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# MARKET UPDATE AND FUND REVIEW

June 2023

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**NDB | WEALTH**

## MARKET BRIEF BY NDB WEALTH

### Significant drop in the Inflation rate

In June 2023, inflation, as measured by the CCPI (2021=100), experienced a significant drop to 12.0% on a year-on-year basis, compared to 25.2% recorded in May 2023. This decline was primarily driven by a decrease in food inflation, which dropped to 4.1% in June 2023 from 21.5% in May 2023, on a year-on-year basis. Additionally, non-food inflation also decreased, with a year-on-year decline from 27.0% in May 2023 to 16.2% in June 2023. In June 2023, core inflation, which excludes the volatile components of food, energy, and transport prices, decreased to 9.8% compared to 20.3% in May 2023. Based on our projections, we anticipate the downward trajectory of inflation to persist through the second half of 2023.

### Sri Lankan Rupee appreciates against hard currencies

The Sri Lankan Rupee strengthened further during the second quarter of 2023 as it witnessed an appreciation of 5.98% against the USD. Moreover, the Sri Lankan Rupee appreciated by 3.29%, 5.66%, 14.78% and 5.91% against the Sterling Pound, Euro, Japanese Yen and the Indian Rupee, respectively during 2Q 2023. The Central Bank continued to be a net buyer of USD 1,672.93 million on a year-to-date basis as at May 2023. The gross official reserves stood at USD 3.47 billion as at June 2023.

### Steep decline in Interest rates

The Monetary Board of the Central Bank of Sri Lanka (CBSL), decided to reduce policy rates by 250 bps in the 4th monetary policy review for 2023 with the changes taking effect from the 1st of June 2023. A further 200 basis points was reduced in July 2023 following the announcement of the Domestic Debt Optimization plan (DDO) in end June. Overall, market interest rates witnessed a steep decline across the yield curve, where the Benchmark 364-day Treasury bill rate declined to 13.86% at the first Treasury bill auction held post DDO announcement. The foreign holding of LKR denominated Government securities continued to increase during Q2 2023, accounting for 1.32% of the outstanding stock of Government securities compared to 0.52% in Q1 2023.

### The two main indices of CSE recorded gains

By the end of the second quarter, the ASPI had recorded a year-to-date increase of 11.23%, while the S&P SL20 recorded an increase of 2.96%. However, foreign inflows were relatively subdued, totaling LKR 409 million for the quarter and LKR 1.07 billion for the first half of 2023. The expectation of Central Bank loosening the monetary policy may potentially foster growth in the overall macro as a result of increased economic activity. This in turn may have a positive impact on the overall investor sentiment and future corporate earnings.

**Indika De Silva**

Fund Manager

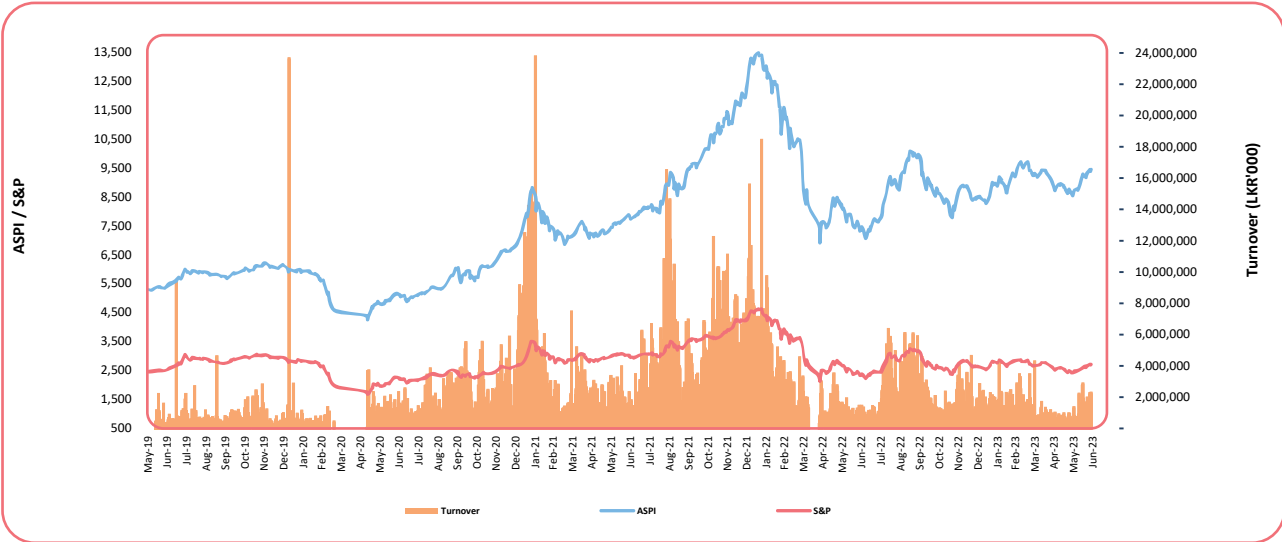
## EQUITY OUTLOOK

	Past month Performance (June 2023)	Past 12 months Performance (June 2022 - June 2023)	Year to Date Performance (YTD up to June 2023)
All Share Price Index	10.38%	28.61%	11.23%
S&PSL 20	12.07%	16.25%	2.96%
MSCI Frontier Markets Index	2.29%	-1.87%	5.57%
MSCI World Index	6.09%	19.13%	15.43%
MSCI Emerging Markets	3.80%	1.75%	4.89%
MSCI Asia Ex Japan	2.81%	-0.76%	3.19%

Source: [www.cse.lk](http://www.cse.lk) and [www.msci.com](http://www.msci.com)

- ◆ The ASPI grew by 10.38% and the S&PSL20 went up by 12.07% in June 2023, with investors expecting a favorable outcome from the domestic debt optimization process. The market was mainly driven by banking sector counters amid anticipation that the DDO may not have a significant impact.
- ◆ However, foreign investors were net sellers in the market with net foreign outflows recording Rs. 293 Million in June with negative sentiment stemming due to the appreciation of the rupee against the dollar.
- ◆ The S&P 500 index in the U.S. recorded a notable increase of 6.61% in June, primarily driven by a cooling down of the jobs report for the month insinuating moderating inflationary pressures.
- ◆ Australian equities exhibited a modest positive return for the month of June with the ASX Resources index and the ASX 300 both increasing by 4.4% and 1.7% respectively. These indexes were primarily influenced by the upward movement in iron ore prices and the appreciation of the Australian Dollar.
- ◆ During the month, the Indian stock market also witnessed a blockbuster rally as both the NIFTY 50 and BSE Sensex hit all-time highs on three occasions. The NIFTY 50 approached 19,300, while the Sensex exceeded 65,000. This surge was driven by factors such as strong inflows from foreign institutional investors, robust corporate balance sheets, moderating inflation, improved economic growth, and positive expectations for the monsoon season.

