



namal

NATIONAL ASSET MANAGEMENT LTD

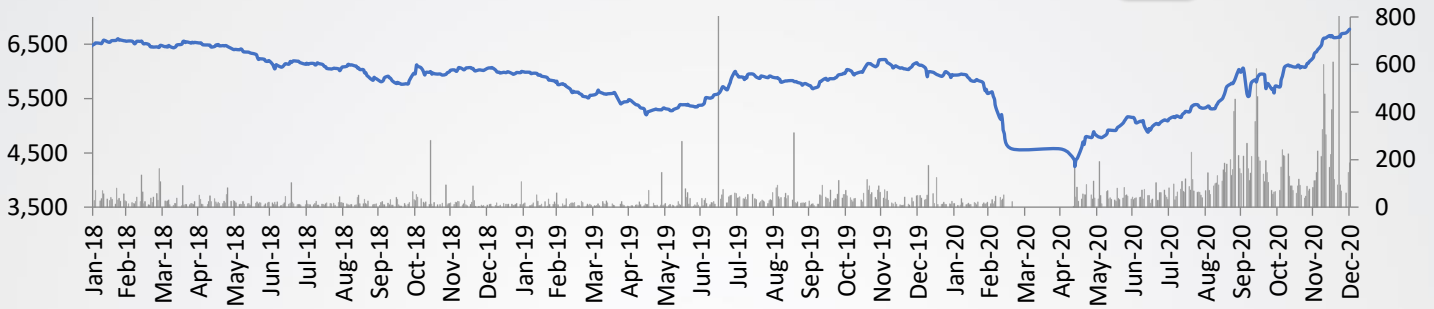
MARKET UPDATE AND FUND REVIEW

MONTHLY HIGHLIGHTS – DECEMBER

EQUITY MARKET



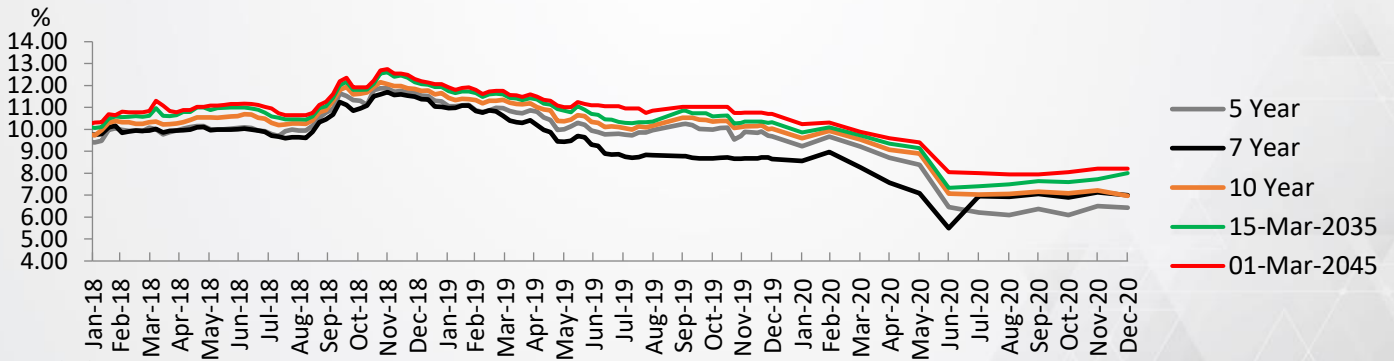
8.50% MoM



Source: CSE

Volume ASPI

GOVERNMENT BOND YIELDS (MOM)



Source: CBSL

(5 Year ↓ 8 bps)

(7 Year ↓ 14 bps)

(10 Year ↓ 26 bps)

(2035 ↑ 27 bps)

