



ASSET
MANAGEMENT



PRIVATE
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MY WEALTH
MANAGEMENT

MARKET UPDATE AND FUND REVIEW

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NDB | WEALTH

2020
DECEMBER

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MARKET BRIEF BY NDB WEALTH

INFLATION RATE CONTINUED TO EDGE UP

Inflation as measured by the CCPI (2013=100), increased to 4.2% in December on a year-on-year basis from the previous month's 4.1%, primarily due to increases in food prices. On an annual average basis inflation remained unchanged at 4.6% in December. Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport), spiked to 3.5% year-on-year; although, on an annual average basis, it recorded a decline of 3.1% in December 2020. We expect inflation would be contained at mid-single digit levels during 2021 although, it may trend towards the higher band in the second half of the year, driven by demand pull inflation.

SRI LANKAN RUPEE DEPRECIATES AGAINST HARD CURRENCIES

The Sri Lankan Rupee depreciated against the US Dollar (0.48%), Sterling Pound (6.14%), Euro (4.99%) and the Japanese Yen (2.92%) during the fourth quarter 2020 on the back of seasonal related imports, record levels of money printing, currency outflow for purchase of sovereign bonds and negative impacts of the sovereign downgrade. Gross official reserves as at November stood at USD 5.5 billion, equivalent to 3.8 – 4.0 months of imports. The Central Bank was a net buyer of over USD 300 million during the first eleven months of the year. The gradual relaxation of import restrictions over the year and increase in global oil prices may further contribute to the pressure on the LKR over 2021.

INTEREST RATES CONTINUED TO INCREASE

The benchmark 364 – day Treasury bill yield increased to 5.03% in line with the rest of the maturities on the yield curve. Market liquidity levels remained high, while the Central Bank holding of Government securities recorded a sharp increase during the final quarter of the year (LKR 322 Billion to LKR 725 Billion). Foreign holding of LKR denominated debt declined further during December, as foreign investors continued to be net sellers. The foreign holding of LKR denominated securities stood at a mere 0.09% as at December 2021 compared to 1.86% as at beginning of the year. We do not expect interest rates to record a drastic change from current levels during the first half of 2021.

COLOMBO STOCK EXCHANGE CONTINUED TO RECORD GAINS

The All Share Price Index (ASPI) and the S&P SL 20 Index gained 8.50% and 7.51% respectively in December 2020. Foreign investors continued to be net sellers and total net foreign selling of equity securities exceeded LKR 50 billion in 2020. However, in spite of the prevalent weak macroeconomic fundamentals of the country, we may continue to witness the stock market being driven up on investor sentiment due to lack of alternative investment opportunities on the backdrop of low interest rates.

Indika De Silva

Fund Manager

EQUITY OUTLOOK

	Past month Performance (Dec 2020)	Past 12 months Performance (Dec 2019 - Dec 2020)	Year to Date Performance (upto 31st Dec 2020)
All Share Price Index	8.50%	10.52%	10.52%
S&P SL 20	7.51%	-10.18%	-10.18%
MSCI Frontier Markets Index	5.73%	1.65%	1.65%
MSCI World Index	4.24%	15.90%	15.90%
MSCI Emerging Markets	7.35%	18.31%	18.31%
MSCI Asia Ex Japan	6.80%	25.02%	25.02%

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 the Colombo Stock Exchange (CSE), continued to record substantial gains during December 2020.

During 2020, predominantly the demand for midcap and speculative shares drove the ASPI to end the year on a six-year high at 10.5%, while the more liquid S&P SL20 index fell by 10.2% due to the subdued demand for liquid blue-chip counters.

During the year 2021, the world economy is expected to witness a recovery from the lows experienced in 2020, with China driving growth in the hope that vaccines will be successful in containing the virus.

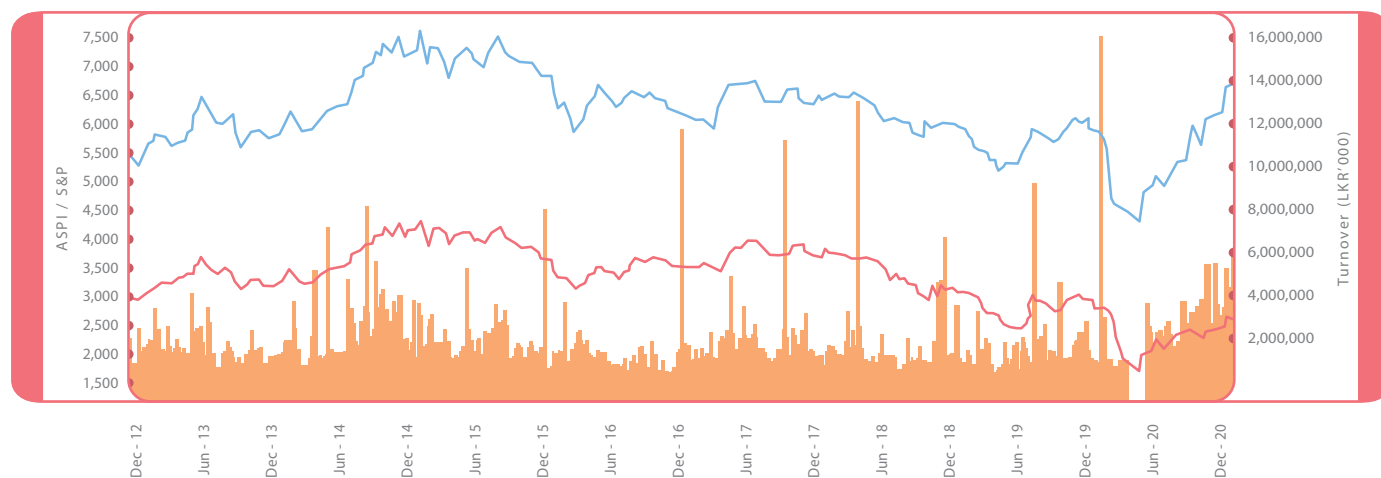
The recovery is expected to continue to support emerging market currencies against the safe haven of the US Dollar, which has been in almost continual decline in recent months.

While, the MSCI Emerging Market Index has outperformed the MSCI World Index in 2020, the MSCI Frontier Market Index has underperformed the emerging market index considerably.

Capital flows to emerging markets were weak during 2020; the lagged impact of global liquidity and a better growth outlook may result in higher inflows to these markets during 2021.

