



ASSET
MANAGEMENT



PRIVATE
WEALTH MANAGEMENT



MY WEALTH
MANAGEMENT

MARKET UPDATE AND FUND REVIEW

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NDB | WEALTH

2020
SEPTEMBER

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MARKET BRIEF BY NDB WEALTH

INFLATION RATE DECLINES

Inflation as measured by CCPI declined to 4.0% in September 2020 from 4.1% in August 2020, on a year on year basis. Decline in food inflation may have been the main reason for the decrease in headline inflation. Food inflation stood at 11.5% in September 2020, compared to 12.3% recorded in August 2020, on a year on year basis. We expect inflation to hover around mid-single digit levels during 2020.

RUPEE RECORDED A SLIGHT APPRECIATION IN VALUE

Sri Lankan Rupee appreciated by 0.38% against the US Dollar during the third quarter of 2020, leading to an overall depreciation of 2.10% for the first nine months of the year. Weak US Dollar coupled with lower imports mainly due to the import ban may have been the key for the slight appreciation of the Sri Lankan Rupee during the third quarter of 2020. The Sri Lankan Rupee also appreciated against the Sterling Pound (4.06%), Euro (1.70%), Japanese Yen (0.56%) and the Indian Rupee (1.23%) during September. The Central Bank was a net buyer of USD 200.0 million during the first eight months of the year. Gross official reserves as at September stood at US dollars 6.6 billion.

RATING DOWNGRADE EXERTED PRESSURE ON INTEREST RATES

The benchmark 364-day Treasury bill yield stood at 4.89% as at end September 2020. However, the sovereign credit rating downgrade assigned by Moody's resulted in the secondary market interest rates increasing by 30-40 basis points across the yield curve. With the considerable decline in lending rates, credit to the private sector recorded an increase in year on year growth to 5.2% during the month of August 2020 for the first time in four months. During September 2020, foreign holding of LKR denominated Government securities marginally increased to 0.20%. However, it was still a decline compared to 1.86% as at end of 2019. Despite the current economic condition, we do not expect interest rates to record a sharp increase in the medium term, as the economic activity levels continue to be at subpar levels.

STOCK MARKET RECORDED SIGNIFICANT GAINS

With the steep decline in interest rates, despite weak macroeconomic fundamentals, most fixed income investors sought to move into equity markets as means of compensating for lost fixed income returns. This surge in market activity caused the ASPI to gain 16.22% with the more liquid S&P SL 20 index improving by 8.57% during the third quarter of 2020. Foreigners continued to be net sellers in the market. However, local investor participation headed mainly by High Net Worth Individuals and retail investors managed to absorb the foreign selling pressure which aided in driving market indices upwards.

Indika De Silva

Fund Manager

EQUITY OUTLOOK

	Past month Performance (1st Sep - 30th Sep 2020)	Past 12 months Performance (Sep 2019 - Sep 2020)	Year to Date Performance (1st Jan - 30th Sep 2020)
All Share Price Index	12.30%	4.30%	-2.36%
S&P SL 20	4.39%	-10.74%	-16.13%
MSCI Frontier Markets Index	0.75%	-2.54%	-8.61%
MSCI World Index	-3.45%	10.41%	1.70%
MSCI Emerging Markets	-1.60%	10.54%	-1.16%
MSCI Asia Ex Japan	-1.50%	17.83%	5.41%

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

The All Share Price Index (ASPI) and S&P SL 20 Index continued to record significant gains during September 2020, as the two main indices appreciated by 12.30% and 4.39%, respectively.

With the steep decline in interest rates, local investor participation, headed mainly by High Net Worth Individuals and retail investors and selected local funds, managed to absorb the foreign selling pressure and aided in driving market indices upwards.

Significant gains recorded in the past two months aided the benchmark ASPI to outperform MSCI Frontier market index and close the gap on the MSCI Emerging market index on a year to date basis.

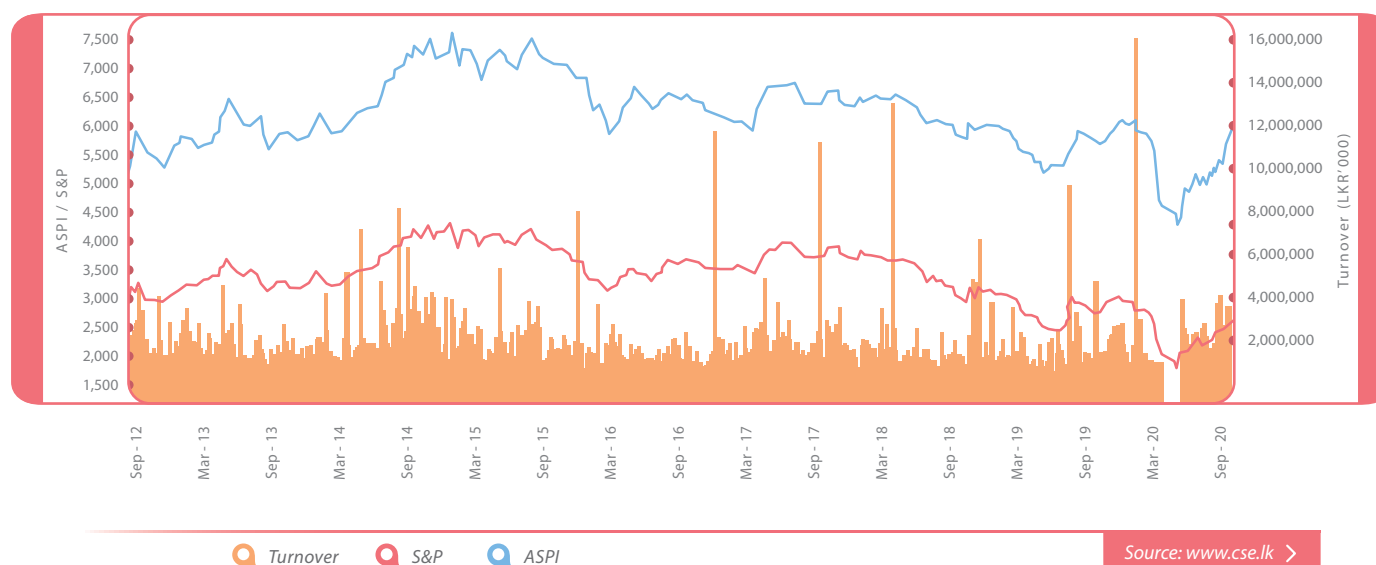
Investors looking to boost returns over the long run often turn to emerging-market mutual funds and even frontier-market funds, with the idea that the more risk you take, the greater the long-run returns.

