



ASSET  
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PRIVATE  
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MY WEALTH  
MANAGEMENT

# MARKET UPDATE AND FUND REVIEW

*!t's time*

**NDB** | WEALTH

2021  
JANUARY

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## MARKET BRIEF BY NDB WEALTH

### INFLATION SLOWS

Inflation as measured by the CCPI (2013=100), slowed to 3.0% in January on a year-on-year basis from the previous month's 4.2% primarily owing to the base effect. During the month however, the index was up 0.5% with food prices increasing by 0.9% and non-food prices increasing 0.3%. Within the food category prices of mainly red onions, coconuts and sea fish increased whilst within the non-food category, prices of healthcare increased. On an annual average basis inflation slowed to 4.3% in January.

### RUPEE CONTINUES TO DEVALUE

The Sri Lankan Rupee depreciated considerably against the USD, falling by 4.11% in January to close the month at LKR 194.39. The Rupee also lost a considerable 4.57% against the Pound Sterling and 2.51% against the Euro during the month.

### INTEREST RATES LOWERS

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 January. The benchmark 364-day T-Bill rate decreased to 4.98% in January, whilst the 91-day and 182-day T-Bills closed the month at 4.69% and 4.75% respectively.

### STOCK MARKET GAINS

The two main indices of the Colombo Stock Exchange (CSE), the All Share Price Index (ASPI) and S&P SL 20 Index (S&P SL), recorded significant gains, making it the top performing market globally for the month of January 2021. Low interest rates, excess liquidity in the system and improved investor sentiment were the key catalysts which led to the significant appreciation of the two indices during January 2021.

**Indika De Silva**

Fund Manager

## EQUITY OUTLOOK

	Past month Performance (Jan 2021)	Past 12 months Performance (Jan 2020 - Jan 2021)	Year to Date Performance (upto 31st Jan 2021)
All Share Price Index	27.96%	46.18%	27.96%
S&P SL 20	33.21%	23.96%	33.21%
MSCI Frontier Markets Index	0.38%	2.10%	0.38%
MSCI World Index	-1.05%	16.08%	-1.05%
MSCI Emerging Markets	3.07%	27.89%	3.07%
MSCI Asia Ex Japan	4.08%	36.18%	4.08%

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

The two main indices of the Colombo Stock Exchange (CSE), the All Share Price Index (ASPI) and the S&P SL 20 Index (S&P SL), recorded significant gains, making it the top performing market globally for the month of January 2021.

Low interest rates, excess liquidity in the system and improved investor sentiment were key catalysts contributing to the significant appreciation of the two indices during January 2021.

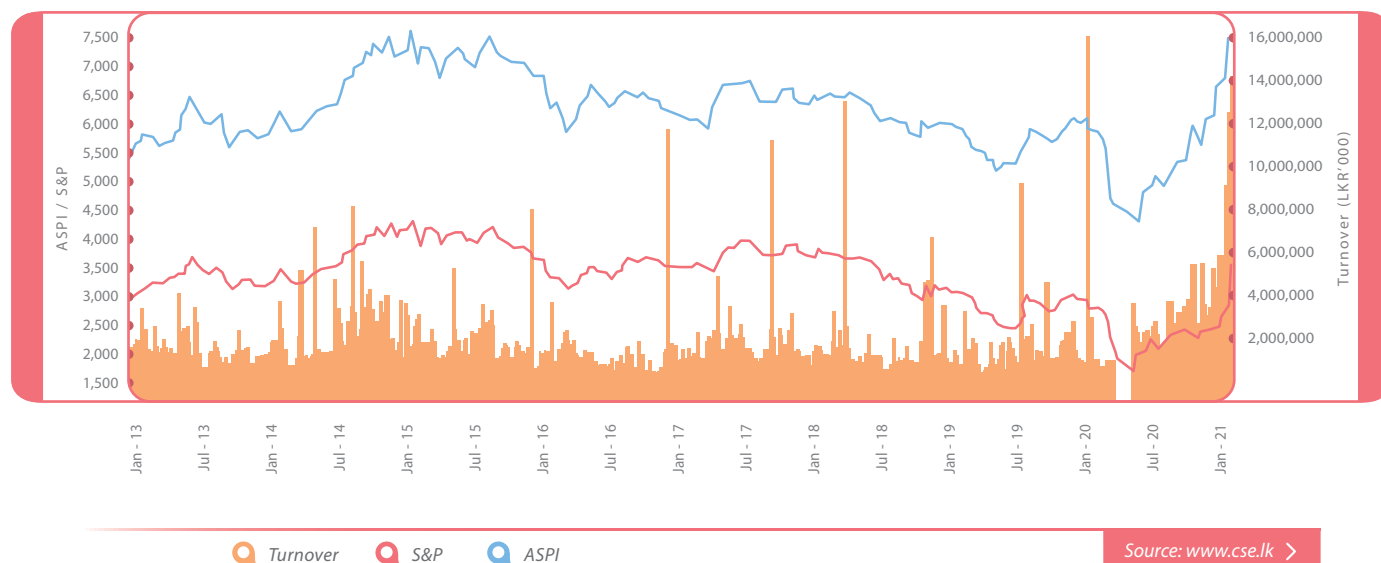
MSCI Emerging Market Index and MSCI Frontier Market Index gained 3.07% and 0.38% respectively, during January 2021.

The prospect of stronger growth in the near horizon as the impacts of the stimulus packages kick in, vaccines are distributed and restrictions lifted continues to underpin investor confidence.

According to the Institute of International Finance (IIF), emerging market stocks and bonds saw net foreign inflows of about USD 53.5 billion in January 2021. Non-resident portfolio inflows to emerging market equities hit USD 9.4 billion last month while debt instruments attracted USD 44.2 billion.

However, it is important to note that emerging and frontier markets are less liquid than developed countries and despite the good opportunities and growth, they are almost always more prone to exogenous shocks.

