

Softlogic Money Market Fund

September 2021 Factsheet



Hi there Investaa!

This right here is our September 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)	3,219.22
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

As we expected, with the T-bill cap removal in October 2021 onwards, Licence financial company ceiling rates have been increased by 95Bps from 7.21% to 8.16%. As a result, towards the end of September 2021, we maintained a relatively high liquidity position to leverage the rising interest rates. There was a liquidity shortfall in the market due to the recent monetary policy action taken by the CBSL. Further, we expect another policy rate hike towards the latter part of the year. So, it's evident that the CBSL's focus is now to maintain currency stability, rather than defending interest rates.

This phenomenon will be favorable for the money market investors as the money market durations are anyway capped at a maximum of 12 months. In other words, the rising interest rates could gradually reflect in the money market yields in the months to follow. However, we have seen certain issuers are not keen to pay the ceiling rate as they already maintain excess funds. This is not common to all the issuers. But we expect as and when the mobility restrictions come off and economic activities revive to normalcy the demand for credit also should go up.

However, we are very concerned about the current economic condition and as a result, we maintain 87.3% of the money market fund allocation into "A" category rated investments. (Fund carries an ICRA "A" (SL) mutual fund rating) This enables our investors to yield an optimal risk-adjusted yield for their Money Market investments.

