

Senfin Shariah Income Fund

GIPS® Compliant Report for the period from November 2, 2014 to December 31, 2023

Pooled Fund Inception Date : November 2, 2014

Calendar Year Returns (%)

Year	Fund Net Return	SSIF AUM (LKR Mn)	SFAM AUM (LKR Mn)	% of Firm Assets
2014*	0.70%	103	700	14.8%
2015	4.54%	87	2,311	3.8%
2016	4.99%	55	2,635	2.1%
2017	8.44%	60	1,789	3.3%
2018	7.29%	43	1,394	3.1%
2019	6.71%	45	691	6.5%
2020	4.43%	47	2,170	2.1%
2021	3.38%	48	4,689	1.0%
2022	9.85%	53	4,982	1.1%
2023	15.71%	130	8,762	1.5%

*The returns are calculated from November 2, 2014 to December 31, 2014 and are not annualized.

Past performance is no guarantee of future results.

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. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Definition of the Firm

Senfin Asset Management (Pvt) Ltd (SFAM) is a company incorporated in Sri Lanka and licensed by the Securities & Exchange Commission of Sri Lanka (SEC) to manage unit trust funds and discretionary portfolios. SFAM is a wholly-owned subsidiary of Senkadagala Finance PLC, a company licensed by the Central Bank of Sri Lanka. SFAM manages equity, fixed income in the conventional and Shariah space while operates in Sri Lanka and invests in Sri Lankan markets. Total firm assets can be decomposed into four composites namely Senfin Equity Composite, Senfin Fixed Income Composite, Senfin Balanced Composite and Senfin Shariah Equity Composite and seven broadly distributed

Objective of the Fund

The objective of Senfin Shariah Income Fund is to achieve a regular stream of income by investing in a well diversified portfolio of Shariah compliant income generating securities. The Fund will invest the Fund assets in a portfolio of well diversified, low-risk, bank and non-bank Shariah compliant, income securities. Given that the Fund will primarily invest in investment grade Shariah compliant income instruments issued by banks and non-bank entities, the risk profile of the fund is low.

Benchmark

No benchmark for Senfin Shariah Income Fund. There is no proper index for Shariah income products in Sri Lanka due to non availability of a well developed market for Shariah investments in country.

Currency

The currency used to calculate all the returns is Sri Lanka Rupees (LKR).

Net returns

The pooled return presented is actual net-of-fees. In line with practice in the unit trust management industry, the presented net return figure is arrived at after deducting all fund expenses, including audit and custody fees, income taxes, management and registrar fees, trustee fees and withholding taxes. The fund does not charge performance based fees from its clients.

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Fee schedule

The standard fee schedule of Senfin Shariah Income Pooled Fund is as follows: Management fee p.a. 0.60% of NAV, Trustee Fee 0.15% p.a., Custodian Fee LKR 20,000 per month.

Expense ratio

The total expense ratio as of 31st December 2023 for Senfin Shariah Income Fund was 2.25%.

Availability of information

Senfin Asset Management (Pvt) Ltd's policies for valuing investments, calculating performance, preparing GIPS Reports and the list of broad distribution pooled fund descriptions are available upon request.

Primary Risk Profile of the Fund

Given the underlying investment mix of Shariah compliant corporate securities with tenors up to 12 months, the risk profile of the Fund is low. However, some of the risks that investors coming into this Fund should consider are provided below.

Interest Rate Risk : The value of interest bearing assets may fluctuate as a result of changes in interest rates.

Credit Risk : The companies in which the Fund may invest may have their credit rating downgraded, fail financially or be unwilling or unable to make timely payments of interest or principal, thereby reducing the value of the Fund's portfolio and its income.

Liquidity and Valuation Risk : Certain of the Fund's investments may be exposed to liquidity risk due to low trading volume, lack of a market maker, or legal restrictions limiting the ability of the Fund to sell particular securities at an advantageous price and/or time.

Currency Risks : Fluctuation in exchange rates may affect investors who have to convert fund returns from LKR to other currencies.

Legal, Tax and Regulatory Risk – Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund, its investee companies or investors. The tax laws in Sri Lanka may change, possibly with retroactive effect. Investors should review carefully the Key Investor Information Document (KIID) and consult with their tax advisers regarding the specific tax and other consequences of investing in the Fund.

Managed Portfolio Risk – The Manager's view on interest rates, the choice of investment strategies or choice of specific securities may be unsuccessful, thereby causing the Fund to not perform at optimal level or to lose money.

Large Investor risk : Securities of unit trusts may be purchased and sold by "large" investors, such as institutions, funds of funds and investment portfolios. If a large investor redeems a portion or all of its investment from the Fund, some investments may have to be prematurely uplifted with penalty or require to be sold in the secondary market at prevailing rates, thus reducing the fund's potential return. Conversely, if a large investor was to increase its investment in a fund, the fund may have to hold a relatively large position in cash for a period of time while the portfolio advisor attempts to find suitable investments. This could also negatively impact the performance of the fund and hence impact the return for other investors in the fund.

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