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MARKET UPDATE AND FUND REVIEW

August 2023

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NDB | **WEALTH**

Significant decline in Inflation

In August 2023, there was a significant drop in inflation as measured by the CCPI (2021=100), with inflation decreasing to 3.99% on a year-on-year basis, from 6.32% recorded in July 2023. This decline was primarily influenced by a deflation in food prices, which fell by 4.82% (year-on-year) in August 2023 compared to a decline of 1.48% in July 2023. Additionally, non-food inflation saw a year-on-year decline from 10.48% in July 2023 to 8.70% in August 2023. Core inflation, which excludes the volatile components of food, energy, and transport prices, also decreased to 4.65% (year-on-year) in August 2023 compared to 5.90% in August 2023. Inflation is expected to be at its lowest in September 2023 due to the base effect; however, it is expected to be well contained in the mid to low single digit range for the remainder of 2023.

Sri Lankan Rupee appreciates against Hard currencies

During August, the Sri Lankan Rupee strengthened by 2.07% against the US Dollar and closed at LKR 322.66 / USD by the month end. Moreover, the Sri Lankan Rupee appreciated by 3.08% and 2.87%, against the Sterling Pound and Euro in August 2023. The Central Bank of Sri Lanka was a net seller of foreign exchange to ensure the stability in the Sri Lankan Rupee amid eased import restrictions. The gross official reserves stood at USD 3.77 billion as at July 2023.

Steep decline in Interest rates following SRR reduction

In August 2023, the Central Bank of Sri Lanka (CBSL) decided to keep policy rates unchanged, maintaining the Standing Lending Facility Rate at 12.00% and the Standing Deposit Facility Rate at 11.00%. To boost liquidity in the financial market, CBSL reduced the Statutory Reserve Ratio by 200 basis points. This led to a significant decline in overall market interest rates, with the Benchmark 364-day Treasury bill rate dropping to 13.58%, down by 71 basis points month-on-month. Additionally, foreign holdings of LKR denominated Government securities decreased during the month, accounting for 1.09% of the outstanding stock compared to 1.25% in the preceding month.

Stock market declined due to extended DDO.

In August, the ASPI and S&PSL20 stock market indices in Sri Lanka saw declines of 2.39% and 5.39%, respectively, compared to the previous month. This drop was attributed to the extension of the Debt Moratorium (DDO), which negatively impacted the banking and finance sector. However, both indices had recorded a year-to-date increase of 30.91%, indicating positive performance over the year. Foreign inflows in August amounted to LKR 1.80 billion, which was lower than the previous month's LKR 2.23 billion. On a positive note, investor sentiment may improve in the backdrop of further expected easing monetary policy by CBSL, potentially fostering economic growth and boosting future corporate earnings.

Harini Wijayaratnam
Fund Manager

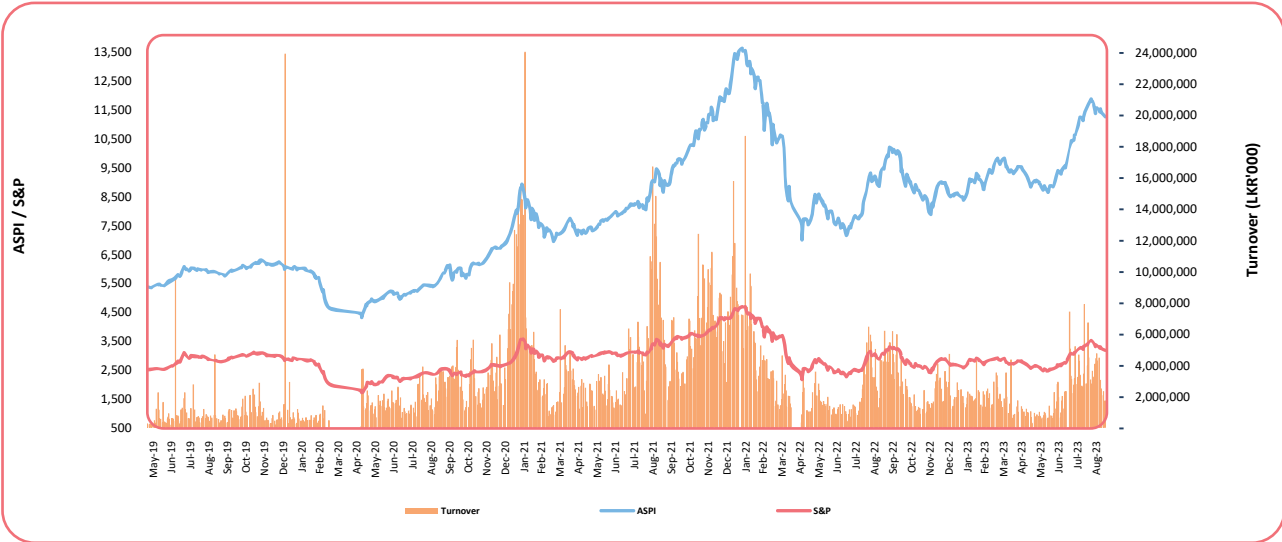
Equity Outlook

	Past month Performance (Aug 2023)	Past 12 months Performance (Aug 2022 – Aug 2023)	Year to Date Performance (YTD upto Aug 2023)
All Share Price Index	-2.39%	22.52%	30.91%
S&PSL 20	-5.39%	6.90%	18.80%
MSCI Frontier Markets Index	-0.89%	0.93%	12.04%
MSCI World Index	-2.35%	16.21%	16.54%
MSCI Emerging Markets	-6.16%	1.25%	4.55%
MSCI Asia Ex Japan	-6.39%	-0.24%	2.59%

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

- ◆ With the extension of the deadline to exchange LKR denominated Treasury Bonds as part of the Domestic Debt Optimization (DDO) plan, both the ASPI and S&PSL20 indices in the equity markets experienced declines of 2.39% and 5.39%, respectively. The primary drivers behind this market downturn were the banking and finance sector shares.
- ◆ Market turnover decreased this month due to investor reluctance to take on new positions following news of the DDO deadline extension. In August, net foreign inflows amounted to Rs. 1.80 billion, down from July's figure of 2.23 billion. Foreign investors heavily sold JKH during the month.
- ◆ In U.S., the previous optimism experienced in markets during the last two months, in the backdrop of the end of Fed interest rate increases and expectations of lower inflation, gave way to concern in August. Worries about prolonged higher interest rates resulting from a robust economy initially led to a 4.78% decline up to 18th of the month, which was followed by a 3.16% rebound as economic data hinted at a growth slowdown. Overall, the market declined by 1.77% during August 2023.
- ◆ Across Asia-Pacific markets, predominantly positive trends were observed. China's factory activity for August indicated growth, and the central bank's announcement of a reserve requirement reduction aimed at stimulating economic activity had a positive impact. Chinese equities saw gains in response to the unexpected expansion of China's factory activity in August, as reported in a private-sector survey. The Shanghai Shenzhen CSI 300 Index (CSI300) rose by 0.7%, the Shanghai Composite index increased by 0.43%, and the Shenzhen Component index advanced by 0.44% on the last trading day of August to close the month.
- ◆ Australian equities experienced smaller declines compared to international markets. In August, the ASX 200 index fell by 0.7%, and the Small Cap index underperformed with a 1.7% drop. The consumer discretionary sector was the sole positive performer, with a 4.6% increase, while the utilities sector experienced the most significant decline of 4.3%, followed by consumer staples which declined by 4.1% (price returns only).