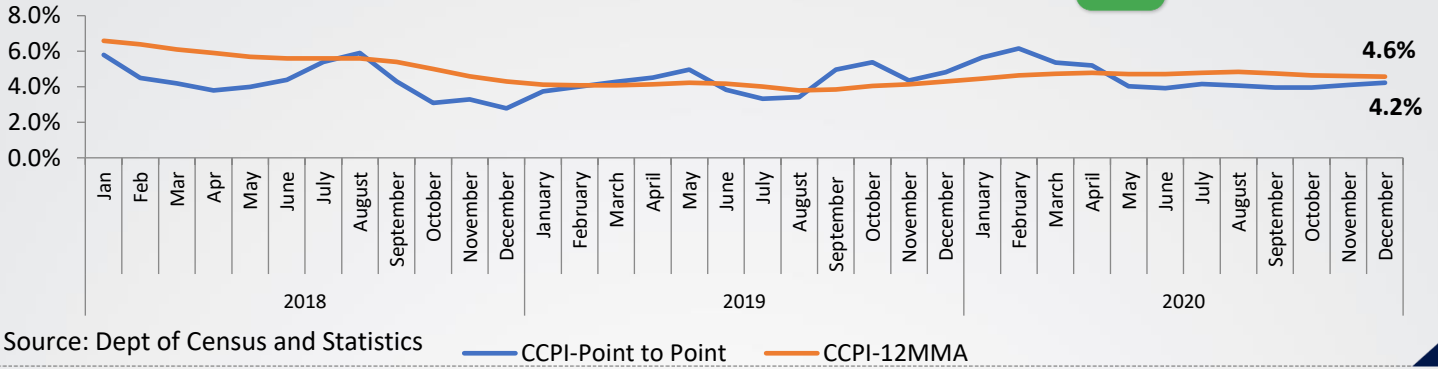
(2045 - 0 bps)

MONTHLY HIGHLIGHTS - DECEMBER

INFLATION



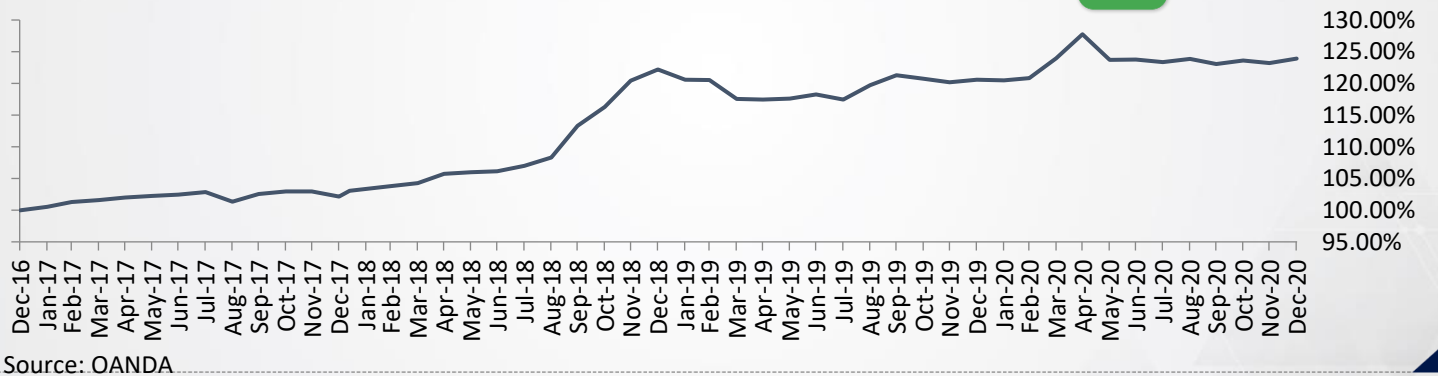
0.1% MoM



CURRENCY (LKR/USD)



