

Information Memorandum 2018

Money Market Funds | NDB Wealth Money Fund and NDB Wealth Money Plus Fund



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INFORMATION OF THE FUND

FUND NAME	NDB WEALTH MONEY FUND		
TYPE OF FUND	Open ended Money Market Fund which will invest in Government Securities, or Deposits in a licensed Commercial Banks or Specialised Banks with a A category or above Rating		
INVESTMENT OBJECTIVE	To provide above average returns, commensurate with low risk while providing a high level of liquidity, through a portfolio of short-term Government Securities		
ASSET ALLOCATION	Type of Investments	Asset Allocation	Risk Profile
	Deposits in Commercial Banks, Government of Sri Lanka Treasury Bills and Treasury Bonds (including reverse repo and cash) with maturities up to 366 days	Max 90%	Low
	Deposits in Commercial Banks, Government of Sri Lanka Treasury Bills and Treasury Bonds (including reverse repo and cash) with maturities up to 15days	Min 10%	Low
MINIMUM INVESTMENT	Rs. 1,000/-		
FEE STRUCTURE	Entry Fee: NIL Exit Fee: NIL Management and Trustee Fee: 0.67% per annum (on Net Asset Value of the Fund) Custody: Rs. 120,000 per annum		
RISK FACTORS	Mutual Fund investments are subject to market risks. Since the fund is invested in Government Treasury Securities and deposits in banks with A and above rating the credit risk is minimized while interest rate risk is minimized by investing only in short-term positions up to 366 days.		

FUND NAME

NDB WEALTH MONEY FUND

APPROVED INVESTMENTS

- (a) Government Treasury Bills issued by the Central Bank of Sri Lanka of a maturity period not exceeding 365 days, and
- (b) Government Treasury Bonds issued by the Central Bank of Sri Lanka of a maturity period not exceeding 365 days, and
- (c) Central Bank Securities (CBSL Securities) issued by the Central Bank of Sri Lanka of a maturity period not exceeding 365 days, and
- (d) Any Reverse Repurchase Agreement with a maturity period not exceeding 365 days, and
- (e) Deposits in a licensed Commercial Banks or Specialised Banks with a A (lka) rating by Fitch Ratings Lanka
- (f) Any investment permitted by the SEC of Sri Lanka and approved by the Trustee in writing

INCOME DISTRIBUTION

At the discretion of the Manager.

TRUSTEE

Hatton National Bank, Colombo

INFORMATION OF THE FUND

FUND NAME		NDB WEALTH MONEY PLUS FUND		
TYPE OF FUND	Open ended Money Market Fixed Income Fund			
INVESTMENT OBJECTIVE	To provide above average returns, commensurate with low risk while providing a high level of liquidity, through a portfolio of short-term Government Securities			
ASSET ALLOCATION	Type of Investments	Asset Allocation	Risk Profile	
	Government of Sri Lanka Treasury Bills, Treasury Bonds (including reverse repo and cash) with maturities up to 366 days	Max Up to 90%	Low	
	Corporate debt and Securitized debt with maturity up to 366 days	Max Up to 90%	Medium	
	Government of Sri Lanka Treasury Bills, Treasury Bonds (including reverse repo and cash) with maturities less than 92 days	Min Up to 3% Max Up to 10%	Low	
MINIMUM INVESTMENT	Rs. 1,000/-			
FEE STRUCTURE	Entry Fee: NIL Exit Fee: NIL Management and Trustee Fee: 0.77% per annum (on Net Asset Value of the Fund) Custody: Rs. 120,000 per annum			
RISK FACTORS	Mutual Fund investments are subject to market risks. Investments in money market instruments would involve a moderate credit risk. While interest rate risk is minimized by investing only in short-term positions up to 366 days			