Depending on analyst estimates of the ability of economies to withstand immediate shocks, investors have returned to emerging markets after the coronavirus shock. As a result, a surge in government debt issuance has been witnessed in these markets since the initial lockdowns in March 2020.

A weakening US dollar and the potential for a greater yield has increased the demand for local currency emerging market debt.

According to Moody's, the rating agency, Emerging Market countries with investment-grade ratings issued USD 119.0 billion worth of foreign currency denominated debt in 2020 to mid-September, more than the USD 114.0 billion issued throughout 2019.

Colombo Stock Exchange Performance



		Sep 2020	Sep 2019
CSE	Market PER	10.10 X	10.18 X
	Market PBV	1.00 X	1.07 X
	Market DY	2.94%	3.37%
MSCI Frontier Market	Market PER	14.02 X	12.16 X
	Market PBV	1.68 X	1.78 X
	Market DY	3.81%	4.33%

Source: www.cse.lk

Foreigners continued to be net sellers as they continued to exit from blue chip counters. During the month of September 2020, net foreign selling reached LKR 7.75 billion.

As at end September 2020, net foreign selling expanded to LKR 40.2 billion.

Colombo Stock Exchange	Jan - Sep 2020	Jan - Sep 2019
Foreign Inflows	LKR 47.16 Billion	LKR 46.24 Billion
Foreign Outflows	LKR 87.40 Billion	LKR 48.81 Billion
Net Foreign Inflows/(Outflows)	(LKR 40.24 Billion)	(LKR 2.57 Billion)

Source: www.cse.lk

**“ SOUND INVESTING CAN MAKE YOU VERY WEALTHY
IF YOU ARE NOT IN TOO BIG A HURRY ”**

— Warren Buffett —



FIXED INCOME OUTLOOK

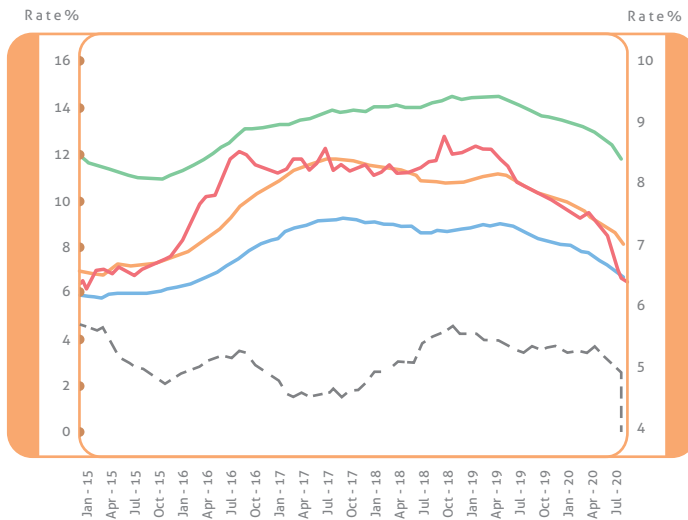
The Central Bank maintained the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 5.50% and 4.50% respectively at the monetary policy meeting held in August.

	Sep 19	Dec 19	Aug 20	Sep 20
364 Day T-bill	8.41%	8.45%	4.89%	4.88%
5-Year Bond	10.24%	9.94%	6.38%	6.40%
1-Year Finance Company Fixed Deposit Ceiling Rate	11.08%	11.63%	8.53%	8.53%

