

## Monthly Report | Feb-2023

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

### Fund Manager Comment

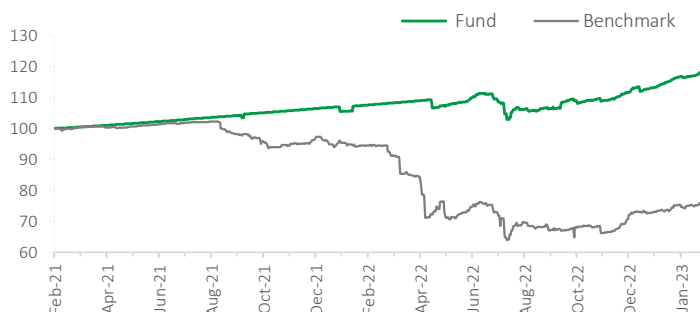
For the month of February, the fund generated a return of 1.61% compared to a benchmark return of 1.58%. Market interest rates carried its downward momentum in to the month as the rebased CCPI inflation reduced for a fifth consecutive month to 50.6% as at February 2023 mainly driven by the decline in food inflation. The decline in market rates were further contributed by the improved investor confidence over a possible Board Level approval in March from the IMF over the Extended Fund Facility coupled with the strengthening of the exchange rate against the US Dollar towards the latter part of the month. Treasury bills yields continued to decline during the month as the 3,6 and 12 month bills ended at 29.72%, 28.67% and 27.67% respectively at the last auction for the month. Yields on long-term treasury bonds too saw a similar decline. However treasury bonds with shorter maturity periods saw rates remain elevated. Despite the drop in yields in short term and longer term government securities, market interest rates continued to remain volatile due to the prevalent uncertainty over a possible domestic debt restructure. Foreign Holdings on government securities witnessed a significant increase during the month from Rs.25.4 Bn to Rs.32.4Bn.

Source : SFAM and CBSL

### Performance Since Inception

10/02/2021 to 28/02/2023

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.

### 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)      | 11.8561                          |
| Fund AuM (LKR Millions) | 859.18                           |
| 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*          | 1.61%  | 1.58%     |
| 3 Month*             | 6.27%  | 7.55%     |
| 6 Month*             | 11.65% | 11.81%    |
| Year to date*        | 4.74%  | 3.88%     |
| 1 Year p.a.          | 9.71%  | -18.01%   |
| 2 Year p.a.          | 8.75%  | -12.88%   |
| 3 Year p.a.          | N/A    | N/A       |
| 5 Year p.a.          | N/A    | N/A       |
| Since Inception p.a. | 8.66%  | -12.63%   |

\* Non-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

### Calendar Year Performance

| Year      | 2021  | 2022    | YTD*  |
|-----------|-------|---------|-------|
| Fund      | 6.9%  | 5.88%   | 4.74% |
| Benchmark | -5.2% | -22.99% | 3.88% |

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.

### Special Notice

Fund Rating has been taken off due to the cessation of business operations of the ICRA Lanka rating agency

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| Maturity Profile | % of AUM | Credit Profile | Fitch | ICRA** | Total |
|------------------|----------|----------------|-------|--------|-------|
| <3M              | 42.2%    | G. Sec RF*     | -     | -      | 81.5% |
| 3M-12M           | 9.0%     | AAA            | -     | -      | -     |
| 1Y -2Y           | 4.9%     | AA+            | -     | -      | -     |
| 2Y-3Y            | 14.6%    | AA             | -     | -      | -     |
| >3Y              | 29.3%    | AA-            | -     | -      | -     |
|                  | 100.0%   | A+             | -     | -      | -     |
|                  |          | A              | 11.5% | 2.0%   | 13.5% |
|                  |          | A-             | -     | -      | -     |
|                  |          | BBB+           | 4.9%  | -      | 4.9%  |
|                  |          | BBB            | -     | -      | -     |
|                  |          | <BBB           | -     | -      | -     |

### Diversification

|   |       |
|---|-------|
| Largest exposure to any single institution* | 81.5% |
| No. of institutions invested in             | 5     |

\*Govt of SL

### Asset Allocation

| Asset Allocation              | % of TNA |
|-------------------------------|----------|
| Treasury Bonds                | 43.9%    |
| Treasury Bills                | 37.7%    |
| Fixed Deposits                | 6.9%     |
| Debentures                    | 4.9%     |
| Cash & Other Net Assets       | 4.5%     |
| Trust Certificates            | 2.0%     |
| Repo on Government Securities | 0.0%     |
|                               | 100.0%   |

\*Risk Free 16.4% 2.0% 100.0%

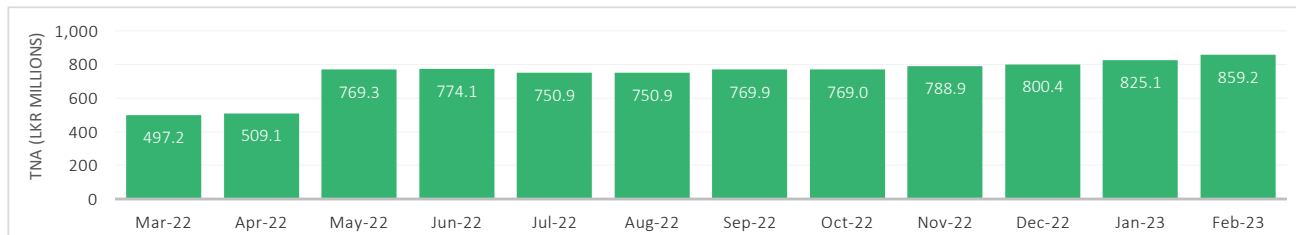
\*\*ICRA Lanka has ceased operations from 30th November 2022 and waiting for updated rating from the issuer.

### Fund Indicators

| Fund Indicators                     | Fund   |
|-------------------------------------|--------|
| Duration (Yrs)                      | 2.58   |
| Average Effective Maturity (Months) | 26.20  |
| Yield to Maturity (YTM)*            | 23.88% |

\*YTM is calculated as at 28.02.2023 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             |

**"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.

### 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 Explanatory Memorandum of the Fund should be read and understood prior to investing.