indicates that in the period between 2015 and 2018, 950 high end units will come onto the market in Sri Lanka, which represents an increase of 42% compared to 2008-2014 figures.

- Central Bank Governor recently mentioned the Central Bank is closely observing the construction sector for a possible bubble, especially considering the high private credit growth rate in 2016, where the majority was absorbed by the construction industry.

- Furthermore, given the construction cost of Sri Lanka is one of the highest in the region, luxury apartments seem to be the segment offering real estate companies with the highest returns on investments in Colombo.

- It is important to note that a segment of investors, who have purchased a significant volume of apartments on speculation are due to face unfavorable terms from April with the introduction of capital gains tax on immovable objects.

- On such an unfavorable background, the real estate sector may find speculative buyers moving out of the market, which may hamper the prospects of future construction projects.

- However, the government also expects to introduce new regulations to boost Foreign Direct Investment in real estate and other sectors.

- As per the Budget Proposals for 2017, foreigners investing at least USD 300,000 in Sri Lanka would be granted resident visa permits, as the government relaxes market restrictions, while investments over USD 1.5 million may also be allowed to lease land without being subject to previous tax consequences (Foreigners are required to possess a valid permanent residency visa to purchase property in Sri Lanka).

- Going forward, we expect to see some pressure on construction of apartments, especially in the luxury apartment segment. Therefore, it is imperative to keep a track of the sponsors of the project and the ability of their balance sheet to complete and market such projects.

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

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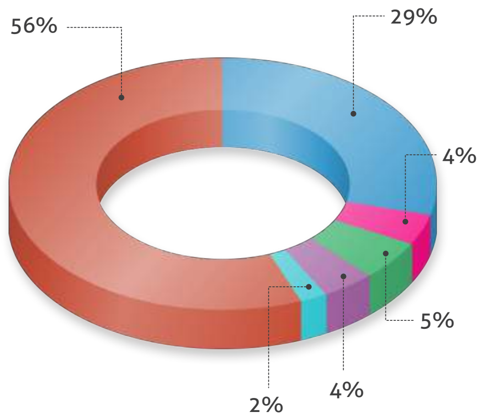
GROWTH FUND

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



- Banks Finance and Insurance
- Footwear and Textiles
- Manufacturing
- Motors
- Trading
- Fixed Income

Historical Returns

Period	Fund Returns **	ASPI Returns
Last Month	0.76%	0.03%
Last 3 Months	2.22%	-1.71%
Last 6 Months	1.72%	-6.03%
Last 12 Months	7.38%	-0.93%
Year 2016	-0.92%	-9.66%
Year 2015	2.69%	-5.54%

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

Fund Snapshot 28 Feb 2017

YTD Yield	1.69%
NAV per unit	10.4220
AUM (LKR Mn.)	301.34
Fund Currency	LKR
Fund Inception	1 Dec 97
Expense Ratio	2.76%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Max Equity Allocaiton	97.00%
Current Equity Allocaiton	44.40%
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 Allocaiton

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	55.60%
Average Rating of Fixed Income	A
Average Duration	0.09

Marurity Profile

Maturity	% Holding
Under 1 Month	33.60%
1 Month - 3 Months	66.40%

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,
01 BOC Square, BOC Mawatha,
Colombo 01, Sri Lanka.

