

Monthly Report | Jun-2023

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

Fund Manager Comment

For the month of June, the fund generated a return of 5.67% compared to a benchmark return of 4.91%. Market interest rates on treasury bills continued to drop during the month however, rates on treasury bonds witnessed higher volatility for the majority of the month due to the uncertainty over a possible domestic debt restructure and speculation of its announcement towards the end of June. Inflation (Rebased CCPI index) fell further to 12% as at June 2023 mainly owing to the steep reduction in food inflation which showed single digit levels. Treasury bill rates dropped to lower levels as the 3,6 and 12 month bills ended at 23.00%, 19.49% and 16.99% respectively at the last auction for the month, the lowest yields have been since June 2022. Yields on long-term treasury bonds in the secondary market continued to edge higher, as investor uncertainty and skepticism drove yields to remain volatile ahead of the government's announcement on the debt restructure program. The Government announced its Domestic Debt Optimization (DDO) plan during end June, a plan which is considered positive as most private institutional and individual bond holders were excluded from the proposed DDO programme. Foreign investors however continued to be bullish on local government securities as the foreign holdings on domestic government securities increased from Rs. 167.3 Bn to Rs. 188.9Bn.

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.

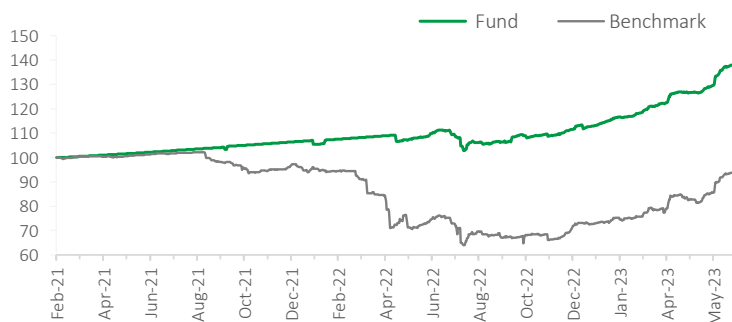
Key Facts

Fund Type	Open-ended Income Fund
NAV per unit (LKR)	13.7064
Fund AuM (LKR Millions)	1,005.25
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 30/06/2023

Growth of LKR 100 invested on 10/02/2021



Performance Summary

	Fund	Benchmark
Last Month	5.67%	4.91%
3 Month	11.91%	13.64%
6 Month	21.08%	23.02%
YTD	21.08%	23.02%
1 Year p.a.	25.20%	23.14%
2 Year p.a.	15.58%	-5.93%
3 Year p.a.	N/A	N/A
5 Year p.a.	N/A	N/A
Since Inception p.a.	14.14%	-4.41%

Only periods greater than 12 months are 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%	21.08%
Benchmark	-5.2%	-22.99%	23.02%

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.

Monthly Report | Jun-2023

Maturity Profile	% of AUM	Credit Profile	Fitch	LRA	Total
<3M	14.6%	G. Sec RF*	-	-	91.3%
3M-12M	28.6%	AAA	-	-	-
1Y -2Y	4.4%	AA+	-	-	-
2Y-3Y	19.5%	AA	-	-	-
>3Y	32.9%	AA-	-	-	0.0%
	100.0%	A+	-	-	-
		A	4.4%	-	4.4%
		A-	-	-	-
		BBB+	4.4%	-	4.4%
		BBB	-	-	-
		<BBB	-	-	-
		*Risk Free	8.7%	0.0%	100.0%

Diversification

Largest exposure to any single institution*	91.3%
No. of institutions invested in	4

*Govt of SL

Asset Allocation

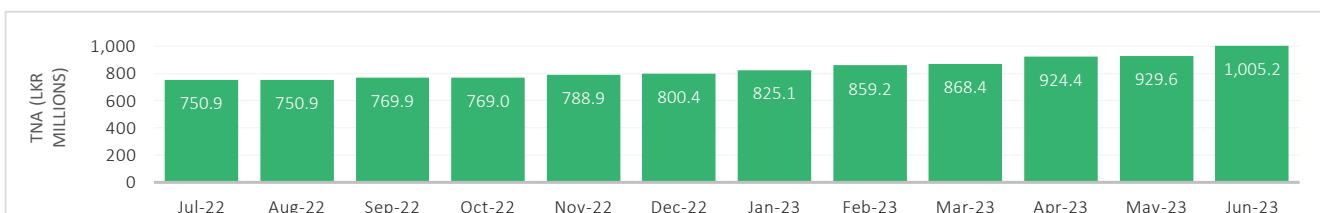
	% of TNA
Treasury Bonds	52.4%
Treasury Bills	29.9%
Repo on Government Securities	9.0%
Debentures	4.4%
Cash & Other Net Assets	4.3%
Fixed Deposits	0.0%
	100.0%

Fund Indicators

	Fund
Duration (Yrs)	2.68
Average Effective Maturity (Months)	28.96
Yield to Maturity (YTM)*	23.66%

*YTM is calculated as at 30.06.2023 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™

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.