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

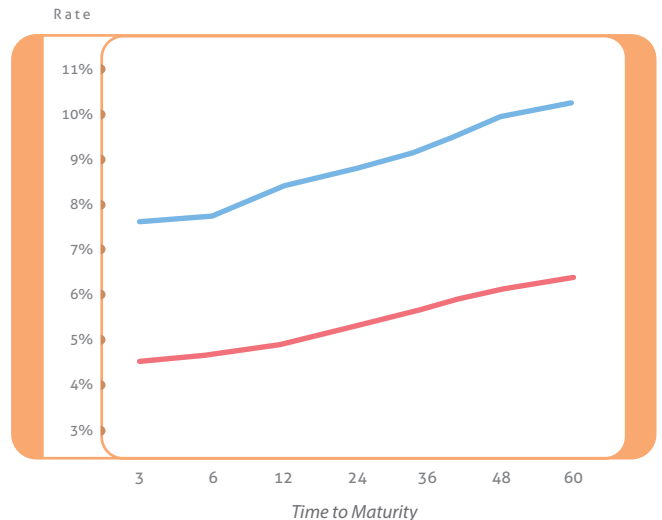
Source: Central Bank of Sri Lanka >

AVERAGE LENDING & DEPOSIT RATES & SPREAD



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

YIELD CURVE - LKR TREASURIES



Sep-19 Sep-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

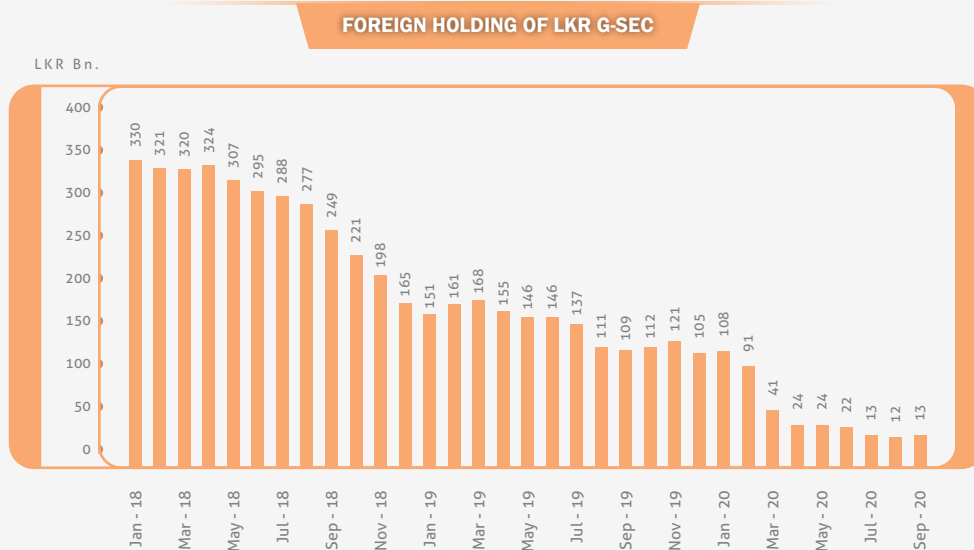
Treasury Bill rates declined marginally across the board, with the benchmark 364-day T-Bill rate falling to 4.88% and the 91-day and 182-day T-Bills falling to 4.51% and 4.64% respectively as at September 2020.

Broad money (M2b) growth picked up to 17.5% year-on-year in August, from the previous month's 15.7% whilst credit extended to the private sector spiked to 5.2% year-on-year from 4.2% in July 2020.

After three months in negative territory, monthly private sector credit disbursements recovered rising by LKR 78.3 bn or 1.3% during August owing to the resumption of domestic economic activities which were adversely affected by the COVID-19 pandemic.

Outstanding LKR Govt. Securities LKR 6,528 Billion	
T Bills (Total)	T Bonds (Total)
LKR 1,224 Billion	LKR 5,304 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 6,515 Billion	LKR 13 Billion
Total Foreign Holding of Bills and Bonds - 0.20%	

Source: Central Bank of Sri Lanka >



Foreign holding of LKR denominated bills and bonds improved marginally in September by LKR 1.10 bn, to 0.20% whilst net selling by foreigners for the year now stands at LKR 91.32 bn.

1 Year FD Rates - Sri Lankan Banks		
	Sep 2020	Aug 2020
NSB	5.50%	5.75%
COMB	5.50%	5.50%
SAMP	5.50%	5.50%
HNB	5.50%	5.50%
NDB	5.50%	5.50%

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

Source: Respective Commercial Banks >

*Credit card interest rate reduced to 15% p.a. on all local transactions performed up to LKR.50,000 within a statement cycle until 30 September 2020

NSB reduced its fixed deposit rates during the month of September and is now on par with the fixed deposit rates of other banks.

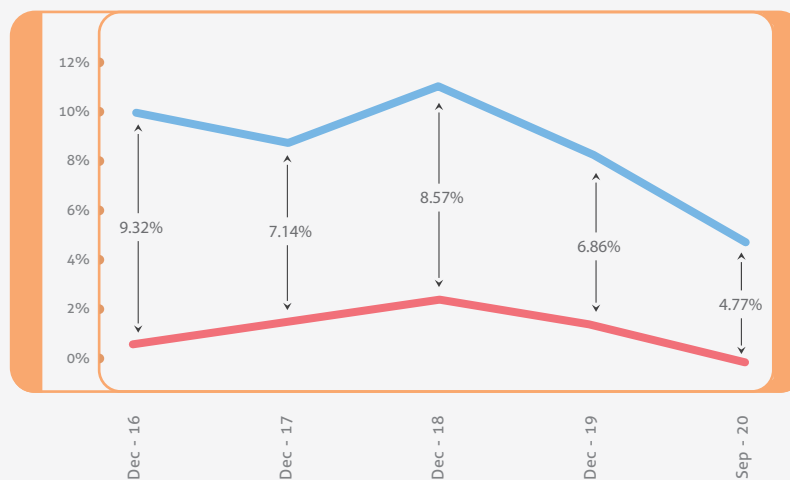
NDBIB CRISIL Fixed Income Indices Total return as at 30/09/2020	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.26%	7.47%	8.40%
NDBIB-CRISIL 364 Day T-Bill Index	1.43%	10.41%	9.80%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	1.96%	18.18%	13.69%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	1.68%	23.59%	14.94%

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%	0.25%
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 >

Global sovereign yields declined, driven by global growth concerns as well as growing political risks ahead of the US Presidential election.