FUND NAME

NDB WEALTH MONEY PLUS FUND

AUTHORISED INVESTMENT

- (a) Government Treasury Bills issued by the Central Bank of Sri Lanka of a maturity period not exceeding 366 days, and
- (b) Government Treasury Bonds issued by the Central Bank of Sri Lanka of a maturity period not exceeding 366 days, and
- (c) Central Bank Securities (CBSL Securities) issued by the Central Bank of Sri Lanka of a maturity period not exceeding 366 days, and
- (d) Quoted and unquoted Debentures, Debenture Stocks and Bond of a maturity period not exceeding 365 days, and
- (e) Commercial Papers and Promissory Notes of a maturity period not exceeding 365 days, and
- (f) Asset backed securities of a maturity period not exceeding 365 days, and
- (g) Bank guaranteed/or endorsed debt securities of a maturity period not exceeding 365 days, and
- (h) Any revenue re-purchase agreement stated on the securities specified above in (a) to (g) with a maturity period not exceeding 365 days, and
- (i) Deposits in a licensed Commercial Banks or Specialised Banks with a maturity period not exceeding 365 days, and
- (j) Any investment permitted by the Commission and approved by the Trustee in writing

INCOME DISTRIBUTION

At the discretion of the Manager.

TRUSTEE

Hatton National Bank, Colombo

MANAGER OF THE FUNDS

Fully owned subsidiary of NDB Bank, Sri Lanka

NDB Wealth Management Limited is the largest private sector Fund Management Company in Sri Lanka with over Rs. 90.0 Billion of funds under management

Incorporated in 1991, NDB Wealth Management Limited is independently owned and managed by a highly qualified and experienced team of professionals, assisted by the best in class systems. Our comprehensive product offer caters to investment needs of our clients. NDB Wealth is licensed with and regulated by the Securities and Exchange Commission of Sri Lanka (SEC) as an investment manager

Our clients are offered a range of savings and investment options through a series of risk rated mutual funds managed and promoted by the company. This unique proposition will enable our clients to have reliable and easy access to investments ranging from shares of companies to government securities

NDB Bank

NDB Bank is a universal bank with operations in the South Asian region. The bank is independently owned and managed, whilst known for its integrity and high standards in compliance. NDB Bank is one of the highest capitalized banks in Sri Lanka with very high quality balance sheet and is rated A+ by Fitch Ratings Lanka Limited. NDB's product offerings in corporate banking, investment banking, retail banking, and insurance has made it a true universal bank

BOARD OF DIRECTORS

Mr. D. S. P. Wikramanayake	Representing NDB Bank (Chairman)
Mr. C. V. Kulatilake	Representing NDB Bank (Director)
Mr. P.L.D.N. Seneviratne	Representing NDB Bank (Director)
Mr. N.S. Welikala	Representing NDB Bank (Director)

HOW TO INVEST IN NDB WEALTH INVESTMENT ACCOUNT

NDB Wealth Funds are a series of mutual funds comprising NDB Wealth Income Fund, NDB Wealth Gilt Edged Fund, NDB Wealth Growth, NDB Wealth & Income Fund, NDB Wealth Money Fund & NDB Wealth Money Plus Fund which offers investors with a diversified range of mutual funds depending on their different risk profile. The existence of several funds will enable investors to determine their preferred level of exposure to risk by spreading their investments across the series of funds

NDB Wealth Islamic Money Plus Fund, Short term LKR Treasury Fund, NDB Wealth Income Fund, NDB Wealth Income Plus Fund, NDB Wealth Gilt Edged Fund, NDB Wealth Growth Fund, NDB Wealth Growth & Income Fund, NDB Wealth Money Fund & NDB Wealth Money Plus Fund are licensed by the Securities & Exchange Commission of Sri Lanka under the SEC Act No 36 of 1987, amended Act No 26 of 1991 and Act No 47 of 2009

Each fund in the series will reflect a particular level of risk ranging from virtually 'no risk', (i.e. through a money market fund invested solely in government securities) to the NDB Wealth Growth Fund which has a "higher risk" being exclusively an Equities Fund but with more opportunities for capital appreciation. The spectrum will be completed by many other Mutual Funds investing in one or more different combinations of asset classes. As such, the funds will offer investors a wide range of investment opportunities according to their risk preference

OFFER

By this Memorandum, the general public of Sri Lanka or any other eligible person(s) are invited to purchase units of NDB Wealth Money and NDB Wealth Money Plus mutual funds offered under the NDB Wealth Funds managed by NDB Wealth Management Limited ("NDB Wealth or Manager") NDB Wealth Money Fund & NDB Wealth Money Plus Fund are open – ended mutual funds which can be purchased on a continuing basis. The offer of mutual funds under this Memorandum will continue until the Manager issues a new Memorandum .