Colombo Stock Exchange Performance



Source: www.cse.lk

		Aug 2023	Aug 2022
CSE	Market PER	5.91x	4.90x
	Market PBV	1.02x	0.83x
	Market DY	4.23%	4.32%
MSCI Frontier Market	Market PER	11.01	10.99x
	Market PBV	1.65	1.87x
	Market DY	4.28	3.90%

Colombo Stock Exchange	Jan-Aug 2023	Jan- Aug 2022
Foreign Inflows	LKR 31.03 Billion	LKR 26.25 Billion
Foreign Outflows	LKR 25.90 Billion	LKR 64.21 Billion
Net Foreign Inflows /Outflows	LKR 5.10 Billion	(LKR 37.96 Billion)

Source: www.cse.lk

**"Courage taught me no matter how bad a crisis
gets any sound investment will eventually pay off."
-Carlos Slim Helu**



Fixed Income Outlook

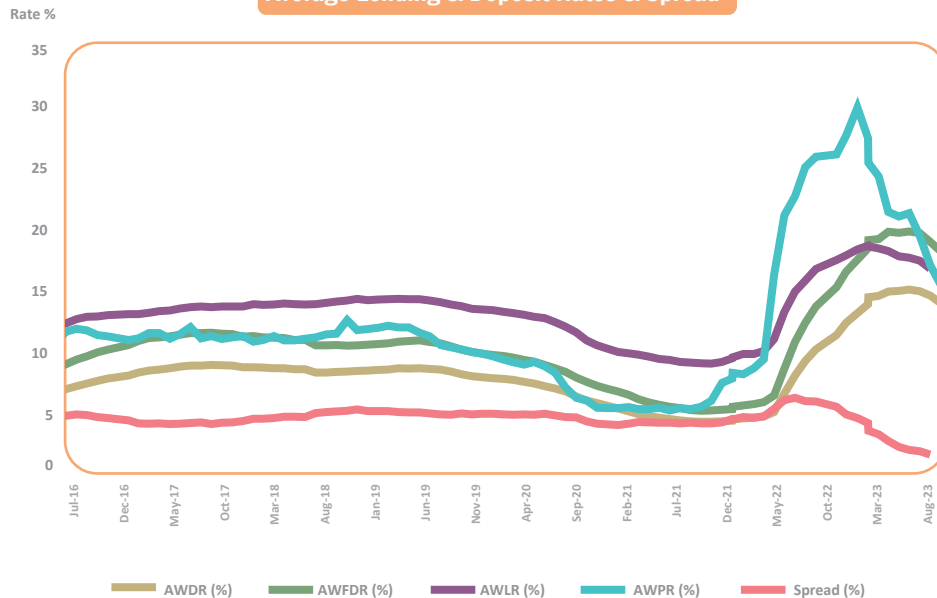
Interest Rates in Sri Lanka

- The Central Bank of Sri Lanka decided to maintain policy rates during August in the 6th monetary policy for 2023. Accordingly, the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) was maintained at 12.00% and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) maintained at 11.00%. However, in a surprise move, prior to the Monetary Policy meeting, CBSL reduced SRR (Statutory reserve ratio) by 200 basis points to 2% to inject more liquidity into the financial markets.

	Aug-22	Dec-22	Jul-23	Aug-23
364 Day T-bill	29.83%	29.27%	14.29%	13.58%
5-Year Bond	24.39%	26.76%	14.72%	14.09%
1-Year Finance Company Fixed Deposit Ceiling Rate	31.33%	31.31%	16.14%	15.51%

* Gross Rates provided. Net returns would change based on prevailing tax regulations.
Source: Central Bank of Sri Lanka

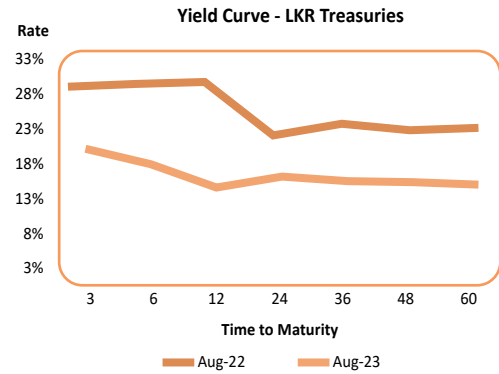
Average Lending & Deposit Rates & Spread



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

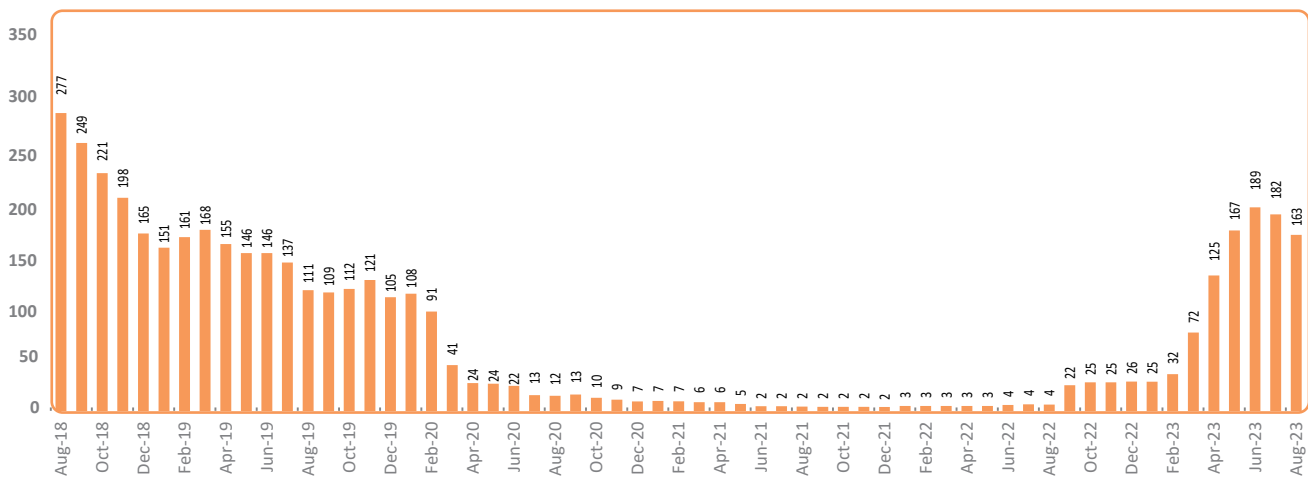
- The T-bill yields continued to decline across the yield curve during the month, with the benchmark 364 T-bill yield decreasing by 71 bps in August to 13.58% from 14.29% in July 2023. The 91-day weighted average T-bill rate reduced by 148 bps to 18.48% and the 182-days weighted average T-bill decreased by 233 bps to 15.36%.
- Broad money (M2b) growth increased to 6.4% on a year-on-year basis in July, from the previous month's 5.2%, whilst the contraction in credit to the private sector slowed to 7.6% year-on-year basis in July from the 8.2% contraction recorded in the previous month. Monthly private sector credit disbursement increased by LKR 13.30 billion or by 0.2% in July 2023.