However, both rising sovereign debt levels and higher unemployment are among the key challenges that policymakers in emerging and frontier markets would have to monitor and address.

Colombo Stock Exchange Performance



■ Turnover
 ■ S&P
 ■ ASPI

Source: www.cse.lk >

		Dec 2020	Dec 2019
CSE	Market PER	11.25 X	10.83 X
	Market PBV	1.13 X	1.14 X
	Market DY	2.66%	3.17%
MSCI Frontier Market	Market PER	14.50 X	13.48 X
	Market PBV	1.81 X	1.94 X
	Market DY	3.63%	3.92%

Source: www.cse.lk >

Foreigners continued to be net sellers as investors exited blue chip counters.

Net foreign selling exceeded LKR 3.0 billion during the month of December, leading to overall net foreign selling for the year 2020 to exceed LKR 51.5 billion.

Colombo Stock Exchange	Jan - Dec 2020	Jan - Dec 2019
Foreign Inflows	LKR 53.14 Billion	LKR 56.65 Billion
Foreign Outflows	LKR 104.63 Billion	LKR 68.37 Billion
Net Foreign Inflows/(Outflows)	(LKR 51.49 Billion)	(LKR 11.72 Billion)

Source: www.cse.lk >

**“ THE INVESTOR OF TODAY DOES NOT PROFIT FROM
YESTERDAY’S GROWTH ”**

— Warren Buffett —



FIXED INCOME OUTLOOK

Interest Rates in Sri Lanka

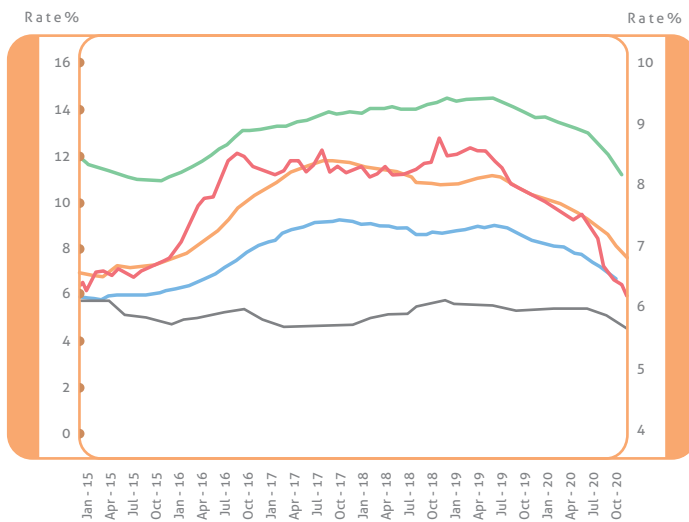
The Central Bank has maintained the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 5.50% and 4.50% respectively since the monetary policy meeting held in July 2020.

	Dec 19	Nov 20	Dec 20
364 Day T-bill	8.45%	5.00%	5.03%
5-Year Bond	9.94%	6.59%	6.63%
1-Year Finance Company Fixed Deposit Ceiling Rate	11.63%	6.88%	6.88%

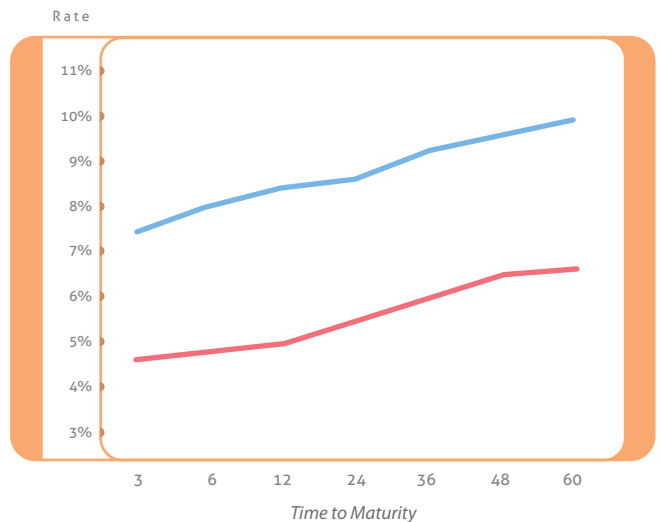
*Gross Rates provided. Net returns would change based on prevailing tax regulations.

Source: Central Bank of Sri Lanka >

AVERAGE LENDING & DEPOSIT RATES & SPREAD



YIELD CURVE - LKR TREASURIES



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

Dec-19 Dec-20

Source: Central Bank of Sri Lanka >

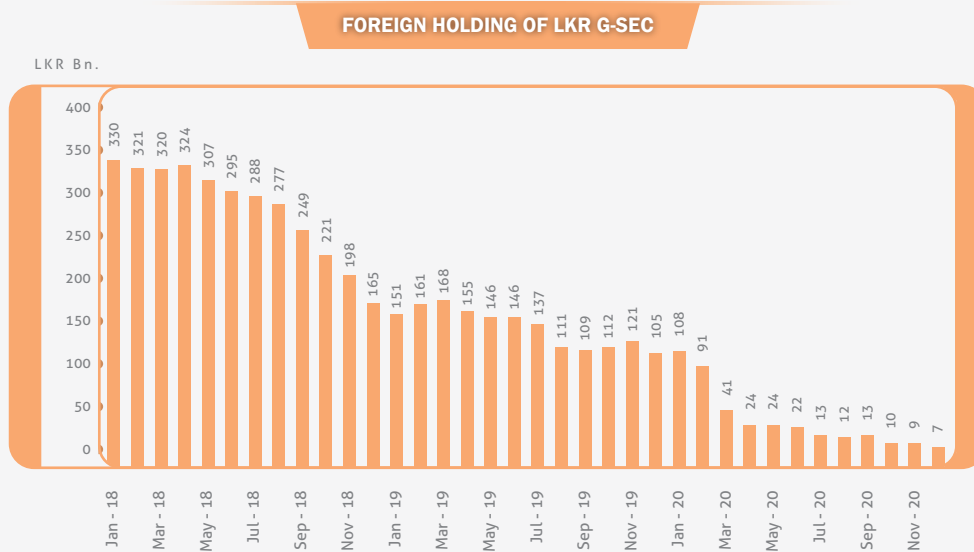
AWDR: Average Weighted Deposit Rate | AWFDR: Average Weighted Fixed Deposit Rate | AWLR: Average Weighted Lending Rate | AWPR Average Weighted Prime Lending rate

Treasury Bill rates edged up in December, with the benchmark 364-day T-Bill rate increasing to 5.03% and the 91-day and 182-day T-Bills rising to 4.67% and 4.78% respectively.