MINIMUM INVESTMENT

The minimum amount per initial investment for NDB Wealth Money Fund & NDB Wealth Money Plus Fund mutual funds will be Rs. 1,000/- and in multiples of Rs. 1/- thereafter

WHO CAN INVEST ?

The following persons are eligible and may apply for investment in the NDB Wealth Money Fund & NDB Wealth Money Plus Fund mutual funds :

- i. Resident adult individuals
- ii. Minors through parent/legal guardian;
- iii. Companies and institutions incorporated in Sri Lanka ;
- iv. Non-resident Institutional/Individual Investors as permitted by the exchange control rules applicable

HOW TO APPLY?

A. Open Master Account

1. Copies of this Memorandum and application forms can be obtained from NDBW or from Hatton National Bank or any authorized Sales Agent appointed by NDBW from time to time.
2. All prospective investors shall open a Master Account/myeaglefunds Account with NDBW before investing into NDB Wealth Funds.
3. Investors must fill in the mandatory fields of mobile number, Correspondence Address, e-mail address and a Bank Account in the Master Account Opening Application ("Form A for Individual Investors, Form B for Institutional Investors").
4. Bank Details: In order to protect the interest of investors from fraudulent encashment of cheques, it is mandatory for investors to mention in their Application the bank account details of the investor. All redemptions shall be credited to this bank account at all times.
5. NDBWM shall have the sole discretion to reject any Application without above details.
6. Each Application shall accompany the following documents
 - a. Individual/Joint Accounts – copy of NIC/Passport of each individual
 - b. Minor Account – Copy of Birth Certificate of Minor and NIC/Passport copy of the parent/legal guardian
 - c. Corporate/Institutional – Copy of the Business Registration Certificate, Articles of Association and Board Resolution

B. Fund Registration Application

Before investing into NDB Wealth Funds all Investors shall register with the relevant Fund by completing a Fund Registration Application (Form C).

C. Subscription

Investors may apply for Units and make payment for Units in cash/cheque or through a banker's draft crossed "A/C Payee Only" or by Transfer of Funds made payable to following collection accounts of NDB Wealth Management Ltd or any other collection accounts assigned by NDBWM from time to time, which may be published in its website www.ndbwealth.com. All cash deposits, cheque deposits or fund transfers to the Collection Accounts, the Account holder shall inform the bank to include the client account number and product code as the transaction reference [Eg. 1101101-01(client Account) + 28435 product code]

Account Name – NDB Wealth Management Limited

Bank Name	Collection Account No
Bank Of Ceylon	656
Commercial Bank of Ceylon	1030017137
National Development Bank PLC	101000167232
Sampath Bank	002932005555
Hatton National Bank	003010524854

Completed application along with the crossed cheques shall be sent to NDB Wealth Management Ltd., NDB Capital Building, Level G, No: 135, Bauddhaloka Mawatha, Colombo 4.

NDBWM reserves the right to scrutinize, review and reject any application received on an ongoing basis, at its discretion, without assigning any reason, in cases where, according to the Manager, accepting the same would not be in the best interests of the Trust.