### Colombo Stock Exchange Performance



		Jan 2021	Jan 2020
<b>CSE</b>	Market PER	14.41 X	10.91 X
	Market PBV	1.44 X	1.10 X
	Market DY	2.08%	3.13%
<b>MSCI Frontier Market</b>	Market PER	14.61 X	13.50 X
	Market PBV	1.82 X	1.93 X
	Market DY	3.58%	3.91%

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

Despite the market's steep incline, foreign investors continued to exit from the Colombo Stock Exchange, as net foreign selling exceeded LKR 8.5 billion during the month of January 2021.

Colombo Stock Exchange	Jan 2021	Jan 2020
Foreign Inflows	LKR 3.47 Billion	LKR 27.22 Billion
Foreign Outflows	LKR 11.98 Billion	LKR 30.20 Billion
<b>Net Foreign Inflows/(Outflows)</b>	<b>(LKR 8.51 Billion)</b>	<b>(LKR 2.98 Billion)</b>

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

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**“ INVESTORS MAKING PURCHASES IN AN  
OVERHEATED MARKET NEED TO RECOGNIZE THAT  
IT MAY OFTEN TAKE AN EXTENDED PERIOD FOR THE  
VALUE OF EVEN AN OUTSTANDING COMPANY  
TO CATCH UP WITH THE PRICE THEY PAID ”**

— Warren Buffett —



# FIXED INCOME OUTLOOK

## Interest Rates in Sri Lanka

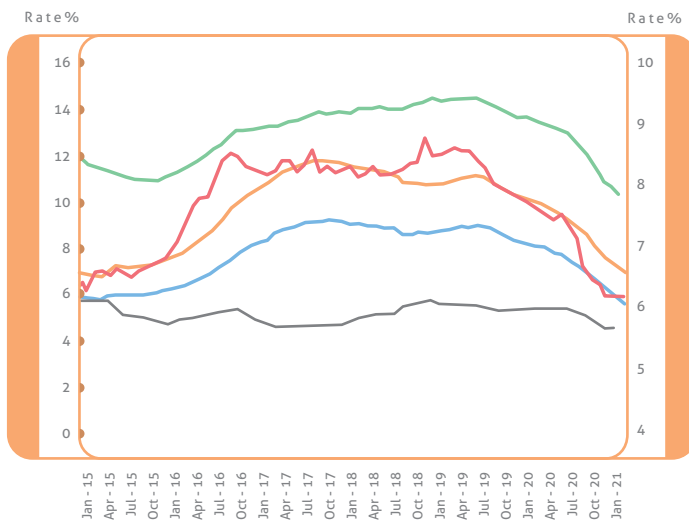
The Central Bank maintained the Standing Lending Facility Rate (the rate CBSL lends to commercial banks) and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) at 5.50% and 4.50% respectively at the monetary policy meeting held in January.

	Jan 20	Dec 20	Jan 21
<b>364 Day T-bill</b>	8.59%	5.03%	4.98%
<b>5-Year Bond</b>	9.57%	6.63%	6.51%
<b>1-Year Finance Company Fixed Deposit Ceiling Rate</b>	11.59%	6.88%	7.01%

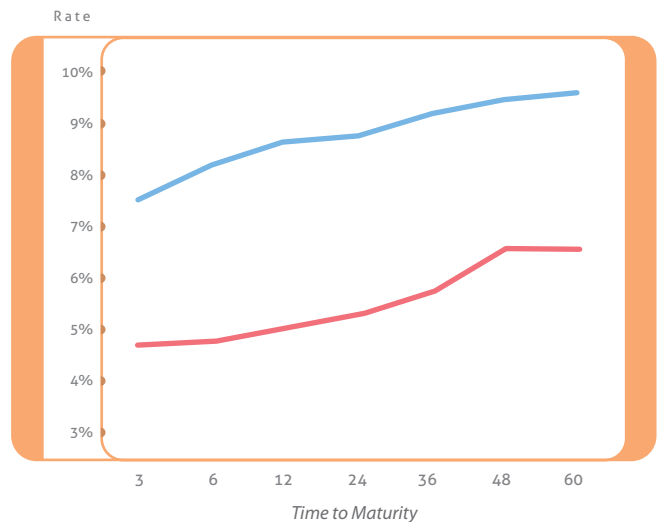
\*Gross Rates provided. Net returns would change based on prevailing tax regulations.

Source: Central Bank of Sri Lanka >

### AVERAGE LENDING & DEPOSIT RATES & SPREAD



### YIELD CURVE - LKR TREASURIES



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

Jan-20 | Jan-21

Source: Central Bank of Sri Lanka >

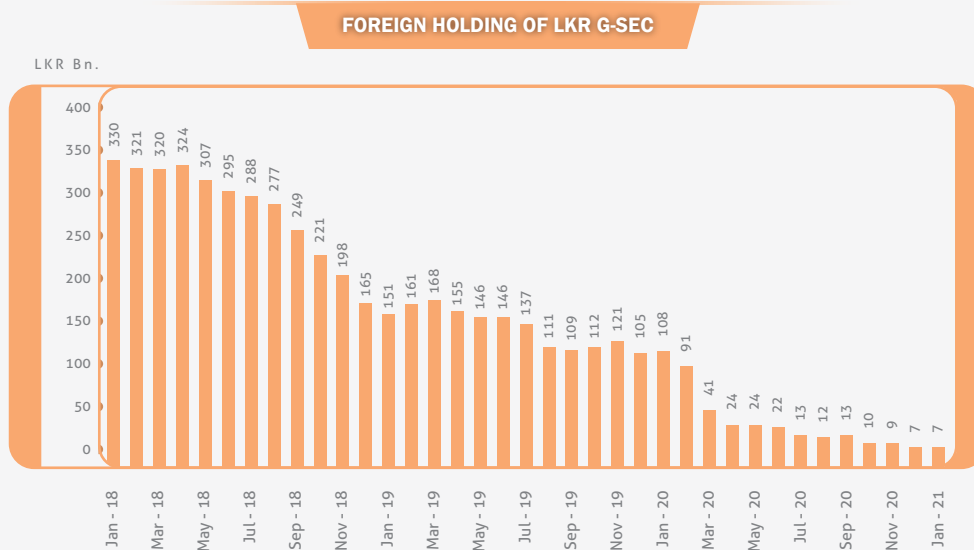
AWDR: Average Weighted Deposit Rate | AWFDR: Average Weighted Fixed Deposit Rate | AWLR: Average Weighted Lending Rate | AWPR Average Weighted Prime Lending rate

The benchmark 364-day T-Bill rate decreased to 4.98% in January whilst the 91-day and 182-day T-Bills closed the month at 4.69% and 4.75% respectively.

