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MARKET UPDATE AND FUND REVIEW

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2017
JUNE

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MARKET BRIEF BY NDB WEALTH

SUBDUED GROWTH DURING THE FIRST QUARTER 2017

Sri Lankan economy grew by a mere 3.8% in the first quarter 2017, down from the 5.3% growth recorded during the fourth quarter of 2016. Economic growth was driven by the industrial sector, which grew by 6.3% and accounts for 32% of the total economy. Services sector, which accounts for over 55%, grew by 3.5% during the quarter. Agricultural sector contracted by 3.2%, mainly due to adverse weather conditions which prevailed throughout the first quarter of 2017. Continued adverse weather conditions, slowdown in consumption and lack of policy coherence may lead to lower growth rate of around 4% - 4.5% for 2017.

INFLATION RATE EDGED UP

Inflation as measured by the CCPI, increased to 6.1% in June 2017 on a year-on-year basis from 6% in May 2017. Food inflation was above 9%, driving the overall index up during the month. Annual average too increased slightly from 5.4% in May 2017 to 5.5% in June 2017. Core inflation, which excludes the more volatile aspects of price movements, however, decreased to 5.1% on a year on year basis in June 2017 from 5.2% in May 2017. Annual average of core inflation was flat at 5.5%. We expect inflation rate to be around 6% - 7% in 2017.

SRI LANKAN RUPEE CONTINUES TO WEAKEN

The Sri Lankan Rupee depreciated by 2.42% against the US Dollar during the first half of 2017. The Rupee followed a similar trend against the other hard currencies such as the Sterling Pound, Euro and the Japanese Yen, recorded a sharp dip in value. The successful issuance of the International Sovereign Bond and the receipt of syndicated loan proceeds by the government, led to an improved gross official reserve, which is expected to have exceeded USD 7 billion by mid-June 2017.

INTEREST RATES EDGES DOWN

The benchmark 364-day Treasury bill rate decreased by 26 basis points in June to 10.47%. The foreign holding of LKR denominated debt recovered to a certain extent during the second quarter to 4.91% in June from 4.12% in March 2017. Total foreign holding of LKR denominated securities increased by LKR 39.8 during the second quarter, following the heavy selling witnessed during the first quarter of the year. Demand for credit from the private sector increased by 20% on a year on year basis in April. However, on absolute terms, the monthly increase was only LKR 19 billion, compared to LKR 70 billion and LKR 82 billion recorded in February and March 2017 respectively. Interest rates may remain at current levels in the short term, unless the government manages to attract foreign funds in to the country, in which case the pressure on interest rates will reduce further.

IMPROVED INVESTOR SENTIMENT

All Share Price Index and S&P SL 20 indices have gained 11.30% and 14.38% respectively, during the second quarter of 2017 with the Colombo Stock Exchange witnessing continuous foreign buying during the quarter. The promotion of Pakistan to emerging markets from frontier markets in the major MSCI Index may have been a major reason for foreign investors to allocate more funds to Sri Lanka. However, the country has not witnessed a major shift from the weak macroeconomic conditions which prevailed in the first quarter of the year, except for the successful issuance of the sovereign bond, which led to lower interest rates.

Indika De Silva

Fund Manager

EQUITY OUTLOOK

	Past month Performance (1st Jun – 30th Jun 2017)	Past 12 months Performance (Jun 2016 – Jun 2017)	Year to Date Performance (1st Jan – 30th Jun 2017)
All Share Price Index	1.09%	7.38%	8.33%
S&P SL 20	3.00%	19.19%	12.50%
MSCI Frontier Markets Index	0.64%	19.70%	15.89%
MSCI World Index	0.38%	18.20%	10.66%
MSCI Emerging Markets	1.01%	23.75%	18.43%
MSCI Asia Ex Japan	1.59%	26.73%	22.81%

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

The All Share Price Index (ASPI) and S&P SL 20 Index, the two main indices of Colombo Stock Exchange (CSE), recorded gains for the third consecutive month, extending the overall gains for the year.

In spite of the positive momentum witnessed by the CSE, both year to date and past 12 month returns of ASPI and S&P SL 20 indices lags behind MSCI frontier and emerging market returns.

