

Softlogic Equity Fund

July 2021 Factsheet



Hi there Investaa!

This right here is our July 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 Equity Fund...just keep reading!

Inception Date	2020-07-08
Total Value of the Fund (LKR Mn)	118.40
Minimum Investment (LKR)	5,000.00
Fund Management Company	Softlogic Asset Management (Pvt) Ltd
Portfolio Manager	Daham Hettiarachchi, CFA

As you all know the Softlogic Equity Fund invests in shares listed on the Colombo Stock Exchange. Our objective is therefore to ensure we achieve capital growth by investing in companies that show promising value characteristics that could bring returns over a longer time period.

The Fund Manager Corner

During July 2021, both the ASPI & S&P SL 20 gained 3.61% & 3.16% respectively. The top contributors to the ASPI gain were LOLC Holdings PLC, Expolanka PLC, and Commercial Leasing PLC, and those three companies contributed 60.9% to the total index gain. The total market PER multiple slightly came down to 10.31x of earnings from the previous month-end multiple of 10.59x (at the end of June 2021). The market seems to have a wait-and-see approach due to covid related and macroeconomic woes.

Foreign investors continued to exit from the market, they sold (net) LKR 8.1Bn worth of shares within the month. However, the local participants remained relatively active, and due to that, the monthly average turnover per day remained above LKR 2.6Bn. This indicates that the local investors are willing to pay a reasonable value when they have the chance.

With the relaxation of mobility restrictions, we have seen a spike in COVID infections and related deaths. At this point, we are uncertain about any possible lockdown due to the fourth wave of COVID. However, according to the nature of the pandemic, we expect continuous disruption to economic activities due to COVID. According to the experts, this will be normalized only when the country reaches ~60% complete vaccination. In our opinion, Sri Lanka is working towards that target due to the recently expanded vaccination program.

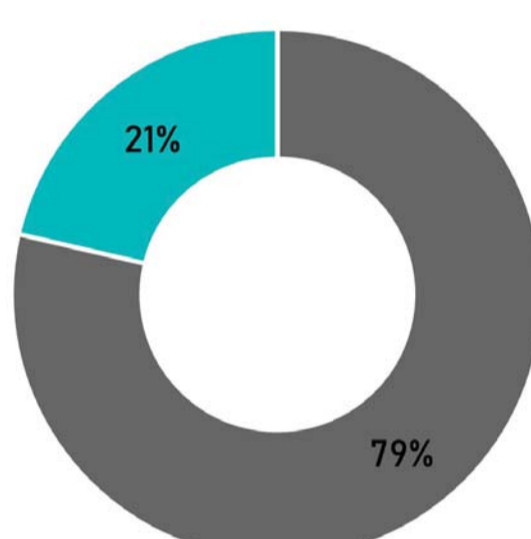
Under the above circumstances, we still believe equity as a whole remains an attractive asset class due to the prevailing low interest rates. Further, if there's a new lockdown in the country, CBSL will be compelled to extend the low policy rate regime, which would be favorable for the equities.

Level of risk compared to Money Market Fund



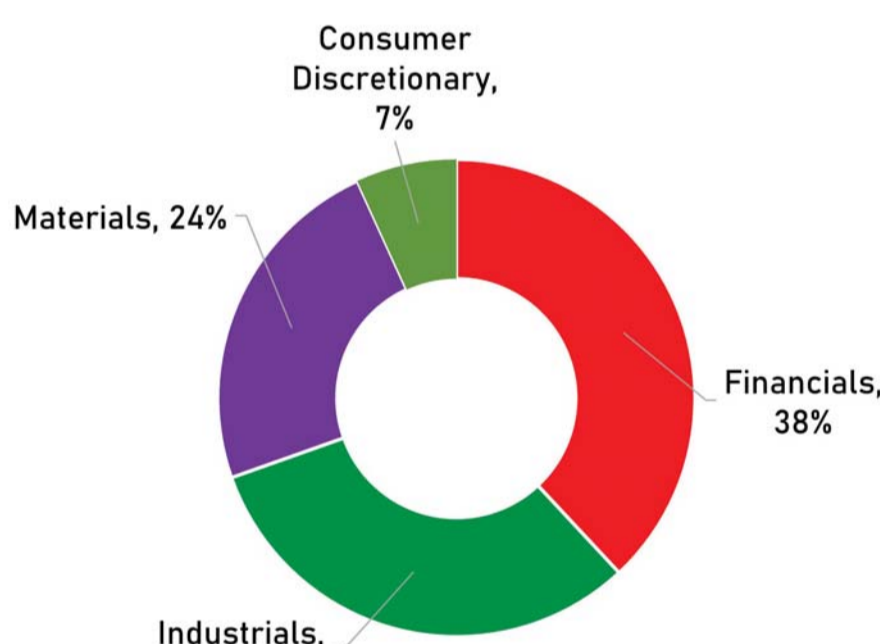
A sector wise allocation of funds

Asset Allocation



■ Equity Allocation ■ Cash & Cash equivalent

Equity Allocation



The top 5 companies your funds are invested in

ROYAL CERAMICS LANKA PLC	11%
TOKYO CEMENT PLC	9%
DIPPED PRODUCTS PLC	9%
HATTON NATIONAL BANK PLC	9%
SAMPATH BANK PLC	8%

The Fund Return Rate

	July 2021	Year to date 2021	SINCE INCEPTION ¹
ASPI	3.61%	19.87%	60.18%
S&P SL 20	3.16%	16.07%	39.46%
SOFTLOGIC EQUITY FUND	2.36%	15.17%	26.01%

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Softlogic Equity 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