### Colombo Stock Exchange Performance



Source: www.cse.lk

		June 2023	June 2022
<b>CSE</b>	Market PER	5.02	4.74 x
	Market PBV	0.92	0.80 x
	Market DY	4.04	4.56 %
<b>MSCI Frontier Market</b>	Market PER	10.77x	10.74x
	Market PBV	1.57x	1.81x
	Market DY	4.49x	4.14%

Colombo Stock Exchange	Jan - June 2023	Jan - June 2022
Foreign Inflows	LKR 17.05 Billion	LKR 23.89 Billion
Foreign Outflows	LKR 15.99 Billion	LKR 25.06 Billion
<b>Net Foreign Inflows /Outflows</b>	<b>LKR 1.07 Billion</b>	<b>(LKR 1.17 Billion)</b>

Source: www.cse.lk

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**“The only investors that don’t need to diversify are those  
that are right 100% of the time.”**

**-Sir John Templeton**



# Fixed Income Outlook

## Interest Rates in Sri Lanka

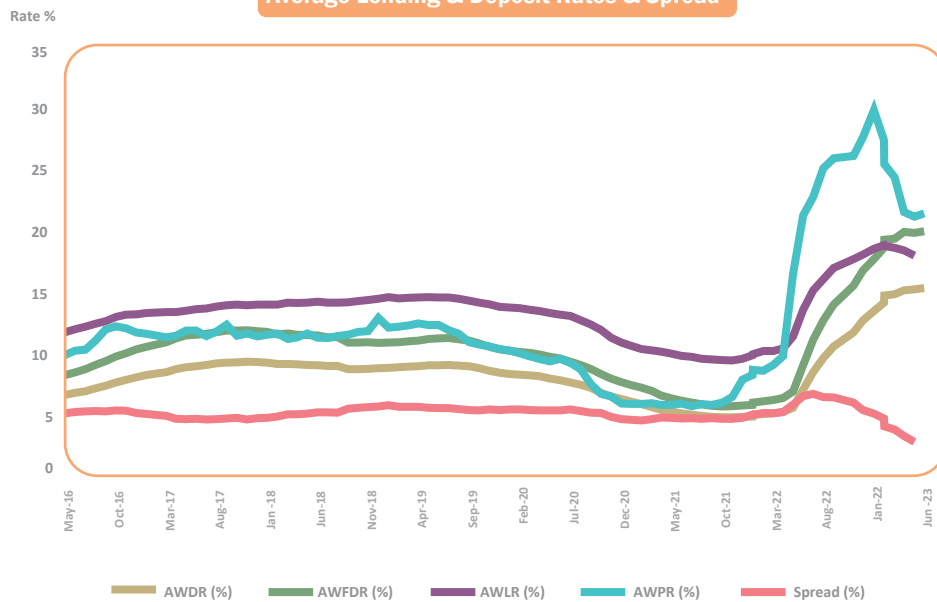
- The Central Bank of Sri Lanka decided to reduce its policy rates by 250 bps in the 4th monetary policy for 2023 with the changes taking effect from the 1st of June 2023; accordingly, the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) was reduced to 14.00% and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) reduced to 13.00%.

	Jun-22	Dec-22	May-23	Jun-23
364 Day T-bill	23.84%	29.27%	22.97%	16.99%
5-Year Bond	20.41%	26.76%	24.98%	22.16%
1-Year Finance Company Fixed Deposit Ceiling Rate	24.76%	31.31%	25.01%	19.79%

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

Source: Central Bank of Sri Lanka

## Average Lending & Deposit Rates & Spread

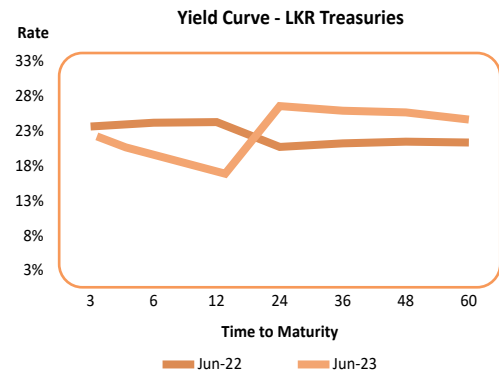


AWDR: Average Weighted Deposit Rate | AWFDR: Average Weighted Fixed Deposit Rate | AWLR: Average Weighted Lending Rate |