364 Day Treasury Bill Rate	Sep 19	Dec 19	Aug 20	Sep 20
Sri Lanka	8.41%	8.45%	4.89%	4.88%
India	5.59%	5.29%	3.56%	3.73%
US	1.75%	1.59%	0.12%	0.12%
Euro Zone	-0.76%	-0.66%	-0.62%	-0.64%

Source: Respective Central Banks >

	Rates on Savings Accounts Sep 2020
Sri Lanka	3.50%
US	0.01%
Euro Zone	0.11%
Australia	0.50%
India	3.00%

Source: Respective Commercial Banks >

The UK economy contracted by 20.4% in the second quarter of 2020, compared to the previous three months, as coronavirus-induced lockdowns hampered economic activity.

**“ DIVERSIFYING YOUR SOURCES OF INCOME SHOULD BE
AN INTEGRAL PART OF YOUR FINANCIAL PLAN ”**

— NDB Wealth —



INFLATION RATES

Country	Sep 19	Dec 19	Aug 20	Sep 20
Sri Lanka	4.96%	4.83%	4.07%	3.97%
US	1.71%	2.29%	1.31%	1.31%*
Euro Zone	0.83%	1.33%	-0.17%	-0.17%*
India	3.99%	7.35%	6.69%	6.69%*

*August 2020

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

Inflation as measured by the CCPI (2013=100), slowed marginally to 4.0% in September on a year-on-year basis from the previous month's 4.1% owing to the base effect.

In fact, the index was up 0.7% during the month, primarily driven by increases in food prices by 1.6%. Non-food prices also increased marginally by 0.2%.

Within the food category prices of mainly vegetables, coconut, fresh fruit and big onion increased whilst prices of alcoholic beverages, tobacco and narcotics and transportation influenced non-food prices up.

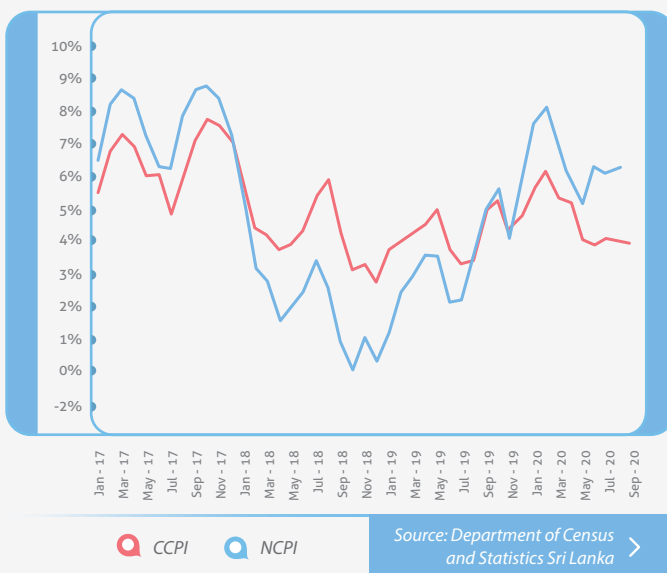
On an annual average basis inflation slowed marginally to 4.7% in September.

Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) too slowed to 2.9% year-on-year and 3.6% on an annual average basis in September.

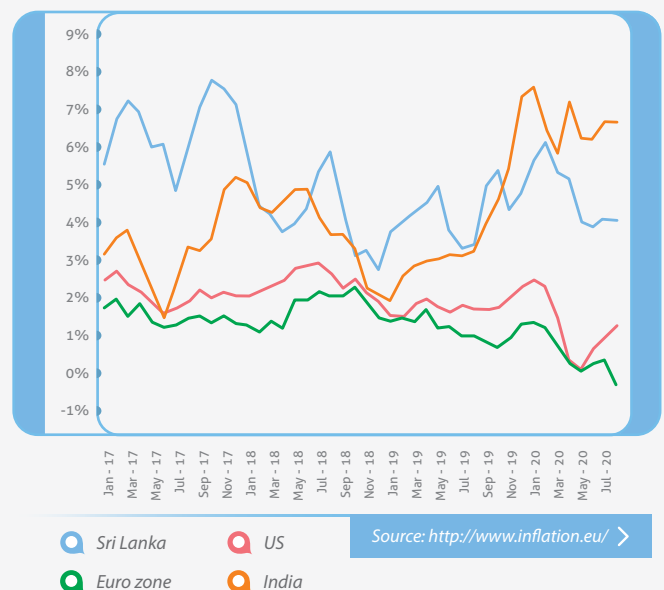
We believe the Central Bank will broadly manage inflation at mid-single digit levels in spite of short-term fluctuations we may see from time to time.

On the global front, US inflation spiked to 1.31% whilst Euro zone inflation contracted by 0.17% year-on-year in August.

INFLATION - POINT TO POINT CHANGE - CCPI VS. NCPI



GLOBAL INFLATION RATES



FOREX OUTLOOK

Exchange Rates Vs. LKR	Sep 19	Dec 19	Sep 20	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	181.93	181.63	185.52	-1.94%	-2.10%
GBP	223.58	238.46	238.73	-6.35%	-0.11%
EURO	198.94	203.67	217.97	-8.73%	-6.56%
YEN	1.69	1.67	1.76	-3.95%	-4.76%
AUD	123.04	127.25	132.44	-7.10%	-3.92%
CAD	137.48	139.21	138.65	-0.85%	0.40%
INR	2.58	2.55	2.52	2.58%	1.25%
BHD	482.57	481.78	491.91	-1.90%	-2.06%
CNY	25.53	26.01	27.24	-6.27%	-4.49%

Source: Central Bank of Sri Lanka >

The Sri Lankan Rupee appreciated against the USD in September by 0.34% to close the month at LKR 185.52 per USD. It however, continues to be a net loser against the USD on a year-to-date basis recording an overall depreciation of 2.10%.