Broad money (M2b) growth picked up to 23.4% year-on-year in December, from the previous month's 22.3% whilst credit extended to the private sector increased to 6.5% year-on-year in December from 5.9% in November. Monthly private sector credit disbursements continued to recover, despite a slowdown in November, rising for the fifth straight month by an encouraging LKR 76.7 bn or 1.3% in December.

Outstanding LKR Govt. Securities LKR 7,467 Billion	
<b>T Bills (Total)</b>	<b>T Bonds (Total)</b>
LKR 1,647 Billion	LKR 5,820 Billion
<b>Domestic (Bills &amp; Bonds)</b>	<b>Foreign (Bills &amp; bonds)</b>
LKR 7,460 Billion	LKR 7 Billion
<b>Total Foreign Holding of Bills and Bonds: 0.10%</b>	

Source: Central Bank of Sri Lanka >



Foreign holding of LKR denominated bills and bonds improved marginally to 0.10%, as foreign investors were net buyers amounting to LKR 0.55 bn in January following many months of net outflows.

1 Year FD Rates - Sri Lankan Banks		
	Jan 2021	Dec 2020
NSB	5.25%	5.25%
COMB	4.50%	4.50%
SAMP	4.50%	4.50%
HNB	4.50%	5.00%
NDB	5.25%	5.50%

Rates on Credit Cards		Jan 21
HSBC		18.00%
SCB		18.00%
Sampath		18.00%
NDB		18.00%
AMEX		18.00%

Source: Respective Commercial Banks >

HNB & NDB reduced their fixed deposit rates during the month of January.

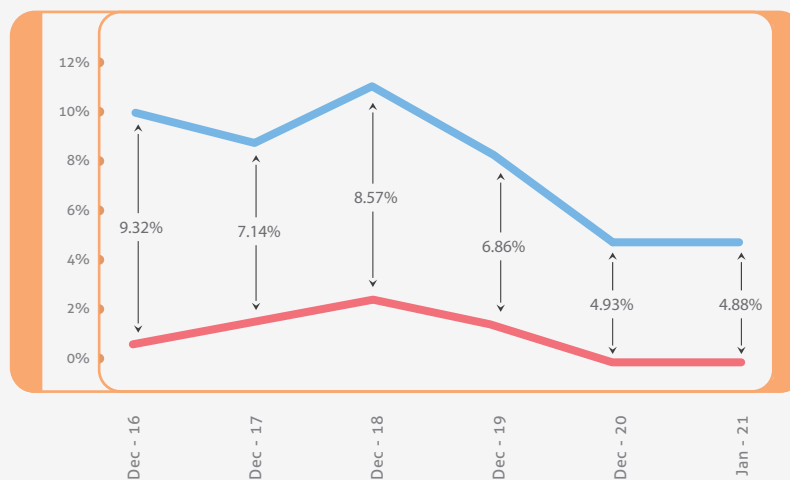
NDBIB CRISIL Fixed Income Indices Total return as at 29/01/2021	3 Month Return	1 Year Return	3 Year Return
NDBIB-CRISIL 91 Day T-Bill Index	1.14%	6.42%	7.89%
NDBIB-CRISIL 364 Day T-Bill Index	1.19%	9.49%	9.28%
NDBIB-CRISIL 3 Year T-Bond Index-TRI	1.35%	16.42%	12.86%
NDBIB-CRISIL 5 Year T-Bond Index-TRI	1.09%	19.67%	13.81%

Source: [www.crisil.com](http://www.crisil.com) >

Central Bank Policy Rates	2018	2019	2020	Latest
Sri Lanka	8.00%	7.00%	4.50%	4.50%
US	2.25% - 2.50%	1.50% - 1.75%	0.00% - 0.25%	0.00% - 0.25%
Euro Zone	0.00%	0.00%	0.00%	0.00%
Australia	1.50%	0.75%	0.10%	0.10%
India	6.50%	5.15%	4.00%	4.00%

Source: [www.cbrates.com](http://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 >



364 Day Treasury Bill Rate	Jan 20	Dec 20	Jan 21
<b>Sri Lanka</b>	8.59%	5.03%	4.98%
<b>India</b>	5.28%	3.44%	3.64%
<b>US</b>	1.45%	0.10%	0.07%
<b>Euro Zone</b>	-0.65%	-0.76%	-0.70%

Source: Respective Central Banks >

US treasury yields increased on hopes of fresh stimulus and better than expected jobs data in January.

The European Central Bank held its key interest rates unchanged and expanded its stimulus program as the region faces a high amount of uncertainty over the pandemic.