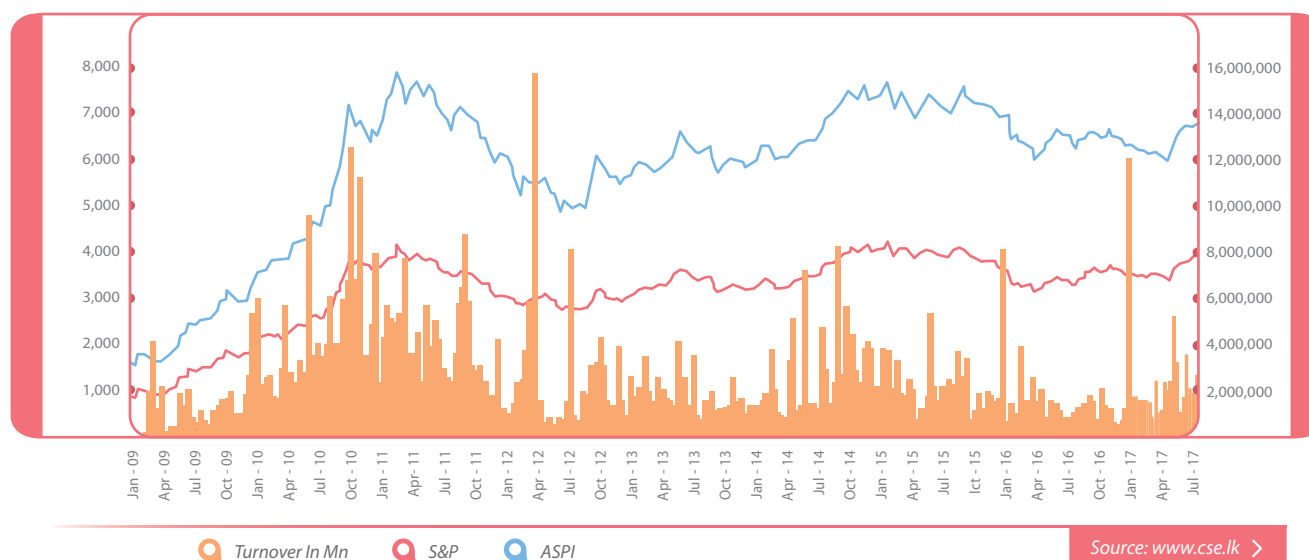
Emerging markets have shrugged off recent declines in oil and other commodities as the MSCI emerging market index recorded gains for six straight months.

MSCI has decided to include domestically traded Chinese stocks to its emerging market index. However, China's 222 large-cap stocks that will be included in the MSCI Emerging Markets Index in May 2018 will account for 0.73% of the index. They will also be included in the MSCI Asia ex-Japan Index with a 0.83% weighting.

Currently, the Chinese exchanges are still among the most inaccessible markets to foreign investors, as only 1.5% of Chinese stocks are owned by foreigners, through a Hong Kong platform. The stock exchanges are also known for their poor corporate governance, resulting in MSCI opting for a very cautious, calculated approach on the issue of China's inclusion.

MSCI is currently considering upgrading Saudi Arabia for possible inclusion to emerging market index in 2018, based on the progress of various stock market reforms the country has implemented.

CSE PERFORMANCE



		Jun 2017	Jun 2016
CSE	Market PER	11.48 X	12.98 X
	Market PBV	1.51 X	1.45 X
	Market DY	2.58%	3.06%
MSCI Frontier Markets	Market PER	14.58 X	11.39 X
	Market PBV	1.72 X	1.43 X
	Market DY	3.76%	4.42%

Source: www.cse.lk >

Net foreign purchases for the first six months of 2017 reached LKR 21.7 billion, as foreign investors continued to be net buyers in the market.

Net foreign purchases for the second quarter exceeded LKR 16.5 billion compared to the LKR 5.19 billion in the first quarter of 2017 (Foreign investors were net sellers of LKR 4.13 billion during the second quarter of 2016)

Colombo Stock Exchange	Jan - Jun 2017	Jan - Jun 2016
Foreign Inflows	LKR 62.88 Billion	LKR 31.73 Billion
Foreign Outflows	LKR 41.15 Billion	LKR 37.85 Billion
Net Foreign Inflows/(Outflows)	LKR 21.73 Billion	(LKR 6.12 Billion)

Source: www.cse.lk >

**“ CASH COMBINED WITH COURAGE
IN A TIME OF CRISIS IS PRICELESS ”**

— Warren Buffet —



FIXED INCOME OUTLOOK

INTEREST RATES IN SRI LANKA

The Central Bank of Sri Lanka (CBSL) held the key policy rates stable in June 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 8.75% and 7.25% respectively.