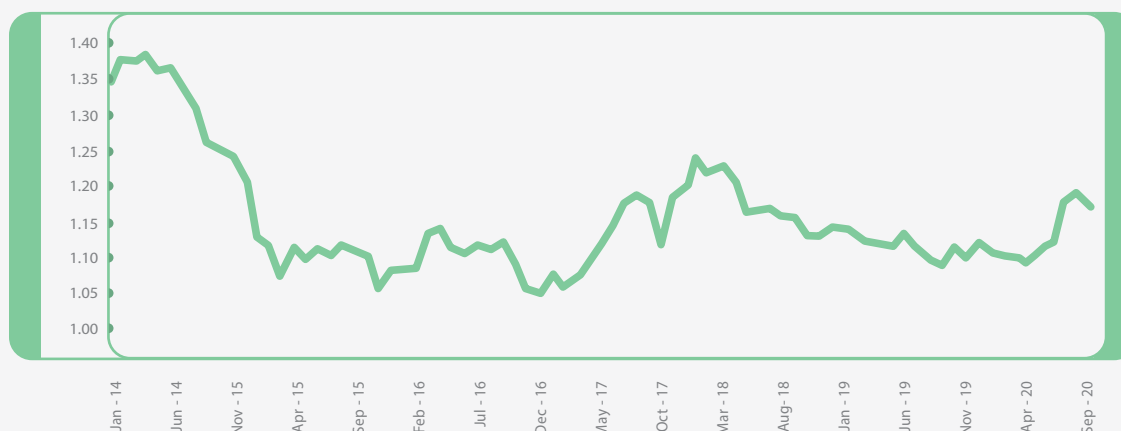
The Rupee also gained a considerable 4.06% against the Pound Sterling and 1.70% against the Euro during the month.

The US dollar posed gains against most currencies on positive signs that the US economy was recovering.

European currencies led declines amid fears that the growing number of infections could force central banks to introduce fresh easing measures later this year.

Most Asian currencies depreciated against the US dollar on concerns over the pace of economic recovery in the region.

USD PER 1 EURO MOVEMENT



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

COMMODITY OUTLOOK

	Past month Performance (1st Sep - 30th Sep 2020)	Past 12 months Performance (Sep 2019 - Sep 2020)	Year to Date Performance (1st Jan - 30th Sep 2020)
Bloomberg Commodity Index	-3.37%	-8.91%	-12.41%
Gold	-2.37%	27.23%	29.94%
Tea	0.65%	18.02%	5.89%
Oil (Brent)	-7.16%	-34.08%	-37.60%

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

The Bloomberg Commodity Index which tracks 23 commodities, declined by 3.37% in September 2020. The index recorded an overall growth of approximately 9% for the third quarter this year while it increased by approximately 5% in the second quarter of 2020.

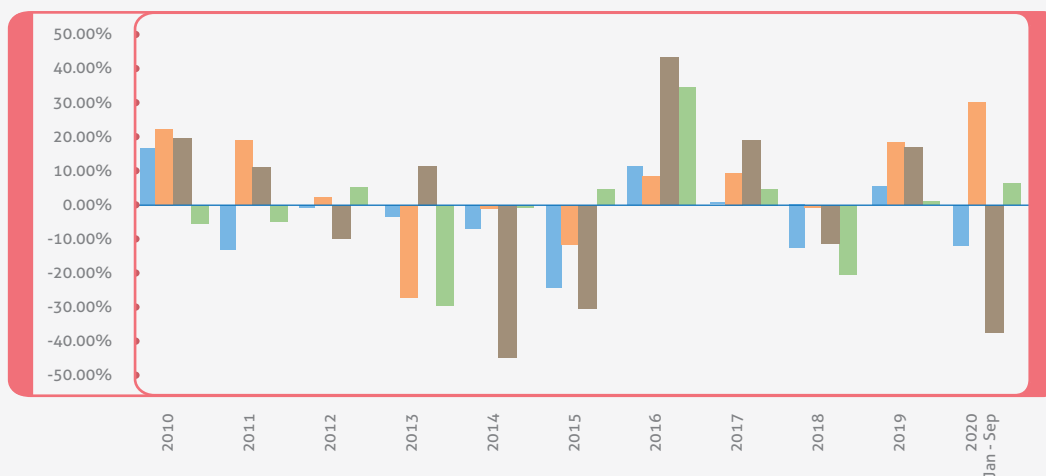
The announcement that Libya's blockade on oil supply would be conditionally lifted added downward pressure on oil prices amid fears that supply would increase.

In addition to the weakening market fundamentals since August, an increase in production by the OPEC and its allies coupled with slower recovery in demand led to lower oil prices in September 2020.

The demand for crude oil during the first nine months of 2020 had slumped by as much as 10% as a result of the coronavirus pandemic. However, prices may continue to be range bound due to the oil supply deficit. Even with rising production and exports, concern remains about the global demand, as the recovery may not be quick, and it may take a while to reach the pre-crisis levels.

Gold prices have appreciated by approximately 30% as at end September 2020. However, strengthening of the US dollar with rising interest rates are negative for gold (Gold prices are denominated in US dollars and become more expensive to buyers outside the US when the currency gains ground).

Commodity Price Movements



DJUBS Gold Oil Tea

Source: NDB Wealth Research >

PROPERTY OUTLOOK

Sri Lanka was expecting to bounce back from the low GDP growth rates recorded during the past few years. Post presidential elections, amid a series of tax cuts and aggressive policy easing, economic expansion activities and a return of business confidence was witnessed towards the end of 2019.