	Rates on Savings Accounts Jan 2021
<b>Sri Lanka</b>	3.50%
<b>US</b>	0.01%
<b>Euro Zone</b>	0.11%
<b>Australia</b>	0.40%
<b>India</b>	3.00%

Source: Respective Commercial Banks >

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**“ IT’S NOT HOW MUCH MONEY  
YOU MAKE THAT MAKES YOU RICH,  
IT’S HOW YOU INVEST IT ”**

— NDB Wealth —



# INFLATION RATES

Country	Jan 20	Dec 20	Jan 21
Sri Lanka	5.65%	4.23%	3.05%
US	2.49%	1.36%	1.36%*
Euro Zone	1.36%	-0.27%	-0.27%*
India	7.59%	4.59%	6.93%*

\*Dec 2020

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

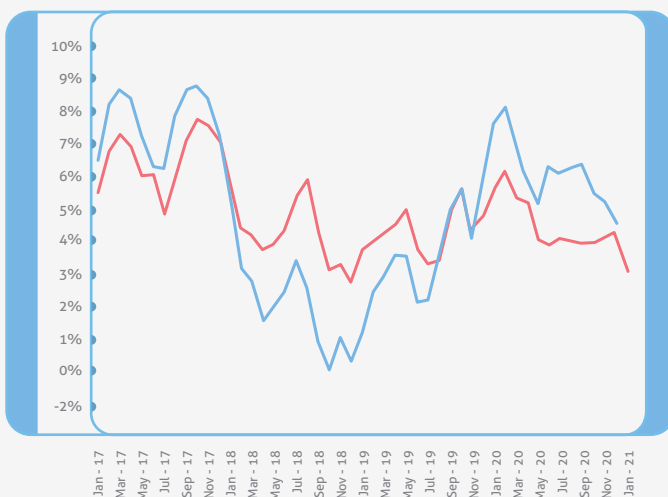
Inflation as measured by the CCPI (2013=100), slowed to 3.0% in January on a year-on-year basis from the previous month's 4.2%, primarily owing to the base effect. During the month however, the index was up 0.5% with food prices increasing by 0.9% and non-food prices increasing 0.3%. Within the food category prices of mainly red onions, coconuts and sea fish increased whilst within the non-food category prices of healthcare increased. On an annual average basis inflation slowed to 4.3% in January.

Core inflation, which excludes the more volatile aspects of price movements (food, energy and transport) slowed to 2.7% year-on-year, however remained unchanged on an annual average basis at 3.1% in January.

We expect to see upward pressure on inflation this year owing to an anticipated increase in aggregate demand with economic activity improving and higher commodity prices.

On the global front, US inflation increased to 1.36% whilst Euro zone inflation contracted by 0.27% year-on-year in December.

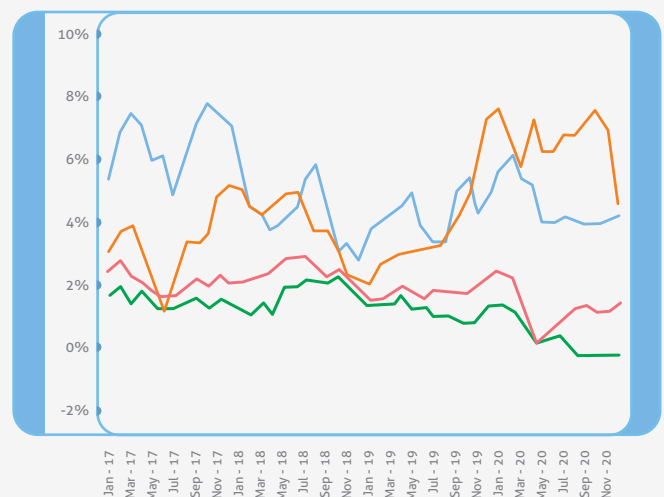
INFLATION - POINT TO POINT CHANGE - CCPI VS. NCPI



CCPI NCPI

Source: Department of Census and Statistics Sri Lanka

GLOBAL INFLATION RATES



Sri Lanka US Euro zone India

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

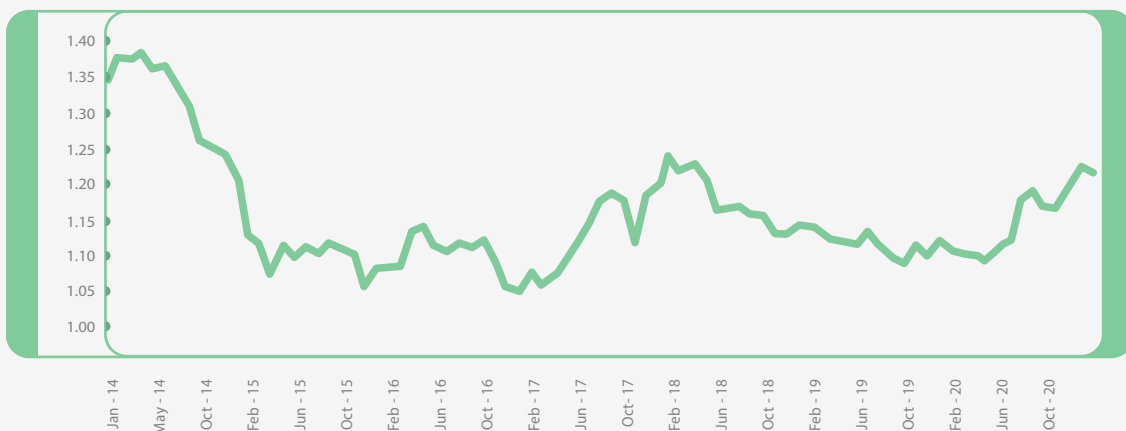
## FOREX OUTLOOK

Exchange Rates Vs. LKR	Jan 20	Dec 20	Jan 21	1 Year App/(Dep) LKR	YTD App/(Dep) LKR
USD	181.59	186.41	194.39	-6.59%	-4.11%
GBP	237.87	254.35	266.54	-10.76%	-4.57%
EURO	200.28	229.42	235.33	-14.90%	-2.51%
YEN	1.66	1.81	1.86	-10.80%	-2.74%
AUD	122.00	143.66	148.81	-18.02%	-3.46%
CAD	137.53	146.35	151.27	-9.09%	-3.26%
INR	2.53	2.55	2.66	-5.02%	-4.26%
BHD	481.67	494.38	515.56	-6.57%	-4.11%
CNY	26.03	28.59	30.07	-13.43%	-4.92%

Source: Central Bank of Sri Lanka >

- The Sri Lankan Rupee depreciated considerably against the USD falling by 4.11% in January to close the month at LKR 194.39. The Rupee also lost a considerable 4.57% against the Pound Sterling and 2.51% against the Euro during the month.
- The US dollar gained against most currencies as global political and pandemic-linked concerns increased the appeal of the greenback's perceived safe-haven characteristic.
- The UK's vaccination progress offset higher infection rates enough to propel the pound higher, while the European Union's disordered distribution weighed on the Euro.
- Asia's emerging currencies weakened against the dollar on the back of higher US Treasury yields.