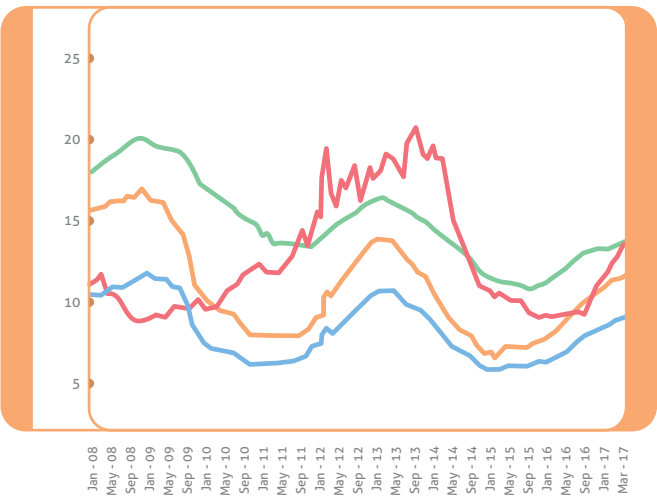
Treasury Bill rates decreased with the 364-day T-Bill rate falling to 10.47% and the 182-day and 91-day Treasury Bills closing the month at 10.29% and 9.60% respectively.

	Jun 16	Dec 16	May 17	Jun 17
364 Day T-bill	10.55%	10.17%	10.73%	10.47%
5-Year Bond	11.82%	12.21%	11.54%	11.45%
1-Year Finance Company Fixed Deposit (A+)*	9.75%	11.70%	12.19%	12.19%

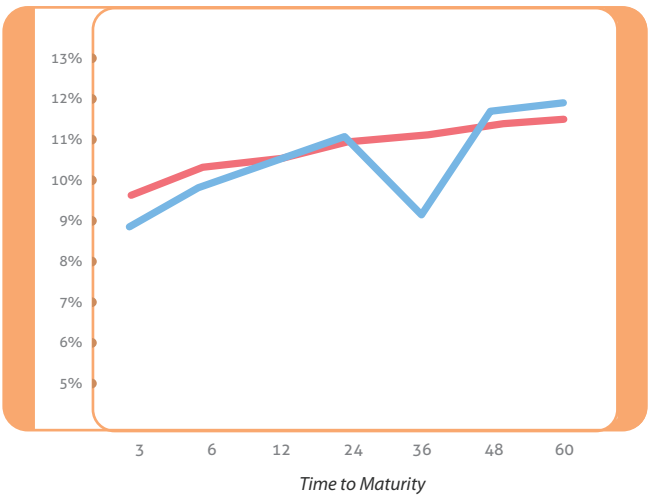
* Net Rate assuming consistent WHT of 2.5% for comparison purposes

Source: Central Bank of Sri Lanka >

AVERAGE LENDING & DEPOSIT RATES



YIELD CURVE - LKR TREASURIES



AWDR (%)

AWFDR (%)

AWLR (%)

AWPR (%)

Jun - 16

Jun - 17

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

NDIB CRISIL Fixed Income Indices Total return as at 30/06/2017	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	2.43%	9.06%	7.32%
NDBIB-CRISIL 364 Day T-Bill Index	2.85%	9.99%	6.84%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	5.18%	13.56%	7.80%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	6.94%	13.76%	7.06%

Source: www.crisil.com >



Foreign holding of government securities improved (net) in May by LKR 17.7 billion to 4.91%, on account of foreign buying interest on local government securities. On a year-to-date basis however foreigners continued to be net sellers on Rupee denominated bills and bonds amounting to LKR 52.85 billion.

Total Govt. Debt LKR 4,812 Billion / USD 31.69 Billion	
T Bills (Total)	T Bonds (Total)
LKR 801 Billion	LKR 4,011 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 4,576 Billion	LKR 236 Billion
Total Foreign Holding of Bills and Bonds – 4.91%	

Source: Central Bank of Sri Lanka >



Commercial banks maintained their fixed deposit rates during June.

