

Monthly Report | Jul-2023

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

Fund Manager Comment

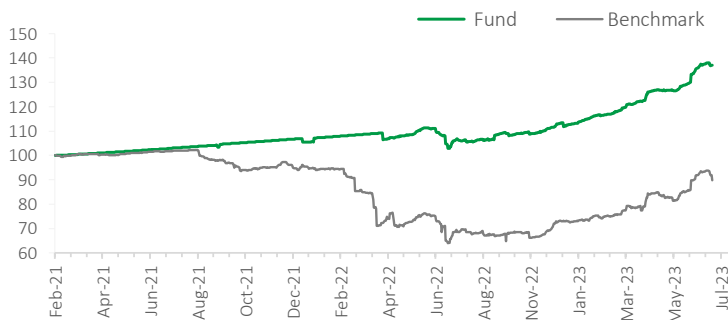
For the month of July, the fund generated a return of 12.55% compared to a benchmark return of 31.99%. The Domestic Debt Optimization (DDO) was announced at the end of last month with mainly impacting CBSL T-bill holdings and Superannuation Funds. As a consequence, at the beginning of July, both T-bill and T-bond yields experienced a historic decline of 10% to 12% across all maturities. This notable decline directly resulted from the DDO announcement, which led to a reduction in the risk premium associated with T-bills and T-bonds. Further, as the decline in inflation is faster than anticipated and with the intention of providing impetus to the economic growth to rebound, CBSL relaxed their monetary policy stance by reducing policy rates by 200 bps in July 2023. Consequently, the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) stood at 11.00% and 12.00 as at 31 Jul 2023. The benchmark yields dropped to lower levels as the 3,6 and 12-month bills ended at 19.96%, 17.69% and 14.29% respectively as of July 31, 2023. These are the lowest yields recorded since June 2022.

Source : SFAM and CBSL

Performance Since Inception

10/02/2021 to 31/07/2023

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%	36.28%
Benchmark	-5.2%	-22.99%	62.38%

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)	15.4269
Fund AuM (LKR Millions)	1,323.68
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	12.55%	31.99%
3 Month	21.81%	43.35%
6 Month	32.22%	58.79%
YTD	36.28%	62.38%
1 Year p.a.	45.28%	72.63%
2 Year p.a.	22.18%	7.79%
3 Year p.a.	N/A	N/A
5 Year p.a.	N/A	N/A
Since Inception p.a.	19.20%	7.13%

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	13.5%	G. Sec RF*	-	-	86.0%
3M-12M	22.3%	AAA	-	-	-
1Y -2Y	23.1%	AA+	-	-	-
2Y-3Y	6.1%	AA	-	-	-
>3Y	34.9%	AA-	-	-	-
	100.0%	A+	-	-	-
		A	2.8%	-	2.8%
		A-	7.6%	-	7.6%
		BBB+	3.6%	-	3.6%
		BBB	-	-	-
		<BBB	-	-	-
		*Risk Free	14.0%	0.0%	100.0%

Diversification

Largest exposure to any single institution*	86.0%
No. of institutions invested in	4

*Govt of SL

Asset Allocation

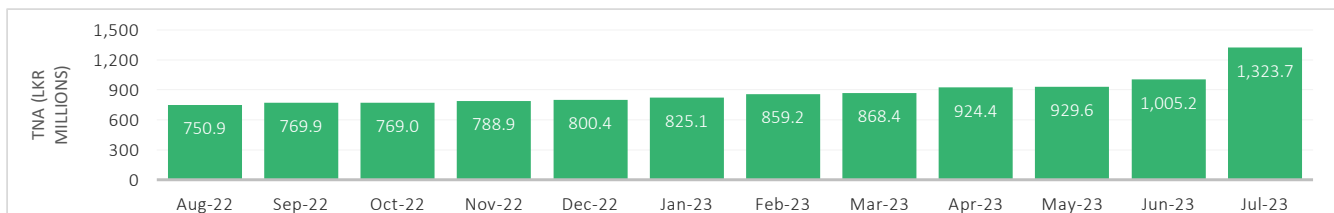
Asset Allocation	% of TNA
Treasury Bonds	53.0%
Treasury Bills	22.4%
Repo on Government Securities	10.7%
Trust Certificates	7.6%
Debentures	3.6%
Cash & Other Net Assets	2.7%
	100.0%

Fund Indicators

Fund Indicators	Fund
Duration (Yrs)	2.73
Average Effective Maturity (Months)	30.15
Yield to Maturity (YTM)*	21.47%

*YTM is calculated as at 31.07.2023 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™

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