

Softlogic Money Market 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 Money Market Fund...just keep reading!

Inception Date	2020-07-08
Total Value of the Fund (LKR Mn)	2,877.82
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 the month, CBSL increased its policy rates by 50Bps and raised the SRR to 4% from 2%. With the SRR hike, the liquidity in the system turned negative during the first few days of September 2021, as the licensed commercial banks had to shift their liquid funds to satisfy the statutory reserve requirement. The CBSL policy rate action came into effect amidst the rising private sector credit growth, which was hovering around 14.3% at the end of July 2021, and higher inflation expectations for FY 2022. Though the policy rate action from CBSL came earlier than we expected, CBSL signaled its intention of the monetary tightening cycle even during a fresh round of lock-downs.

The inflationary pressures within the economy are rising mainly due to food inflation. Supply-side pressures are expected mainly due to crop declines resulting from the fertilizer ban. Further, rising crude oil prices and currency depreciation adds pressure to inflation. As a result the overall inflation in the economy can go beyond the CBSL target upper band of 6% towards the latter part of the year.

The short-term FD rates are yet to reflect the impact of the policy rate hike and most of the Non-Bank Finance Companies (NBFI) have surplus cash with them and the majority of them tend to offer lower rates than the CBSL ceiling rates. Further, most of the CP issuers maintained their rates irrespective of the policy rate hike. However, the overnight repo rates marginally went up just after the policy rate hike.

Your money market fund has invested 85.89% in the "A" category investments, to maintain an optimum risk-adjusted return. In addition to that the fund is maintaining its external rating ICRA (SL) A mfs ("A" rated mutual fund scheme in SL).