1 Year FD Rates – Sri Lankan Banks			Rates on Credit Cards		Jun 17
	Jun 2017	May 2017			
NSB	11.00%	11.00%	HSBC		24.00%
COMB	11.00%	11.00%	SCB		24.00%
SAMP	12.00%	12.00%	Sampath		24.00%
HNB	11.00%	11.00%	NDB		21.00%
NDB	11.50%	11.50%	AMEX		24.00%

Source: Respective Commercial Banks >

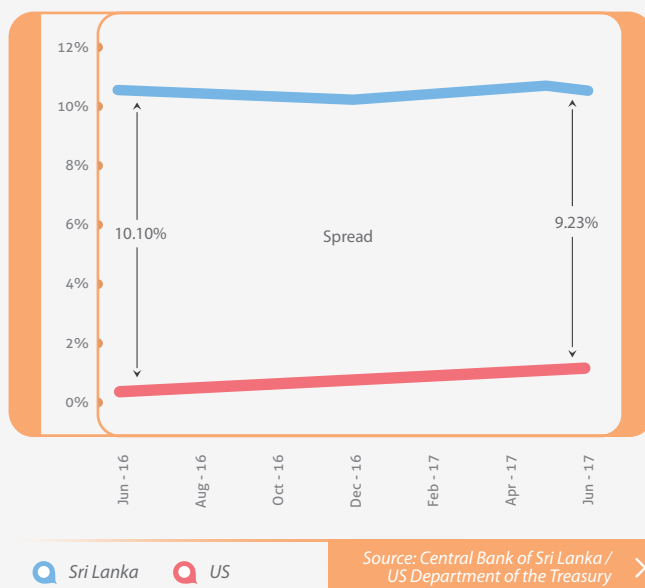


Effective July 1st, The Central Bank will be allowing banks to raise interest rates on credit cards and several other loan products by removing the interest rate ceilings that are currently in place. Interest rates on credit cards are currently capped at 24% and, given the new directive, are expected to increase to as much as 28%.



Broad money (M2b) growth increased marginally to 20.1% year-on-year in April 2017, from 20% in the previous month whilst credit extended to the private sector displayed signs of easing increasing by only LKR 19 Bn during the month of April (20.1% year-on-year) following the policy rate hike. We believe the pace of credit growth will ease further with the Central Bank removing the rate caps on banks' loan products giving banks the discretion to set their own interest rate caps to reflect rising market interest rates.

1 YEAR TREASURY RATE - USD Vs. LKR



The Federal Reserve approved its second rate hike of 2017 increasing its benchmark interest rate by 0.25% to a range between 1.00% to 1.25% amid expectations that inflation is running well below the fed's target of 2%. Fed officials indicated determination to continue raising rates even with muted inflation levels, which they considered to be temporary and likely to rise over the long run to its targeted level of 2%.

The rate hike came amid worries that keeping policy loose was posing increasing risks to financial stability and the economy. The fed also outlined a plan to reduce its USD 4.5 trillion balance sheet of bond holdings it accrued while trying to stimulate the economy during and after the financial crisis.

Central Bank Policy Rates	2014	2015	2016	Latest
Sri Lanka	6.50%	6.00%	7.00%	7.25%
US	0.0% - 0.25%	0.25% - 0.50%	0.50% - 0.75%	1.00% - 1.25%
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

364 Day Treasury Bill Rate	Jun 16	Dec 16	May 17	Jun 17
Sri Lanka	10.55%	10.17%	10.73%	10.47%
India	6.90%	6.34%	6.47%	6.38%
US	0.45%	0.85%	1.17%	1.24%
Euro Zone	-0.65%	-0.82%	-0.74%	-0.65%

Source: Respective Central Banks

	Rates on Savings Accounts - Jun 2017
Sri Lanka	4.00%
US	0.01%
Euro Zone	0.01%
Australia	1.70%
India	4.00%

Source: Respective Commercial Banks >

“ EFFECTIVE WEALTH PLANNING TODAY,
IS ESSENTIAL FOR FINANCIAL
FREEDOM TOMORROW. ”

— NDB Wealth —



INFLATION RATES

Country	Jun 16	Dec 16	May 17	Jun 17
Sri Lanka	5.50%	4.46%	6.01%	6.10%
US	1.00%	2.07%	1.87%	1.87%*
Euro Zone	0.08%	1.14%	1.40%	1.40%*
India	5.77%	3.41%	2.18%	2.18%*

*May 2017

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

Inflation as measured by the CCPI (2013=100), increased to 6.1% in June 2017 on a year-on-year basis from the previous month's 6.0% mainly on account of food inflation with prices in the food category increasing by 4.8% during the month. Within the food category prices of green chilies, red onions and vegetables increased.