AWPR: Average Weighted Prime Lending rate

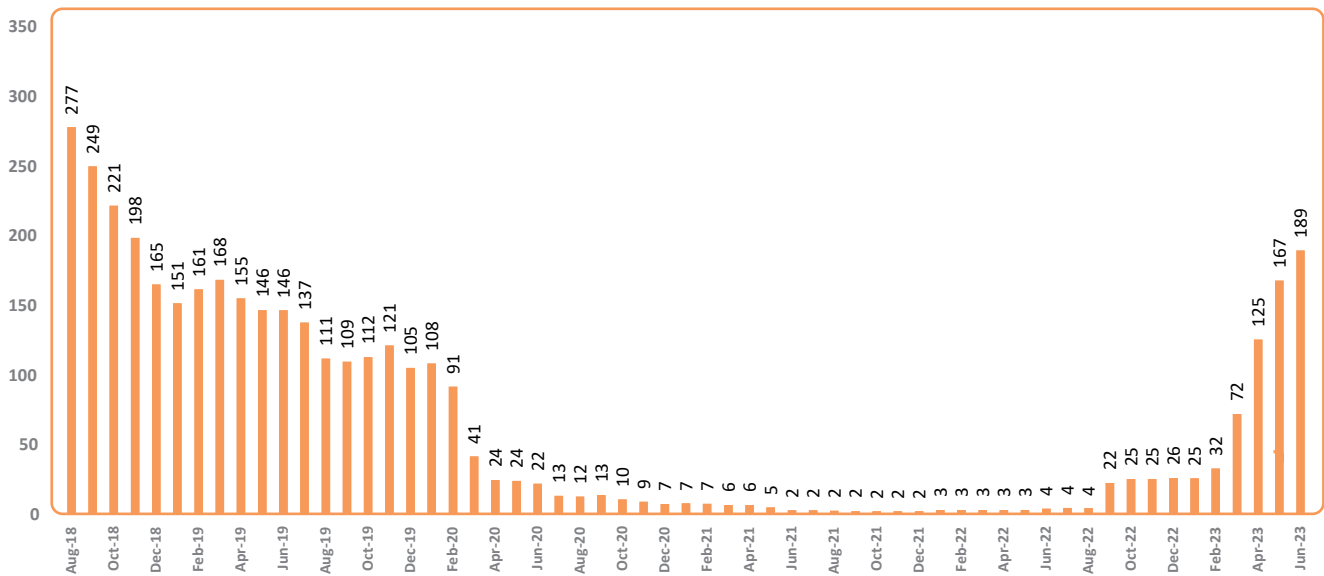
- The T-bill yields across the yield curve declined sharply during the month, with the benchmark 364 day T-bill yield decreasing by 598 bps in June to 16.99% from 22.97% in May 2023. The 91-days weighted average T-bill rate reduced by 266 bps to 23.00% and the 182-days weighted average T-bill rate decreased by 581 bps to 19.49%.
- Broad money (M2b) growth reduced to 3.4% on a year-on-year basis in May, from the previous month's 3.7%, whilst the credit to the private sector contracted by 9.5% on a year-on-year basis in May from the 8.3% contraction recorded in the previous month. Monthly private sector credit disbursements decreased by LKR 88.9 billion or by 1.3% in May 2023.

Outstanding LKR Govt. Securities LKR 14,118 Billion	
T Bills (Total)	T Bonds (Total)
LKR 5,314 Billion	LKR 9,032 Billion
Domestic (Bills & Bonds)	Foreign (Bills & bonds)
LKR 14,157 Billion	LKR 188.98 Billion
Total Foreign Holding of Bills and Bonds - 1.32%	



LKR Bn.

**Foreign Holding of LKR G-Sec**



Source: Central Bank of Sri Lanka

- Foreign participation in LKR denominated bills and bonds continued to increase, recording LKR 21.6 billion of additional investments during the month, with the foreign holdings increasing to 1.32% of the total outstanding government securities from 1.18% last month. Foreign investors were net buyers on a year to date basis at LKR 163.4 Bn in 2023.

1 Year FD Rates – Sri Lankan Banks		
	Jun - 23	May - 23
NSB	10.00%	10.00%
COMB	9.50%	14.00%
SAMP	11.00%	15.00%
HNB	9.50%	15.00%
NDB	11.00%	15.00%

Source: Respective Commercial Banks

Rates on Credit Cards	Jun-23
HSBC	34.00%
SCB	34.00%
Sampath	34.00%
NDB	34.00%
AMEX	34.00%

Source: Respective Commercial Banks

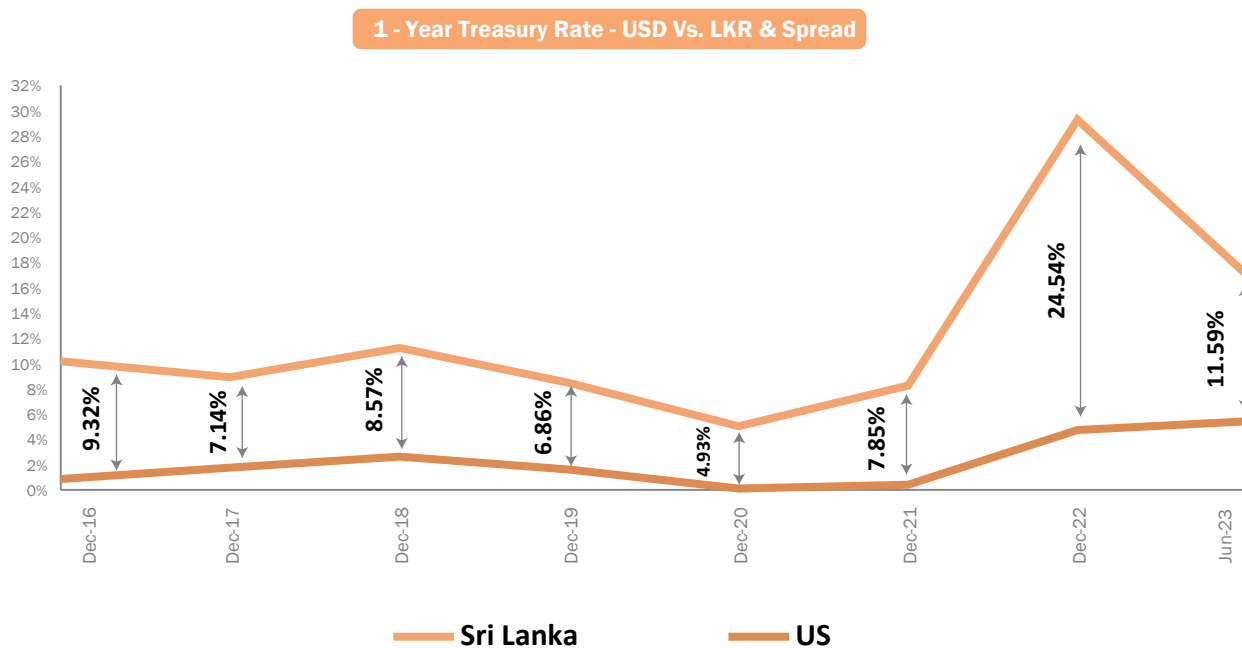
- Fixed deposit rates of banks continued its downtrend with rates declining by 400 - 500 bps in June 2023.
- Credit card rates were revised to 34%, effective from the 1st of July 2023.