Outstanding LKR Govt. Securities	
T Bills (Total)	T Bonds (Total)
LKR 5,744 Billion	LKR 9,276 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 14,857 Billion	LKR 163.20 Billion
Total Foreign Holding of Bills and Bonds: 1.09%	



Foreign Holding of LKR G-Sec

LKR Bn.



Source: Central Bank of Sri Lanka

- Foreign investors were net sellers in LKR denominated securities recording an outflow of LKR 19.2 billion during the month, with the foreign holdings reducing to 1.09% of the total outstanding government securities from 1.25% last month. Foreign investors remained net buyers on a year to date basis at LKR 137.6 Bn in 2023.

1 Year FD Rates – Sri Lankan Banks		
	Aug-23	Jul-23
NSB	9.00%	10.00%
COMB	9.50%	9.50%
SAMP	9.50%	9.50%
HNB	9.50%	9.50%
NDB	10.00%	11.00%

Source: Respective Commercial Banks

Rates on Credit Cards	Aug-23
HSBC	28.00%
SCB	28.00%
Sampath	28.00%
NDB	28.00%
AMEX	28.00%

Source: Respective Commercial Banks

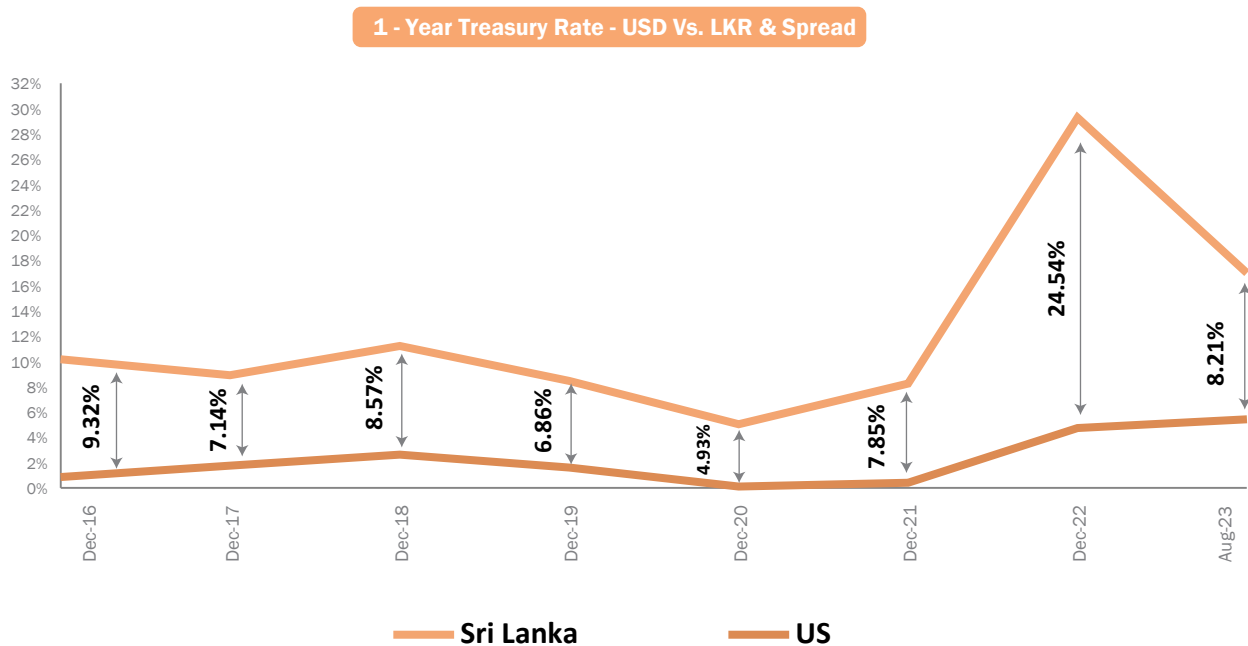
- NSB and NDB reduced their fixed deposit rates by 1% during the month.
- The credit card interest rates have been reduced to 28%, as per a circular issued by the central bank, which established a maximum allowable interest rate for credit cards.
- Moreover, the central bank further introduced limits on interest rates for pawning facilities and pre-arranged temporary overdrafts, setting the ceiling at 18% and 23%, respectively, while penal interest rates were restricted to a maximum of 2% above the regular rates.

NDIB CRISIL Fixed Income Indices Total return as at 31/08/2023	3 month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	6.59%	32.15%	14.54%
NDBIB-CRISIL 364 Day T-Bill Index	11.40%	37.86%	10.10%
NDBIB CRISIL 3 Year T-Bond Index -TRI	33.91%	60.44%	8.71%
NDBIB - CRISIL 5 Year T- Bond Index -TRI	40.73%	77.62%	6.90%

Source: www.crisil.com

Central Bank Policy Rates	2020	2021	2022	August-23
Sri Lanka	4.50%	5.00%	14.50%	11.00%
US	0.00% - 0.25%	0.00% - 0.25%	4.25% - 4.50%	5.25% - 5.50%
Euro Zone	0.00%	0.00%	2.50%	4.25%
Australia	0.10%	0.10%	3.10%	4.10%
India	4.00%	4.00%	6.25%	6.50%

Source: www.cbrates.com



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

- ◆ Following the recent August economic data release in the US, the governor of the US Federal Reserve has expressed that presently there are no significant grounds to consider raising short-term borrowing costs in the near future. Instead, they are adopting a 'wait and see' stance, closely monitoring incoming data for any indications to change their approach.

364 Day Treasury Bill Rate	Aug-22	Dec-22	Jul-23	Aug-23
Sri Lanka	29.83%	29.27%	14.29%	13.58%
India	6.31%	6.89%	6.88%	7.03%
US	3.37%	4.73%	5.37%	5.37%
Euro Zone	0.66%	2.46%	3.42%	3.38%

Source: Respective Commercial Banks

Rates on Savings Accounts Aug 2023	
Sri Lanka	3.25%
US	0.01%
Euro Zone	0.50%
Australia	4.65%
India	3.00%

Source: Respective Central Banks

- ◆ For the second time in three months, China's central bank has reduced one of its key interest rates, as the world's second-largest economy continues to face challenges in its post-pandemic recovery.

“NEVER DEPEND ON A SINGLE INCOME.
SAVE WISELY TO CREATE MULTIPLE SOURCES OF INCOME.