Broad money (M2b) growth picked up to 22.3% year-on-year in November, from the previous month's 20.9% whilst credit extended to the private sector slowed marginally to 6.2% year-on-year in November from 6.4% in October. Monthly private sector credit disbursements continued to recover rising for the fourth straight month post Covid-19 lockdowns, by LKR 41.3 bn or 0.7% during November.

Outstanding LKR Govt. Securities LKR 7,500 Billion	
T Bills (Total)	T Bonds (Total)
LKR 1,781 Billion	LKR 5,719 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 7,493 Billion	LKR 7 Billion
Total Foreign Holding of Bills and Bonds: 0.09%	

Source: Central Bank of Sri Lanka >



Foreign holding of LKR denominated bills and bonds continued its decline, falling by a further LKR 1.70 bn to a low of 0.09% of outstanding government securities in December 2020. Overall net selling by foreigners for the year 2020 was recorded at LKR 97.80 bn.

1 Year FD Rates - Sri Lankan Banks		
	Dec 2020	Nov 2020
NSB	5.25%	5.25%
COMB	4.50%	5.00%
SAMP	4.50%	5.00%
HNB	5.00%	5.00%
NDB	5.50%	5.50%

Rates on Credit Cards		Dec 20
HSBC		18.00%
SCB		18.00%
Sampath		18.00%
NDB		18.00%
AMEX		18.00%

Source: Respective Commercial Banks >

Commercial Bank & Sampath Bank reduced their fixed deposit rates during the month of December.

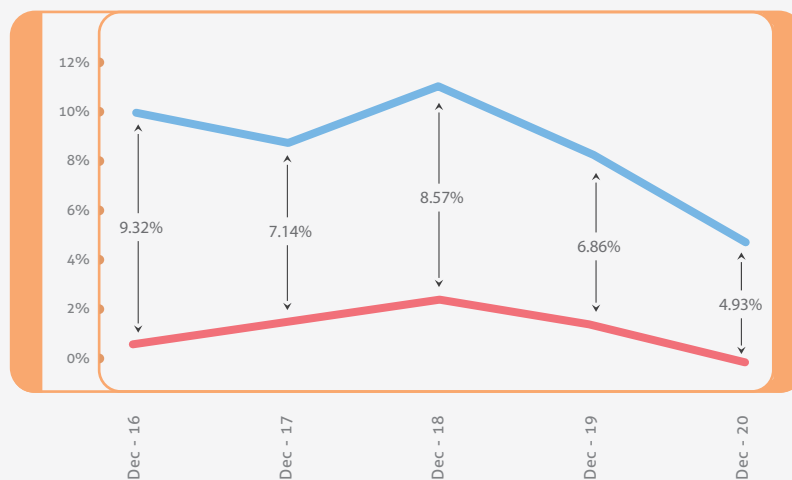
NDBI CRISIL Fixed Income Indices Total return as at 31/12/2020	3 Month Return	1 Year Return	3 Year Return
NDBI CRISIL 91 Day T-Bill Index	1.14%	6.65%	7.98%
NDBI CRISIL 364 Day T-Bill Index	1.17%	9.52%	9.34%
NDBI CRISIL 3 Year T-Bond Index-TRI	1.58%	16.52%	13.09%
NDBI CRISIL 5 Year T-Bond Index-TRI	2.08%	20.58%	14.56%

Source: www.crisil.com >

Central Bank Policy Rates	2017	2018	2019	Latest
Sri Lanka	7.25%	8.00%	7.00%	4.50%
US	1.25% - 1.50%	2.25% - 2.50%	1.50% - 1.75%	0.00% - 0.25%
Euro Zone	0.00%	0.00%	0.00%	0.00%
Australia	1.50%	1.50%	0.75%	0.10%
India	6.00%	6.50%	5.15%	4.00%

Source: www.cbrates.com >

1 YEAR TREASURY RATE - USD Vs. LKR & SPREAD



Sri Lanka US

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

Most global sovereign yields declined on news of the spread of a contagious new variant of Covid-19 across countries.

364 Day Treasury Bill Rate	Dec 19	Nov 20	Dec 20
Sri Lanka	8.45%	5.00%	5.03%
India	5.29%	3.39%	3.44%
US	1.59%	0.11%	0.10%
Euro Zone	-0.66%	-0.72%	-0.76%

Source: Respective Central Banks >

	Rates on Savings Accounts Dec 2020
Sri Lanka	3.50%
US	0.01%
Euro Zone	0.11%
Australia	0.45%
India	3.00%

Source: Respective Commercial Banks >

The US Federal Reserve held its benchmark interest rates steady in December as economic activity and employment continued to recover from the pandemic.

**“ SAVE FOR TOMORROW AND PLAN
FOR THE UNEXPECTED ”**

— NDB Wealth —



INFLATION RATES

Country	Dec 19	Nov 20	Dec 20
Sri Lanka	4.83%	4.10%	4.23%
US	2.29%	1.17%	1.17%*
Euro Zone	1.33%	-0.29%	-0.29%*
India	7.35%	6.93%	6.93%*

*Nov 2020

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 4.2% in December on a year-on-year basis from the previous month's 4.1% primarily due to increases in food prices.

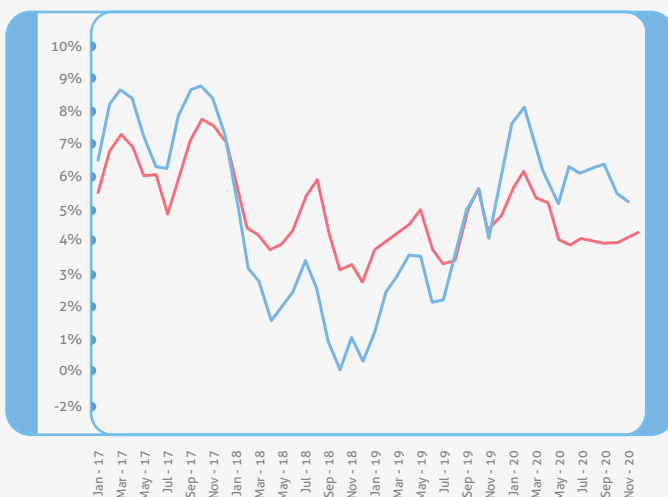
During the month, the index was up 0.7% with food prices increasing by 1.4% whilst non-food prices rose marginally by 0.3%. Within the food category prices of mainly coconuts, vegetables, and rice increased whilst prices of transportation influenced non-food prices up. On an annual average basis inflation remained unchanged at 4.6% in December.

Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) spiked to 3.5% year-on-year, however slowed on an annual average basis to 3.1% in December.

We expect to see pressure on inflation in 2021, owing to increase in aggregate demand with economic activity improving coupled with higher global oil prices.

On the global front, US inflation slowed to 1.17% whilst Euro zone inflation contracted by 0.29% year-on-year in November.

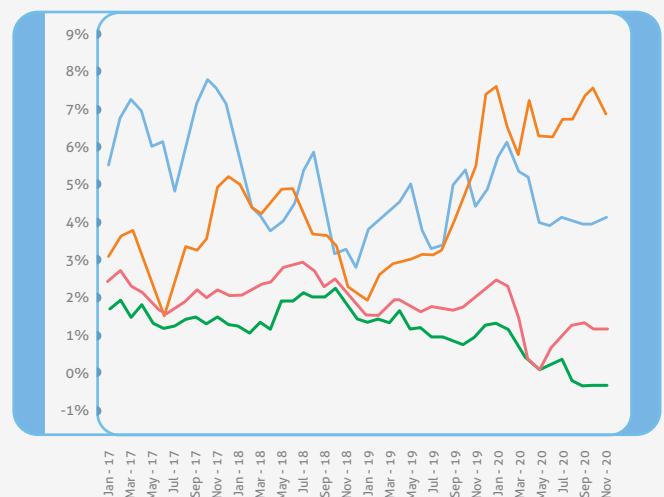
INFLATION - POINT TO POINT CHANGE - CCPI VS. NCPI



CCPI NCPI

Source: Department of Census and Statistics Sri Lanka >

GLOBAL INFLATION RATES



Sri Lanka US Euro zone India

Source: <http://www.inflation.eu/> >

FOREX OUTLOOK

Exchange Rates Vs. LKR	Dec 19	Dec 20	1 Year App/(Dep) LKR
USD	181.63	186.41	-2.56%
GBP	238.46	254.35	-6.25%
EURO	203.67	229.42	-11.23%
YEN	1.67	1.81	-7.54%
AUD	127.25	143.66	-11.42%
CAD	139.21	146.35	-4.88%
INR	2.55	2.55	0.00%
BHD	481.78	494.38	-2.55%
CNY	26.01	28.59	-9.00%

Source: Central Bank of Sri Lanka >

The Sri Lankan Rupee depreciated against the US Dollar falling by 0.78% in December to close the year at LKR 186.41 recording a cumulative depreciation of 2.56%.

The Rupee also lost a considerable 6.25% against the Pound Sterling and 11.23% against the Euro in 2020.

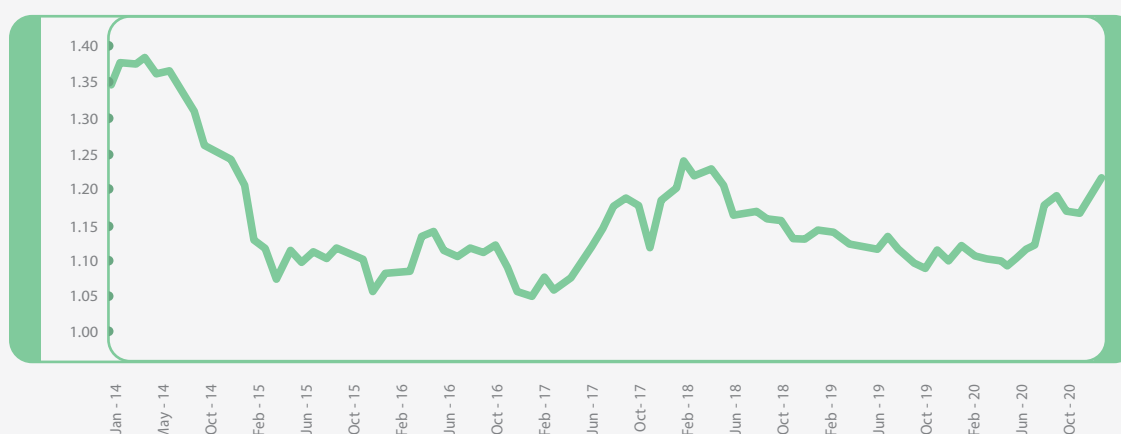
Higher imports related to seasonal factors, record levels of money printing, currency outflow for purchase of sovereign bonds and negative impacts of the sovereign downgrade would have been contributory to the added pressure on the LKR during the month of December.

On a global front, the US Dollar fell with vaccines reaching the general population, driving investors from safe havens to riskier assets.

The Pound Sterling rose to a near two-year high against the US Dollar as the UK confirmed of a post-Brexit trade deal between the UK and EU following years of negotiations and uncertainty.

Most Asian currencies gained against the US Dollar with the global population starting to receive the first jabs of vaccine, lifting sentiment towards risky Asian assets.

USD PER 1 EURO MOVEMENT



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

COMMODITY OUTLOOK

	Past month Performance (Dec 2020)	Past 12 months Performance (Dec 2019 - Dec 2020)	Year to Date Performance (up to 31st Dec 2020)
Bloomberg Commodity Index	4.96%	-3.51%	-3.51%
Gold	-0.42%	25.64%	25.64%
Tea	-1.73%	6.23%	6.23%
Oil (Brent)	15.36%	-24.27%	-24.27%

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

The Bloomberg Commodity Index recorded gains for the third consecutive month during December 2020, as it gained 4.96% for the month, reducing the overall loss for 2020 to -3.51%.

