

Monthly Report | Jul-2023

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

Fund Manager Comment

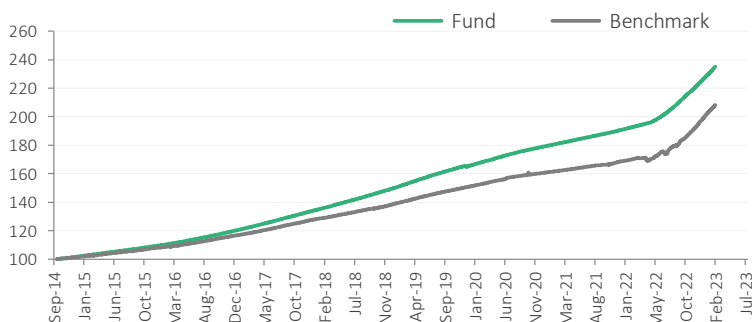
For the month of July, the fund generated an annualized returned of 21.23% compared to the benchmark return of 27.01%. The Domestic Debt Optimization (DDO) was announced at the end of last month with mainly impacting CBSL T-bill holdings and Superannuation Funds. As a consequence, at the beginning of 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

17/09/2014 to 31/07/2023

Growth of LKR 100 invested on 17/09/2014



Risk - Reward Indicator

| | | |
|-----|--------|------|
| Low | Medium | High |
|-----|--------|------|

Money Market Funds are less risky compared to equity funds. Investors should consider the following risks: Market risks, Currency risks, Liquidity risks, Operational risks and Political and Legal risks.

Monthly Performance

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|
| 2023 | 2.1% | 1.9% | 2.1% | 2.0% | 2.0% | 2.0% | 1.8% | | | | | | 14.64% |
| 2022 | 0.6% | 0.6% | 0.6% | 0.6% | 1.2% | 1.5% | 1.7% | 1.9% | 2.0% | 2.0% | 2.0% | 2.1% | 18.06% |
| 2021 | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.6% | 0.6% | 6.59% |
| 2020 | 0.8% | 0.8% | 0.7% | 0.9% | 0.8% | 0.8% | 0.7% | 0.6% | 0.6% | 0.6% | 0.5% | 0.5% | 8.50% |
| 2019 | 1.0% | 1.0% | 1.0% | 1.0% | 0.9% | 0.9% | 0.9% | 0.8% | 0.8% | 0.9% | 0.7% | 0.3% | 10.83% |

Past performance is not a guarantee, nor an indication of current or future performance. This performance data is calculated net of all fees and commissions. All performance data shown in the table are not annualized.

Investment Objective

The objectives of the Fund are to provide investors with short term returns as well as liquidity by investing in a portfolio of diversified fixed income securities with a maturity of less than 397 days.

Key Facts

| | |
|-------------------------|----------------------------------|
| Fund Type | Open-ended Money Market Fund |
| NAV per unit (LKR) | 21.5950 |
| Fund AuM (LKR Millions) | 4,256 |
| Inception | 17-Sep-14 |
| Fund Domicile | Sri Lanka |
| ISIN | LKSMFMU00008 |
| Fund Currency | LKR |
| Benchmark | NDBIB CRISIL 91 day T-Bill Index |

Performance Summary

| | Fund | Benchmark |
|----------------------|--------|-----------|
| Last Month | 21.31% | 27.01% |
| 3 Month | 23.32% | 27.31% |
| 6 Month | 24.83% | 29.93% |
| YTD | 25.20% | 31.18% |
| 1 Year p.a. | 26.54% | 31.93% |
| 2 Year p.a. | 17.94% | 18.98% |
| 3 Year p.a. | 14.08% | 14.03% |
| 5 Year p.a. | 12.67% | 11.86% |
| Since Inception p.a. | 11.32% | 10.06% |

All returns shown are annualized

Investment Terms

| | |
|---|------------|
| Issue/redemption | Daily |
| Minimum investment (LKR) | 1,000 |
| Management fee p.a. | 0.25% |
| Trustee fee p.a. | 0.15% |
| Custodian fee p.m.(charged to the Fund) | LKR 20,000 |
| Total Expense Ratio (TER)* | 0.13% |

* as at 31 Dec 2022

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| Maturity Profile | % of AUM | Credit Profile ¹ | Fitch | LRA ² | Total |
|------------------|----------|-----------------------------|-------|------------------|--------|
| <1 M | 26.8% | G-Sec RF ³ | - | - | 90.3% |
| 1-3M | 21.7% | AAA | - | - | - |
| 3-6M | 38.4% | AA+ | - | - | - |
| 6-9M | 8.0% | AA | - | - | - |
| 9-12M | 5.1% | AA- | - | - | - |
| | 100.0% | A+ | - | - | - |
| | | A | 7.4% | - | 7.4% |
| | | A- | 2.4% | - | 2.4% |
| | | BBB+ | - | - | - |
| | | BBB | - | - | - |
| | | | 9.7% | - | 100.0% |

Diversification

| | |
|---|-------|
| Largest exposure to any single institution* | 76.1% |
| No. of institutions invested in | 4 |

* T Bills and bonds issued by GOSL as a percentage of Net Asset Value

¹ Credit profile as % of AUM

² Lanka Rating ³ Risk free

Asset Allocation

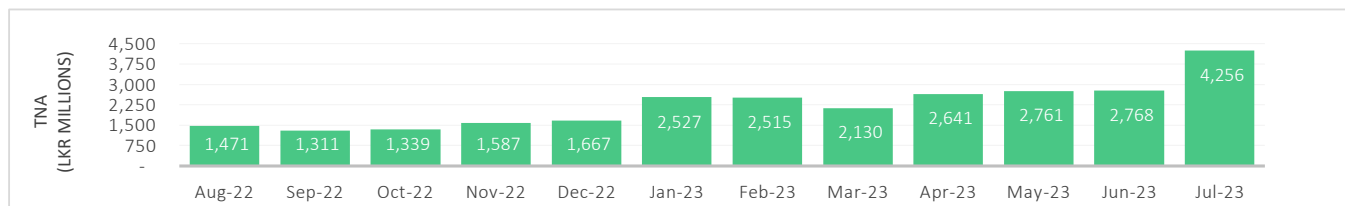
| Asset Allocation | % of TNA |
|-------------------------------|----------|
| Treasury Bills | 74.9% |
| Repo on Government Securities | 14.2% |
| Cash & Other Net Assets | 7.3% |
| Fixed Deposit | 2.4% |
| Treasury Bonds | 1.2% |
| | 100.0% |

Fund Indicators

| Fund Indicators | Fund |
|-----------------------------|--------|
| Duration (Yrs) | 0.30 |
| Effective Maturity (Months) | 3.71 |
| Yield to Maturity (YTM)* | 19.12% |

*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™

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

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