- NDB Wealth



Inflation Rates

Country	Aug-22	Dec - 22*	Jul-23	Aug-23
Sri Lanka	64.30%*	57.20%*	6.30%**	4.00%**
US	8.26%	6.45%	3.18%	3.18%***
Euro Zone	9.14%	9.20%	5.30%	5.30%***
India	7.00%	5.72%	7.44%	7.44%***

Source: Department of Census and Statistics - Sri Lanka, inflation.eu/, rateinflation.com/inflation-rate/usa-inflation-rate/, tradingeconomics.com/india/inflation-cpi

* Base Year (2013=100)

**Base Year (2021=100)

***July 2023

- ◆ During August 2023, inflation, as measured by the CCPI (2021=100), showed a notable decrease, dropping to 3.99% on a year-on-year basis, down from 6.32% in July 2023. This decline was primarily due to the significant drop in the food inflation, which experienced deflation of 4.82% in August 2023, compared to deflation of 1.48% in July 2023, on a year-on-year basis.
- ◆ Non-food inflation decreased from 10.48% in July 2023 to 8.70% in August 2023 on a year-on-year basis.
- ◆ On a month-on-month basis, the decline in inflation was marginal at 0.05% and was mainly driven by a drop-in food inflation of 1.27%; partially offset by a marginal increase of 0.58% in the non-food inflation category.
- ◆ During the month, significant price decreases were witnessed in the food category, particularly in Fresh Fish, Vegetables, and Milk Powder. Conversely, increases in prices were observed in the Non-Food inflation category, specifically in categories of "Transport," "Housing, Water, Electricity, Gas, and Other Fuels," and "Alcoholic Beverages, Tobacco, and Narcotics".
- ◆ Core inflation, which excludes the volatile components of food, energy, and transport prices, decreased further to 4.65% during the month of August, down from 5.90% in the previous month.
- ◆ Similarly, inflation, as measured by the NCPI (2021=100), decelerated to 4.56% year-on-year in July 2023 from 10.79% in the preceding month.
- ◆ Based on our projections, we anticipate inflation to fall below mid-single digit level temporarily and stabilize around mid-single digit level in the medium term. This decline is due to several factors, including the lagged impact of previously implemented tight monetary and fiscal policies, decline in domestic prices amidst LKR appreciation against USD, and the favorable impact of statistical base effect.
- ◆ On the global front, notable changes in inflation rates were observed. The United States saw an increase in inflation, rising to 3.18%, while India experienced a more significant surge with an inflation rate of 7.44%. These increases were primarily attributed to surging food prices. On the other hand, the Eurozone experienced a marginal decline in inflation, decreasing from 5.50% in June 2023 to 5.30%. This drop in Eurozone inflation was mainly due to declining prices in energy and industrial goods.

Forex Outlook

Exchange Rates Vs. LKR	Aug-22	Dec-22	Aug-23	1 Year. Apr/(Dep) LKR	YTD App/(Dep) LKR
USD	361.15	363.11	322.66	11.93%	12.54%
GBP	421.32	437.35	410.56	2.62%	6.53%
EUR	361.98	386.93	352.54	2.68%	9.75%
YEN	2.61	2.74	2.21	17.85%	23.81%
AUD	247.82	245.61	209.54	18.27%	17.21%
CAD	275.90	267.95	238.48	15.69%	12.36%
INR	4.54	4.39	3.90	16.33%	12.35%
BHD	957.91	963.09	855.87	11.92%	12.53%
CNY	52.29	52.19	44.28	18.09%	17.86%

Source: Central Bank of Sri Lanka

- ◆ The Sri Lankan rupee appreciated by 2.07% against the US Dollar during August 2023, closing at LKR 322.66 by the month end.
- ◆ The Sri Lankan rupee gained by 3.08% and 2.87% against the Sterling Pound and Euro, respectively, during the month.
- ◆ The Central Bank of Sri Lanka (CBSL) was a net seller of foreign exchange by US\$ 12.5 million in July 2023, compared to US\$ 158.9 million in July 2022. This aided in stabilizing the Sri Lankan Rupee amid gradual easing of import restrictions which were implemented in previous years. The Ministry of Finance indicated its intention to lift all restrictions on imports, except for private vehicles, by the end of 2023.
- ◆ The US Dollar gained against a basket of currencies, as concerns about China's economy and expectations of continued high interest rates in the US, boosted the value of the dollar.
- ◆ The Sterling Pound weakened against the US Dollar after data showed a contraction in British activity in August which lowered expectations for further interest rate hikes from the Bank of England.

USD per 1 Euro Movement



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

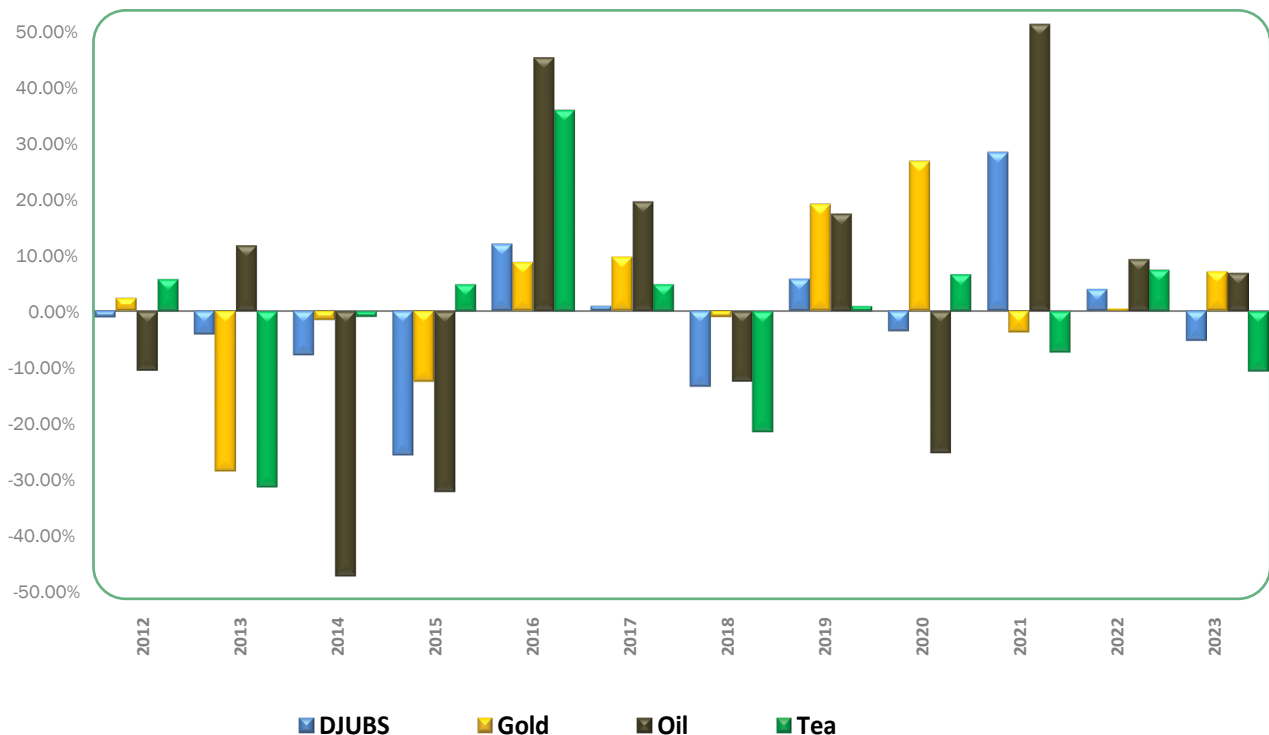
Commodity Outlook

	Past month Performance (Up to 30th Aug 2023)	Past 12 months Performance (Up to 30th Aug 2023)	Year to Date Performance (Up to 30th Aug 2023)
Bloomberg Commodity Index	-1.22%	-12.83%	-5.16%
Gold	-1.66%	8.74%	6.74%
Tea	44.57%	-15.00%	-10.31%
Oil (Brent)	7.57%	-12.61%	6.51%