Level of risk compared to Equity Fund

LOW

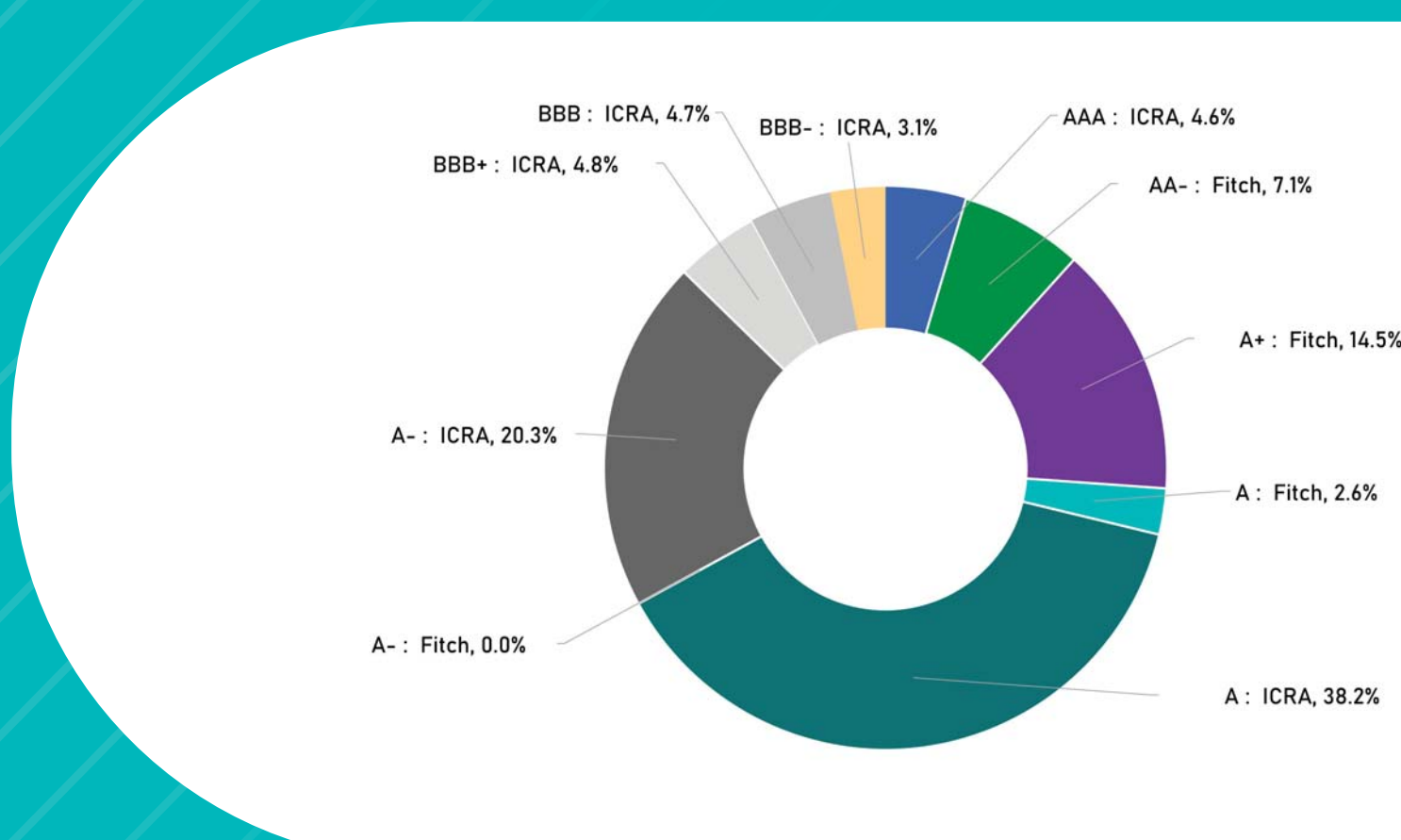
Medium

High

Since Inception SMMF return as at 31 st September 2021 ¹	7.53%
Current annualized SMMF return as at 31 st September 2021	6.73%
Current annualized NDB CRISIL 91-day return as at 31 st September 2021	-0.19%

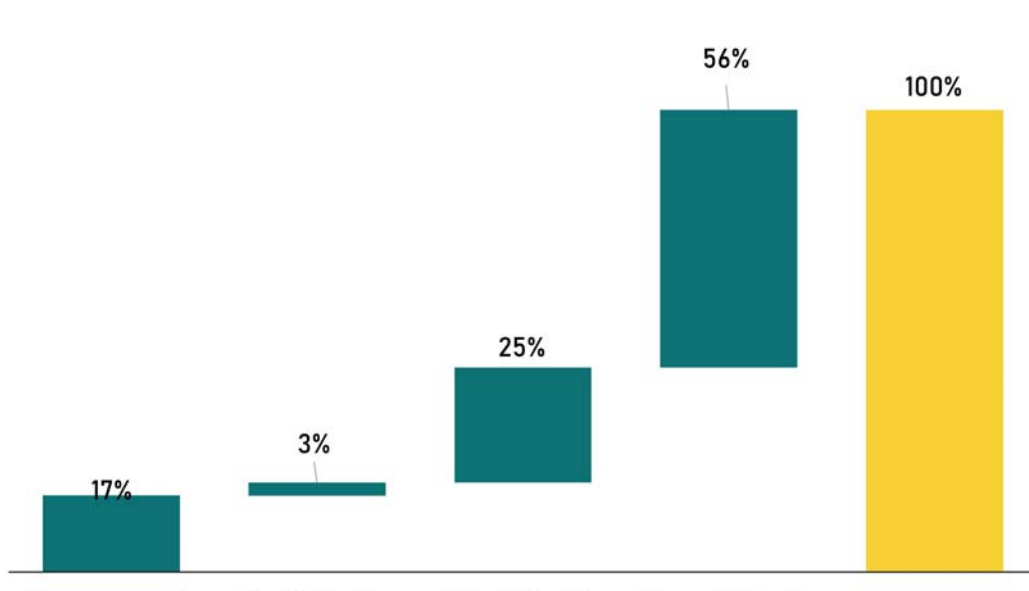
What's a Rating Profile?

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

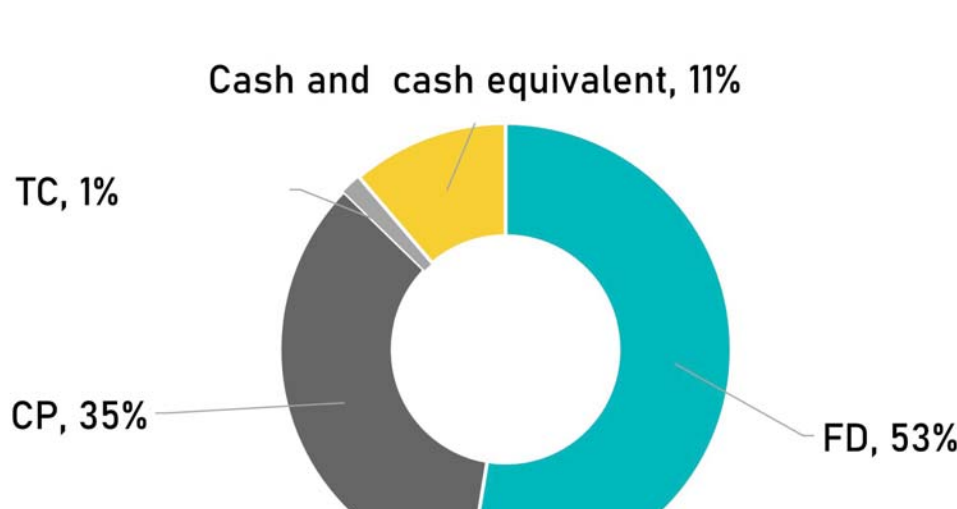


Here's a quick run through of our Maturity Profile

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



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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.