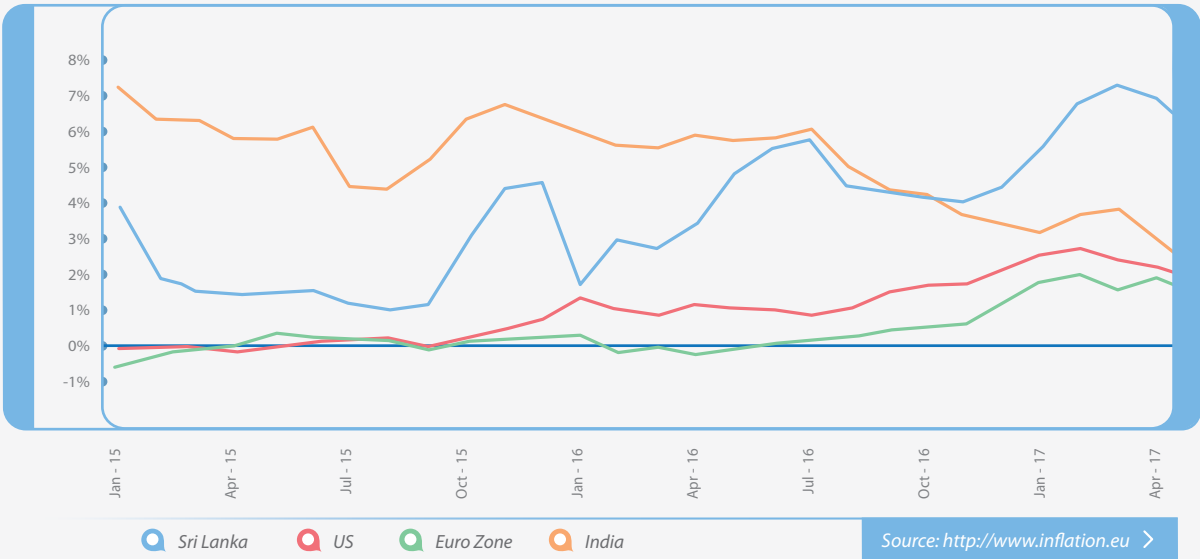
Core inflation however, which excludes the more volatile aspects of price movements (food, energy and transport), slowed to 5.1% in June year-on-year from 5.2% in the previous month owing to the base effect.

Inflation as measured by the NCPI (2013=100), slowed to 7.1% on a year-on-year basis in May from 8.4% in April primarily owing to the base effect despite food prices and non-food prices rising by 1% and 0.3% respectively during the month. This monthly increase was mainly due to the increase in prices of vegetables, red onions, fresh fish, rice and coconuts during the month.

We are of the view that inflation will moderate to mid-single digit levels during the second half of the year with weather-related supply-side disruptions and impact of the revisions to the tax structure expected to dissipate in the period ahead.

On the global front, US inflation and Euro zone inflation fell to 1.87% and 1.40% year-on-year in May 2017.

GLOBAL INFLATION RATES



FOREX OUTLOOK

Exchange Rates Vs. LKR	Jun 17	Jun 16	1 Year App / (Dep) LKR
USD	145.25	145.25	-5.38%
GBP	194.87	194.87	-2.53%
EURO	161.44	161.44	-8.07%
YEN	1.41	1.41	3.02%
AUD	108.18	108.18	-8.47%
CAD	112.24	112.24	-5.10%
INR	2.15	2.15	-9.36%
BHD	384.92	384.92	-5.41%
CNY	21.83	21.83	-3.76%

Source: Central Bank of Sri Lanka >

The Sri Lankan Rupee depreciated by 0.66% against the US Dollar (USD) in June to close the month at LKR 153.51 per 1 USD and lost 2.19% against the British Pound.