0.59% MoM



EQUITY MARKET UPDATE

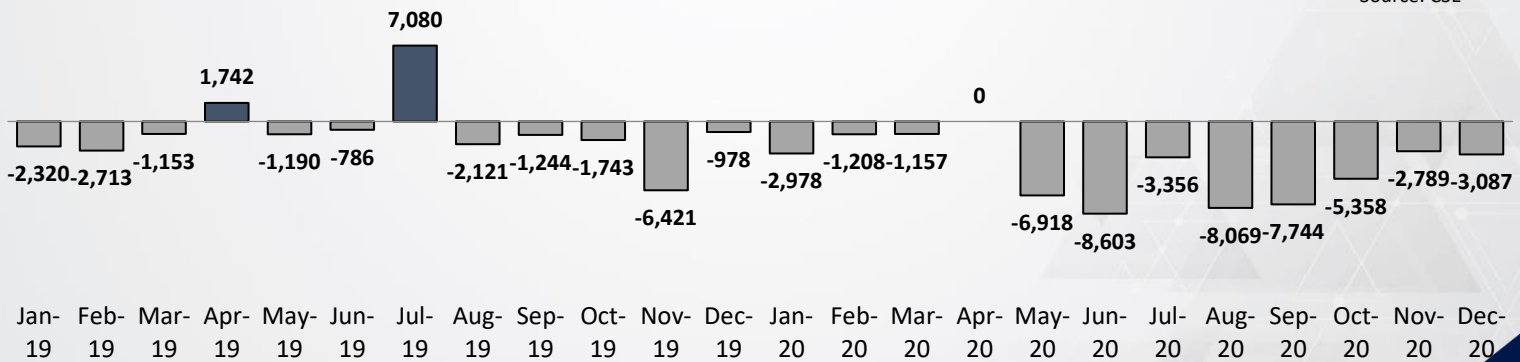
The market continued its growth momentum to end December on a strong note. The ASPI gained 530.46 points (+8.50%) and the liquid S&PSL20 gained 184.23 points (+7.5%) on a MoM basis to close at 6,774.2 and 2,638.10 points, respectively. For 2020, the ASPI was up by 10.52% which highlights a strong revival following the coronavirus outbreak and the panic selling in March. The recovery was supported by the low interest rate environment as well as the strong domestic participation amid continued foreign sell-off. Foreigners continued to exit the market with net foreign outflow amounting to LKR 3.1bn for the month. The total turnover for the month was LKR 67.6 bn.

ASPI MONTHLY PERFORMANCE

Dec 2020	Dec 2019	YTD Return	Avg Daily Volume YTD	Avg Daily Volume Dec	Avg Daily Turnover YTD (Rs)	Avg Daily Turnover Dec (Rs)
6,774.2	6,129.2	10.52%	101.7 Mn	268.7 Mn	1.9 Bn	3.2 Bn

NET MONTHLY FOREIGN INFLOWS AND OUTFLOWS (LKR MN)

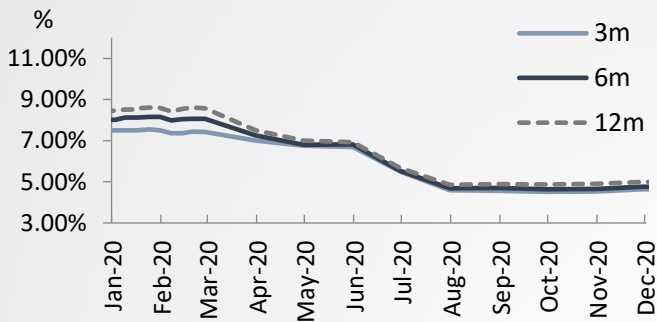
Source: CSE



FIXED INCOME UPDATE

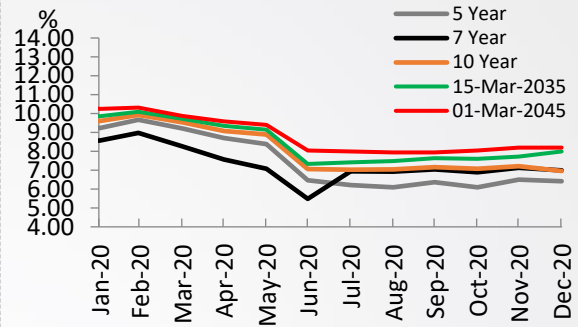
1-year T-bill rate decreased and stood at 4.98% at primary market auctions held on the week ending 29th December 2020. Call and Repo rates stood at a weighted average rate of 4.55% and 4.57% as at 31st December 2020.

GRAPH SHOWING T BILL YIELDS OVER LAST 12 MONTHS



Source: CBSL

GRAPH SHOWING T BOND YIELD OVER LAST 12 MONTHS



Source: CBSL

AWPR 5.74%

The loose monetary policy stance over the past few months led AWPR to decline (down by 426 bps YTD) in order to boost private credit.

AWFDR 7.14%

AWFDR continued to decline. AWFDR is down by 291 bps YTD.

ECONOMIC UPDATE

- Sri Lanka's official reserves position for November ended at USD 5.56 bn, down 5.18% MoM (-26.14% YoY).
- The fiscal deficit for 9M CY20 amounted to LKR 1,153.7
- Meanwhile, private sector credit growth increased in November by 0.68%
- Inflation measured by the Colombo Consumer Price Index (CCPI) for December increased to 4.2%.