Level of risk compared to Equity Fund

LOW

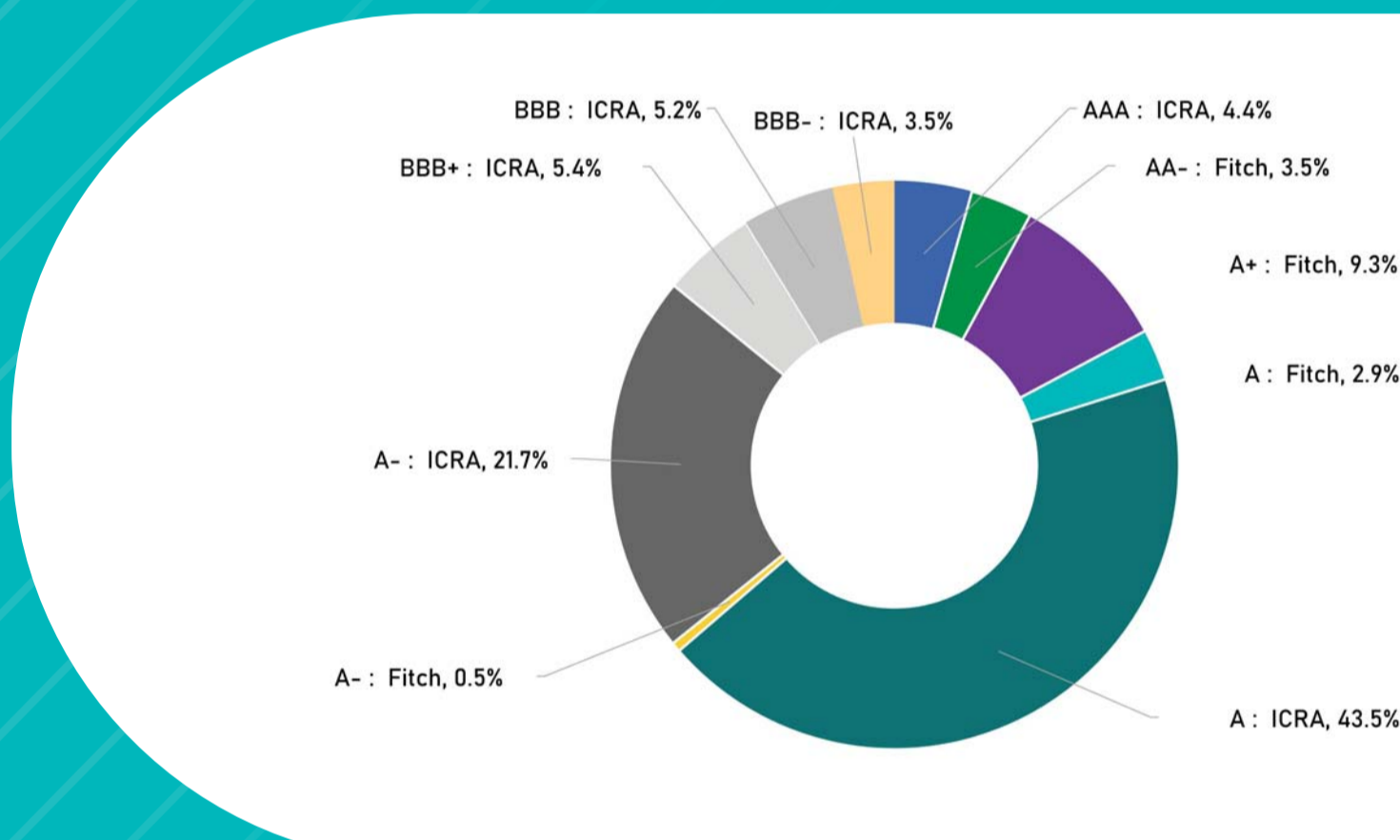
Medium

HIGH

Since Inception SMMF return as at 31 st August 2021 ¹	7.58%
Current annualized SMMF return as at 31 st August 2021	6.80%
Current annualized NDB CRISIL 91-day return as at 31 st August 2021	4.16%

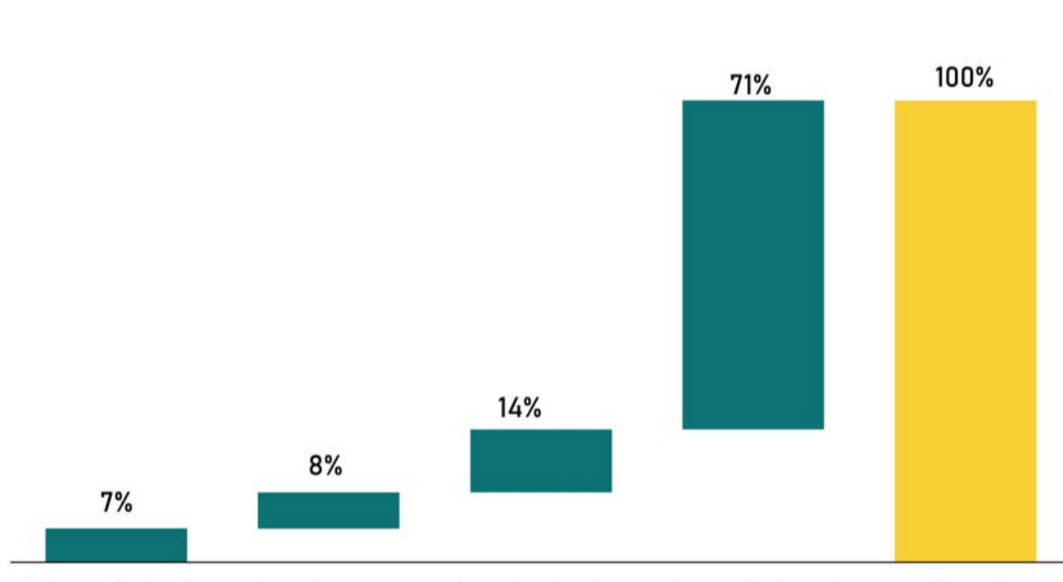
What's a Rating Profile?

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

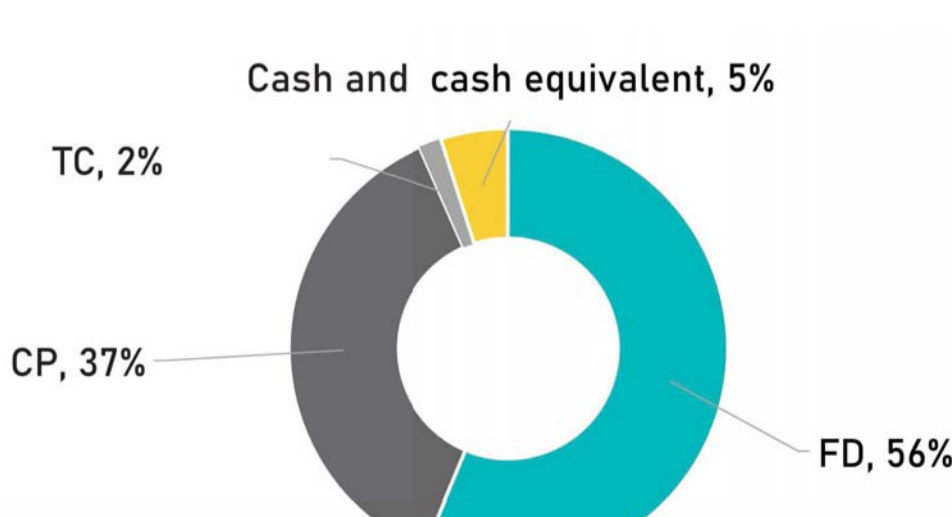


Here's a quick run through of our Maturity Profile

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

+94112 104 304

www.softlogicinvest.lk

info@softlogicinvest.lk

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.