The US dollar's bounce stalled after the US Federal Reserve's policy minutes failed to provide a clear picture of future interest rate increases.

The British pound fell sharply following results of the UK election which saw the ruling Conservative party failing to reach a majority in the British Parliament.

Most emerging Asian currencies edged lower minutes from the Federal Reserve's latest meeting showed a lack of consensus on the future pace of US interest rate increases.

USD PER 1 EURO MOVEMENT



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

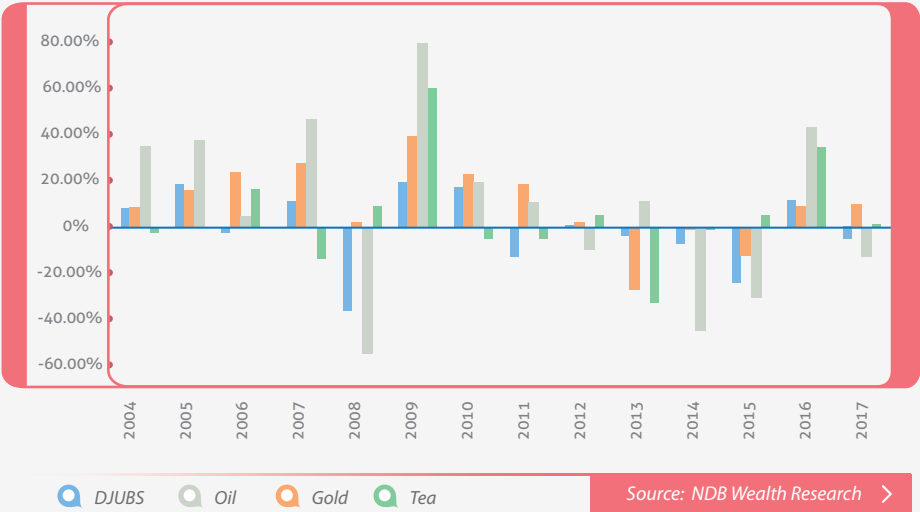
COMMODITY OUTLOOK

	1 month (1st Jun – 30th Jun 2017)	Past 12 months (Jun 2016 – Jun 2017)	YTD (1st Jan - 30th Jun 2017)
Bloomberg Commodity Index	-0.27%	-7.02%	-5.61%
Tea	-5.24%	33.16%	0.56%
Gold	1.14%	-1.26%	8.89%
Oil (Brent)	-7.82%	-3.82%	-13.28%

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

- After posting a gain last year for the first time in six years, the Bloomberg Commodity Index recorded a decline of 5.61% for the first half of 2017.
- Many commodities have continued on the downward trajectory in the second quarter of 2017; especially oil, trading 13.28% lower compared to the price it was traded at the beginning of 2017.
- Operational improvements in shale and non-shale oil drilling, on top of lower expenses for oil-field services and access to pipeline capacity, have driven down the costs of producing oil since the 2014 market crash.
- In the months following OPEC’s output cut extensions in November 2016, the oil sector experienced the best Q1 growth in years, due to new production from shale producers in the US and strong output recovery in Libya and Nigeria which buried the OPEC cuts that had been driving the barrel price surge.
- Moreover, oil exports by OPEC rose for a second month in June 2017, according to Thomson Reuters Oil Research, despite its pledge to hold back production between January 2017 and March 2018 in order to prop up prices. OPEC exported 25.92 million barrels per day (bpd) in June, 450,000 bpd above May and 1.9 million bpd more than a year earlier.
- Despite ample supplies, geo political risks have provided some support to both oil and gold prices.
- Gold has also extended its climb for the year so far, trading up 8.89% for the first six months of 2017, even after two US interest-rate hikes by the Federal Reserve (Central Bank in US) in 2017.

Commodity Price Movemets



PROPERTY OUTLOOK

Property industry in 2015 was valued at LKR 600 Bn which accounted for 6.8% of GDP and considering the last five years the industry has grown at an annual average growth of 11.7%.

According to the Business Times reported a government official has stated that the residential real estate market is likely to face a serious bubble in five years. He has made the statement considering that globally many countries are experiencing a property bubble and that rising inflation been the supporting factor.

Calamander Group Chairman also adds to the gray outlook of the residential property market stating that the Sri Lankan residential real-estate market fails to follow pure economics.