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

- ◆ In August, the Bloomberg Commodity Index (BCOM) experienced a slight dip of 1.22%, marking its first decline in two months. This was primarily driven by price declines in a few selected commodities, including sugar, platinum, and coffee.
- ◆ During the month, Crude oil prices increased for the second consecutive month by 7.57% as world oil demand spiked to record highs boosted by the strong summer air travel, increase in oil usage in power generation and the decision by Saudi Arabia and Russia to cut production to 1.5 million barrels a day.
- ◆ Crude oil price will continue to depend heavily on the recovery of the demand from China and further decisions on the overall supply by OPEC+ countries.
- ◆ During the month of August tea prices increased by 44.57% after a lapse of three consecutive months as the demand picked up whilst a decline was seen in supply due to adverse weather conditions.
- ◆ In August, the price of gold experienced a slight decrease of 1.66% as investors switched their interest to treasury products due to prevailing high secondary market yields and expected rate hikes in future in developed markets and risk of a global recession.

Commodity Price Movements



Source: worldbank.org, marketwatch.com

Property Outlook

- ◆ The Colombo District's Land Valuation Indicator (LVI) published by the Central Bank of Sri Lanka stood at 215.3, marking a 15.2% increase on a year-on-year basis for the first half of 2023. All LVI sub-indicators, including Residential, Commercial, and Industrial LVIs, contributed to this overall growth, with annual increases of 17.2%, 15.1% and 13.5% respectively.
- ◆ When examining the semi-annual performance, LVI recorded a 4.9% increase in the first half of 2023 compared to the second half of 2022. The primary contributors to this increase were Residential LVI, followed by Commercial and Industrial LVIs. However, it's important to note that there was a deceleration in the semi-annual growth of LVI during the first half of 2023.
- ◆ According to the SL Purchasing Managers' Index for Construction Industry, in July 2023, the construction industry maintained a subdued performance, registering a Total Activity Index value of 43.2. This was primarily due to many firms choosing to remain inactive in the challenging industry environment.
- ◆ On a positive note, according to the CBSL, there was a gradual decrease in material costs, creating a favorable environment for the limited ongoing projects. Additionally, some government-funded projects that had been temporarily suspended resumed operations on a modest scale during the month.
- ◆ New Orders decreased in July, although at a slower rate. Respondents from the survey conducted by the CBSL, noted that opportunities for tendering were mostly confined to foreign-funded projects, while private clients were waiting for further cost reductions. Sub-contracting opportunities were also scarce, as firms with existing projects had excess capacity.
- ◆ The survey also concluded that employment levels continued to decline in July, as firms focused on retaining key staff members. Quantity of Purchases also decreased, with many firms adopting a wait-and-see approach and fulfilling only short-term requirements. Meanwhile, Suppliers' Delivery Time remained largely stable during the month, and some respondents mentioned an increased availability of supplier credit facilities.

Source: Central Bank of Sri Lanka

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. 200 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 and Wakala deposits and savings accounts. The fund provides liquidity with higher returns compared to savings accounts to its investors and would be an ideal substitute for direct investments in Mudharabah savings accounts and deposits. (Trustee: Hatton National Bank PLC)

Mudharabah and Wakala 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 August 2023									
Mudharabah PSR*	30:70	-	55:45	60:40	65:35	70:30	75:25	-	90:10
Distributed Profit	3.63%	-	8.00%	9.00%	10.00%	11.00%	12.00%	-	13.00%
Bank of Ceylon Islamic Business Unit - As of August 2023									
Mudharabah PSR*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.39%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of August 2023									
Mudharabah PSR*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	6.05%	-	7.40%	8.70%	10.00%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of August 2023									
Mudharabah PSR*	15:85	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	4.87%	-	9.00%	9.25%	9.50%	-	-	-	-
Wakala Rates	-	-	11.00%	10.00%	9.50%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of August 2023									
Mudharabah PSR*	40:60	-	-	-	-	-	-	-	-
Distributed Profit	3.50%	-	-	-	-	-	-	-	-
Wakala Rates	-	8.50%	10.50%	9.50%	9.50%	-	-	-	-
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of August 2023									
Wakala Rates	-	12.00%	13.00%	12.75%	12.00%	12.25%	12.75%	12.75%	13.75%
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of August 2023**									
Mudharabah PSR*	25:75	66:34	64:36	66:34	58:42	54:46	56:44	58:42	62:38
Distributed Profit	5.07%	13.39%	12.99%	13.39%	11.77%	10.96%	11.36%	11.77%	12.58%
Wakala Rates	-	14.00%	13.50%	13.00%	12.00%	12.00%	12.50%	13.00%	14.00%
Peoples Leasing Islamic Business Unit - As of August 2023									
Wakala Rates	-	10.50%	10.50%	11.50%	12.00%	12.50%	12.50%	-	-

* PSR/Profit Sharing Ratio provides profit ratio for Customer: Financial Institution;

**Profits distributed at Maturity

Source: Respective company data

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

White List as of August 2023

Beverages and Food	Chevron Lubricants Lanka PLC
Bairaha Farms PLC	Dipped Products PLC
Ceylon Grain Elevators PLC	Samson International PLC
Three Acre Farms PLC	Union Chemicals Lanka PLC
Ceylon Cold Stores PLC	
Lanka Milk Foods PLC	Chemicals and Pharmaceuticals
Nestle Lanka PLC	Haycarb PLC
Renuka Agri Foods PLC	Muller and Phipps (Ceylon) PLC
Renuka Foods PLC	Union Chemicals Lanka PLC
Telecommunication	Banks / Insurance / Diversified Financials
Dialog Axiata PLC	Amana Bank PLC
Sri Lanka Telecom PLC	Amana Takaful PLC
Diversified Holdings	Amana Takaful Life PLC
Sunshine Holdings PLC	Textile
Expo Lanka Holdings PLC	Hayleys Fabric PLC
Healthcare	Teejay Lanka PLC
Ceylon Hospitals PLC	Engineering & Construction
Manufacturing	Access Engineering PLC
ACL Cables PLC	Unisyst Engineering PLC
Central Industries PLC	Plantations
E B Creasy & Company PLC	Kelani Valley Plantations PLC
Kelani Cables PLC	Agalawatte Plantations PLC
Lanka Tiles PLC	Kotagala Plantations PLC
Lanka Walltiles PLC	Malwatte Valley Plantations PLC
Laxapana Batteries PLC	Namunukula Plantations PLC
Royal Ceramics Lanka PLC	Talawakelle Tea Estates PLC
Sierra Cables PLC	Watawala Plantations PLC
Dankotuwa Porcelain PLC	Tea Smallholder Factories PLC
Regnis (Lanka) PLC	Others
ACL Plastics PLC	Vallibel Power Erathna PLC
PGP Glass Ceylon PLC	Colombo Dockyard PLC
Lanka Aluminium Industries PLC	Lanka Ashok Leyland PLC