NDIB CRISIL Fixed Income Indices Total return as at 30/06/2023	3 month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	6.84%	30.04%	13.30%
NDBIB-CRISIL 364 Day T-Bill Index	10.32%	27.75%	8.48%
NDBIB CRISIL 3 Year T-Bond Index -TRI	13.71%	20.35%	1.38%
NDBIB - CRISIL 5 Year T- Bond Index -TRI	16.94%	22.98%	-1.43%

Source: www.crisil.com

Central Bank Policy Rates	2020	2021	2022	Jun-23
Sri Lanka	4.50%	5.00%	14.50%	13.00%
US	0.00% - 0.25%	0.00% - 0.25%	4.25% - 4.50%	5.00% - 5.25%
Euro Zone	0.00%	0.00%	2.50%	4.00%
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

- ◆ The central bank of Australia and the Eurozone increased policy rates during the month in an effort to ensure inflation remains within the target range. Despite faster than anticipated slowdown in inflation, the current figures still remain excessively high.



364 Day Treasury Bill Rate	Jun-22	Dec-22	May-23	Jun-23
Sri Lanka	23.84%	29.27%	22.97%	16.99%
India	6.25%	6.89%	6.88%	6.86%
US	2.80%	4.73%	5.18%	5.40%
Euro Zone	0.31%	2.46%	2.94%	3.45%

Source: Respective Commercial Banks

Rates on Savings Accounts Jun 2023	
Sri Lanka	3.25%
US	0.01%
Euro Zone	0.25%
Australia	4.65%
India	3.00%

Source: Respective Central Banks

- ◆ Investors expect further rate hikes by the US federal reserve with the recent US employment numbers showing strong growth in wage data and a slight drop in the unemployment rate despite fewer jobs added to the economy.

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“Investing in fixed income can be a strategic  
move to achieve  
a balanced portfolio, helping to mitigate  
risk and enhance overall returns”

- NDB Wealth



## Domestic Debt Optimization (DDO)

- ◆ The government of Sri Lanka announced the implementation of the domestic debt optimization plan during the month, which was passed in the parliament with an overwhelming majority of 60 votes to restore sovereign debt sustainability.
- ◆ The terms proposed were more favorable than what the market anticipated with the banks being exempted from the DDO plan. The plan proposes to convert central bank held treasury bills into treasury bonds with maturities between 2029 and 2038 featuring a step-down coupon structure.
- ◆ Further, bonds held by superannuation funds (pension funds) was also proposed to be swapped with longer term maturity bonds from 2027 to 2038 with a step-down coupon structure of 12% till 2026 and 9% till maturity.
- ◆ While, superannuation funds have the option to forego the DDO process, they would be subjected to a 30% income tax in the event of non-participation, replacing the current tax rate of 14%.
- ◆ Holders of SLDBs (Sri Lankan Development bonds), with the exception of individual SLDB holders, were also required to swap existing bonds to new instruments and were provided with three options;

	Option 1 (in USD)	Option 2 (in USD)	Option 3 (in LKR Instruments)
<b>Haircut</b>	30%	N/A	N/A
<b>Maturity Extension</b>	6 years	15 years	10 years
<b>Grace Period</b>	N/A	9 years	N/A
<b>Interest rate</b>	Fixed - 4%	Fixed - 1.5%	Floating - SLFR + 1%

## Inflation Rates

Country	Jun-22*	Dec - 22*	May - 23*	Jun - 23*
<b>Sri Lanka</b>	54.60%	57.20%	25.20%	12.00%
<b>US</b>	9.06%	6.45%	4.05%	4.05% ***
<b>Euro Zone</b>	8.64%	9.20%	6.10%	6.10% ***
<b>India</b>	7.00%	5.72%	4.25%	4.25% ***

Source: Department of Census and Statistics - Sri Lanka, <http://www.inflation.lk/>, <https://www.rateinflation.com/inflation-rate/usa-inflation-rate/>, <https://tradingeconomics.com/india/inflation-cpi>

\* Base Year (2013=100)

\*\*Base Year (2021=100)

\*\*\*May 2023

- ◆ In June 2023, inflation, as measured by the CCPI (2021=100), experienced a significant drop to 12.0% on a year-on-year basis, compared to 25.2% in May 2023. This decline was primarily driven by a decrease in food inflation, which dropped to 4.1% in June 2023 from 21.5% in May 2023 on a year-on-year basis. Additionally, non-food inflation also decreased, with a year-on-year decline from 27.0% in May 2023 to 16.2% in June 2023.
- ◆ On a month-on-month basis, the overall inflation rate remained stable although distinct patterns emerged within the two sub categories of inflation. Food inflation experienced a modest increase of 1.3% whilst, non-food inflation witnessed a decline of 0.6%.
- ◆ During the month, price increases were primarily observed in the food category, particularly in sea fish and vegetables. On the other hand, the decline in non-food inflation was mainly driven by the 'Housing, Water, Electricity, Gas, and Other Fuels' and 'Transport' sectors.
- ◆ Core inflation, which excludes the volatile components of food, energy, and transport prices, decreased to 9.8% in June 2023 compared to 20.3% in May 2023.
- ◆ Similarly, inflation, as measured by the NCPI (2021=100), declined to 22.1% year-on-year in May 2023 from 33.6% in the preceding month.
- ◆ Based on our projections, we anticipate the downward trajectory of inflation to persist throughout the year, with the possibility of reaching single-digit levels by the end of 2023. This decline can be attributed to several factors, including the lagged impact of tight monetary and fiscal policies, a decline in domestic prices amidst LKR appreciation against USD, and the favorable impact of statistical base effect.
- ◆ On the global front, in May 2023, inflation in United States, Euro Zone and India experienced a slowdown in inflation, with rates of 4.05%, 6.10% and 4.25% respectively, compared to 4.93%, 7.00% and 4.70% in April 2023. This decline was primary attributable by the falling energy prices.