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

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GROWTH AND INCOME FUND

Fund Overview

Type : Open Ended
Currency: LKR

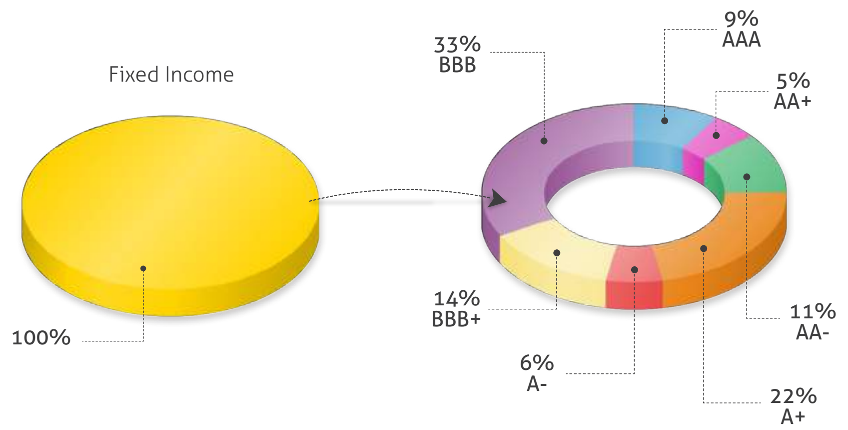
Investments: Listed Equities and Corporate Debt

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	28 Feb 2017
YTD Yield	1.61%
NAV per unit	33.0867
AUM (LKR Mn.)	195.01
Fund Currency	LKR
Fund Inception	1 Dec 97
Expense Ratio	2.16%
Dividend Frequency	Irregular
Last Dividend (LKR)	2.50
Max Equity Allocation	97.00%
Current Equity Allocation	0.00%
Fund Leverage	0.00%

Portfolio Allocation



Fixed Income Allocaiton

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	100.00%
Average Rating of Fixed Income	A-
Average Duration	0.82

Marurity Profile

Marurity	% Holding
Under 1 Month	34.10%
1 Month - 3 Months	27.60%
3 Months - 6 Months	13.90%
6 Months - 1 Year	2.20%
1 Year - 5 Years	17.10%
Over 5 Years	5.20%

Historical Returns

Period	Fund Returns★●	ASPI Returns
Last Month	0.62%	0.03%
Last 3 Months	2.52%	-1.71%
Last 6 Months	4.63%	-6.03%
Last 12 Months	8.38%	-0.93%
Year 2016	4.13%	-9.66%
Year 2015	2.16%	-5.54%

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

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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INCOME FUND

Fund Overview

Type : Open Ended
Currency: LKR

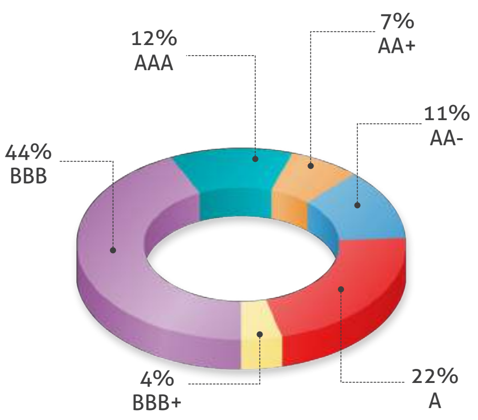
Investments: Corporate Debt Instruments

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

Fund Snapshot	28 Feb 2017
YTD Yield	1.88%
YTD Yield (Annualized)	11.65%
NAV per unit	10.0962
AUM (LKR Mn.)	299.51
Fund Currency	LKR
Fund Inception	1 Dec 97
Expense Ratio	1.34%
Dividend Frequency	Semi Annual
Last Dividend	0.45
Average Maturity (Yrs)	1.91
Average Duration	1.18
Average Rating	A-

Credit Profile



Rating	Duration
AAA	0.1
AA+	0.1
AA-	1.4
A	0.4
BBB+	1.3
BBB	2

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	25.80%	10.40%
1 Month - 3 Months	40.60%	12.20%
6 Months - 1 Year	10.70%	12.60%
1 Year - 5 Years	3.40%	13.20%
Over 5 Years	19.50%	12.10%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*
Year to Date	1.88%	11.65%	16.18%
Last Month	0.71%	9.20%	12.78%
Last 3 Months	2.93%	11.90%	16.53%
Last 6 Months	5.07%	10.23%	14.21%
Last 12 Months	8.95%	8.95%	12.44%
Year 2016	8.00%	8.00%	11.12%
Year 2015	6.65%	6.65%	9.24%