Summary List of Indicators;

• Trade deficit (Oct)	USD 514 Mn
• Export earnings (Oct YoY)	Down 13.2%
• Import expenditure (Oct YoY)	Down 24.9%
• Worker remittances (Oct YoY)	Up 3.9%
• Tourism earnings (Oct YoY)	Down 100%
• Foreign holdings in GSECs (Dec)	0.092%
• Official reserves (Oct)	USD 5,555 Mn (4.2x months of import cover)

FUND FACT SHEET:

NATIONAL EQUITY FUND(NEF)

FUND DESCRIPTION

National Equity Fund is aimed at achieving long term capital appreciation and provides investors with current income through prudent investment in a portfolio of listed equities in different industry sectors of up to 80%, with the remaining fund assets invested in low to moderate risk interest bearing instruments.

FUND STATS		FUND FEES	
Structure	Open ended fund	Front End Fee	5.00%
Type	Balanced fund	Management Fee	1.50%
Inception Date	16 th December 1991	Exit Fee	Nil
Bloomberg code	NAMNEQF:SL	Registrar Fee	0.25%
Fund Size (LKR)	1,977.7 Mn	Trustee Fee	0.20%
Minimum investment	Rs. 1,000		

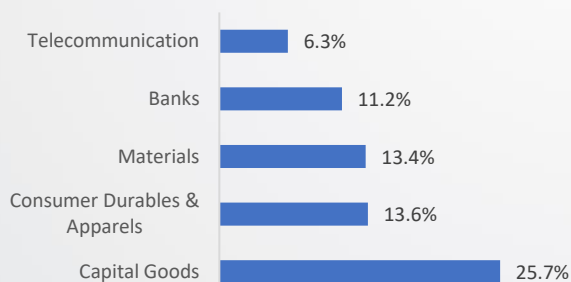
Fund Performance – December

	YTD (%)*	12M(%)*	24M(%)*	60M(%)*
ASPI	10.52	10.52	11.93	-1.74
NDBIB-CRISIL 3-Month T-Bill Index	6.65	6.65	16.40	48.97
Benchmark**	9.75	9.75	12.82	8.40
NEF	14.96	14.96	19.38	2.20

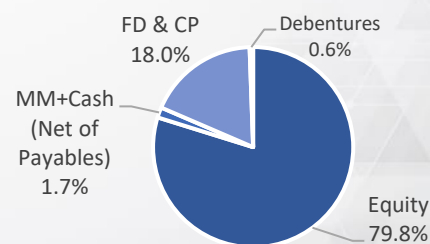
* Non-annualized return

** Benchmark consists of 80% ASPI and 20% NDBIB-CRISIL 3 Month T-Bill Index

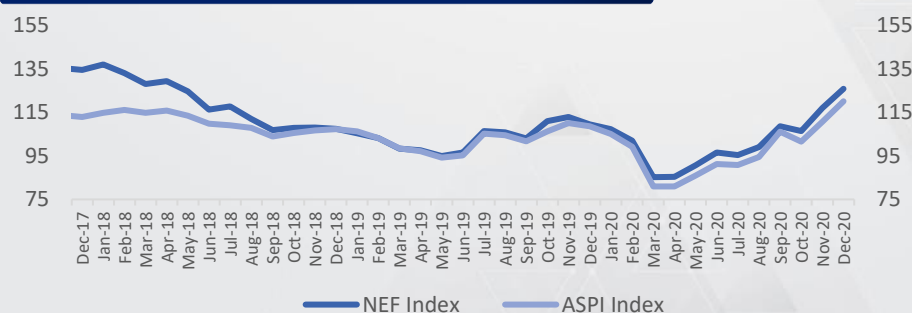
SECTOR WEIGHTINGS (TOP 5)



ASSET ALLOCATION



NAV PER UNIT VS ASPI



FUND FACT SHEET:

NAMAL GROWTH FUND (NGF)

FUND DESCRIPTION

NAMAL Growth Fund is aimed at achieving medium to long term capital appreciation through a prudent combination of equity securities. The portfolio is composed of a diversified collection of listed equities in different industry sectors of up to 90%, with remaining fund assets invested in low risk interest bearing instruments to sustain a degree of liquidity.

