

## Monthly Report | Dec-2024

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

### Fund Manager Comment

In Dec 2024, the Dynamic Income Fund achieved a return of 1.41% while its benchmark recorded a return of 1.40%. With the transition to a single policy rate mechanism implemented by CBSL in Nov 2024 along with its reduced policy rates by approximately 50 bps from the Average Weighted Call Money Rate (AWCMR), market rates continued to decline in Dec 2024, but at a lower pace. The Rs. 132.5 Bn Treasury Bond auction in the 1st half of the month successfully raised 98.7% out of the total offered amount, with the 15.09.29 maturity issued at a weighted avg yield of 10.75% and the 01.06.33 maturity at 11.47%. The subsequent Rs. 80 Bn Treasury Bond auction saw bids exceeding the offered amount by 2.82 times, with the 15.10.28 maturity issued at a weighted avg yield of 10.42% while the 01.06.33 maturity maintaining its previous 11.47% weighted avg yield. T-Bill yields declined overall, with rates for 3-month, 6-month, and 12-month tenors falling by 0.11%, 0.20%, and 0.12%, respectively. T-bill yields for the 3M, 6M and 12M tenors closed in for Dec 2024 at 8.62%, 8.77% and 8.96% vs 8.73%, 8.97% and 9.08% respectively as at the end of Nov 2024. In the secondary market, booking profits was largely witnessed amidst declining rates. During the month, SL credit rating was upgraded from Restricted Default (RD) to CCC+ by Fitch. Following that, Moody's too upgraded SL credit rating to Caa1.

Source : SFAM and CBSL

### 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.

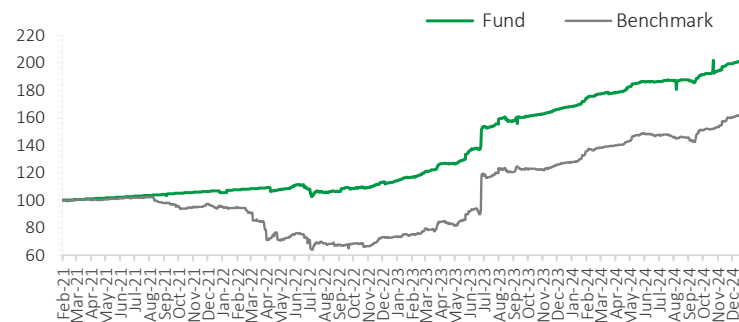
### Key Facts

Fund Type	Open-ended Income Fund
NAV per unit (LKR)	20.1924
Fund AuM (LKR Mn)	2,239.59
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 Since Inception

10/02/2021 to 31/12/2024

Growth of LKR 100 invested on 10/02/2021



### Performance Summary

	Fund	Benchmark
Last Month	1.41%	1.40%
3 Month	6.31%	8.12%
6 Month	8.51%	10.40%
YTD	20.32%	27.35%
1 Year p.a.	20.32%	27.35%
2 Year p.a.	33.51%	49.06%
3 Year p.a.	23.59%	19.63%
5 Year p.a.	N/A	N/A
Since Inception p.a.	19.80%	13.27%

Only periods greater than 12 months are annualized.

### Risk - Reward Indicator



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.

### 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)*	0.88%

\*as of 31 Dec 2023

### Calendar Year Performance

Year	2021	2022	2023	2024*
Fund	6.9%	5.88%	48.25%	20.32%
Benchmark	-5.2%	-22.99%	74.66%	27.35%

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.

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Maturity Profile	% of AUM	Credit Profile	G-Sec	Fitch	LRA	Total
<3M	16.2%	G-Sec RF*	57.4%	-	-	57.4%
3M - 12M	9.4%	AAA	-	-	-	-
1Y -2Y	6.1%	AA+	-	-	-	-
2Y-3Y	8.9%	AA	-	-	-	-
>3Y	59.5%	AA-	-	-	-	0.0%
	100.0%	A+	-	-	-	-
		A	-	6.3%	-	6.3%
		A-	-	8.3%	-	8.3%
		BBB+	-	5.8%	-	5.8%
		BBB	-	13.6%	-	13.6%
		BBB-	-	-	4.0%	4.0%
		Unrated	-	-	-	4.5%
		*Risk Free	57.4%	34.1%	4.0%	100.0%

### Diversification

Largest exposure to any single institution*	57.4%
No. of institutions invested in	12

\*Govt of SL

### Asset Allocation

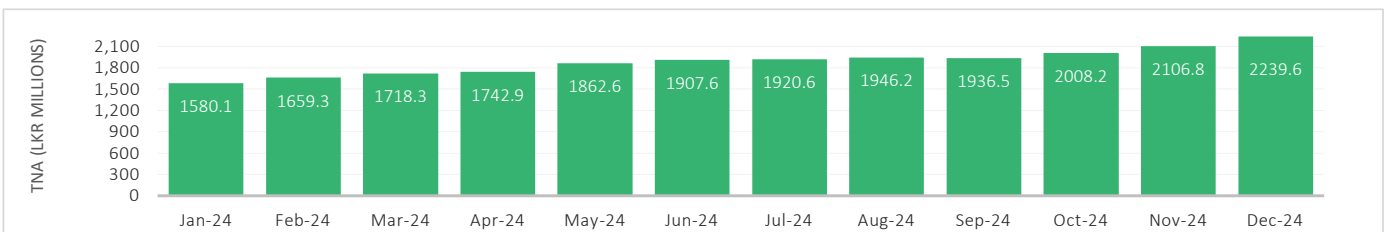
Asset Allocation	% of TNA
Treasury Bonds	52.6%
Un Quoted Debenture	11.4%
Trust Certificates with Coupon	11.4%
Debentures	6.4%
Unit Trusts	4.6%
Commercial Papers	4.5%
Treasury Bills	4.2%
Fixed Deposits	3.8%
Repurchase Agreements	0.7%
Cash & Other Net Assets	0.3%
	100.0%

### Fund Indicators

Fund Indicators	Fund
Duration (Yrs)	3.48
Average Effective Maturity (Months)	35.36
Yield to Maturity (YTM)*	22.77%

\*YTM is calculated as at 31.12.2024 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)

### 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**

### DISCLAIMER

Unit Trust investments are subject to market risks and there is no assurance or guarantee that the objectives of the Fund will be achieved. As with any investment in securities, the value of units and income from them can go up or down. The contents herein should not be construed as investment, legal or tax advice. Investors should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which may be encountered under the laws of the countries of citizenship, residence or

domicile, and which may be relevant to the subscription for and redemption of units in the Fund. This document is prepared on the basis of publicly available information, internally developed data and other sources, believed to be reliable. Detailed information provided in the Key Investor Information Document of the Fund should be read and understood prior to investing.