

## Monthly Report | Dec-2023

Senfin Asset Management (Pvt) Ltd  
 No. 267, Galle Road, Colombo 03,  
 Sri Lanka.

### Fund Manager Comment

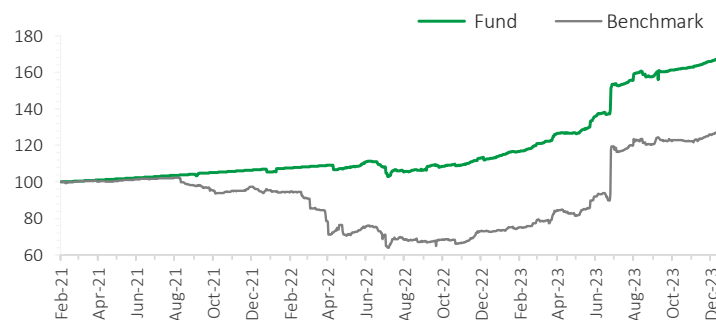
During Dec 2023, the Senfin Dynamic Income Fund generated a non-annualized return of 1.75% in comparison to the benchmark return of 2.51%. The economy started showing signs of faster recovery with 3Q2023 recording a positive Real GDP growth of 1.6% for the first time since the economic crisis. Further progress on the external debt restructuring was witnessed with Sri Lanka reaching an agreement with the Official Creditor Committee led by India, Japan and France on the main parameters of a debt treatment that is consistent with those of the Extended Fund Facility (EFF) between Sri Lanka and IMF. The agreement in principle covered approximately \$5.9 Bn of outstanding public debt and consisted of a mix of long-term maturity extension and reduction in interest rates. Sri Lanka received the IMF 2nd tranche of \$337 Mn in Dec 2023. Additionally, ADB released \$200 Mn and the World Bank released \$250 Mn during the month. Consequently, Sri Lanka's official reserves increased to \$4.4 Bn as at Dec 2023. Year 2023 was a historical year for the Sri Lankan government securities market where yields were at highly elevated levels due to the default risk premiums attached to government securities following the economic crisis of 2022. By the final week of December, the secondary bond market activity saw yields decline marginally with an uptick in activity coinciding with the bond auction. T-bill yields saw a continuous decline during December with demand remaining strong on the 3M and 6M tenors, resulting in higher drops in yields respectively. T-bills yields for the 3M, 6M and 12M tenors closed in for Dec 2023 at 14.51%, 14.16% and 12.93% respectively vs 14.84%, 14.52% and 12.89% respectively as at end of Nov 2023.

Source : SFAM and CBSL

### Performance Since Inception

10/02/2021 to 31/12/2023

Growth of LKR 100 invested on 10/02/2021



### Risk - Reward Indicator

< Lower risk

Higher risk >



The risk profile of the Fund can be considered moderate because the Fund invests primarily in Gilt edge and corporate fixed income securities with varying tenors. Market risk, Credit Risk, Liquidity risk, Currency risk and Re-investment risks are normally associated with investing in medium to long term fixed income securities.

### Calendar Year Performance

Year	2021	2022	2023
Fund	6.9%	5.88%	48.25%
Benchmark	-5.2%	-22.99%	74.66%

Past performance is not a guarantee, nor an indication of current or future performance. Performance data is calculated net of all fees and commissions. This table shows how the Fund has performed in each calendar year and the inception date of the Fund is Feb 10, 2021. Current performance may be lower or higher than that shown.

### Investment Objective

The primary objective of the Fund is to maximize returns through active management of a portfolio of long term and money market fixed income securities. A secondary objective is to provide an annual dividend to unitholders.

### Key Facts

Fund Type	Open-ended Income Fund
NAV per unit (LKR)	16.7816
Fund AuM (LKR Mns)	1,547.64
Inception	10-Feb-21
Fund Domicile	Sri Lanka
Distribution(s)	Fund Manager's discretion
ISIN	LKSDIFU00005
Fund Currency	LKR
Benchmark	NDBIB-CRISIL 5 Year T-Bond Index

### Performance Summary

	Fund	Benchmark
Last Month	1.75%	2.51%
3 Month	4.63%	3.96%
6 Month	22.44%	41.97%
YTD	48.25%	74.66%
1 Year p.a.	48.25%	74.66%
2 Year p.a.	25.29%	15.98%
3 Year p.a.	N/A	N/A
5 Year p.a.	N/A	N/A
Since Inception p.a.	19.64%	8.78%

Only periods greater than 12 months are annualized.