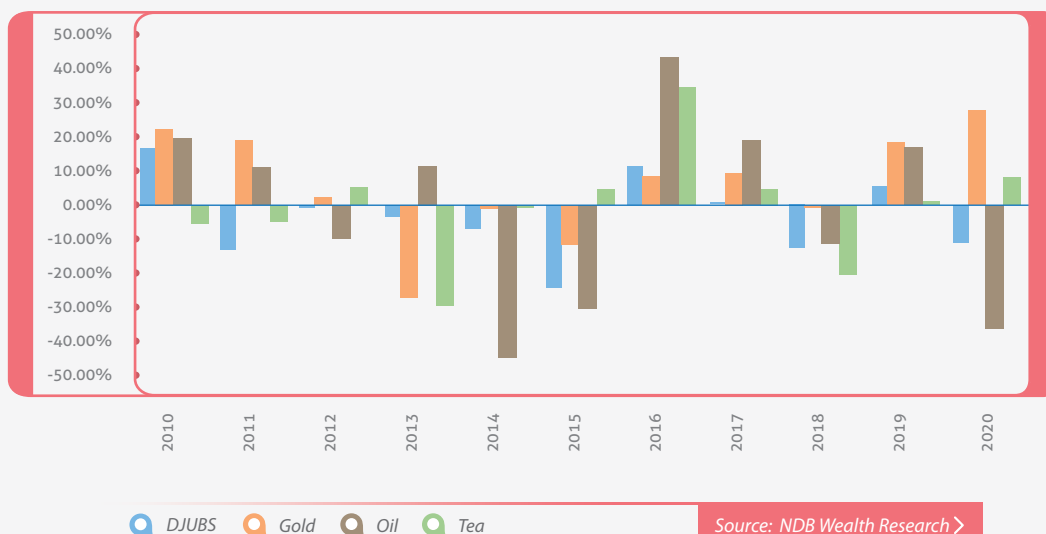
While the path of the global recovery will greatly determine the next direction for commodities, expectations of US dollar's outlook for the year and Fed policy may ultimately decide what 2021 holds for major commodities.

US crude oil prices reached USD 50.00/ barrel for the first time since the start of the coronavirus crisis, spurred by Saudi Arabia's promise of a hefty production cut amid concerns fresh European lockdowns could sap market demand.

Last year's unprecedented collapse in US crude prices came as restrictions aimed at stopping the spread of Covid-19 led to crippling fuel demand. Moreover, a price war between Russia and Saudi Arabia flooded the global market with supply, which restricted the price movement.

Gold prices remained strong despite a marginal drop in December as potential for global economic recovery in 2021 increased with the commencement of the distribution of the Covid-19 vaccine. A firmer dollar which prevailed during the year likely capped the upside move for metals and limited the ascent for gold and silver prices, because a stronger dollar can make assets priced in the currency comparatively more expensive to overseas buyers.

Commodity Price Movements



PROPERTY OUTLOOK

With interest rates in Sri Lanka reaching its lowest in recent history, fixed income investment options have drastically reduced in the country. Real estate investments have now become a key asset class, given the limited investment options in the country, low levels of inflation and low borrowing rates.

In the past, affordability, high costs of borrowing, high construction expenditure and inadequate policy direction has negatively affected the real estate market. However, the present low interest rate environment coupled with new policy action by both the government and the Central Bank of Sri Lanka has been a positive for this sector which may yield benefits in the longer term.

In December 2020, the Central Bank of Sri Lanka implemented the Monetary Law Act Order No. 3 of 2020 which imposed Maximum Interest Rates on Mortgage Backed Housing Loans with the objective of supporting the expansion of home ownership in Sri Lanka and providing additional stimulus to the domestic construction sector and its supply chains.

Under this scheme, confirmed salaried employees in the public and private sector are eligible to obtain new mortgage-backed housing loans from a licensed bank at a maximum interest rate of 7% for the first five years and a variable rate of AWPLR + 1% after the initial five years.

The benefits to potential home owners purchasing property utilizing a housing loan under the prevailing low interest rates are highlighted in the table below:

Housing Loan Installment for each Rs. 1.0 mn Loan				Potential Saving in Installment	
Housing Loan Interest Rate	15%	9%	7%	from 15% to 9%	from 15% to 7%
Tenure of Loan	5	23,790	20,758	13%	17%
	10	16,133	12,668	21%	28%
	15	13,996	10,143	28%	36%
	20	13,168	8,997	32%	41%

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: Hatton National Bank PLC)

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 December 2020									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	2.34%	-	4.29%	4.68%	5.20%	6.25%	6.64%	-	7.03%
Bank of Ceylon Islamic Business Unit - As of December 2020									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	1.64%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of December 2020									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	1.74%	-	2.24%	2.52%	2.99%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of September 2020 (Published Quarterly)									
Profit Sharing Ratio*	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	2.50%	-	4.25%	4.50%	5.50%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of December 2020									
Profit Sharing Ratio* (3Mn - 50Mn)	40:60	60:40	65:35	40:60	65:35	-	-	-	-
Distributed Profit	3.50%	4.00%	4.25%	4.50%	5.40%	-	-	-	-
Citizen Development Business Finance PLC- Islamic Banking unit - As of August 2019									
Profit Sharing Ratio*	32:68	52:48	52:48	52:48	55:45	62:38	62:38	-	-
Distributed Profit	6.43%	8.23%	8.64%	9.24%	11.05%	11.65%	12.25%	-	-
Commercial Leasing & Finance PLC- Islamic Finance - As of November 2020									
Profit Sharing Ratio*	30 :70	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	4.45%	4.88%	5.13%	5.38%	6.88%	7.54%	7.70%	8.01%	8.31%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of November 2020									
Profit Sharing Ratio*	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	3.57%	4.42%	4.85%	5.13%	5.42%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of December 2020									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	3.81%	4.88%	5.13%	5.38%	6.88%	7.63%	8.13%	8.13%	8.63%
Peoples Leasing Islamic Business Unit - December 2020									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	3.45%	-	4.60%	4.99%	5.75%	-	-	-	-

* 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 JULY 2019

Beverages and Food	Singer Industries (Ceylon) Plc
Bairaha Farms PLC	Teejay Lanka PLC
Dilmah Ceylon Tea Company PLC	Power & Energy
Kotmale Holdings PLC	Lanka IOC PLC
Nestle Lanka PLC	Lotus Hydro Power PLC
Renuka Agri Foods PLC	Vallibel Power Erathna PLC
Tea Smallholder Factories PLC	Vidullanka PLC
Chemicals and Pharmaceuticals	Services
Union Chemicals Lanka Plc	Lake House Printing & Publishers PLC
Diversified Holdings	Stores & Supplies
Hemas Holdings PLC	Gestetner of Ceylon PLC
Healthcare	Hunter & Company PLC
Asiri Surgical Hospitals PLC	Trading
Manufacturing	Office Equipment PLC
ACL Plastics PLC	Motors
Bogala Graphite Lanka PLC	Autodrome PLC
Ceylon Grain Elevators PLC	Plantations
Chevron Lubricants Lanka PLC	Aitken Spence Plantation Managements PLC
Lanka Ceramic PLC	Elpitiya Plantations PLC
Richard Pieris Exports PLC	Hatton Plantations PLC
Sierra Cables PLC	Namunukula Plantation PLC