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

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Fund Overview

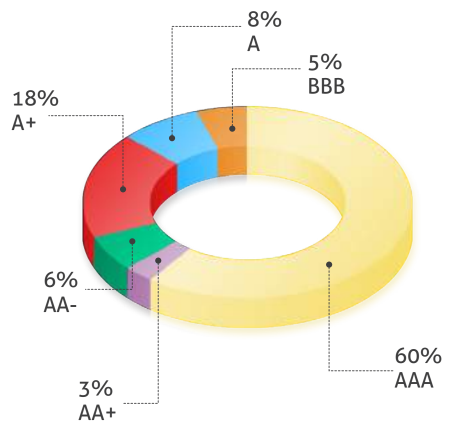
Type : Open Ended
Currency: LKR
Investments: Fixed Income Securities

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

Fund Snapshot	28 Feb 2017
YTD Yield	1.62%
Inception to date Yield (Annualized)	10.03%
NAV per unit	10.9601
AUM (LKR Mn.)	1,809.31
Fund Currency	LKR
Fund Inception	7 Apr 16
Expense Ratio	0.57%
Dividend Frequency	Irregular
Last Dividend	None
Average Maturity (Yrs)	0.2
Average Duration	0.18
Average Rating	AA

Credit Profile



Rating	Duration
AAA	0.1
AA+	0
AA-	0.3
A+	0.4
A	0.2
BBB	0.1

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	7.00%	12.30%
1 Month - 3 Months	68.80%	10.10%
3 Months - 6 Months	24.10%	11.00%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Inception to Date	1.62%	10.03%	13.93%	12.54% Net of WHT
Last Month	0.76%	9.95%	13.81%	12.43% Net of WHT
Last 3 months	2.49%	10.11%	14.04%	12.63% Net of WHT
Last 6 months	5.13%	10.35%	14.37%	12.93% 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.

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Bank of Ceylon,
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Disclaimer

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NDB | WEALTH

MONEY FUND

Fund Overview

Type : Open Ended
Currency: LKR

Investments: Short Term Government Securities

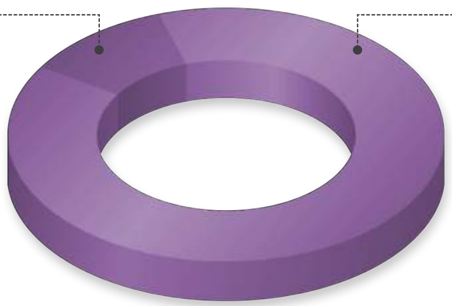
NDB Wealth Money Fund is an open-end money market fund incorporated in Sri Lanka,invested in Government of Sri Lanka Treasury Bills, government securities backed Repurchase transactions and short term bank deposits.

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 — 28 Feb 2017

YTD Yield	1.54%
YTD Yield (Annualized)	9.50%
NAV per unit	14.6865
AUM (LKR Mn.)	4,018.21
Fund Currency	LKR
Fund Inception	1 Jun 12
Expense Ratio	0.72%
Dividend Frequency	Irregular
Last Dividend	None
Average Maturity (Yrs)	0.04
Average Duration	0.04
Average Rating	AA+

Credit Profile



Rating	Duration
AAA	0.1
AA-	0.1

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	87.80%	9.80%
1 Month - 3 Months	12.20%	11.50%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)★●	
Year to Date	1.54%	9.50%	13.19%	11.87% Net of WHT
Last month	0.71%	9.32%	12.94%	11.65% Net of WHT
Last 3 months	2.37%	9.60%	13.33%	12.00% Net of WHT
Last 6 months	4.85%	9.78%	13.59%	12.23% Net of WHT
Last 12 months	9.46%	9.46%	13.13%	11.82% Net of WHT
Year 2016	8.94%	8.94%	12.42%	11.17% Net of WHT
Year 2015	6.62%	6.62%	9.19%	8.27% 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,
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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