UNIT TRUST FUNDS OFFERED BY NDB WM



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

NDB Wealth Growth Fund

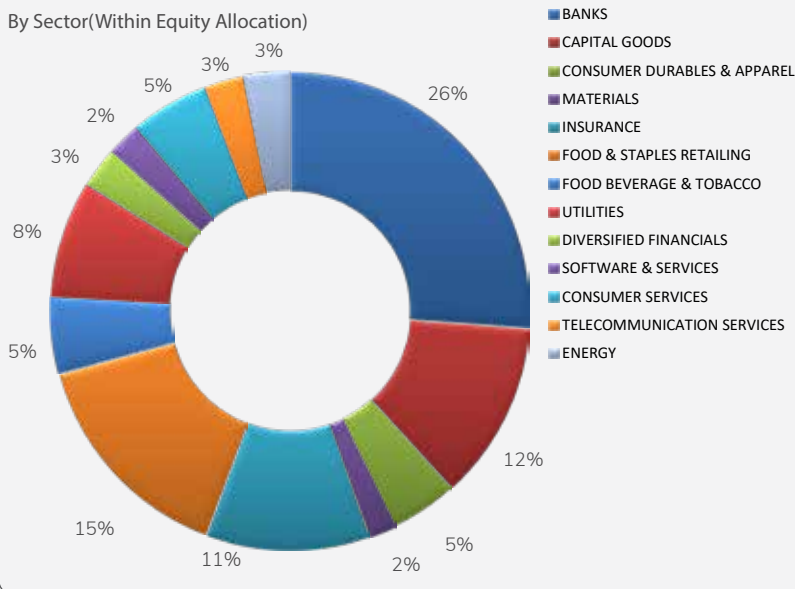
Fund Overview

Type : Open Ended Currency: LKR
Investments: Listed Equities

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

Equity Allocation

By Sector (Within Equity Allocation)



Fund Snapshot

31-Aug-23

YTD Yield	41.90%
NAV per unit	12.10
AUM (LKR Mn.) **	225.98
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.85%
Max Equity Allocation	97.00%
Current Equity Allocation	90.55%
Fund Leverage	0.00%

Top 5 Portfolio Holdings (In Alphabetical Order)

CARGILLS (CEYLON) PLC
COMMERCIAL BANK OF CEYLON PLC
HATTON NATIONAL BANK PLC
PEOPLES INSURANCE LTD
WINDFORCE LIMITED

Historical Returns

Period	Fund Returns *	ASPI Returns
Last Month	-0.41%	-2.39%
Last 3 months	29.57%	29.91%
Last 6 months	28.93%	20.96%
Last 12 months	37.88%	22.52%
Year 2022	-31.26%	-30.56%
Year 2021	27.93%	80.48%

* After fees, excluding front end and back end loads

** AUM before expense allowance adjustment

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	9.45%
Average Duration	0.0027
Maturity	% 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.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Exposure Restrictions	Maximum exposure restrictions to listed equity 15% of NAV; maximum exposure restrictions on fixed income investments depend on the features of each security, (Ex: Rated, Guaranteed, etc.), and are regulated by the Trustee and the SEC.
Fee Details	Management Fee : 2.25% p.a. of NAV. Trustee fee : 0.10 - 0.19% p.a. of NAV. Custodian fee : 0.05% p.a. of NAV, depending on fund size Front-end fee : 2% / Exit fee : 1% if less than 1 year ; 0 if greater than 1 year.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

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NDB Wealth Growth and Income Fund

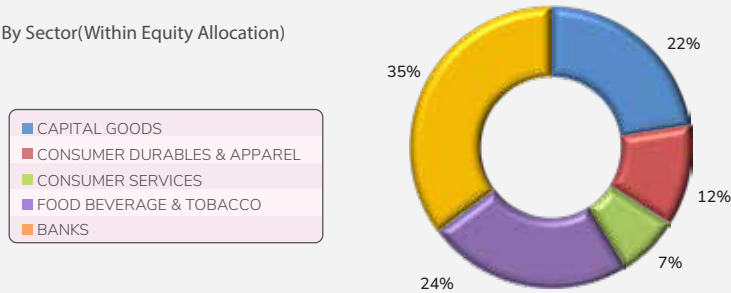
Fund Overview

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

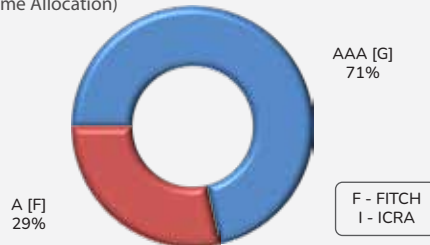
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing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

Portfolio Allocation

By Sector (Within Equity Allocation)



By Credit Rating (Within Fixed Income Allocation)



Historical Returns

Period	Fund Returns	ASPI Returns
Year to Date	33.29%	30.91%
Last Month	1.47%	-2.39%
Last 3 Months	28.44%	29.91%
Last 6 Months	26.89%	20.96%
Last 12 Months	26.62%	22.52%
Year 2022	-19.49%	-30.56%
Year 2021	19.02%	80.48%

* After fees, excluding front end and back end loads.

** AUM before expense allowance adjustment.

Fund Snapshot

31-Aug-23

YTD Yield	33.29%
NAV per unit	55.03
AUM (LKR Mn.)**	258.05
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.97%
Max Equity Allocation	97.00%
Current Equity Allocation	60.76%
Fund Leverage	0.00%

Top 5 Portfolio Holdings (In Alphabetical Order)

HATTON NATIONAL BANK PLC
HAYLEYS PLC
SAMPATH BANK PLC
SUNSHINE HOLDINGS PLC
TEEJAY LANKA PLC

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	39.24%
Average Duration	2.20
Maturity	% Holding
Under 1 Yr	84.32%
1 Yrs - 5 Yrs	15.68%

Other Features

Valuation	Daily Valuation Instruments less than one year – cost plus accrued basis, Instruments greater than one year – marked to market
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Exposure Restrictions	Maximum exposure restrictions to listed equity 15% of NAV; maximum exposure restrictions on fixed income investments depend on the features of each security, (Ex: Rated, Guaranteed, etc.), and are regulated by the Trustee and the SEC
Fee Details	Management Fee : 1.5% p.a. of NAV / Trustee fee : 0.11-0.15% p.a. of NAV, depending on fund size Custody Fee : Rs.10,000 per Month, Front-end fee : 1.5%.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Hatton National Bank PLC

