

# Softlogic Money Market Fund

May 2021

Factsheet



Hi there Investaa!

This right here is our May 2021 factsheet and to put it simply this will explain to you how the respective Unit Trust Funds are performing and where it is that we have invested your money in. As you know we have 2 funds, namely, the Softlogic Money Market Fund and the Softlogic Equity Fund.

For a status update on the Softlogic Money Market Fund...just keep reading!

Inception Date	2020-07-08
Total Value of the Fund (LKR Mn)	2,164.59
Minimum Investment (LKR)	5,000.00
Fund Management Company	Softlogic Asset Management (Pvt) Ltd
External Fund Rating	"A" Rated (SL) Mutual Fund Scheme by ICRA
Portfolio Manager	Daham Hettiarachchi, CFA

## The Fund Manager Corner

During May, the overnight liquidity in the system remained well above the LKR100Bn, and as we expected CBSL maintained its policy stance and extended its loose monetary policy. The government imposed strict travel restrictions towards the latter part of the month due to the third wave of COVID-19. Under these circumstances, there is a higher probability for CBSL to extend the current policy stance for a much longer period.

The private sector credit was growing at 8.2% (Year on year) during April 2021. However, we expect private sector credit growth to taper off in the following months due to the severity of the pandemic and the travel restrictions. These events can lead to higher government expenditure and lower tax collection, which could lead to a higher budget deficit.

During 2020, Sri Lanka had a double-digit budget deficit as a percentage of GDP (according to CBSL 2020 annual report) and with the current developments, we can only expect further deterioration in that metric. So, this could lead to higher funding requirements by the public sector and can result in upward pressure on interest rates. In the short term, the rate structure will not have a major implication due to low economic activities and mid-single-digit inflation numbers, but as and when the economic recovery happens it will create pressure on the rates.

Even under challenging times, your money market portfolio yields 7.18% (seven-day annualized yield as of 31<sup>st</sup> May 2021), which is a higher yield than the 12 month bank fixed deposit rate of 5.00%-5.75%.