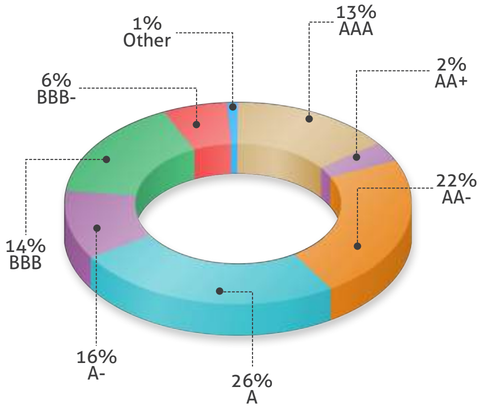
NDB Wealth Money Plus Fund is an open-end money market fund incorporated in Sri Lanka, invested in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

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 — 28 Feb 2017

YTD Yield	1.74%
YTD Yield (Annualized)	10.76%
NAV per unit	15.7038
AUM (LKR Mn.)	7,175.79
Fund Currency	LKR
Fund Inception	1 Jun 12
Expense Ratio	0.84%
Dividend Frequency	Irregular
Last Dividend	None
Average Maturity (Yrs)	0.14
Average Duration	0.13
Average Rating	A

Credit Profile



Rating	Duration
AAA	0.10
AA+	0.30
AA-	0.01
A	0.10
A-	0.01
BBB	0.10
BBB-	0.30
Other	0.20

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	37.70%	11.20%
1 Month - 3 Months	45.40%	11.80%
3 Months - 6 Months	15.10%	10.70%
6 Months - 1 Year	1.90%	12.20%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)*
Year to Date	1.74%	10.76%	14.95%
Last Month	0.82%	10.73%	14.90%
Last 3 Months	2.68%	10.86%	15.09%
Last 6 Months	5.21%	10.50%	14.58%
Last 12 Months	9.38%	9.38%	13.03%
Year 2016	8.81%	8.81%	12.23%
Year 2015	6.85%	6.85%	9.52%

★ 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 : 0.11 - 0.16% p.a. of NAV, depending on fund size.

Fund Manager
NDB Wealth Management Ltd,
No 42, Nawam Mawatha,
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NDB | WEALTH

ISLAMIC MONEY PLUS FUND

Fund Overview

Type : Open Ended
Currency: LKR

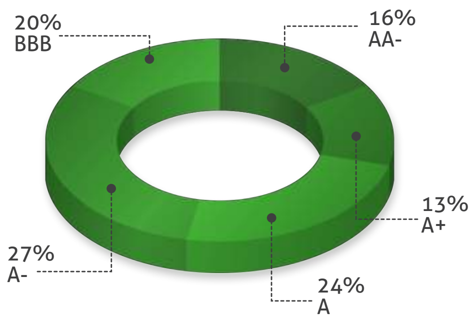
Investments: Short Term Shariah Compliant Investments

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	28 Feb 2017
YTD Yield	1.40%
YTD Yield (Annualized)	8.65%
NAV per unit	11.24
AUM (LKR Mn.)	22.47
Fund Currency	LKR
Fund Inception	1 Jun 15
Expense Ratio	1.60%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Average Duration	0.39
Average Rating	A-

Credit Profile



Rating	Duration
AA-	0.50
A+	0.28
A	0.47
A-	0.39
BBB	0.25

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	29.36%	6.38%
1 Month - 3 Months	51.80%	10.00%
6 Months - 1 Year	18.84%	10.20%

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	1.40%	8.65%	12.02%
Last month	0.67%	8.68%	12.05%
Last 3 months	2.06%	8.35%	11.60%
Last 6 months	4.16%	8.40%	11.66%
Last 12 months	8.01%	8.01%	11.12%