Source: www.icp.lk (I Capital Partners - former Amana Capital Limited) >

NOTE 1: The White List has taken to consideration based on the December 2018 company financials

NOTE 2: Removals – Amana Takaful PLC, Amana Takaful Life PLC, Amana Bank PLC, Harischandra Mills PLC, Raigam Wayamba Salterns PLC, Renuka Foods PLC, Three Acre Farms PLC, Chemanex PLC, Haycarb PLC, Industrial Asphalts (Ceylon) PLC, J.L. Morison Son & Jones (Ceylon) PLC, Access Engineering PLC, Lankem Developments PLC, Expolanka Holdings PLC, Sunshine Holdings PLC, Ceylon Leather Products PLC, Hayleys Fabric PLC, Odel PLC, Ceylon Hospitals PLC (Durdans), Singhe Hospitals PLC, Ascot Holdings PLC, Lanka Century Investments PLC, Renuka Holdings PLC, Colombo Land & Development Company PLC, Serendib Engineering Group PLC, Abans Electricals PLC, ACL Cables PLC, Agstar Fertilizers PLC, Alufab PLC, Alumex PLC, B P P L Holdings PLC, Central Industries PLC, Dankotuwa Porcelain PLC, Dipped Products PLC, Kelani Cables PLC, Lanka Aluminium Industries PLC, Lanka Tiles PLC, Lanka Walltiles PLC, Laxapana Batteries PLC, Piramal Glass Ceylon PLC, Printcare (Ceylon) PLC, Regnis(Lanka) PLC, Royal Ceramic Lanka PLC, Samson International, Swadeshi Industrial Works PLC, Swistek Ceylon PLC, Tokyo Cement (Company) PLC, C M Holdings PLC, Diesel & Motor Engineering PLC, Sathosa Motors PLC, United Motors Lanka PLC, Balangoda Plantations PLC, Bogawantalawa Tea Estates PLC, Horana Plantations PLC, Kahawatte Plantation PLC, Kelani Valley Plantations PLC, Madulsima Plantations PLC, Malwatte Valley Plantations PLC, Maskeliya Plantations PLC, Talawakelle Tea Estates PLC, Udapussellawa Plantations PLC, Watawala Plantations PLC, Hapugastanne Plantations PLC, Panasian Power PLC, Paragon Ceylon PLC, Dialog Axiata PLC, Sri Lanka Telecom PLC, C. W. Mackie PLC, Eastern Merchants PLC

NOTE 3: Additions – Kotmale Holdings PLC, Hemas Holdings PLC, Hatton Plantations 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

Fund Overview

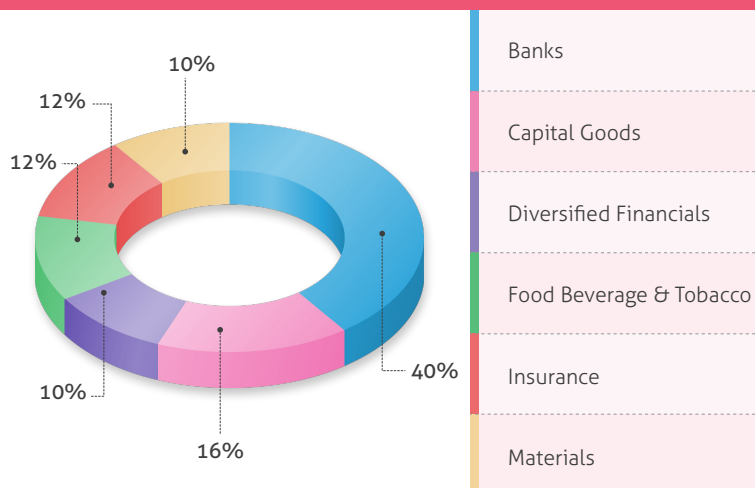
NDB Wealth Growth Fund

Type: Open Ended
Currency: LKR

Investments: Listed Equities
ISIN: LKNWGRU00005

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



Fund Snapshot

30-Nov-20

YTD Yield	-8.20%
NAV per unit	9.32
AUM (LKR Mn.)	186.16
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.21%
Max Equity Allocation	97.00%
Current Equity Allocation	93.49%
Fund Leverage	0.00%

Top 5 Portfolio Holdings (In Alphabetical Order)

ACCESS ENG LTD
COMMERCIAL BANK OF CEYLON PLC
DISTILLERIES COMPANY OF SRI LANKA PLC
HATTON NATIONAL BANK PLC
PEOPLES INSURANCE LTD

Historical Returns

Period	Fund Returns *	ASPI Returns
Last Month	5.34%	9.03%
Last 3 months	9.26%	17.16%
Last 6 months	22.46%	28.82%
Last 12 months	-11.07%	0.51%
Year 2019	-0.59%	1.27%
Year 2018	-6.79%	-4.98%

* After fees, excluding front end and back end loads

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	6.51%
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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Fund Overview

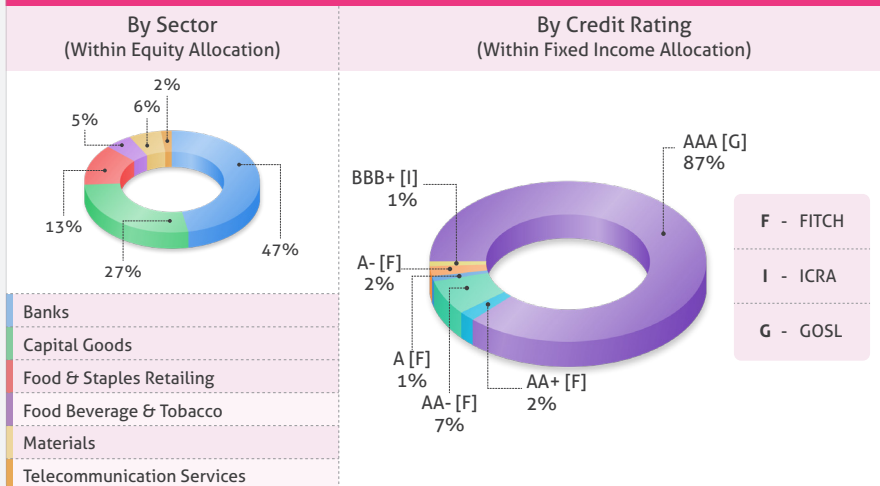
NDB Wealth Growth and Income Fund

Type: Open Ended
Currency: LKR

Investments: Listed Equities and Corporate Debt
ISIN: LKNWGIU00004

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



Fund Snapshot

30-Nov-20

YTD Yield	7.30%
NAV per unit	42.09
AUM (LKR Mn.)	2,462.23
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.69%
Max Equity Allocation	97.00%
Current Equity Allocation	46.29%
Fund Leverage	0.00%

