

Monthly Report | Jan-2023

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

Fund Manager Comment

For the month of January, the fund generated a return of 3.08% compared to a benchmark return of 2.26%. Market interest rates carried its downward momentum in to the new year as Inflation (CCPI) reduced for a fourth consecutive month to 54.2% as at January 2023 mainly driven by the decline in food inflation. The Central Bank kept policy rates unchanged at 14.50% (SDFR) and 15.50% (SLFR) respectively for the 5th consecutive policy meeting running, citing the recent developments in both domestic and global macroeconomic fronts and the need to curtail inflation further by maintaining tight monetary policy measures. Treasury bills yields continued to decline during the month as the 3,6 and 12 month bills ended at 29.91%, 28.72% and 27.78% respectively at the last auction for the month, the lowest yields have been since August 2022. Yields on long-term treasury bonds too saw a similar decline. However treasury bonds with shorter maturity periods saw rates remain elevated as the 01/07/2025 & 01/05/2027 bonds yielded 32.19% and 29.21% respectively at the last T-bond auction for the month. 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 marginal decline during the month from Rs.25.5 Bn to Rs.25.4Bn.

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.

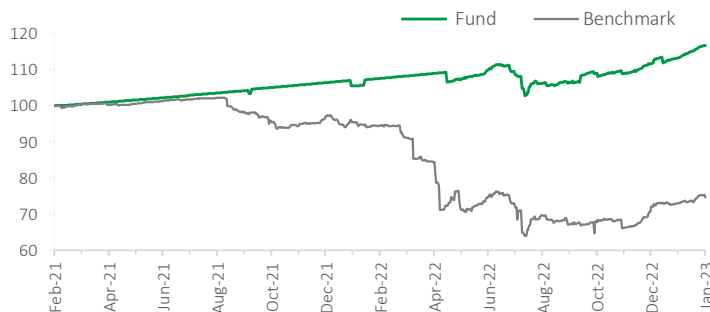
Key Facts

Fund Type	Open-ended Income Fund
NAV per unit (LKR)	11.6678
Fund AuM (LKR Millions)	825.08
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 31/01/2023

Growth of LKR 100 invested on 10/02/2021



Performance Summary

	Fund	Benchmark
Last Month*	3.08%	2.26%
3 Month*	7.29%	12.90%
6 Month*	9.88%	8.72%
Year to date*	3.08%	2.26%
1 Year p.a.	8.62%	-21.02%
2 Year p.a.	N/A	N/A
3 Year p.a.	N/A	N/A
5 Year p.a.	N/A	N/A
Since Inception p.a.	8.13%	-13.78%

* Non-annualized

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 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%	3.08%
Benchmark	-5.2%	-22.99%	2.26%

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	15.7%	G. Sec RF*	-	-	78.7%
3M-12M	34.3%	AAA	-	-	-
1Y -2Y	5.0%	AA+	-	-	-
2Y-3Y	14.9%	AA	-	-	-
>3Y	30.1%	AA-	14.2%	-	14.2%
	100.0%	A+	-	-	-
		A	-	2.1%	2.1%
		A-	-	-	-
		BBB+	5.0%	-	5.0%
		BBB	-	-	-
		<BBB	-	-	-

Diversification

Largest exposure to any single institution*	78.7%
No. of institutions invested in	6

*Govt of SL

Asset Allocation

Asset Allocation	% of TNA
Treasury Bonds	45.1%
Treasury Bills	33.7%
Fixed Deposits	10.3%
Debentures	5.0%
Cash & Other Net Assets	3.9%
Trust Certificates	2.1%
Repo on Government Securities	0.0%
	100.0%

*Risk Free 19.2% 2.1% 100.0%

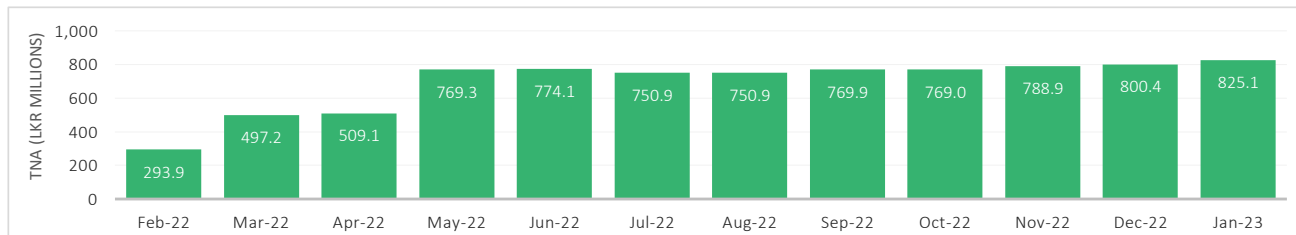
**ICRA Lanka has ceased operations from 30th November 2022 and waiting for updated rating from the issuer.

Fund Indicators

Fund Indicators	Fund
Duration (Yrs)	2.60
Average Effective Maturity (Months)	26.86
Yield to Maturity (YTM)*	24.02%

*YTM is calculated as at 31.01.2023 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.