The current low macroeconomic growth momentum should signal the real-estate market to slow down, however, it is the contrary in Sri Lanka. This is due to commercial banks in the Island providing capital for new buyers. Fitch Ratings Lanka has indicated that up until 2016 that 60% of the total lending to the construction sector has been for housing.

Some of these buyers are speculative and trading buyers who buy purely on the capital appreciation expectation. With consumer spending dropping and tight monetary policies been adopted by the policymakers should see a slowdown in the residential property market. However, industry speculators are confident that external demand is sufficient to maintain the movement in the market.

Construction related lending account for 17.5% of the total lending by banks making the construction sector one of the largest sectors the banks are exposed to. With rising interest rates and taxes, borrowers will find it challenging to service the loans and might affect the NPL ratio of the banking sector.

The housing requirement for the midlevel apartments will continue to grow with the country graduating to a middle-income status, however this demand will be centered in an around the Western Province as most economic opportunities are centered within the Province.

The questionable subsector still remains the luxury high-end apartment sector which mainly depends on foreign buyers due to the lack of demand locally. However, the macro and sociopolitical situation will still be a concerning factor for the foreigners.

With Sri Lanka wanting to move in to an export oriented economy there is a dire need for warehousing, factories and production spaces. This is an area that developers and investors should focus on given the demand for properties of this nature.

X'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 June 2017									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	3.33%	-	6.65%	7.22%	8.46%	9.49%	9.80%	-	10.05%
Bank of Ceylon Islamic Business Unit - As of June2017									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.89%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of June 2017									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25				
Distributed Profit	6.20%	-	7.60%	9.05%	10.40%				
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of March 2017 (Released Quarterly)									
Profit Sharing Ratio*	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	4.43%	-	8.50%	9.00%	10.50%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of May 2017									
Profit Sharing Ratio*	40:60	40:60	45:65	60:40	65:35	-	-	-	-
3Mn - 50Mn									
Distributed Profit	5.78%	7.22%	7.95%	8.67%	11.00%	-	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of June 2017									
Profit Sharing Ratio*	34:66	58:42	62:38	66:34	68:32	72:28	72:28	-	-
Distributed Profit	6.52%	8.05%	11.89%	12.66%	13.04%	13.81%	13.81%	-	-
Commercial Leasing & Finance PLC- Islamic Finance – As of June 2017									
Profit Sharing Ratio*	35:65	55:45	58:42	60:40	61:39	65:35	66:34	71:29	72:28
Distributed Profit	5.00%	12.22%	12.88%	13.10%	13.10%	14.10%	14.10%	15.60%	15.60%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of May 2017									
Profit Sharing Ratio*	75:25	28:72	30:70	30:70	34:66	-	-	-	-
Distributed Profit	7.33%	9.82%	10.52%	10.52%	11.92%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of June 2017									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	5.31%	10.61%	10.96%	11.67%	11.67%	11.85%	12.20%	12.38%	13.09%
Peoples Leasing Islamic Business Unit - As of May 2017									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	6.23%	-	8.30%	8.99%	10.38%	-	-	-	-

Source: Respective Company Data ➤

* Profit sharing ratio provides profit ratio for Customer: Financial Institution; + Profits distributed at Maturity

The white list of shari’ah compliant stocks provides investors a means of ethical investing. The Core business is screened to ensure that corporate dealing in conventional banking, conventional insurance, alcoholic drinks, tobacco, pork production, arms manufacturing, pornography or related activities are excluded. Companies are also screened in terms of levels of debt, illiquid assets and non compliant investments.