### USD PER 1 EURO MOVEMENT



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

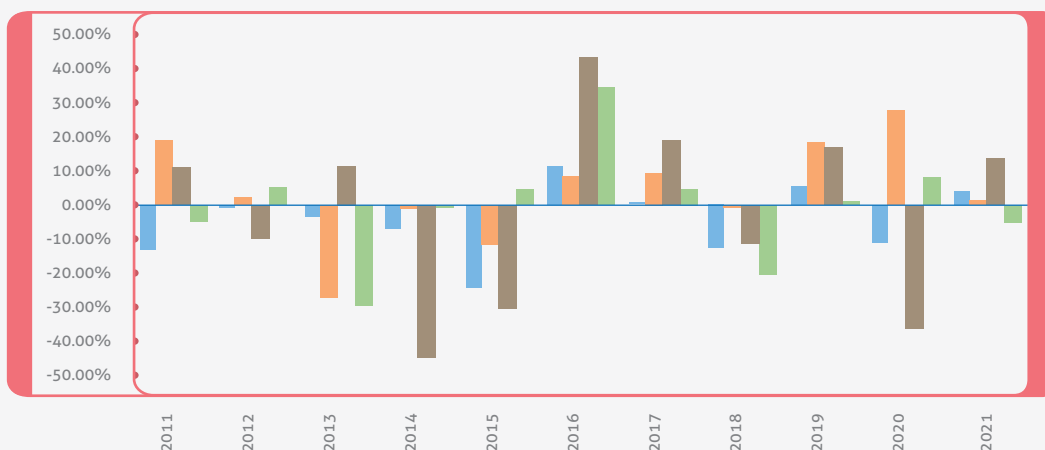
# COMMODITY OUTLOOK

	Past month Performance (Jan 2021)	Past 12 months Performance (Jan 2020 - Jan 2021)	Year to Date Performance (up to 31st Jan 2021)
<b>Bloomberg Commodity Index</b>	2.63%	7.03%	2.63%
<b>Gold</b>	0.46%	19.63%	0.46%
<b>Tea</b>	-2.16%	1.94%	-2.16%
<b>Oil (Brent)</b>	9.38%	-14.23%	9.38%

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

- The Bloomberg Commodity Index gained 2.63% during the month of January 2021, buoyed by the surge in oil prices.
- Crude oil imports for January 2021 are estimated at around 12 million barrels per day (bpd), according Refinitiv Oil Research, up strongly from official figures of 9.06 million bpd in December 2020.
- Crude oil prices are trading higher on supply deficit concerns as producers pledge to cut oil output despite slow recovery in demand.
- China's imports of major commodities are expected to show strong growth in January 2021, reflecting the recovery of the country from the pandemic.
- Gold prices traded under pressure on stronger dollar and rally in equity indices. Strength in the dollar index and global activities improved on the hope of economic revival after the rollout of the COVID-19 vaccine, which in turn triggered profit-taking in Gold.
- Gold is considered a hedge against inflation from large stimulus measures. However, higher yields challenge Gold prices as it increases the opportunity cost of holding non-yielding bullion.

## Commodity Price Movements



DJUBS Gold Oil Tea

Source: NDB Wealth Research >

## PROPERTY OUTLOOK

The vacancy rate of Colombo office space soared during 3Q2020 due to small and medium enterprises downsizing on the back of the pandemic. However, nominal rental prices held steady.

On their latest report 'Colombo Property Market Monitor' published by Jones Lang LaSalle's (JLL), overall vacancy rate in Colombo's office spaces rose to 18.7% in 3Q20 from 15% in 2Q20.

Rental rates of prime grade A buildings completed in 2019 have remained stable across the city although most developers have implemented short-term tenant retention strategies such as offering incentives and benefits to overcome the short-term liquidity crisis.

Going forward, JLL expects the economic recovery to drive demand and reduce the overall vacancy rates across the city, resulting in rents neutralising in favour of both tenants and landlords.

In contrast, the demand for residential apartments has seen a recovery, especially in the premium segment, mainly driven by local demand, a stark difference from previous years, where demand largely stemmed from expatriate citizens of Sri Lanka.

Revision of housing loans by CBSL during the period was one of the primary drivers for the increase in local demand for real-estate.

Further, number of developers offered steep discounts during 2020 to overcome the sluggish demand, which resulted in a 5-10% decline in the quoted prices.

Moreover, average rent dipped by 35% in August since January 2020 with an average 3 bed room apartment rent declining to approximately USD 900 from USD 1400 per month.