### Investment Terms

Issue/redemption	Daily
Minimum investment (LKR)	1,000
Management fee p.a.	0.50%
Trustee fee p.a.	0.15%
Exit fee - if units are redeemed within one year	1.00%
Custodian fee p.m.(charged to the Fund)	LKR 20,000
Total Expense Ratio (TER)*	0.74%

\*as of 31 Dec 2022

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Maturity Profile	% of AUM	Credit Profile	Fitch	LRA	Total
<3M	17.4%	G. Sec RF*	-	-	69.9%
3M-12M	18.7%	AAA	-	-	-
1Y -2Y	10.4%	AA+	-	-	-
2Y-3Y	5.3%	AA	-	-	-
>3Y	48.1%	AA-	-	-	-
	100.0%	A+	-	-	-
		A	8.1%	6.9%	15.0%
		A-	2.6%	-	2.6%
		BBB+	-	-	-
		BBB	3.3%	-	3.3%
		<BBB	-	-	-
		Unrated	-	-	9.3%
		*Risk Free	14.0%	6.9%	100.0%

### Diversification

Largest exposure to any single institution*	69.9%
No. of institutions invested in	8

\*Govt of SL

### Asset Allocation

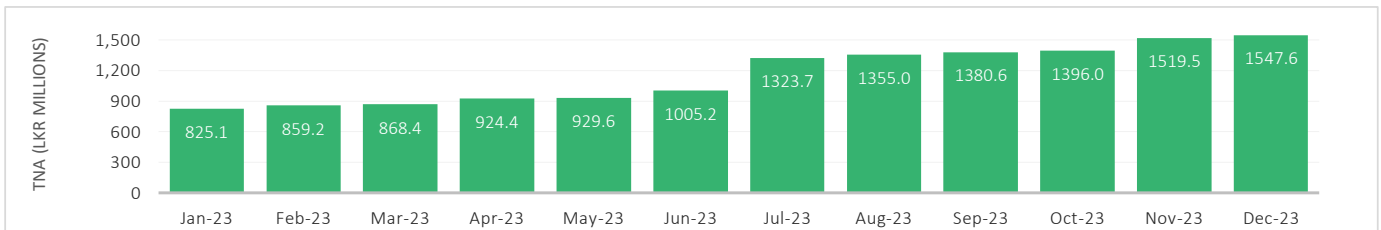
Asset Allocation	% of TNA
Treasury Bonds	53.6%
Treasury Bills	16.4%
Debentures	13.6%
Unit Trusts	9.3%
Trust Certificates	6.9%
Cash & Other Net Assets	0.3%
	100.0%

### Fund Indicators

Fund Indicators	Fund
Duration (Yrs)	2.77
Average Effective Maturity (Months)	32.69
Yield to Maturity (YTM)*	25.17%

\*YTM is calculated as at 31.12.2023 and does not take into account market fluctuations and expenses to the portfolio. The YTM is an indication only and is subject to change.

### Historical Total Net Assets (Fund currency in LKR Mn)



### Regulatory Information

Regulated by : Securities & Exchange Commission of Sri Lanka  
 Trustee and Custodian : Hatton National Bank PLC - Head Office Branch  
 Redemption Payment Days : Monday-Friday (Excluding holidays)  
 Cut-off Time & Day : Before 3.00 pm on any working day

### Global Investment Performance Standards (GIPS®) compliance statement

Senfin Asset Management (Pvt) Ltd (SFAM) claims compliance with the Global investment performance standards (GIPS®), and has prepared and presented this report in compliance with the GIPS® Standards. Senfin Asset Management (Pvt) Limited has not been independently verified. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. CFA Institute has not been involved in the preparation or review of this report.



### CFA Asset Manager Code™

Senfin Asset Management (Pvt) Ltd claims compliance with the CFA Institute Asset Manager Code of Professional Conduct. This claim has not been verified by CFA Institute.



**ASSET MANAGER CODE**

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