The Island was heavily dependent on the expected turnaround of Tourism in 2020. Under the new optimism tourist arrivals started presenting signs of recovery during November and December 2019; but was short lived due to the global pandemic.

The residential sector was also gradually gaining momentum with a significant number of new enquiries and launches towards the end of 2019.

However, with a downturn in global economic conditions caused by the spread of COVID-19, interest on the condominium market recorded a decline towards February 2020. Uncertainties were aggravated following the imposition of lockdown, with limited potential buyers having second thoughts on their buying decisions.

Moreover, expats, who were major participants in Sri Lanka's condominium market, were heavily affected due to global travel restrictions, shutting down of airports and plunging of global crude oil prices.

Furthermore, investors witnessed delays in project launches and apartment handovers this year due to halting of construction activities. Investors would need to remain mindful of increasing costs, cash flows constraints and delays in launches among developers and construction companies.

However, the demand for this sector is expected to bounce back post pandemic, driven by its strong exposure to stable, long term income profile and the defensive investment characteristics.

Overall, demand is expected to remain favourable for the sector in the long-term. The sector continues to look positive with favourable investments policies such as the reduction of VAT on Condominiums from 15% to 6%, followed by a tax exemption for apartments below LKR 25 Million.

Urbanisation and the increasing number of expatriates returning to the country are likely to be favourable for the sector in the long term.

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 August 2020									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	2.71%	-	4.64%	5.06%	5.48%	6.74%	7.16%	-	7.59%
Bank of Ceylon Islamic Business Unit - As of August 2020									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.00%	-	-	-	-	-	-	-	-
Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of August 2020									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	3.42%	-	4.25%	5.00%	6.01%	-	-	-	-
Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of July 2020									
Profit Sharing Ratio*	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	3.00%	-	4.75%	5.00%	5.50%	-	-	-	-
National Development Bank PLC-"Shareek" Islamic Banking unit - As of August 2020									
Profit Sharing Ratio* (3Mn - 50Mn)	40:60	60:40	65:35	40:60	65:35	-	-	-	-
Distributed Profit	4.25%	4.50%	4.75%	5.00%	6.50%	-	-	-	-
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 August 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%	6.53%	6.78%	7.03%	8.53%	9.03%	9.19%	9.51%	9.83%
LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of August 2020									
Profit Sharing Ratio*	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	4.84%	6.00%	6.58%	6.97%	7.36%	-	-	-	-
LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of August 2020									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	3.74%	6.24%	6.49%	6.86%	7.61%	8.49%	8.74%	8.98%	9.23%
Peoples Leasing Islamic Business Unit - As of August 2020									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	4.05%	-	5.40%	5.85%	6.75%	-	-	-	-

* 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, Swisstek 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

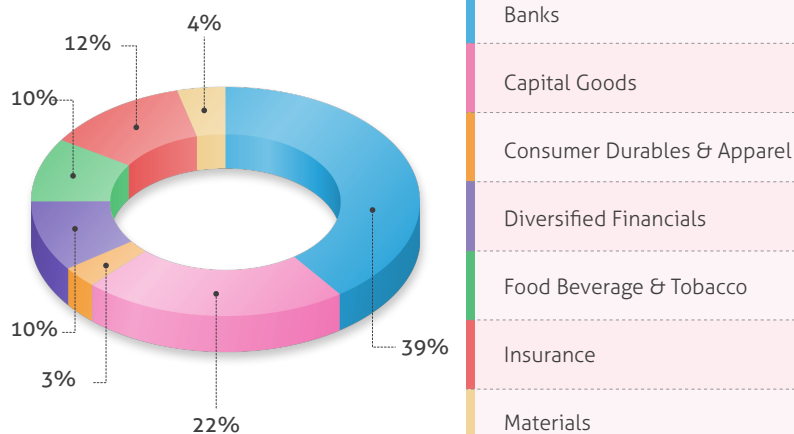
NDB Wealth Growth Fund

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



Historical Returns

Period	Fund Returns *	ASPI Returns
Last Month	5.07%	4.00%
Last 3 months	12.08%	9.96%
Last 6 months	-6.13%	-4.71%
Last 12 months	-15.70%	-9.52%
Year 2019	-0.59%	1.27%
Year 2018	-6.79%	-4.98%

* After fees, excluding front end and back end loads

Other Features

Valuation	Daily Valuation Instruments less than one year - cost plus accrued basis. Instruments greater than one year - 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

Fund Snapshot

31-Aug-20

YTD Yield	-15.98%
NAV per unit	8.53
AUM (LKR Mn.)	169.98
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.34%
Max Equity Allocation	97.00%
Current Equity Allocation	87.98%
Fund Leverage	0.00%

Top 5 Portfolio Holdings (In Alphabetical Order)

ACCESS ENG LTD
CENTRAL FINANCE COMPANY PLC
HATTON NATIONAL BANK PLC
PEOPLES INSURANCE LTD
SEYLAN BANK PLC

Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	12.02%
Average Duration	0.0027
Maturity	% Holding
Under 1 Month	100.00%

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Fund Overview

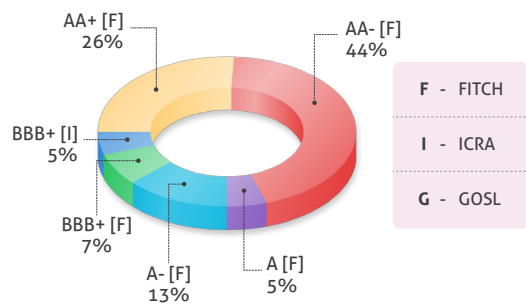
NDB Wealth Growth and Income Fund

Type: Open Ended | Investments: Listed Equities and Corporate Debt
 Currency: LKR | ISIN: LKNWGIU00004