## Level of risk compared to Equity Fund

LOW

Medium

High

Since Inception SMMF return as at 31<sup>st</sup> May 2021<sup>1</sup>

7.82%

7 day annualized SMMF return as at 31<sup>st</sup> May 2021

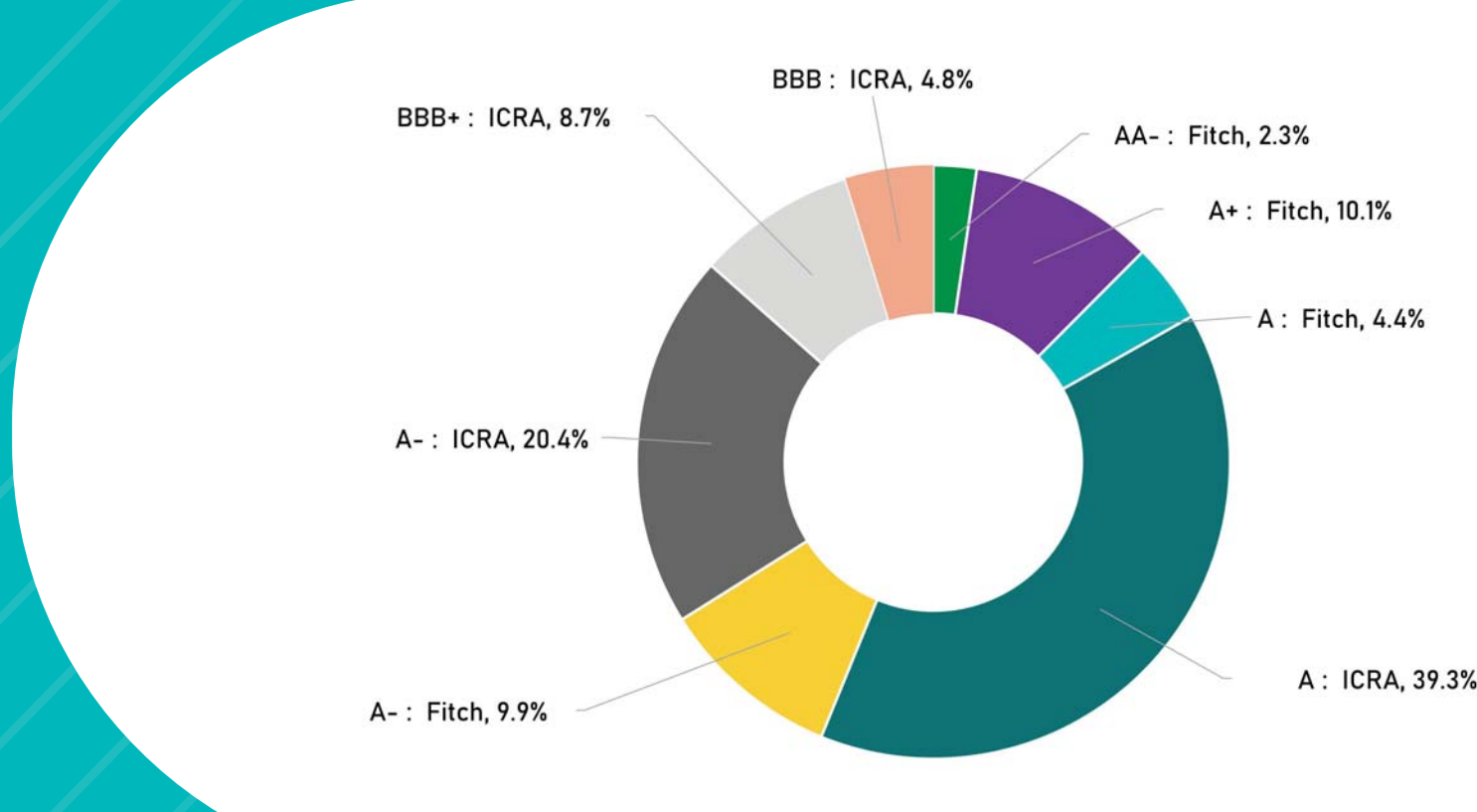
7.18%

7 day annualized NDB CRISIL 91-day return as at 31<sup>st</sup> May 2021

4.80%

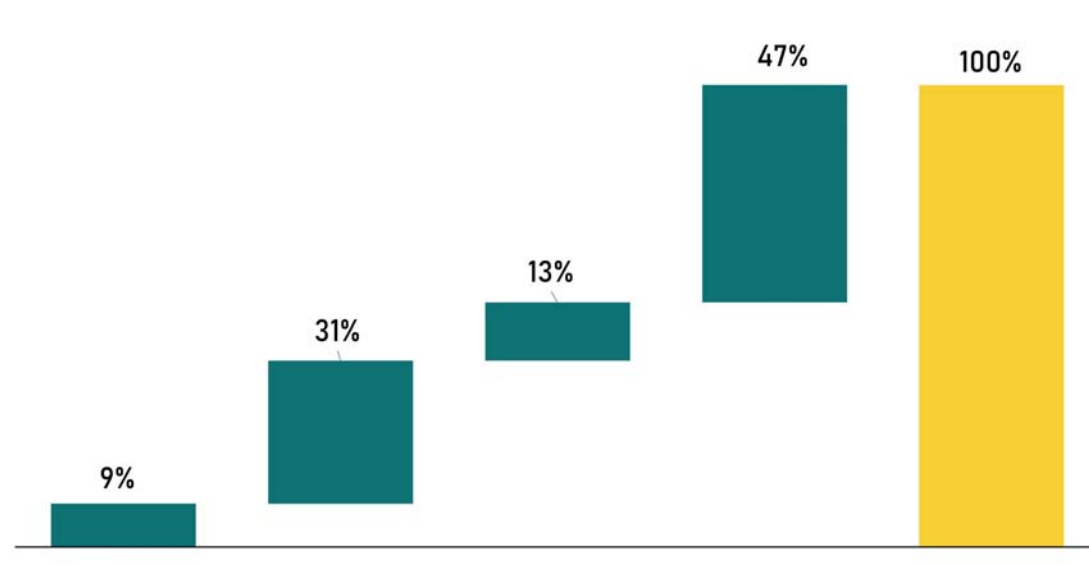
## What's a Rating Profile?

The rating profile will give you an overall picture of the portfolio's level of risk

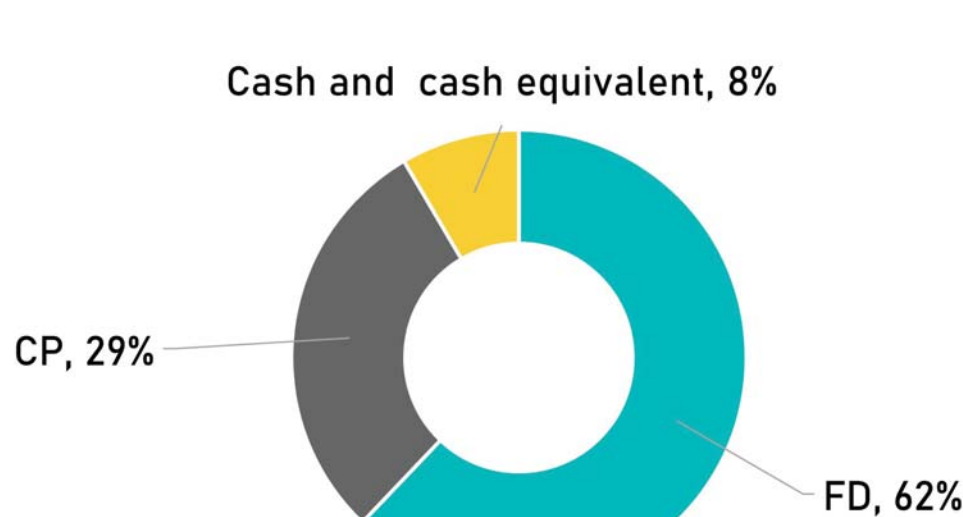


## Here's a quick run through of our Maturity Profile

Maturity basically means the average maturity period of the different assets we have invested in. As a strategy, we hold a higher portion of our investments in assets with relatively longer durations due to the present interest rate environment



## Types of instruments this fund invests in



## Contact us

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Softlogic Money Market Fund managed by Softlogic Asset Management Pvt Ltd

Current rate is variable and subject to change. Past performance is not indicative of future performance. Investors are advised to read and understand the contents of the Explanatory Memorandum before investing. Among others investors should consider the fees and charges involved.

\*Before you invest in any fund, consider how the fund would work with your other investments and your risk tolerance.

Notes

1. Since inception from 08/07/2020.