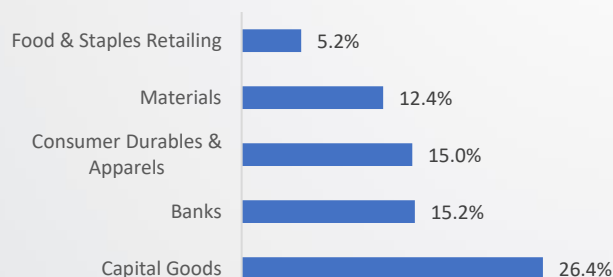
FUND STATS		FUND FEES	
Structure	Open ended fund	Front End Fee	5.00%
Type	Growth fund	Management Fee	1.50%
Inception Date	20 th August 1997	Exit Fee	Nil
Bloomberg code	NAMNGRF: SL	Registrar Fee	0.25%
Fund Size (LKR)	505.3 Mn	Trustee Fee	0.25%
Minimum investment	Rs. 1,000		

Fund Performance – December

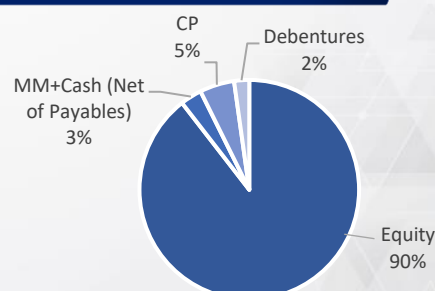
	YTD (%)*	12M(%)*	24M(%)*	60M(%)*
ASPI	10.52	10.52	11.93	-1.74
NGF	10.19	10.19	12.30	-0.73

* Non-annualized return

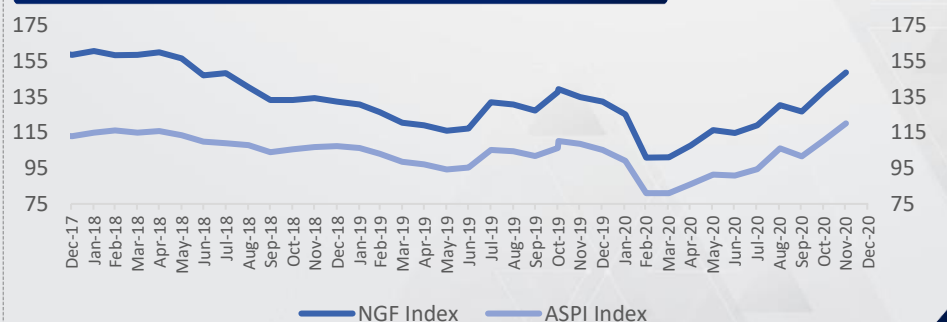
SECTOR WEIGHTINGS (TOP 5)



ASSET ALLOCATION



NAV PER UNIT VS ASPI



FUND FACT SHEET:

NAMAL BANK FUND (NBF)

FUND DESCRIPTION

NAMAL Bank Fund aims to achieve long-term capital appreciation by investing in a portfolio of listed bank stocks. The fund can largely invest in listed shares in licensed commercial and specialized banks, and then invest in treasury bills and bonds, other securities issued by the GoSL, repurchase agreements and deposits in licensed commercial and specialized banks to maintain a fixed-income exposure.

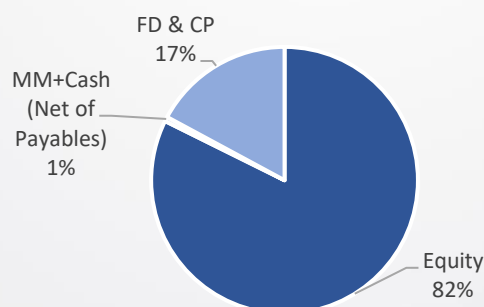
FUND STATS		FUND FEES	
Structure	Open ended fund	Front End Fee	1.00%
Type	Equity Fund	Management Fee	1.00%
Inception Date	15 th October 2019	Exit Fee	1.00% for redemptions within one year
Fund Size (LKR)	51.8 Mn	Custody Fee	LKR 20,000 per month
Minimum Investment	Rs. 1,000	Trustee Fee	0.25%