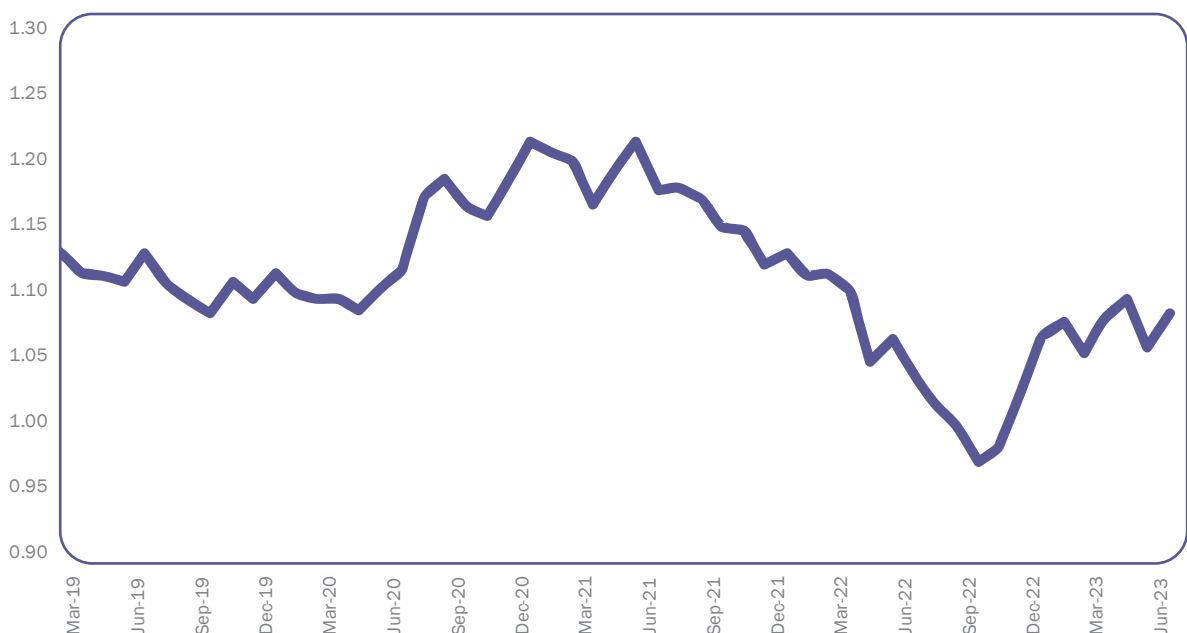
## Forex Outlook

Exchange Rates Vs. LKR	Jun-22	Dec-22	Jun-23	1 Year. Apr/(Dep) LKR	YTD App/(Dep) LKR
<b>USD</b>	359.88	363.11	308.83	16.53%	17.58%
<b>GBP</b>	436.87	437.35	393.03	11.15%	11.28%
<b>EUR</b>	376.27	386.93	337.98	11.33%	14.48%
<b>YEN</b>	2.64	2.74	2.14	22.85%	27.67%
<b>AUD</b>	248.39	245.61	205.05	21.14%	19.78%
<b>CAD</b>	279.43	267.95	233.76	19.54%	14.63%
<b>INR</b>	4.56	4.39	3.77	21.18%	16.50%
<b>BHD</b>	954.55	963.09	819.20	16.52%	17.57%
<b>CNY</b>	53.76	52.19	42.73	25.80%	22.13%

Source: Central Bank of Sri Lanka

- ◆ The Sri Lankan rupee depreciated by 4.31% against the US Dollar during June 2023, closing at LKR 308.83 by the month end.
- ◆ During the month, the Sri Lankan rupee declined by 6.83% and 6.38% against the Sterling Pound and Euro, respectively.
- ◆ The US Dollar declined against a basket of currencies after the statement by US Federal Reserve Chairman indicated that rates will have to be raised, but at a more moderate pace, fell short of the market's more hawkish expectations.
- ◆ The Sterling Pound strengthened against the US Dollar due to raising investor expectations of an interest rate hike by the Bank of England.
- ◆ The Chinese Yuan depreciated against the US Dollar due to investor speculation caused by media reports claiming that international financial institutions are selling Yuan in exchange for US Dollars.

### USD per 1 Euro Movement



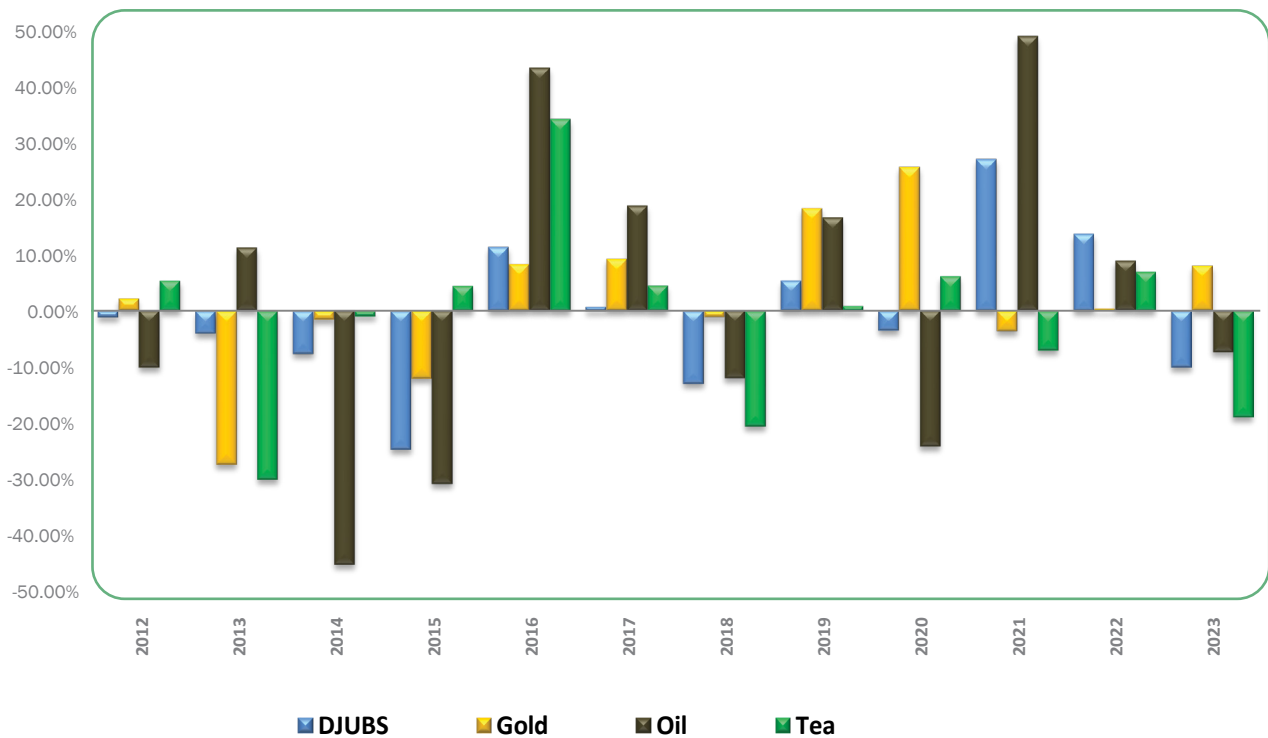
# Commodity Outlook

	Past month Performance (Up to 30th June 2023)	Past 12 months Performance (Up to 30th June 2023)	Year to Date Performance (Up to 30th June 2023)
Bloomberg Commodity Index	3.59%	-13.30%	-10.04%
Gold	-2.47%	5.79%	8.09%
Tea	-5.07%	-7.91%	-18.99%
Oil (Brent)	-1.07%	-37.63%	-7.43%