ALLOTMENT

If an application duly made at the office of NDB Wealth Management is accompanied by cash or bank draft, units will be allotted on the day of receipt of the monies if it is a Business Day, if not, on the following Business Day. Allotments on all other applications will be made only after the monies are realised or the application is received at the office of NDB Wealth Management Ltd, whichever is later

PLEDGE OF INVESTMENTS

Investments in NDB Wealth Money Fund and NDB Wealth Money Plus Fund by any investor maybe offered as security by way of a pledge/charge in favour of schedule banks, financial institutions, non-banking finance companies, or any other body. A standard form for this purpose is available on request. The NDB Wealth Management Limited shall mark a lien only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be at the entire discretion of the bank/financial institution or any other body concerned and the NDB Wealth Management Limited assumes no responsibility thereof.

The Pledgor will not be able to withdraw investments that are pledged until the entity to which the investments are pledged provides written authorisation to the NDB Wealth Management Limited that the pledge/lien charge may be removed

ALLOTMENT

The assets of the Mutual Fund will be valued at the close of business on each Business Day (or Subscription Day). The Net Asset Value (NAV) per unit of a Mutual Fund will be ascertained by dividing the net assets of the respective fund by the number of Units outstanding under the fund on the valuation date

Each mutual fund will value its investments according to the valuation norms included in the Trust Deed, Directives issued by the Securities & Exchange Commission of Sri Lanka and industry norms applied by the Unit Trust Association of Sri Lanka. The NDB Wealth will calculate and disclose the NAVs of the respective funds in its official website of the fund www.ndbwealth.com on a daily basis. A business day will be any day other than a day the Colombo Stock Exchange Exchange and/or the Central Bank of Sri Lanka is closed for dealings

The price at which units can be purchased, called the Offer Price or Subscription Price as well as the price at which the units can be redeemed, called the Redemption or Realisation Price, will be based on the daily valuation and will be computed each Subscription Day by reference to the asset value of the fund as at the end of the Subscription Day.

The published price will be calculated in the following manner:

- a) Ascertaining the value of the assets of the fund as at 4.30 p.m (Sri Lanka standard time) on the business day.
- b) Adding/Deducting such sum that the manager may consider as representing the appropriate provision for duties and charges and arriving at the net asset value.
- c) Dividing the net asset value by the number of Units then in issue and deemed to be in issue. The offer and redemption prizes will be regularly published in leading newspapers, generally on a daily basis.

Money Market funds that invest only in short term liquid fixed income securities with a maturity period of less than 366 calendar days shall continue to be valued on a cost plus accrued interest method.

Government Securities shall be valued on a Mark to Market basis using the daily yield curve released by the Central Bank of Sri Lanka (CBSL) until maturity.

All unquoted fixed income securities shall be valued on a Mark to Market basis using the daily yield curve released by the CBSL until the maturity plus any risk premium attached to the instrument.

All quoted debt securities shall be valued at the last traded price. Where there is no trade for 90 calendar days it shall be valued on a Mark to Market basis using the daily yield curve released by the CBSL until the maturity plus any risk premium attached to the instrument.

The risk premium for valuation of unquoted and quoted debt securities shall continue to be calculated as the difference between the yield on the Corporate Debt and the yield on the Government Security of a similar maturity at the time of investing.

Repo Investments and Bank Deposits shall be valued at cost plus accrued interest basis

The Offer and Redemption Prices will be regularly published in leading newspapers, generally on a daily basis.

CUT-OFF TIMES - Issue of Units

- (i) For valid application and money received before 9.30 a.m. on a Business Day for creation of units, where money can be formed part of the Deposited Property which the Unit Trust may invest and accrue any income to the Unit Trust, the issue price of a Unit shall be calculated by
 - (A) The Issue Price shall be the NAV of the Previous Business Day if there are no non-Business Day/s between the Previous Business Day and the Business Day in which the money is invested (Current Business Day)
 - (B) If there are any non-Business Day/s in between the last Business Day and the current Business Day, the Issue Price of a Unit shall be derived by adjusting the closing NAV of the previous Business Day by adding any accrued income and deducting any expenses accrued for the number of non-Business Day/s from the Previous Business Day to Current Business Day and dividing the Units in issue as at the Previous Business Day in order to safeguard the interests of the existing Unit Holders.
- (ii) In respect of valid application and money received after 9.30 a.m. of a Business Day for creation of units where money cannot be formed part of the Deposited Property until the next Business Day and the Unit Trust cannot invest and accrue any income for the benefit of the Unit Trust
 - (A) The Issue Price shall be the closing NAV of the Business Day if there are no non-Business Day/s between the Current Business Day and the next Business Day in which the money is invested.
 - (B) If there are any non-Business Day/s in between the current Business Day and the next Business Day, methodology specified under (i) A) shall be applied