Fund Performance – December

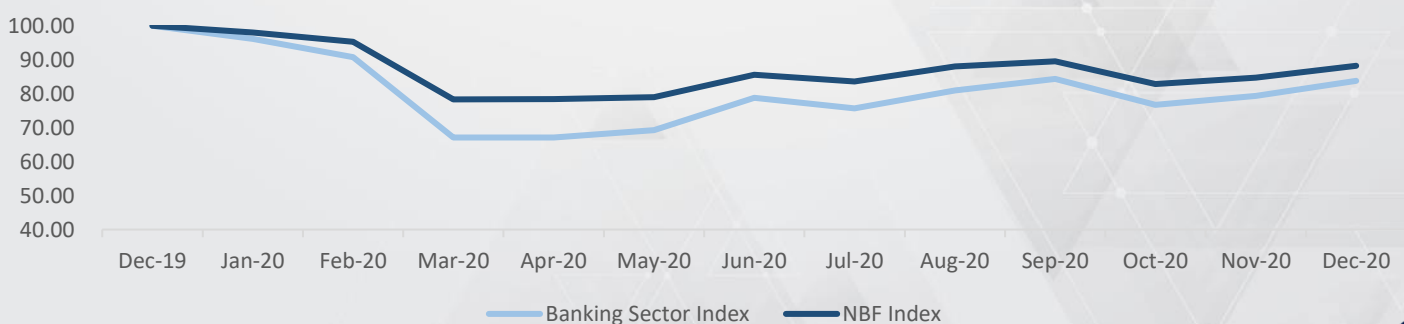
	YTD (%)*	6M (%)*	3M (%)*
BNK INDEX	-16.19	6.43	-0.63
NBF	-11.79	3.07	-1.51

* Non-Annualized Return

ASSET ALLOCATION



NBF INDEX VS BNK INDEX



*Disclaimer:

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FUND FACT SHEET:

NAMAL High Yield – December 2020

FUND DESCRIPTION

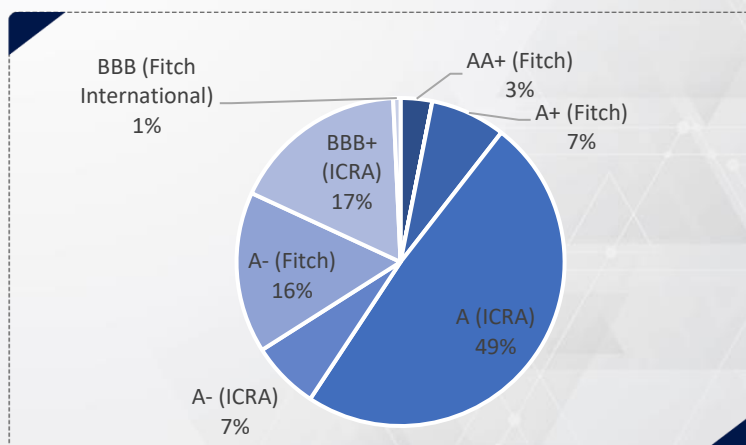
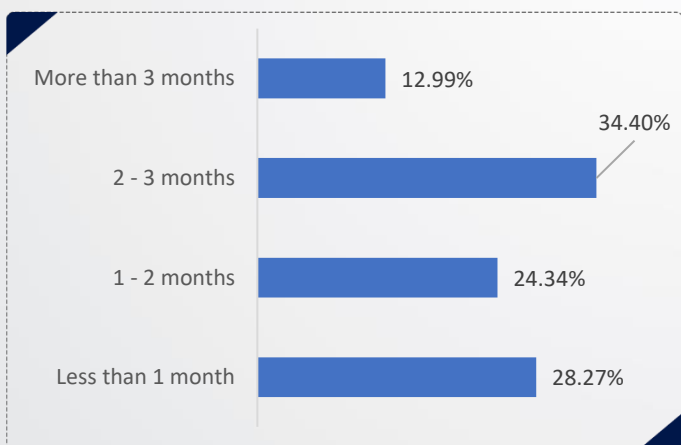
NAMAL High Yield Fund invests in investment grade commercial papers and short-term financial instruments to obtain higher yield. The portfolio is diversified across asset classes, issuers and maturity profiles.

FUND FACTS		FUND FEES	
Structure	Open ended fund	Front End Fee	NONE
Type	Money Market	Management Fee	0.50%
Inception Date	20th January 2012	Exit Fee	Nil
Bloomberg code	NAMHIYI:SL	Trustee Fee	0.15%
Fund Size (LKR)	4,560.6 Mn		

FUND MANAGER
National Asset Management Ltd (NAMAL)

FUND YIELD
Current Rate: 5.94%**
*Annualized Monthly Return as at 31st December 2020
*Current rate is variable and subject to change.

MATURITY PROFILE/ CREDIT QUALITY





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NATIONAL ASSET MANAGEMENT LTD

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