

Softlogic Equity Fund

August 2021 Factsheet



Hi there Investaa!

This right here is our August 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)	130.40
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

August 2021 was a superb month for equities, both the ASPI & S&P SL 20 gained 10.80% & 9.88% respectively. The top five contributors to the ASPI gain were Expolanka PLC, Commercial Leasing PLC, LOLC Holdings PLC, Browns Investment PLC, and Hayleys PLC. These five companies contributed 111% to the total index gain, in other words at net basis cumulative of all the other counters were contributing negatively to the index. The total market PER multiple gained from 10.49x to 11.29X during the month resulting in a multiple expansion of 7.63%. We believe the retail-driven market activities lead to this type of expansion.

Foreign investors continued to exit from the market, they sold (net) about LKR 3.3Bn worth of shares during the month and YTD 2021 basis they were net sellers of LKR 37.9Bn. However, the local participants remained relatively active, and due to that, the monthly average turnover per day remained above LKR 6.5Bn.

Since August, the country has been going through another round of lockdowns. However, this time the equity markets showed much resilience to lockdowns. Though there is an economic impact due to a lack of economic activities, the majority of the population seems to get used to the new normal. With the success of the aggressive vaccination program, the conditions may improve in the future.

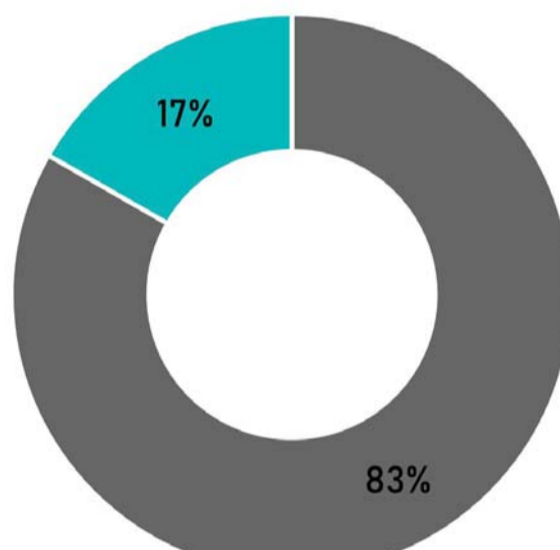
During the month, CBSL signaled a beginning of a monetary tightening cycle by rising its policy rates by 50Bps. We believe the amount of policy rate revision is still not significant enough to create adverse implications to the equity market. However, a series of policy rates hikes within a 3 -9-month period could put pressure on the equity markets. The probability of such action is relatively low given the current economic condition, but we cannot rule out the possibility.

Level of risk compared to Money Market Fund



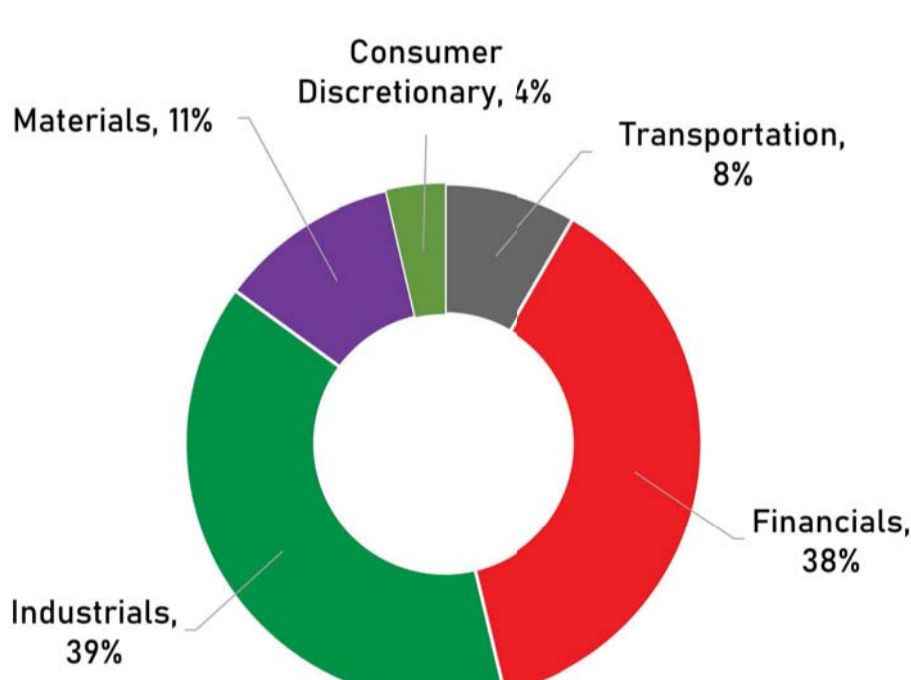
A sector wise allocation of funds

Asset Allocation



■ Equity Allocation ■ Cash & Cash equivalent

Equity Allocation



The top 5 companies your funds are invested in

ROYAL CERAMICS LANKA PLC	10.4%
DIPPED PRODUCTS PLC	9.6%
HATTON NATIONAL BANK PLC	8.7%
LANKA ORIX LEASING COMPANY PLC	8.6%
SAMPATH BANK PLC	7.8%

The Fund Return Rate

	August 2021	Year to date 2021	SINCE INCEPTION ¹
ASPI	10.80%	32.82%	77.48%
S&P SL 20	9.88%	27.54%	53.24%
SOFTLOGIC EQUITY FUND	8.91%	25.42%	37.23%

Contact us

+94112 104 304

www.softlogicinvest.lk

info@softlogicinvest.lk

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