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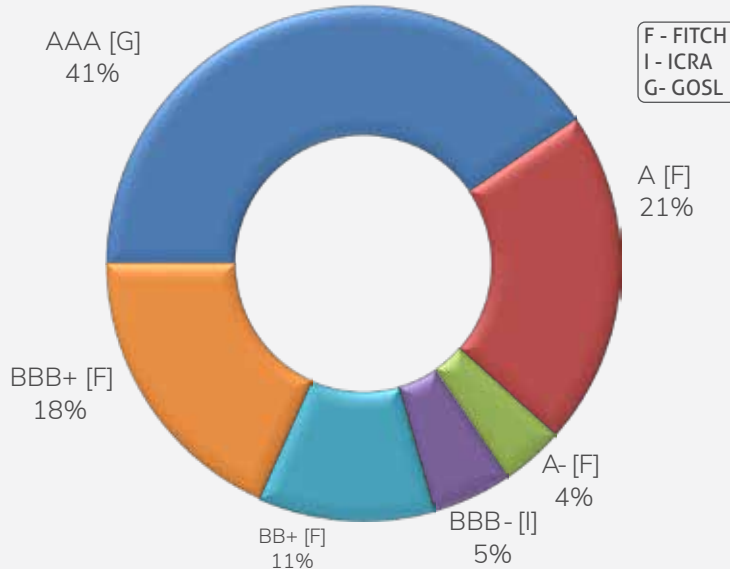
NDB Wealth Income Fund

Fund Overview

Type : Open Ended Currency: LKR
Investments: Corporate Debt Instruments

NDB Wealth Income Fund is an open-ended Fixed Income fund incorporated in Sri Lanka, invested in LKR based corporate debt instruments including commercial paper, securitized paper, quoted and unquoted debentures as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions. The Fund aims to enhance returns by investing in a diversified portfolio of corporate debt securities.

Portfolio Allocation By Credit Rating



Fund Snapshot 31-Aug-23

YTD Yield	32.28%
YTD Yield (Annualized)	48.48%
NAV per unit	24.3083
AUM (LKR Mn.)	508.21
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	0.88%
Average Maturity (Yrs)	2.89
Average Duration	1.76

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	30.89%	23.57%
1 Month - 3 Months	7.96%	11.10%
3 Months - 6 Months	6.93%	21.30%
1 Year - 5 Years	54.21%	17.70%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	32.28%	48.48%
Last month	3.58%	42.17%
Last 3 months	20.07%	79.64%
Last 6 months	27.22%	53.99%
Last 12 months	39.81%	39.81%
Year 2022	8.21%	8.21%
Year 2021	6.74%	6.74%

Other Features

Valuation	Daily Valuation All Instruments are marked to market.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Exposure Restrictions	Maximum exposure restrictions on investments depend on the features of each security, (Ex: Rated, Guaranteed, etc), and are regulated by the Trustee and the SEC.
Fee Details	Management Fee : 0.65% 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. Exit Fee – 1% on redemptions, switches or transfer of units made within 365 days from the creation date of any investment made after 1st October 2021.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

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NDB Wealth Income Plus Fund

Fund Overview

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

NDB Wealth Income Plus Fund is an open-ended fixed Income fund incorporated in Sri Lanka, invested in LKR based corporate debt instruments including commercial paper, securitized paper, quoted and unquoted debentures, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions.

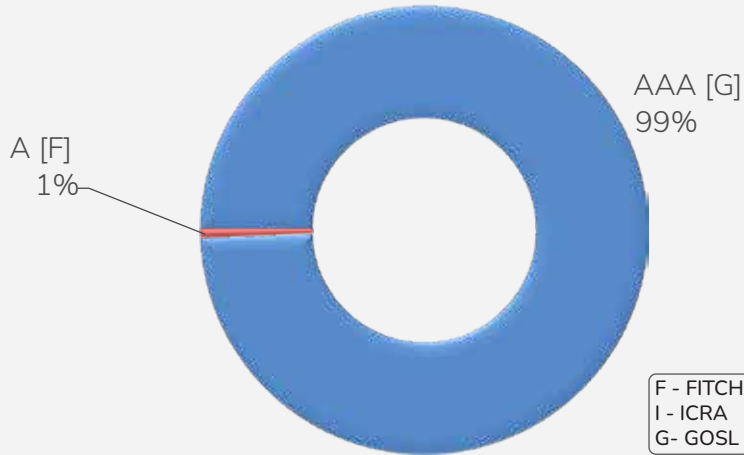
The Fund aims to provide higher returns by investing in a portfolio of Gilt Edged and Corporate Debt securities.

Fund Snapshot

31-Aug-23

YTD Yield	17.32%
YTD Yield (Annualized)	26.02%
NAV per unit	25.3504
AUM (LKR Mn.)	699.55
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.76%
Average Maturity (Yrs)	0.72
Average Duration	0.65

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	0.46%	9.44%
1 Mths - 3 Mths	2.78%	19.50%
6 Mths - 1 Yrs	96.76%	14.20%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	17.32%	26.02%
Last month	1.61%	18.92%
Last 3 months	4.76%	18.88%
Last 6 months	11.77%	23.35%
Last 12 months	27.12%	27.12%

Other Features

Valuation	Daily Valuation Cost plus accrued basis
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Fee Details	Management Fee : 0.50% p.a. of NAV. Trustee and Custodian fee : 0.065 - 0.1% p.a. of NAV, based on fund size. Exit fee : 2% if less than 1 year ; 0 if greater than 1 year
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

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NDB Wealth Money Fund

Fund Overview

Type : Open Ended | Investments: Short Term Bank Deposits
Currency: LKR

NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka, investing in short-term government securities and high credit quality LKR based bank deposits.

The Fund aims to provide optimal returns with low risk and moderate liquidity to investors by investing in short-term government securities and high-quality bank deposits with maturities less than 365 days with credit ratings of A- and above.

Portfolio Allocation By Credit Rating



Fund Snapshot

31-Aug-23

YTD Yield	17.23%
YTD Yield (Annualized)	25.87%
NAV per unit	29.9495
AUM (LKR Mn.)	120,370.47
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.78%
Average Maturity (Yrs)	0.32
Average Duration	0.29

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	20.36%	18.31%
1 Month - 3 Months	29.89%	19.00%
3 Months - 6 Months	31.80%	16.50%
6 Months - 1 Year	17.95%	14.10%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	17.23%	25.87%
Last month	1.69%	19.94%
Last 3 months	5.62%	22.32%
Last 6 months	12.41%	24.63%
Last 12 months	27.60%	27.60%
Year 2022	17.79%	17.79%
Year 2021	5.58%	5.58%

Other Features

Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis, Instruments greater than one year - n/a.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Fee Details	Management Fee : 0.55% p.a. of NAV. Trustee fee : 0.11-0.15% p.a. of NAV, depending on fund size. Custody Fee : Rs.10,000 per Month
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Hatton National Bank PLC