* 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,
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Fund Overview

Type : Open Ended
Currency: LKR

Investments: Short Term Government & Government backed Securities

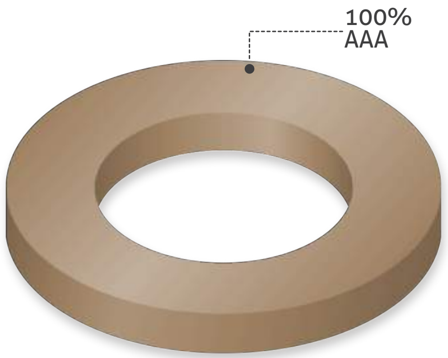
Short-term LKR Treasury Fund is an open-end money market fund which will invest exclusively in Government and Government backed securities.

The Fund aims to provide reasonable returns, commensurate with low risk while providing high level of liquidity through a portfolio of Government securities with maturities up to 366 days which include Treasury bills, Government securities backed Repurchase Agreements, Treasury bonds with matutiry less than 366 days.

Fund Snapshot

Fund Snapshot	28 Feb 2017
YTD Yield	1.52%
YTD Yield (Annualized)	9.42%
NAV per unit	11.6559
AUM (LKR Mn.)	1,451.52
Fund Currency	LKR
Fund Inception	19 Dec 14
Expense Ratio	0.73%
Dividend Frequency	Irregular
Last Dividend (LKR)	None
Average Maturity (Yrs)	0.05
Average Duration	0.04
Average Rating	AAA

Credit Profile



Rating	Duration
AAA	0.1

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	100.00%	9.90%

Historical Returns

Period	Fund Returns	Annualized Return	Tax Equivalent Return (Annualized)**	
Year to Date	1.52%	9.42%	13.08%	11.77% Net of WHT
Last month	0.72%	9.36%	13.00%	11.70% Net of WHT
Last 3 months	2.34%	9.50%	13.20%	11.88% Net of WHT
Last 6 months	4.76%	9.60%	13.33%	12.00% Net of WHT
Last 12 months	9.09%	9.09%	12.62%	11.36% 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
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NDB | WEALTH

GILT EDGED FUND

Fund Overview

Type : Open Ended
Currency: LKR

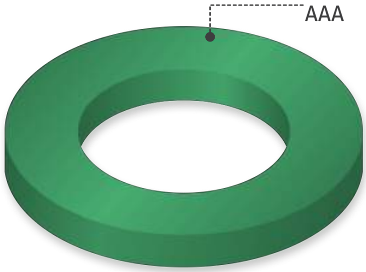
Investments: Government of Sri Lanka Securities

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.

Fund Snapshot — 28 Feb 2017

YTD Yield	1.27%
YTD Yield (Annualized)	7.88%
NAV per unit	11.6993
AUM (LKR Mn.)	57.68
Fund Currency	LKR
Fund Inception	1 Dec 97
Expense Ratio	1.29%
Dividend Frequency	Quarterly
Last Dividend (LKR)	0.15
Average Maturity (Yrs)	0.14
Average Duration	0.14
Average Rating	AAA

Credit Profile



Rating	Duration
AAA	0.1

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
1 Month - 3 Months	100.00%	10.00%

Historical Returns

Period	Fund Returns	Tax Equivalent Return**		
Year to Date	1.27%	7.88%	10.95%	9.86% Net of WHT
Last Month	0.60%	7.77%	10.79%	9.71% Net of WHT
Last 3 Months	1.91%	7.74%	10.75%	9.68% Net of WHT
Last 6 Months	14.94%		20.75%	18.67% Net of WHT
Last 12 Months	20.44%		28.39%	25.55% Net of WHT
Year 2016	20.19%		28.05%	25.24% Net of WHT
Year 2015	6.04%		8.39%	7.55% 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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No 42, Nawam Mawatha,
Colombo 02, Sri Lanka.

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DISCLAIMER

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