Source: [www.worldbank.com](http://www.worldbank.com), Bloomberg and NDB Wealth Research

- ◆ The Bloomberg Commodity Index (BCOM) gained 3.59% in June 2023, driven mainly by the price gains in soybean, coffee, and natural gas, which nullified the losses in crude oil, sugar, and gold.
- ◆ During the month, Crude oil prices experienced a decline of 1.07% due to anticipated economic contraction in major economies and the possibility of rate hikes by the US Federal Reserve and European Central Bank.
- ◆ 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.
- ◆ Tea prices continued to decline for the second consecutive month as the prices dropped by 12.60% on month on basis mainly as a result of the drop in the overall demand due to the appreciation of the Sri Lankan Rupee against USD.
- ◆ In June 2023, the price of gold witnessed a decline of 2.47% compared to the previous month. This can be attributed to investor expectations of the US Federal Reserve maintaining current interest rates in the near future, as well as the appreciation of the US Dollar. As a result, investors shifted their focus towards Treasury products, diverting attention away from the precious metal.

## Commodity Price Movements



## Property Outlook

- ◆ As per the Condominium Market survey conducted by the Central Bank of Sri Lanka, the primary condominium market faced a notable decline in Q1, 2023, when compared to preceding periods.
- ◆ The Condominium Property Volume Index, which measures the number of new condominium sales, depicted a significant decrease of 91% year-on-year and a 40% decline compared to Q4, 2022.
- ◆ Following a brief period of stagnation, the overall prices of new condominiums in the Colombo district observed an upturn. The Price Index for New Condominiums in the Colombo district showcased a noteworthy year-on-year growth of 24% by Q1, 2023, along with a 10% growth compared to Q4, 2022.
- ◆ The survey highlights that the rise in prices can be attributed to multiple factors. Firstly, high construction costs, primarily driven by a devalued currency and scarcity of construction materials, played a significant role. Additionally, taxes imposed on condominium sales, such as VAT and the social security contribution levy, as well as the prevailing high interest rates during the quarter, contributed to the price increase.
- ◆ Over the past year, there has been a substantial surge in transactions falling within the price range of Rs. 25 Mn–Rs. 50 Mn, which now account for half of the recorded transactions. Simultaneously, the number of transactions in higher price categories has declined. Notably, single condominium projects remained the category with the highest sales in the Colombo district during Q1, 2023, indicating their sustained popularity in the market.
- ◆ In Q1 of 2023, the primary condominium buyers consisted predominantly of Sri Lankan residents, with minimal involvement from dual citizens and foreign purchasers. The primary motivation behind most condominium purchases was for personal living purposes, while the trends for investment and rental purposes remained relatively stable compared to the previous quarter. Notably, the primary source of funding utilized for condominium purchases during this period was the buyers' own funds.

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
<b>Amana Bank - As of June 2023</b>									
Mudharabah PSR*	30:70	-	55:45	60:40	65:35	70:30	75:25	-	90:10
Distributed Profit	3.72%	5.74%	6.81%	8.04%	8.05%	8.67%	9.29%	-	15.00%
<b>Bank of Ceylon Islamic Business Unit - As of June 2023</b>									
Mudharabah PSR*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	3.14%	-	-	-	-	-	-	-	-
<b>Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of June 2023</b>									
Mudharabah PSR*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	7.23%	-	8.87%	11.44%	12.22%	-	-	-	-
<b>Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of June 2023</b>									
Mudharabah PSR*	15:85	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	2.50%	-	11.00%	13.00%	14.00%	-	-	-	-
Wakala Rates	-	-	12.00%	10.00%	9.50%	-	-	-	-
<b>National Development Bank PLC-"Shareek" Islamic Banking unit - As of June 2023</b>									
Mudharabah PSR*	40:60	-	-	-	-	-	-	-	-
Distributed Profit	3.50%	-	-	-	-	-	-	-	-
Wakala Rates	-	10.00%	12.00%	11.50%	11.25%	-	-	-	-
<b>LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of June 2023</b>									
Wakala Rates	-	13.50%	15.00%	14.50%	13.00%	13.25%	14.00%	14.00%	15.00%
<b>LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of May 2023**</b>									
Mudharabah PSR*	25:75	69:31	71:29	72:28	79:21	82:18	85:15	69:31	75:25
Distributed Profit	4.69%	12.94%	13.31%	13.50%	14.81%	15.37%	15.94%	12.94%	14.06%
Wakala Rates	-	17.00%	17.00%	16.50%	16.00%	13.00%	13.00%	13.00%	13.00%
<b>Peoples Leasing Islamic Business Unit - As of May 2023</b>									
Wakala Rates	-	10.50%	10.50%	11.50%	12.50%	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 June 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

Source: [www.takaful.lk](http://www.takaful.lk) (Amana Takaful Life 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

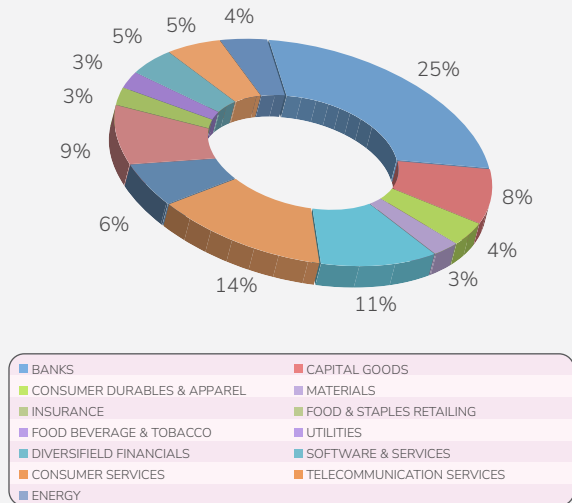
### NDB Wealth Growth Fund

Type : Open Ended Currency: LKR  
Investments: Listed Equities

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

30-Jun-23

YTD Yield	18.75%
NAV per unit	10.13
AUM (LKR Mn.) **	188.61
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	3.00%
Max Equity Allocation	97.00%
Current Equity Allocation	89.53%
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
SAMPATH BANK PLC