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NDB Wealth Money Plus Fund

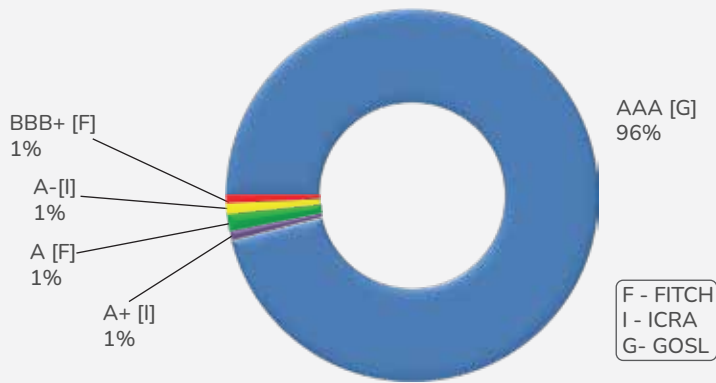
Fund Overview

Type : Open Ended Currency: LKR
Investments: Money Market Corporate Debt Securities

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

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

Portfolio Allocation By Credit Rating



Fund Snapshot

31-Aug-23

YTD Yield	16.32%
YTD Yield (Annualized)	24.52%
NAV per unit	32.8842
AUM (LKR Mn.)	4,855.43
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.97%
Average Maturity (Yrs)	0.40
Average Duration	0.36

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	14.94%	16.56%
1 Month - 3 Months	18.22%	19.10%
3 Months - 6 Months	36.86%	18.30%
6 Months - 1 Year	29.98%	14.10%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	16.32%	24.52%
Last month	1.59%	18.76%
Last 3 months	5.58%	22.12%
Last 6 months	11.96%	23.72%
Last 12 months	24.81%	24.81%
Year 2022	14.08%	14.08%
Year 2021	5.67%	5.67%

Other Features

Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis, Instruments greater than one year - n/a.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Exposure Restrictions	Maximum exposure restrictions on investments depend on the features of each security, (Ex: Rated, Guaranteed, etc) and are regulated by the Trustee and the SEC.
Fee Details	Management Fee : 0.65% p.a. of NAV. Trustee fee : 0.11- 0.15% p.a. of NAV, depending on fund size. Custody Fee : Rs.10,000 per Month
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Hatton National Bank PLC

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NDB Wealth Islamic Money Plus Fund

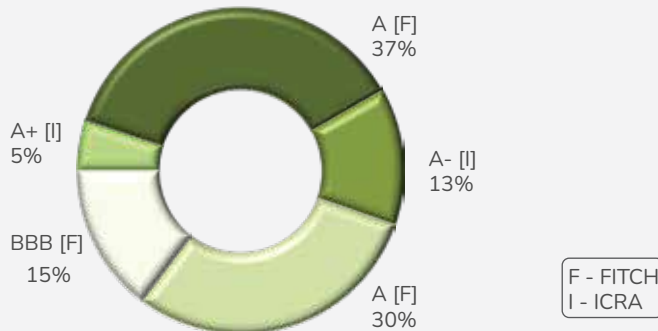
Fund Overview

Type : Open Ended Currency: LKR
Investments: Short Term Shariah compliant investments

NDB Wealth Islamic Money Plus Fund is an open-ended money market fund incorporated in Sri Lanka, invested exclusively in short term LKR based Shariah compliant investments including Mudharabah term deposits, Mudharabah savings deposits, Wakala investments and sukuk investments less than 366 days.

The Fund aims to provide investors with liquidity and regular income through investing in a portfolio of short term shariah compliant securities.

Portfolio Allocation By Credit Rating



Fund Snapshot

31-Aug-23

YTD Yield	11.06%
YTD Yield (Annualized)	16.61%
NAV per unit	21.5355
AUM (LKR Mn.)	854.68
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.24%
Average Duration	0.47

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	19.13%	14.64%
1 Month - 3 Months	9.37%	15.60%
3 Months - 6 Months	10.04%	18.90%
6 Months - 1 Year	61.45%	14.80%

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%

Approved Investments

Investment Type	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

Shariah Supervisory Board

Shafique Jakhura	Mufti
Muhammed Huzaifah	Maulana

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	11.06%	16.61%
Last month	1.23%	14.53%
Last 3 months	3.97%	15.73%
Last 6 months	8.27%	16.40%
Last 12 months	17.69%	17.69%

Other Features

Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis, Instruments greater than one year - n/a.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Fee Details	Management Fee : 0.80% p.a. of NAV. Trustee fee : 0.11% - 0.15% p.a. of NAV, based on the fund size Custody Fee : Rs.10,000 per Month.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Hatton National Bank PLC

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NDB Wealth Gilt Edged Fund

Fund Overview

Type : Open Ended Currency: LKR
Investments: Government of Sri Lanka Securities

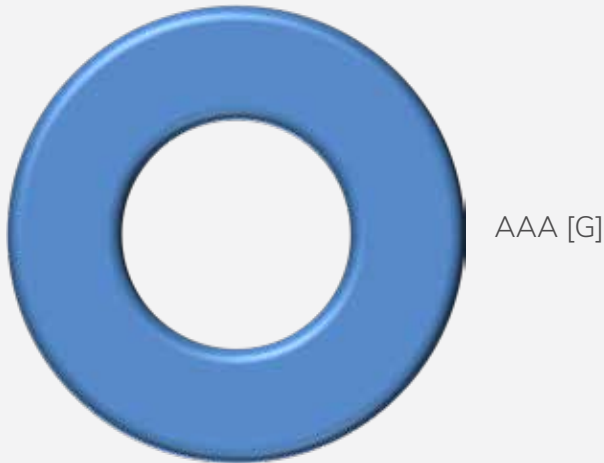
NDB Wealth Gilt Edged Fund is an open-ended unit trust fund incorporated in Sri Lanka, invested in Government of Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions. The Fund aims to maximize returns from investments by investing the fund exclusively in government securities and government guaranteed securities.

Fund Snapshot

31-Aug-23

YTD Yield	55.83%
YTD Yield (Annualized)	83.86%
NAV per unit	29.4453
AUM (LKR Mn.)	210.26
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	0.76%
Average Maturity (Yrs)	4.4
Average Duration	2.6

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	99.14%	16.00%
1 Year - 5 Years	0.86%	14.10%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	55.83%	83.86%
Last month	6.36%	74.90%
Last 3 months	32.96%	130.77%
Last 6 months	48.04%	95.30%
Last 12 months	70.07%	70.07%
Year 2022	-2.93%	-2.93%
Year 2021	4.38%	4.38%

Other Features

Valuation	Daily Valuation All Instruments are marked to market.
Investment/Withdrawal	Any Time A notice period of 07 working days may be required prior to large redemptions. However, the time period can be discussed with potential investors prior to the investment.
Fee Details	Management Fee : 0.65% p.a. of NAV Trustee fee : 0.10-0.19% p.a. of NAV, depending on fund size Custodian fee : 0.05% p.a. of NAV.
Fund Manager	NDB Wealth Management Ltd.
Trustee & Custodian	Bank of Ceylon

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