WHITE LIST AS OF DECEMBER 2016

Finance and Insurance	Diversified Holdings	Manufacturing	Services
Amana Takaful PLC	Adam Capital PLC	Abans Electricals PLC	Hunter & Company PLC
Amana Bank PLC	Browns Capital PLC	ACL Cables PLC	Lake House Printing & Publishers PLC
Beverages and Food	Expo Lanka Holdings PLC	ACL Plastics PLC	Kalamazoo Systems PLC
Bairaha Farms PLC	Hayleys PLC	Agstar Fertilizers PLC	Power & Energy
Ceylon Cold Stores PLC	Hemas Holdings PLC	Alumex PLC	Lanka IOC PLC
Ceylon Tea Services PLC	Richard Pieris and Company PLC	Central Industries PLC	Panasian Power PLC
Convenience Foods PLC	Sunshine Holdings PLC	Ceylon Grain Elevators PLC	Vallibel Power Erathna PLC
Harischandra Mills PLC	Healthcare	Chevron Lubricants Lanka PLC	Plantations
Nestle Lanka PLC	Asiri Surgical Hospitals PLC	Dankotuwa Porcelain PLC	Balangoda Plantations PLC
Raigam Wayamba Salterns PLC	Ceylon Hospitals PLC (Durdans)	Dipped Products PLC	Elpitiya Plantations PLC
Renuka Agri Foods PLC	The Lanka Hospital Corpoartion PLC	Kelani Cables PLC	Hapugastanne Plantations PLC
Renuka Foods PLC	Land and Property	Kelani Tyres PLC	Horana Plantations PLC
Three Acre Farms PLC	CT Land Development PLC	Lanka Ceramic PLC	Kahawatte Plantation PLC
Motors	Huejay International Investment PLC	Lanka Tiles PLC	Kelani Valley Plantations PLC
Autodrome PLC	Serendib Engineering Group PLC	Lanka Walltiles PLC	Kotagala Plantations PLC
C M Holdings PLC	Serendib Land PLC	Laxapana Batteries PLC	Madulsima Plantations PLC
DIMO PLC	Chemicals and Pharmaceuticals	Piramal Glass Ceylon PLC	Malwatte Valley Plantations PLC
Lanka Ashok Leyland PLC	Chemanex PLC	Printcare PLC	Namunukula Plantation PLC
Sathosa Motors PLC	Haycarb PLC	Regnis (Lanka) PLC	Talawakelle Tea Estate PLC
United Motors Lanka PLC	J.L. Morison Son & Jones (Ceylon) PLC	Royal Ceramic Lanka PLC	Udapussellawa Plantation PLC
Construction & Engineering	Union Chemical Lanka PLC	Samson International PLC	Watawala Plantations PLC
Access Engineering PLC	Trading	Sierra Cables PLC	Oil Palms
Colombo Dockyard PLC	Brown & Company PLC	Singer Industries (Ceylon) PLC	Good Hope PLC
Lankem Development PLC	C. W. Mackie PLC	Swisstek (Ceylon) PLC	Indo Malay Plc
Footwear and Textiles	Eastern Merchants PLC	Teejay Lanka PLC	Selinsing PLC
Ceylon Leather Products PLC	Office Equitment PLC	Tokyo Cement (Company) PLC	Shalimar (Malay) PLC
Odel PLC	Stores & Supplies	Telecommunications	
	Colombo City Holdings PLC	Sri Lanka Telecom PLC	
	Gestetner of Ceylon PLC		

Source: www.amanaasset.com >

Note 1: The White List has taken to consideration company financials as at September 30, 2016 and December 31, 2016

Note 2: Exclusions from the previous list – Heladiv Foods PLC, Kotmale Holdings PLC, Renuka Shaw Wallace PLC, Tea SmallHolder Factories PLC, MTD Walkers PLC, Kuruwita Textiles Mills PLC, The Colombo Fort Land & Building PLC, Nawaloka Hospitals PLC, City Housing & Real Estate Company PLC, Colombo Land & Development Company PLC, Seylan Developments PLC, Yorkman Holdings PLC, Industrial Asphalts (Ceylon) PLC, Lankem Ceylon PLC, E B Creasy & Company PLC, PC House PLC, Hayelys Fibre PLC, Lanka Cement PLC, Dialog Axiata PLC, Asia Siyaka Commodities PLC, Ceylon Printers PLC, Hemas Power PLC, Laugfs Gas PLC, Vidullanka PLC, Maskeliya Plantations PLC, Metropolitan Resource Holdings PLC, Tess Agro PLC.

Note 3: New Inclusions – Ceylon Cold Stores PLC, Renuka Foods PLC, Autodrome PLC, Hayleys PLC, Hemas Holdings PLC Richard Pieris and Company PLC, Brown & Company PLC, Colombo City Holdings PLC, Piramal Glass Ceylon PLC, Good Hope PLC, Indo Malay PLC, Selinsing PLC, Shalimar (Malay) PLC.

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