### Historical Returns

Period	Fund Returns *	ASPI Returns
Last Month	8.44%	10.38%
Last 3 months	2.71%	1.53%
Last 6 months	18.75%	11.23%
Last 12 months	29.75%	28.61%
Year 2022	28.61%	-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	10.47%
Average Duration	0.0027
Maturity	% Holding
Under 1 Month	100.00%
1 Month - 3 Months	64.13%

### 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.
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

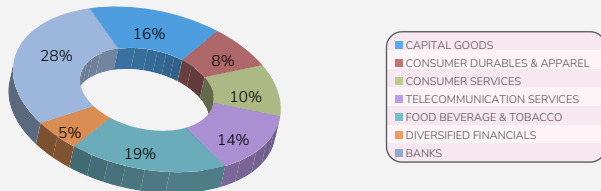
### NDB Wealth Growth and Income Fund

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

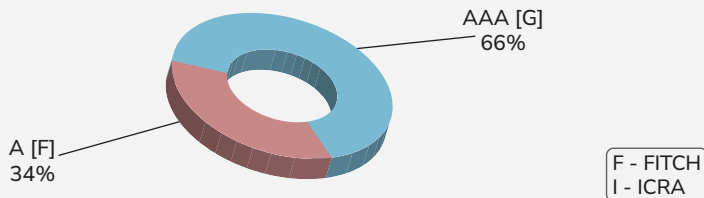
NDB Wealth Growth and Income Fund is an open-ended balanced fund incorporated in Sri Lanka, invested in a combination of listed shares in the Colombo Stock Exchange and LKR based corporate debt instruments and government securities. The Fund aims to achieve income on a medium to long term basis by investing 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	12.12%	11.23%
Last Month	8.04%	10.38%
Last 3 Months	5.46%	1.53%
Last 6 Months	12.12%	11.23%
Last 12 Months	12.84%	28.61%
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

30-Jun-23

YTD Yield	12.12%
NAV per unit	46.29
AUM (LKR Mn.)**	216.97
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.96%
Max Equity Allocation	97.00%
Current Equity Allocation	70.12%
Fund Leverage	0.00%

### Top 5 Portfolio Holdings (In Alphabetical Order)

AITKEN SPENCE HOTEL HOLDINGS PLC
CEYLON COLD STORES PLC
DIALOG AXIATA PLC
HATTON NATIONAL BANK PLC
SAMPATH BANK PLC

### Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	29.88%
Average Duration	0.75
Maturity	% Holding
Under 3 Months	83.20%
1 Year - 5 Years	16.80%

### 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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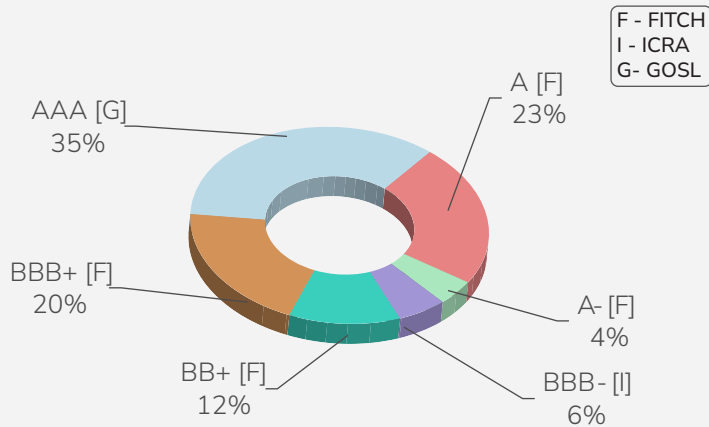
## Fund Overview

### NDB Wealth Income Fund

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

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-Jun-23

YTD Yield	12.86%
YTD Yield (Annualized)	25.94%
NAV per unit	20.7405
AUM (LKR Mn.)	429.26
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	0.85%
Average Maturity (Yrs)	3.88
Average Duration	1.98

### Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	1.10%	16.59%
1 Month - 3 Months	2.78%	25.30%
3 Months - 6 Months	19.60%	19.60%
6 Months - 1 Year	46.40%	19.30%
1 Year - 5 Years	22.20%	20.50%

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	12.86%	25.94%
Last month	2.45%	29.82%
Last 3 months	6.42%	25.74%
Last 6 months	12.86%	25.94%
Last 12 months	21.12%	21.12%
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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## Fund Overview

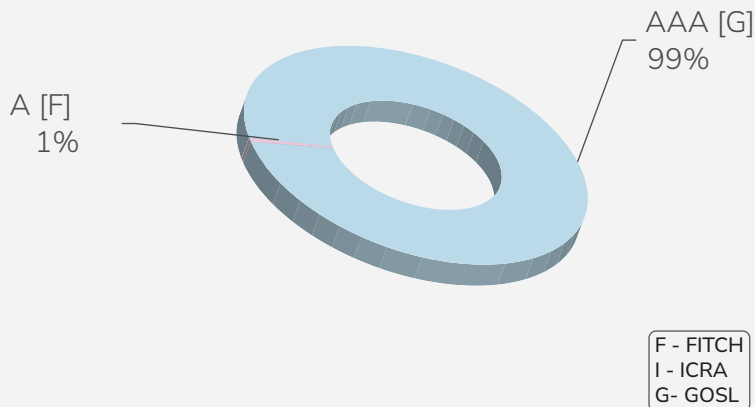
### NDB Wealth Income Plus Fund

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.