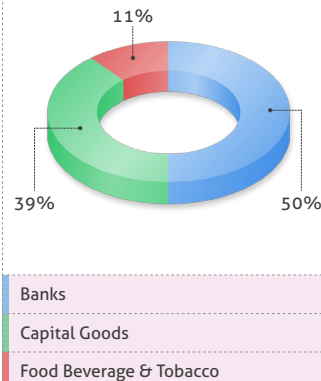
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing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

Portfolio Allocation

By Credit Rating



By Equity Sector



Fund Snapshot

31-Aug-20

YTD Yield	3.52%
NAV per unit	40.61
AUM (LKR Mn.)	367.70
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.80%
Max Equity Allocation	97.00%
Current Equity Allocation	48.61%
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
JOHN KEELLS HOLDINGS PLC

Historical Returns

Period	Fund Returns*	ASPI Returns
Last month	1.23%	4.00%
Last 3 months	4.04%	9.96%
Last 6 months	6.12%	-4.71%
Last 12 months	7.77%	-9.52%
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	51.39%
Average Duration	0.47
Maturity	% Holding
Under 3 Months	33.04%
3 Months - 6 Months	22.47%
6 Months - 1 Year	36.15%
1 Year - 5 Years	8.35%

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

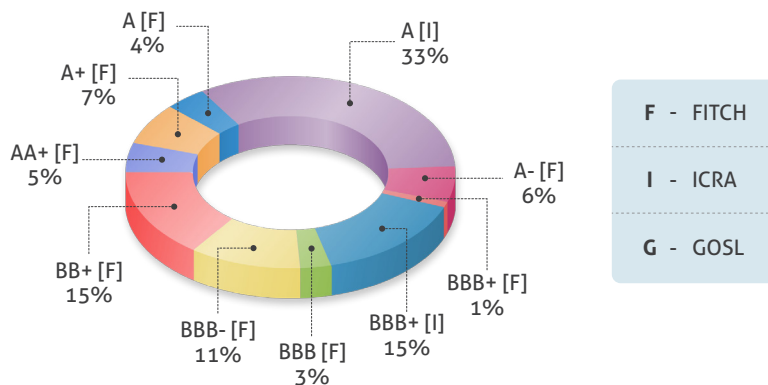
NDB Wealth Income Fund

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

31-Aug-20

YTD Yield	10.02%
YTD Yield (Annualized)	14.99%
NAV per unit	15.4761
AUM (LKR Mn.)	380.78
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.38%
Average Maturity (Yrs)	1.62
Average Duration	1.21

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	3.82%	4.50%
1 Month - 3 Months	6.46%	10.80%
3 Months - 6 Months	17.54%	11.90%
6 Months - 1 Year	32.42%	12.10%
1 Year - 10 Years	39.75%	12.60%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	10.02%	14.99%
Last month	0.78%	9.15%
Last 3 months	3.70%	14.67%
Last 6 months	7.51%	14.90%
Last 12 months	13.88%	13.88%
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

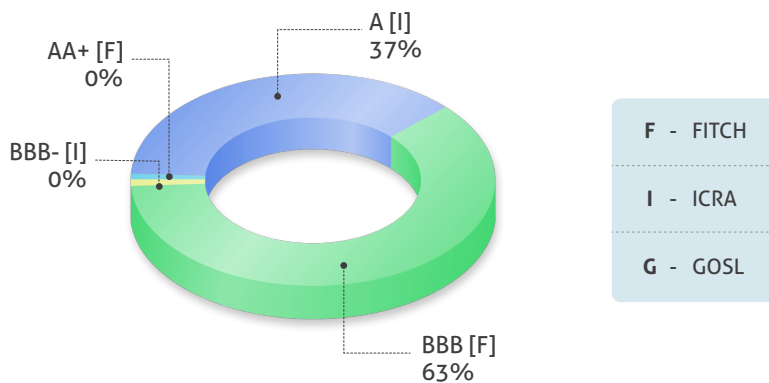
NDB Wealth Income Plus Fund

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

31-Aug-20

YTD Yield	8.34%
YTD Yield (Annualized)	12.47%
NAV per unit	16.3798
AUM (LKR Mn.)	40.85
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.74%
Average Maturity (Yrs)	0.41
Average Duration	0.39

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	0.48%	5.52%
3 Months - 6 Months	99.52%	12.50%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	8.34%	12.47%
Last month	1.00%	11.79%
Last 3 months	2.95%	11.70%
Last 6 months	6.05%	12.01%
Last 12 months	12.54%	12.54%

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

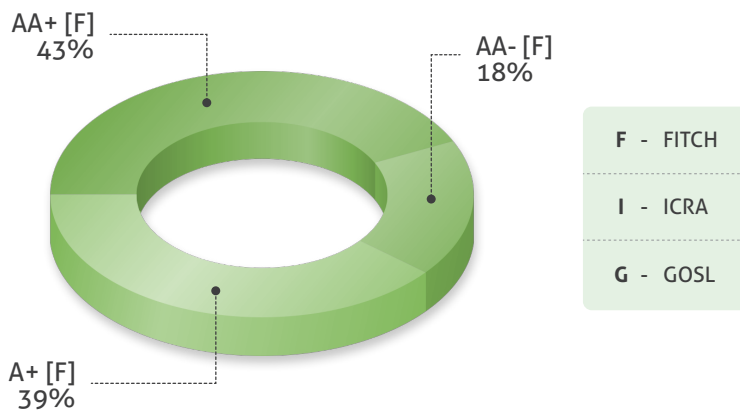
Type: Open Ended
Currency: LKR

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

31-Aug-20

YTD Yield	5.91%
YTD Yield (Annualized)	8.84%
NAV per unit	20.1083
AUM (LKR Mn.)	682.40
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.85%
Average Maturity (Yrs)	0.31
Average Duration	0.30