RIGHT TO LIMIT REDEMPTIONS

The NDB Wealth Management Limited may, in the general interest of the Unit holders of NDB Wealth Money and NDB Wealth Money Plus, keeping in view the unforeseen circumstances/unsure conditions, limit the total amount of withdrawal for any Business Day to 5% of the net value of the investment account. NDB Wealth Management Limited shall reserve the right to limit withdrawals to be made by Unit holders based on the mutual fund invested

REPORTS & ACCOUNTS

Annual Reports and Financial Statements of the NDB Wealth Money and NDB Wealth Money Plus would be made available to investors unit holders as required under the applicable regulations and will be published in the official website of the fund www.ndbwealth.com of NDB Wealth Management Limited or any other website as designated by the Manager. Unit holders who wish to obtain a printed version of the Financial Statements could obtain a copy by making a written request to the Manager

CUT-OFF TIMES - Redemption of Units

- (i) In respect of valid applications received before 9.30 a.m. on a Business Day with the Trustee for redemption of units, where money cannot be formed part of the Deposited Property to invest and accrue any income or benefit to the Unit Trust,
 - (A) The Redemption Price shall be the NAV of the Previous Business Day if there are no non-Business Day/s between the Previous Business Day and the Business Day in which the money is invested (Current Business Day)
 - (B) If there are any non-Business Day/s in between the last Business Day and the current Business Day, the Redemption Price of a Unit shall be derived by adjusting the closing NAV of the previous Business Day by adding any accrued income and deducting any expenses accrued for the number of non-Business Day from the Previous Business Day to Current Business Day and dividing the Units in issue as at the Previous Business Day in order to safeguard the interests of the Unit Holder.
- (ii) In respect of valid applications received after 9.00 a.m. on a Business Day with the Trustee for redemption of units where money can be formed part of the Deposited Property until the next Business Day where the Unit Trust can invest and accrue any income for the benefit of the Unit Trust
 - (A) the Redemption Price shall be the closing NAV of the Business Day if there are no non-Business Day/s between the Current Business Day and the next Business Day in which the money is invested.
 - (B) If there are any non-Business Day/s in between the current Business Day and the next Business Day, methodology specified under (i) A) shall be applied In consultation with the Trustee, the Manager has the discretion to amend the above cutoff times from time to time.

SWITCHING

A Unit holder may instruct the Manager to switch his investments from any Fund, in which the investment is already made to another Fund under the management of the Manager. A switch will be treated as a redemption and a new investment. For example, the Unit holder may instruct the Manager to switch his unit holdings in the NDB Wealth Money and NDB Wealth Money Plus. This will be treated as a redemption from the NDB Wealth Money Fund, and a new investment made in the NDB Wealth Money Plus Fund. The Manager shall comply with the same upon deducting any switching fee, if applicable. However, the fee applicable on a switch between Funds may be waived off at the discretion of the Manager.

FEES AND CHARGES

NDB Wealth Management Limited may recover any fees and charges payable by the Unit holder by debiting such charges to the respective NDB Wealth Account.

GENERAL INFORMATION

RIGHTS OF INVESTORS

- i. To inspect the Trust Deed free of charge at the office of the Manager during office hours. Copies of the Trust Deed priced at Rs.2,500/- can be purchased from the Manager.
- ii. To redeem Units registered in their names.
- iii. To participate and vote at meetings of the Unitholders.
- iv. To transfer Units on the payment of the appropriate fee.