### Portfolio Allocation By Credit Rating



Fund Snapshot	30-Jun-23
YTD Yield	13.67%
YTD Yield (Annualized)	27.57%
NAV per unit	24.5618
AUM (LKR Mn.)	677.79
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.67%
Average Maturity (Yrs)	0.88
Average Duration	0.76

Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	3.39%	19.61%
6 Mths - 1 Yrs	96.61%	17.50%

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	13.67%	27.57%
Last month	1.50%	18.26%
Last 3 months	5.62%	22.53%
Last 6 months	13.67%	13.67%
Last 12 months	27.56%	27.56%

### 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

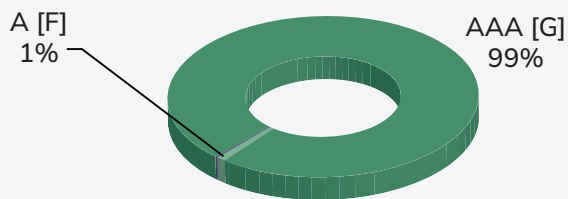
### NDB Wealth Money Fund

Type : Open Ended | 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



F - FITCH  
I - ICRA  
G - GOSL

### Fund Snapshot

30-Jun-23

YTD Yield	13.15%
YTD Yield (Annualized)	26.51%
NAV per unit	28.9073
AUM (LKR Mn.)	81762.77
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.77%
Average Maturity (Yrs)	0.35
Average Duration	0.32

### Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	14.64%	23.18%
1 Month - 3 Months	32.15%	24.20%
3 Months - 6 Months	28.50%	21.10%
6 Months - 1 Year	24.70%	24.00%

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	13.15%	26.51%
Last month	1.95%	23.72%
Last 3 months	6.21%	24.92%
Last 6 months	13.15%	26.51%
Last 12 months	27.23%	27.23%
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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## Fund Overview

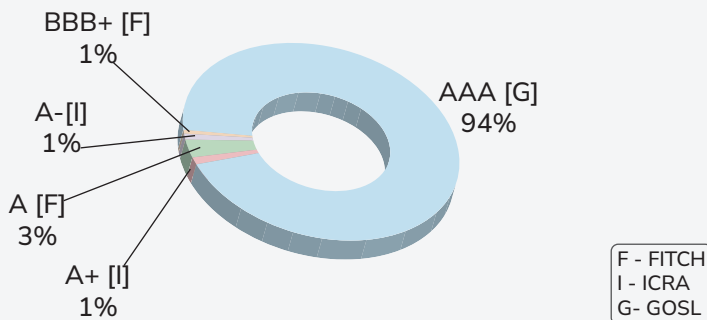
### NDB Wealth Money Plus Fund

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	30-Jun-23
YTD Yield	12.41%
YTD Yield (Annualized)	25.03%
NAV per unit	31.7793
AUM (LKR Mn.)	3,802.42
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.95%
Average Maturity (Yrs)	0.39
Average Duration	0.36

Maturity Profile		
Maturity	% Holding	AVG YTM (Net)
Under 1 Month	13.09%	21.65%
1 Month - 3 Months	28.74%	24.70%
3 Months - 6 Months	34.38%	21.30%
6 Months - 1 Year	23.79%	17.80%

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	12.41%	25.03%
Last month	2.03%	24.68%
Last 3 months	6.12%	24.54%
Last 6 months	12.41%	25.03%
Last 12 months	23.67%	23.67%
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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## Fund Overview

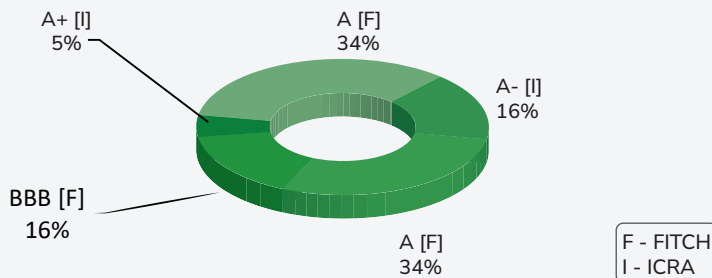
### NDB Wealth Islamic Money Plus Fund

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

30-Jun-23

YTD Yield	8.28%
YTD Yield (Annualized)	16.22%
NAV per unit	20.9974
AUM (LKR Mn.)	771.61
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.24%
Average Duration	0.46

### Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	21.80%	12.16%
1 Month - 3 Months	17.41%	19.40%
3 Months - 6 Months	11.70%	19.40%
6 Months - 1 Year	49.10%	16.10%

### Target Asset Allocation

Investment Type	Asset Allocation
Shariah compliant money market investments up to 366 days	Max 90%
Shariah compliant money market investments less than 15 days	Min 10%

### Shariah Supervisory Board

Shafique Jakhura	Mufti
Muhammed Huzaifah	Maulana

### Approved Investments

	Investment Type
Shariah compliant money market investments up to 366 days	Mudharabah term deposits and Wakala Investments in Commercial Banks / Specialised Banks / Finance Companies or any other authorized deposit taking Institution Sukuk / Wakala / Mudharabah securities issued by corporate entities subject to Shariah council approval.
Shariah compliant money market investments less than 15 days	Mudharabah savings deposits

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	8.28%	16.70%
Last month	1.37%	16.64%
Last 3 months	4.20%	16.86%
Last 6 months	8.28%	16.70%
Last 12 months	17.99%	17.99%

### 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

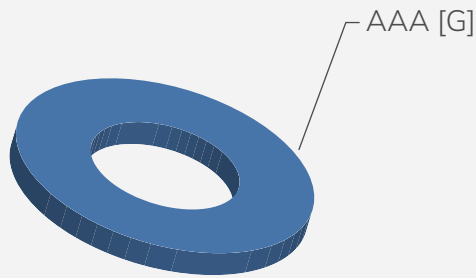
Type : Open Ended    Currency: LKR  
Investments: Government of Sri Lanka Securities

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 30-Jun-23

YTD Yield	26.07%
YTD Yield (Annualized)	52.57%
NAV per unit	23.8223
AUM (LKR Mn.)	102.69
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.06%
Average Maturity (Yrs)	3.84
Average Duration	1.91

### Portfolio Allocation By Credit Rating



G- GOSL

### Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	45.68%	15.00%
1 Year - 5 Years	10.08%	26.90%
Over 5 Years	44.24%	24.30%

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	26.07%	52.57%
Last month	7.57%	92.11%
Last 3 months	15.11%	60.60%
Last 6 months	26.07%	52.57%
Last 12 months	16.45%	16.45%
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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