

Monthly Report | Aug-2023

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

Fund Manager Comment

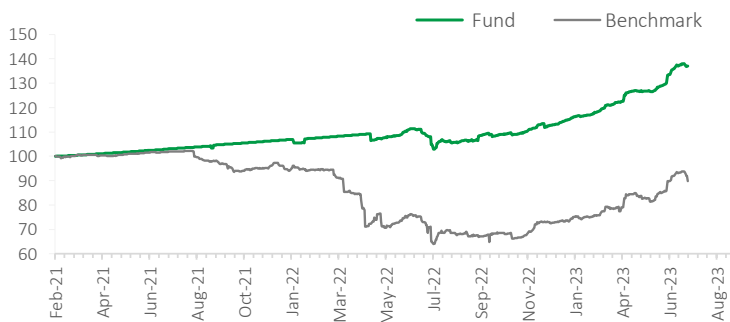
For the month of August, the fund generated a non annualized return of 2.13% compared to the benchmark return of 1.63%. To inject liquidity into the banking system and address the market liquidity deficit, the Central Bank of Sri Lanka (CBSL) decided to reduce the Statutory Reserve Ratio (SRR) for commercial banks from 4.00% to 2.00%, effective as of August 16, 2023. However, at the meeting held on 23 August 2023, decided to maintain key policy interest rates unchanged as it has already eased its monetary policy stance considerably since early June 2023 by reducing policy interest rates by 450 basis points. Furthermore, due to the insufficient downward adjustment in market lending interest rates compared to deposit rates, the CBSL imposed interest rate caps on pawning facilities, temporary overdrafts, and credit cards for all licensed banks. Treasury bill yields experienced a significant decrease this month compared to last month, with the 3-month, 6-month, and 12-month bills ending at 18.48%, 15.36%, and 13.58% respectively, in the last auction of the month. Meanwhile, yields on long-term treasury bonds continued to remain volatile due to the pressure on the restructuring of the country's largest social security fund and legislative barriers. As a result, the full implementation of the DDR has been delayed. The largest T-bond auction in the country was held on August 28, 2023, with an offered amount of LKR 200 billion, and the yields in the secondary market increased following the bond auction.

Source : SFAM and CBSL

Performance Since Inception

10/02/2021 to 31/08/2023

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%	39.19%
Benchmark	-5.2%	-22.99%	65.03%

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.

*Non annualized YTD Return.

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)	15.7561
Fund AuM (LKR Millions)	1,355.03
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	2.13%	1.63%
3 Month	21.48%	40.73%
6 Month	32.89%	58.87%
YTD	39.19%	65.03%
1 Year p.a.	48.37%	77.62%
2 Year p.a.	23.10%	10.51%
3 Year p.a.	N/A	N/A
5 Year p.a.	N/A	N/A
Since Inception p.a.	19.49%	7.56%

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	13.7%	G. Sec RF*	-	-	85.9%
3M-12M	29.8%	AAA	-	-	-
1Y -2Y	15.3%	AA+	-	-	-
2Y-3Y	6.1%	AA	-	-	-
>3Y	35.1%	AA-	-	-	-
	100.0%	A+	-	-	-
		A	3.1%	-	3.1%
		A-	7.5%	-	7.5%
		BBB+	3.5%	-	3.5%
		BBB	-	-	-
		<BBB	-	-	-
		*Risk Free	14.1%	0.0%	100.0%

Diversification

Largest exposure to any single institution*	85.9%
No. of institutions invested in	4

*Govt of SL

Asset Allocation

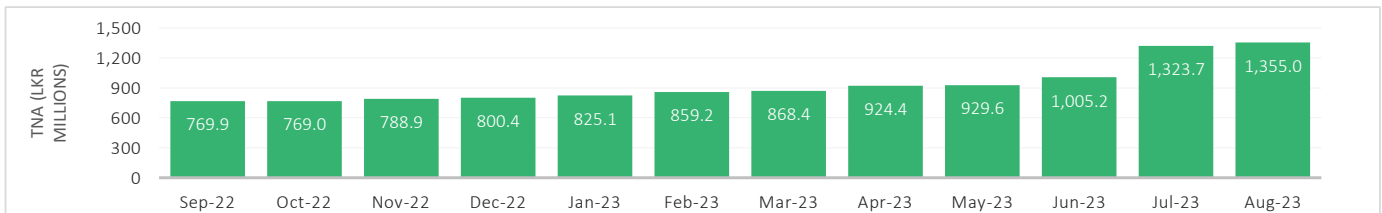
Asset Allocation	% of TNA
Treasury Bonds	53.2%
Treasury Bills	22.2%
Repo on Government Securities	10.6%
Trust Certificates	7.5%
Debentures	3.5%
Cash & Other Net Assets	3.0%
	100.0%

Fund Indicators

Fund Indicators	Fund
Duration (Yrs)	2.53
Average Effective Maturity (Months)	29.24
Yield to Maturity (YTM)*	15.66%

*YTM is calculated as at 31.08.2023 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.



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