CHARGES AND FEES PAYABLE BY THE FUNDS

Details of other administrative and professional expenses payable by the fund are as follows:

- i. the cost of dealing in the deposited property
- ii. taxation and duties payable in respect of the deposited property or the issue of units
- iii. any costs incurred in the preparation or modification of the Trust Deed
- iv. any costs incurred in respect of meetings of unit holders
- v. the fees of the Trustee
- vi. any expenses or disbursements of the Trustee, which are authorized by the Trust Deed to be paid out of the deposited property
- vii. the audit fees of the auditor and any expenses of the auditor
- viii. licensing fees imposed by the Commission
- ix. all direct and indirect taxes imposed by the Government from time to time that are required to be charged to the deposited property
- x. legal expenses incurred in safeguarding the deposited property
- xi. any other fee approved by the Commission and specified in the Trust Deed.

This document does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may be used only in connection with this offering of units to which it relates by distributors as contemplated herein.

"The Board of Directors of the Trustee hereby declare that it will carry out the transactions with the Management Company at arm's length basis and on terms which are best available for the fund, as well as act, at all times, in the best interests of the fund's unit holders and also that the requirements of the Guidelines for Trustees and Managing Companies of Unit Trust Funds issued by the Securities & Exchange Commission of Sri Lanka have been complied with. The Trustee further certify that it has read and agrees with the representation contained herein"

Signed: Tyrone Hannan, Head of Custody and Custody Services, Hatton National Bank on behalf of the Board of Directors of the Trustees.

"The Board of Directors of the Managing Company hereby declare that it will carry out the transactions with the Trustee at arm's length basis and on terms which are best available for the fund, as well as act, at all times, in the best interests of the fund's unit holders and also that the requirements of the Guidelines for Trustees and Managing Companies of Unit Trust Funds issued by the Securities & Exchange Commission of Sri Lanka have been complied with"

"This Explanatory Memorandum has been seen and approved by the Directors of the NDB Wealth Management Limited and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable inquiries and to the best of their knowledge and belief, there are no other facts, the omission of which, would make any statements herein misleading"

Board of Directors of the Managing Company

IMPORTANT

Read and retain the document for further reference. If you are in any doubt about the contents of this Explanatory Memorandum you should consult your Fund Manager, or Financial Adviser/ Relationship Manager.

CONSENT

The NDB Wealth Management Limited may, in the general interest of the Unit holders of NDB Wealth Money and NDB Wealth Money Plus, keeping in view the unforeseen circumstances/unsure conditions, limit the total amount of withdrawal for any Business Day to 5% of the net value of the investment account. NDB Wealth Management Limited shall reserve the right to limit withdrawals to be made by Unit holders based on the mutual fund invested

DOCUMENTS AVAILABLE FOR INSPECTION

Documents available for inspection at the office of the Manager during normal business hours are as follows:

- a. Trust Deed of respective funds
 - b. Memorandum & Articles of Association of NDB Wealth Management Limited
- No fee is applicable for inspection of the documents referred to above

CORPORATE INFORMATION

FUND MANAGER AND REGISTRAR
NDB Capital Building, Level G, No: 135,
Bauddhaloka Mawatha, Colombo 4, Sri Lanka.

TRUSTEE AND CUSTODIAN
Hatton National Bank
No. 479, T B Jayah Mawatha, Colombo 10, Sri Lanka.

FUND AUDITORS
Deloitte Sri Lanka (Chartered Accountants)
11, Castle Lane, Colombo 4.

TAX CONSULTANT OF THE FUND
Deloitte Sri Lanka (Chartered Accountants)
11, Castle Lane, Colombo 4.

All inquiries about the NDB Wealth Investment Accounts should be directed to:

NDB WEALTH MANAGEMENT LTD

NDB Capital Building, Level G, No: 135, Bauddhaloka Mawatha, Colombo 4, Sri Lanka.

Tel (+94) 77 744 8888 | (+94) 11 230 3232 | E-mail : contact@ndbinvestors.com | Web : www.ndbwealth.com



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