# 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 <sup>+</sup>	2 Year <sup>+</sup>	3 Year <sup>+</sup>	4 Year <sup>+</sup>	5 Year <sup>+</sup>
<b>Amana Bank - As of January 2021</b>									
Profit Sharing Ratio*	30:70	-	60:40	65:35	75:25	80:20	85:15	-	90:10
Distributed Profit	2.34%	-	4.17%	4.55%	4.93%	6.06%	6.44%	-	6.00%
<b>Bank of Ceylon Islamic Business Unit - As of January 2021</b>									
Profit Sharing Ratio*	45:55	-	-	-	-	-	-	-	-
Distributed Profit	1.70%	-	-	-	-	-	-	-	-
<b>Commercial Bank of Ceylon PLC-AI Adalah Islamic Banking unit - As of January 2021</b>									
Profit Sharing Ratio*	45:55	-	55:45	65:35	75:25	-	-	-	-
Distributed Profit	1.71%	-	2.10%	2.48%	2.91%	-	-	-	-
<b>Hatton National Bank PLC-"Hnb Al- Najah" Islamic Banking unit - As of December 2020 (Published Quarterly)</b>									
Profit Sharing Ratio*	30:70	-	55:45	60:40	70:30	-	-	-	-
Distributed Profit	2.50%	-	3.75%	4.00%	4.75%	-	-	-	-
<b>National Development Bank PLC-"Shareek" Islamic Banking unit - As of January 2021</b>									
Profit Sharing Ratio* (3Mn - 50Mn)	40:60	60:40	65:35	40:60	65:35	-	-	-	-
Distributed Profit	3.50%	4.00%	4.50%	4.50%	5.40%	-	-	-	-
<b>Citizen Development Business Finance PLC- Islamic Banking unit - As of August 2019</b>									
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%	-	-
<b>Commercial Leasing &amp; Finance PLC- Islamic Finance - As of December 2020</b>									
Profit Sharing Ratio*	30:70	50:50	53:47	55:45	55:45	59:41	60:40	64:36	65:35
Distributed Profit	4.50%	5.01%	5.26%	5.51%	7.01%	7.38%	7.53%	7.83%	8.13%
<b>LB Al Salamah (LB Finance PLC - Islamic Business Unit) - As of November 2020</b>									
Profit Sharing Ratio*	25:75	31:69	34:66	36:64	38:62	-	-	-	-
Distributed Profit	3.57%	4.42%	4.85%	5.13%	5.42%	-	-	-	-
<b>LOLC Al-Falaah (Lanka Orix Finance PLC - Islamic Business Unit) - As of January 2021</b>									
Profit Sharing Ratio*	30:70	60:40	62:38	66:34	66:34	67:33	69:31	70:30	74:26
Distributed Profit	3.80%	4.88%	5.13%	5.38%	6.88%	7.76%	8.26%	8.26%	8.76%
<b>Peoples Leasing Islamic Business Unit - January 2021</b>									
Profit Sharing Ratio*	45:55	-	60:40	65:35	75:25	-	-	-	-
Distributed Profit	3.45%	-	4.61%	4.99%	5.76%	-	-	-	-

\* 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](http://www.icp.lk) (I Capital Partners - former Amana Capital Limited) >

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

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

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



# UNIT TRUST FUNDS OFFERED BY NDB WM



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

## Fund Overview

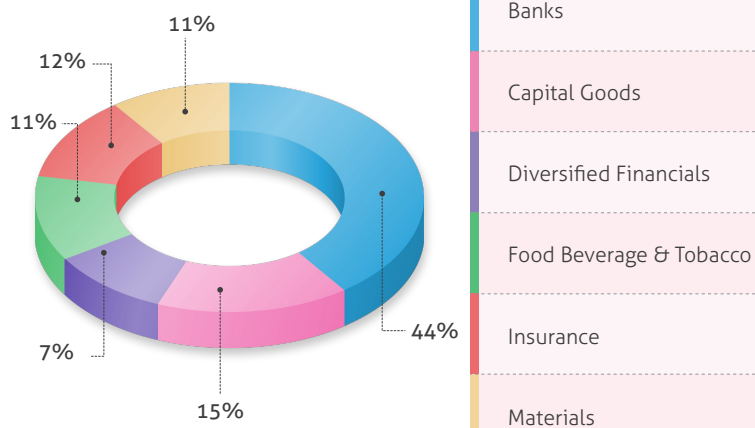
### NDB Wealth Growth Fund

Type: Open Ended  
Currency: LKR

Investments: Listed Equities  
ISIN: LKNWGRU00005

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

### Equity Allocation



### Fund Snapshot

31-Dec-20

YTD Yield	-4.46%
NAV per unit	9.70
AUM (LKR Mn.)	193.77
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	2.27%
Max Equity Allocation	97.00%
Current Equity Allocation	96.13%
Fund Leverage	0.00%

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

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

### Historical Returns

Period	Fund Returns *	ASPI Returns
Last Month	4.07%	8.50%
Last 3 months	5.85%	13.19%
Last 6 months	18.47%	31.55%
Last 12 months	-4.46%	10.52%
Year 2019	-0.59%	1.27%
Year 2018	-6.79%	-4.98%

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

### Fixed Income Allocation

Minimum Fixed Income Allocation	3.00%
Current Fixed Income Allocation	3.87%
Average Duration	0.0027
Maturity	% Holding
Under 1 Month	100.00%

### Other Features

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

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# Fund Overview

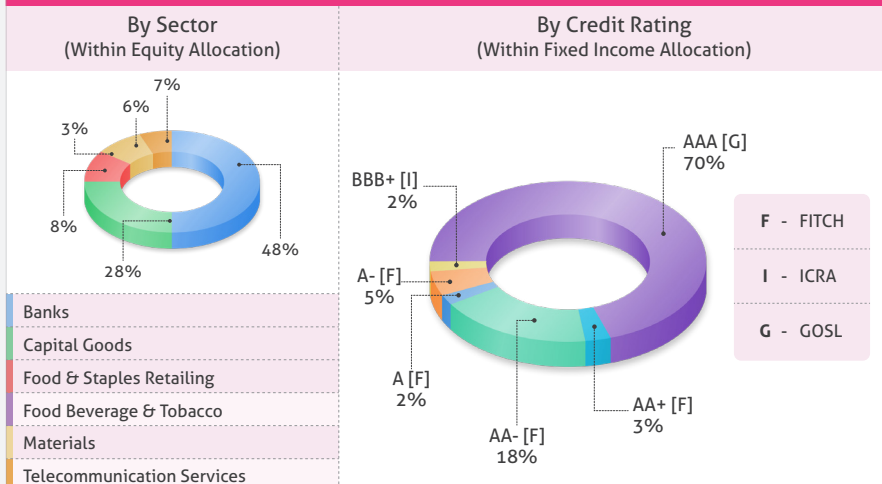
## NDB Wealth Growth and Income Fund

Type: Open Ended  
Currency: LKR

Investments: Listed Equities and Corporate Debt  
ISIN: LKNWGIU00004

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

## Portfolio Allocation



## Fund Snapshot

31-Dec-20

YTD Yield	9.82%
NAV per unit	43.08
AUM (LKR Mn.)	2,498.89
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.71%
Max Equity Allocation	97.00%
Current Equity Allocation	78.93%
Fund Leverage	0.00%