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	24.03%	4.92%
1 Month - 3 Months	33.98%	8.90%
3 Months - 6 Months	14.95%	9.20%
6 Months - 1 Year	27.04%	8.80%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	5.91%	8.84%
Last month	0.65%	7.65%
Last 3 months	2.10%	8.35%
Last 6 months	4.33%	8.58%
Last 12 months	9.22%	9.22%
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

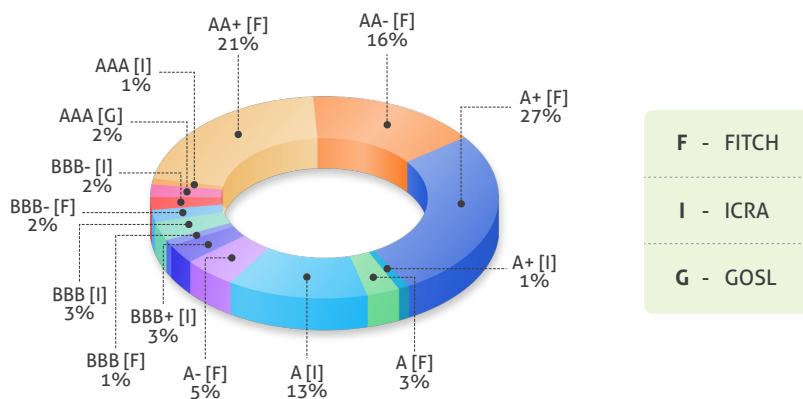
NDB Wealth Money Plus Fund

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

Portfolio Allocation By Credit Rating



Fund Snapshot

31-Aug-20

YTD Yield	7.01%
YTD Yield (Annualized)	10.49%
NAV per unit	22.9259
AUM (LKR Mn.)	67,171.75
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.81%
Average Maturity (Yrs)	0.40
Average Duration	0.39

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	24.95%	5.93%
1 Month - 3 Months	8.10%	8.70%
3 Months - 6 Months	35.39%	8.00%
6 Months - 1 Year	31.55%	9.80%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	7.01%	10.49%
Last month	0.67%	7.94%
Last 3 months	2.27%	8.99%
Last 6 months	4.99%	9.89%
Last 12 months	10.75%	10.75%
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

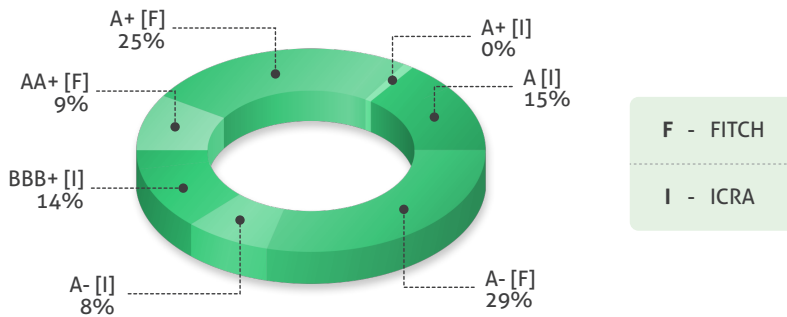
Type: Open Ended
Currency: LKR

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

31-Aug-20

YTD Yield	6.71%
YTD Yield (Annualized)	10.04%
NAV per unit	15.8597
AUM (LKR Mn.)	654.37
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.26%
Average Duration	0.44

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	9.22%	4.05%
1 Month - 3 Months	7.37%	10.10%
3 Months - 6 Months	50.33%	9.20%
6 Months - 1 Year	33.07%	9.80%

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	6.71%	10.04%
Last month	0.72%	8.45%
Last 3 months	2.23%	8.85%
Last 6 months	4.76%	9.43%
Last 12 months	10.13%	10.13%

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

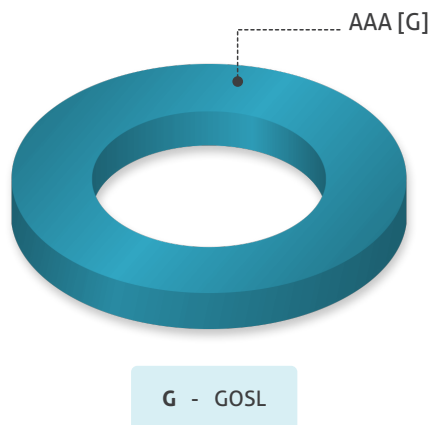
NDB Wealth Gilt Edged Fund

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

31-Aug-20

YTD Yield	9.06%
YTD Yield (Annualized)	13.55%
NAV per unit	18.4664
AUM (LKR Mn.)	65.20
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.59%
Average Maturity (Yrs)	0.18
Average Duration	0.18

Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	22.20%	4.05%
1 Month - 3 Months	77.80%	5.00%

Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	9.06%	13.55%
Last month	5.31%	62.50%
Last 3 months	6.20%	24.62%
Last 6 months	7.85%	15.56%
Last 12 months	11.33%	11.33%
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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