Top 5 Portfolio Holdings (In Alphabetical Order)

ACCESS ENG LTD
COMMERCIAL BANK OF CEYLON PLC
HATTON NATIONAL BANK PLC
JOHN KEELLS HOLDINGS PLC
SAMPATH BANK PLC

Historical Returns

Period	Fund Returns*	ASPI Returns
Year to Date	7.30%	1.87%
Last month	1.80%	9.03%
Last 3 months	3.65%	17.16%
Last 6 months	7.84%	28.82%
Last 12 months	4.73%	0.51%
Year 2019	11.09%	1.27%
Year 2018	7.47%	-4.98%

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

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	53.71%
Average Duration	0.06
Maturity	% Holding
Under 3 Months	92.80%
3 Months - 6 Months	5.56%
6 Months - 1 Year	0.83%
1 Year - 5 Years	0.82%

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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Fund Overview

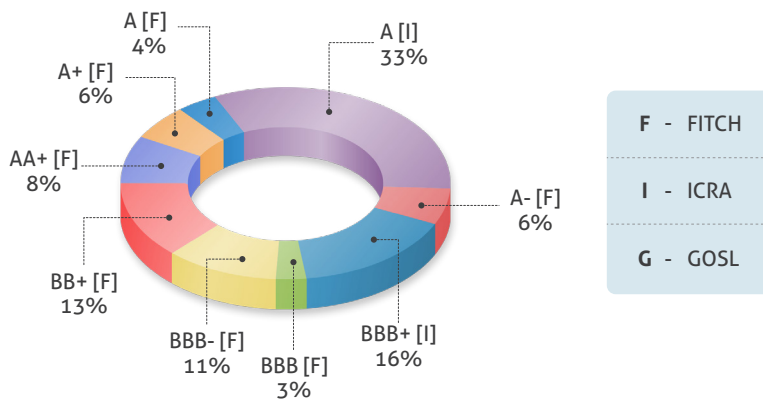
NDB Wealth Income Fund

Type: Open Ended
Currency: LKR

Investments: Corporate Debt Instruments
ISIN: LKNWINU00000

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

30-Nov-20

YTD Yield	12.30%
YTD Yield (Annualized)	13.40%
NAV per unit	15.7961
AUM (LKR Mn.)	382.08
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.39%
Average Maturity (Yrs)	1.41
Average Duration	1.10

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	6.72%	4.50%
1 Month - 3 Months	17.92%	11.50%
3 Months - 6 Months	8.50%	11.70%
6 Months - 1 Year	39.00%	11.60%
1 Year - 10 Years	27.87%	12.60%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	12.30%	13.40%
Last month	0.63%	7.70%
Last 3 months	2.07%	8.29%
Last 6 months	5.84%	11.65%
Last 12 months	13.26%	13.26%
Year 2019	12.97%	12.97%
Year 2018	10.00%	10.00%

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 : 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.
Trustee & Custodian	Bank of Ceylon

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Fund Overview

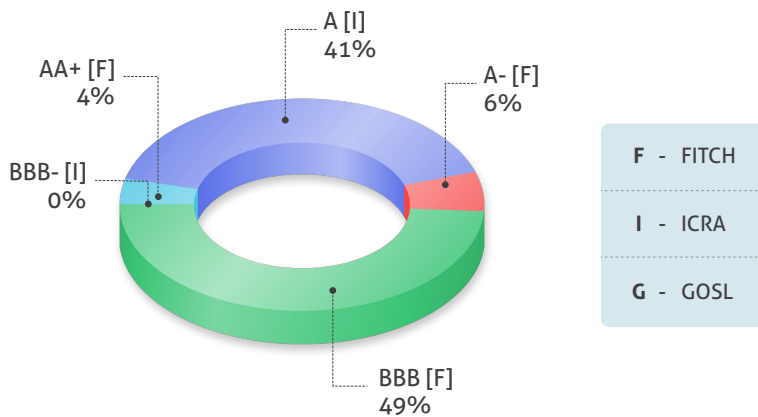
NDB Wealth Income Plus Fund

Type: Open Ended
Currency: LKR

Investments: Fixed Income Securities
ISIN: LKNWIPU00005

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.

Portfolio Allocation By Credit Rating



Fund Snapshot

30-Nov-20

YTD Yield	11.17%
YTD Yield (Annualized)	12.17%
NAV per unit	16.8072
AUM (LKR Mn.)	53.16
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.77%
Average Maturity (Yrs)	0.17
Average Duration	0.17

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	4.34%	4.55%
1 Month - 3 Months	78.35%	12.10%
3 Months - 6 Months	17.30%	7.20%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	11.17%	12.17%
Last month	0.84%	10.20%
Last 3 months	2.61%	10.47%
Last 6 months	5.64%	11.24%
Last 12 months	12.24%	12.24%

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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Fund Overview

NDB Wealth Money Fund

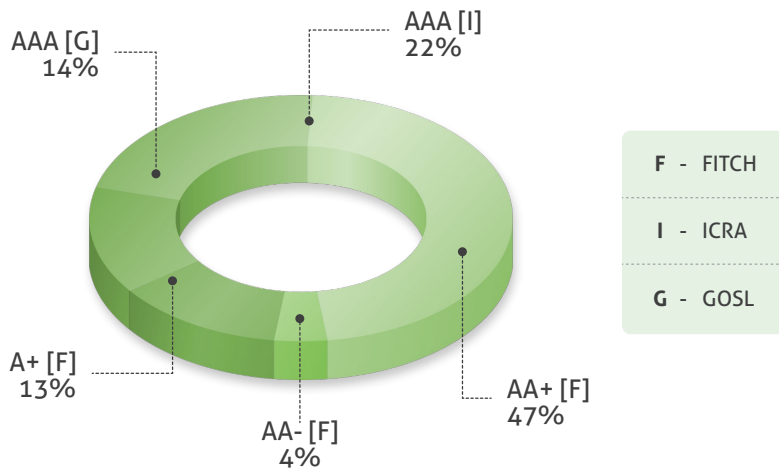
Type: Open Ended
Currency: LKR

Investments: Short Term Bank Deposits
ISIN: LKNWMNU00002

NDB Wealth Money Fund is an open-ended money market fund incorporated in Sri Lanka, invested in short-term 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 high quality bank deposits with maturities less than 365 days with credit ratings of A- and above.