## Top 5 Portfolio Holdings (In Alphabetical Order)

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

## Historical Returns

Period	Fund Returns*	ASPI Returns
Year to Date	9.82%	10.52%
Last month	2.34%	8.50%
Last 3 months	4.35%	13.19%
Last 6 months	7.91%	31.55%
Last 12 months	9.82%	10.52%
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	21.07%
Average Duration	0.11
Maturity	% Holding
Under 3 Months	81.66%
3 Months - 6 Months	14.14%
6 Months - 1 Year	2.11%
1 Year - 5 Years	2.09%

## 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

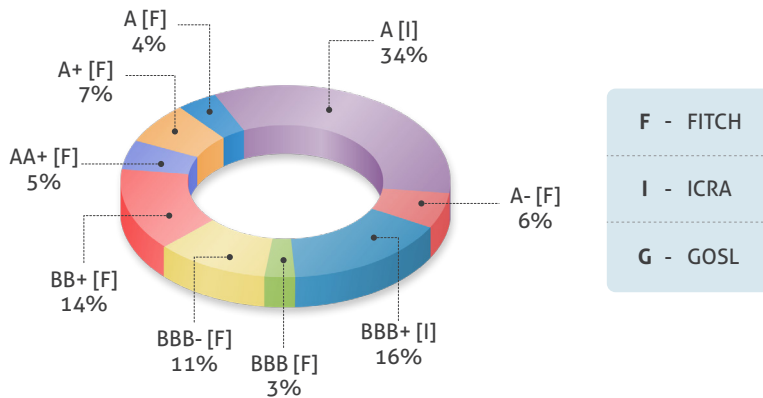
## NDB Wealth Income Fund

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-Dec-20

YTD Yield	13.12%
YTD Yield (Annualized)	13.12%
NAV per unit	15.9115
AUM (LKR Mn.)	374.20
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.39%
Average Maturity (Yrs)	1.36
Average Duration	1.07

## Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	15.13%	9.45%
1 Month - 3 Months	9.75%	11.80%
3 Months - 6 Months	23.98%	11.60%
6 Months - 1 Year	25.33%	11.30%
1 Year - 10 Years	25.81%	12.70%

## Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	13.12%	13.12%
Last month	0.73%	8.60%
Last 3 months	2.14%	8.50%
Last 6 months	4.63%	9.18%
Last 12 months	13.12%	13.12%
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

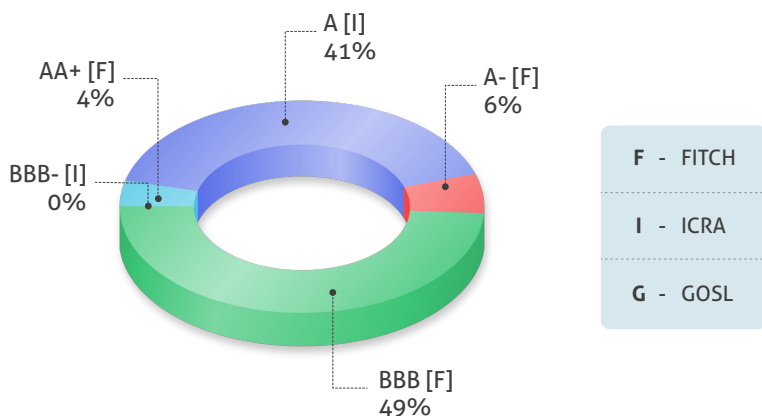
### NDB Wealth Income Plus Fund

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-Dec-20

YTD Yield	12.12%
YTD Yield (Annualized)	12.12%
NAV per unit	16.9516
AUM (LKR Mn.)	53.41
Fund Currency	LKR
Fund Inception	7-Apr-16
Expense Ratio	0.77%
Average Maturity (Yrs)	0.10
Average Duration	0.10

### Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	53.47%	11.45%
1 Month - 3 Months	46.53%	10.30%

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	12.12%	12.12%
Last month	0.86%	10.12%
Last 3 months	2.59%	10.29%
Last 6 months	5.54%	10.99%
Last 12 months	12.12%	12.12%

### Other Features

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

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## Fund Overview

### NDB Wealth Money Fund

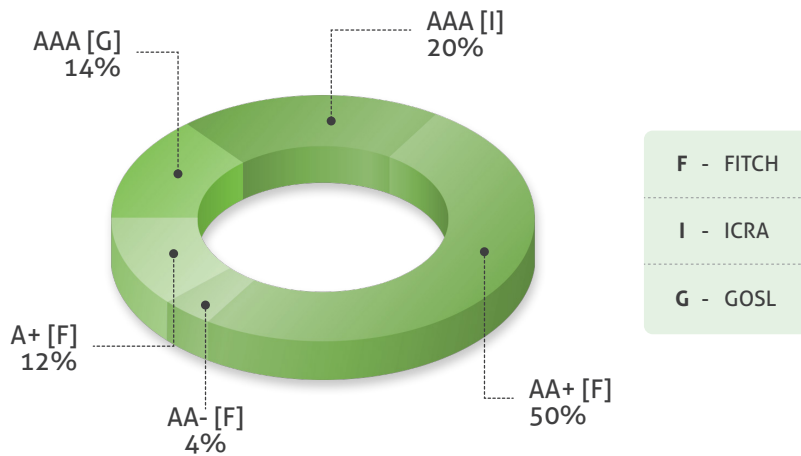
Type: Open Ended  
Currency: LKR

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-Dec-20

YTD Yield	8.20%
YTD Yield (Annualized)	8.20%
NAV per unit	20.5437
AUM (LKR Mn.)	883.91
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.80%
Average Maturity (Yrs)	0.19
Average Duration	0.19

### Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	38.38%	5.43%
1 Month - 3 Months	16.13%	7.70%
3 Months - 6 Months	45.49%	6.50%

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	8.20%	8.20%
Last month	0.48%	5.65%
Last 3 months	1.55%	6.15%
Last 6 months	3.53%	6.99%
Last 12 months	8.20%	8.20%
Year 2019	10.24%	10.24%
Year 2018	8.74%	8.74%

### Other Features

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

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## Fund Overview

### NDB Wealth Money Plus Fund

**Type:** Open Ended  
**Currency:** LKR

**Investments:** Money Market Corporate Debt Securities  
**ISIN:** LKNWMPU00007

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

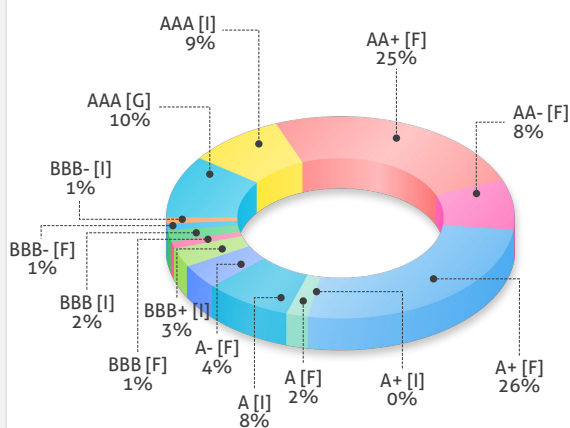
The Fund aims to provide liquidity to investors while enhancing returns by investing in a diversified portfolio of short term corporate debt securities with maturities less than 365 days

### Fund Snapshot

31-Dec-20

YTD Yield	9.46%
YTD Yield (Annualized)	9.46%
NAV per unit	23.4509
AUM (LKR Mn.)	79,984.46
Fund Currency	LKR
Fund Inception	1-Jun-12
Expense Ratio	0.81%
Average Maturity (Yrs)	0.27
Average Duration	0.26

### Portfolio Allocation By Credit Rating



F - FITCH

I - ICRA

G - GOSL

### Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	14.68%	6.52%
1 Month - 3 Months	34.74%	6.70%
3 Months - 6 Months	43.09%	7.50%
6 Months - 1 Year	7.49%	7.30%

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	9.46%	9.46%
Last month	0.54%	6.38%
Last 3 months	1.69%	6.69%
Last 6 months	3.77%	7.48%
Last 12 months	9.46%	9.46%
Year 2019	11.73%	11.73%
Year 2018	11.53%	11.53%

### Other Features

<b>Valuation</b>	Daily Valuation Instruments less than one year - cost plus accrued basis, Instruments greater than one year - n/a.
<b>Investment/Withdrawal</b>	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.
<b>Exposure Restrictions</b>	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.
<b>Fee Details</b>	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
<b>Fund Manager</b>	NDB Wealth Management Ltd.
<b>Trustee &amp; Custodian</b>	Hatton National Bank PLC

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## Fund Overview

### NDB Wealth Islamic Money Plus Fund

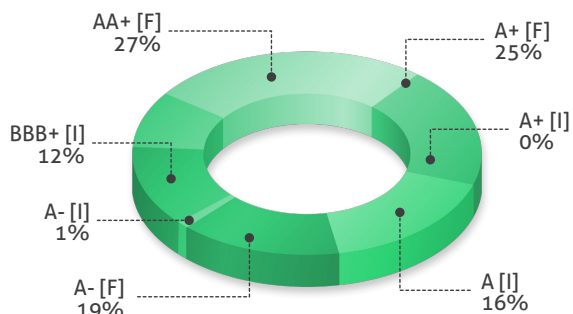
Type: Open Ended  
Currency: LKR

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-Dec-20

YTD Yield	9.28%
YTD Yield (Annualized)	9.28%
NAV per unit	16.2415
AUM (LKR Mn.)	1,025.23
Fund Currency	LKR
Fund Inception	1-Jun-15
Expense Ratio	1.18%
Average Duration	0.25

### Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	42.29%	5.56%
1 Month - 3 Months	10.84%	7.80%
3 Months - 6 Months	37.50%	7.30%
6 Months - 1 Year	9.37%	8.50%

### Target Asset Allocation

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

### Approved Investments

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

### Shariah Supervisory Board

Shafique Jakhura	Mufti
Muhammed Huzaifah	Maulana

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	9.28%	9.28%
Last month	0.55%	6.45%
Last 3 months	1.76%	6.97%
Last 6 months	3.90%	7.74%
Last 12 months	9.28%	9.28%

### 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

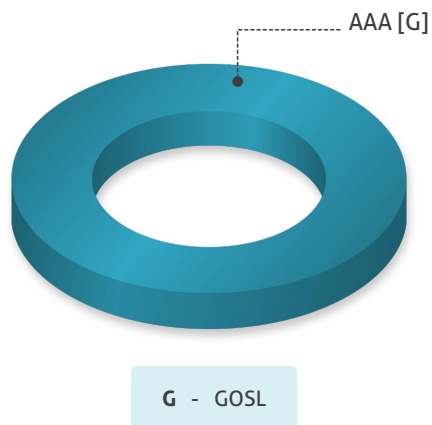
### NDB Wealth Gilt Edged Fund

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-Dec-20

YTD Yield	10.14%
YTD Yield (Annualized)	10.14%
NAV per unit	18.6502
AUM (LKR Mn.)	66.40
Fund Currency	LKR
Fund Inception	1-Dec-97
Expense Ratio	1.53%
Average Maturity (Yrs)	0.01
Average Duration	0.01

### Maturity Profile

Maturity	% Holding	AVG YTM (Net)
Under 1 Month	100%	4.90%

### Historical Returns

Period	Fund Returns	Annualized Return
Year to Date	10.14%	10.14%
Last month	0.36%	4.26%
Last 3 months	0.72%	2.86%
Last 6 months	6.78%	13.46%
Last 12 months	10.14%	10.14%
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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