Portfolio Allocation By Credit Rating



Fund Snapshot

30-Nov-20

YTD Yield	7.68%
YTD Yield (Annualized)	8.37%
NAV per unit	20.4456
AUM (LKR Mn.)	830.29
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.81%
Average Maturity (Yrs)	0.25
Average Duration	0.25

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	27.12%	4.71%
1 Month - 3 Months	18.63%	7.70%
3 Months - 6 Months	43.63%	6.50%
6 Months - 1 Year	10.62%	8.00%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	7.68%	8.37%
Last month	0.48%	5.81%
Last 3 months	1.68%	6.73%
Last 6 months	3.82%	7.61%
Last 12 months	8.52%	8.52%
Year 2019	10.24%	10.24%
Year 2018	8.74%	8.74%

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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Fund Overview

NDB Wealth Money Plus Fund

Type: Open Ended
Currency: LKR

Investments: Money Market Corporate Debt Securities
ISIN: LKNWMPU00007

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.

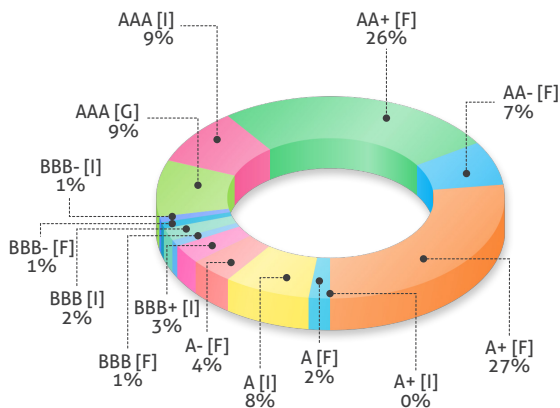
The Fund aims to provide liquidity to investors while enhancing returns by investing in a diversified portfolio of short term corporate debt securities with maturities less than 365 days

Fund Snapshot

30-Nov-20

YTD Yield	8.87%
YTD Yield (Annualized)	9.67%
NAV per unit	23.3245
AUM (LKR Mn.)	82,147.70
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.81%
Average Maturity (Yrs)	0.32
Average Duration	0.31

Portfolio Allocation By Credit Rating



Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	13.74%	5.41%
1 Month - 3 Months	27.76%	7.50%
3 Months - 6 Months	40.10%	6.80%
6 Months - 1 Year	18.40%	8.60%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	8.87%	9.67%
Last month	0.55%	6.65%
Last 3 months	1.74%	6.97%
Last 6 months	4.04%	8.06%
Last 12 months	9.82%	9.82%
Year 2019	11.73%	11.73%
Year 2018	11.53%	11.53%

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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Fund Overview

NDB Wealth Islamic Money Plus Fund

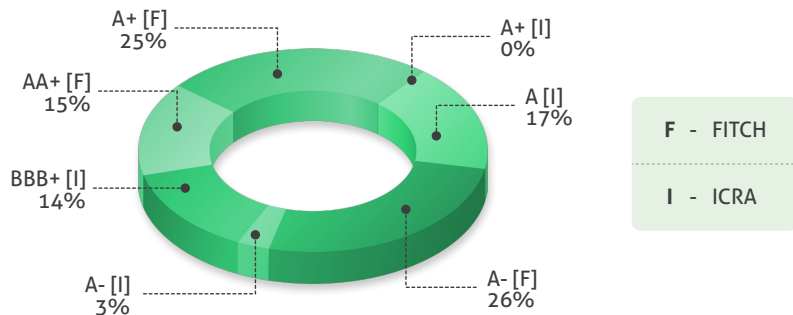
Type: Open Ended
Currency: LKR

Investments: Short Term Shariah Compliant Investments
ISIN: LKNWISU00009

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

30-Nov-20

YTD Yield	8.68%
YTD Yield (Annualized)	9.46%
NAV per unit	16.1530
AUM (LKR Mn.)	924.49
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.20%
Average Duration	0.30

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	25.10%	5.80%
1 Month - 3 Months	28.47%	8.80%
3 Months - 6 Months	15.50%	5.80%
6 Months - 1 Year	30.94%	9.20%

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%

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

Shariah Supervisory Board

Shafique Jakhura	Mufti
Muhammed Huzaifah	Maulana

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	8.68%	9.46%
Last month	0.58%	7.00%
Last 3 months	1.85%	7.42%
Last 6 months	4.12%	8.22%
Last 12 months	9.56%	9.56%

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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Fund Overview

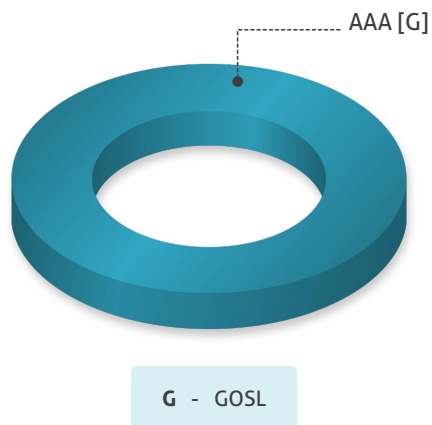
NDB Wealth Gilt Edged Fund

Type: Open Ended
Currency: LKR

Investments: Government of Sri Lanka Securities
ISIN: LKNWGEU00003

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.

Portfolio Allocation By Credit Rating



Fund Snapshot

30-Nov-20

YTD Yield	9.74%
YTD Yield (Annualized)	10.62%
NAV per unit	18.5829
AUM (LKR Mn.)	65.47
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.55%
Average Maturity (Yrs)	1.52
Average Duration	1.42

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	22.60%	4.80%
1 Year - 5 Years	77.40%	5.80%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	9.74%	10.62%
Last month	0.07%	0.88%
Last 3 months	0.63%	2.53%
Last 6 months	6.87%	13.71%
Last 12 months	10.33%	10.33%
Year 2019	19.12%	19.12%
Year 2018	11.45%	11.45%

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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