

Softlogic Equity Fund

October 2021 Factsheet



Hi there
Investaa!

This right here is our October 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)	141.94
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

The positive momentum of Sri Lankan equities continued during the month of October 2021. Both ASPI & S&P gained 7.43% & 4.91% during the month. The top five contributors during the month to the ASPI index were Commercial Leasing & Finance PLC, Expo Lanka Holdings PLC, Royal Ceramics PLC, Browns Investments PLC & HNB Bank PLC. These five companies contributed for 57.4% of the index movement and Commercial leasing & Finance PLC alone contributed to 35.8% of the index. The total market price earnings multiple moved to 12.3x from 11.5x and reported 7% growth during the month.

Foreign investors continued their selling stance and sold equities to the value of LKR 1.4bn (foreign net) during the month and the YTD foreign (net) selling reached up to LKR 46bn. However, the local participants continued absorbing the sales done by the foreign investors and resulted a dominance in the retail participation category. Due to this the average daily turnover in during October remained well above LKR 4Bn.

Non banking finance company fixed deposit ceiling rates were again revised from 1st November 2021 by 1.72% (1 year FD rates) and now hover around 9.88%. However, we expect further rise in the FD rates to have a material impact to the relative attractiveness of the equities. Because we are still experiencing a relatively low real interest rates and at the margin we still believe equities are at a advantage.

However, we are cautious with the upcoming budget 2022, due to the tight fiscal space of the government. Our equity fund allocation currently is at 70%, leaving room for opportunities to by in the future.

Level of risk compared to Money Market Fund

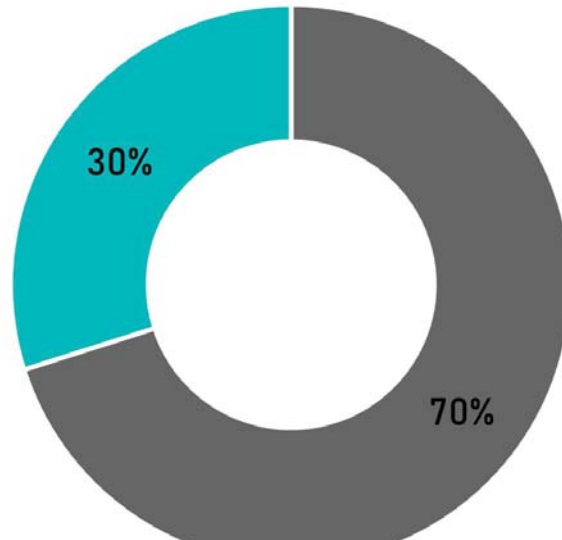
LOW

Medium

High

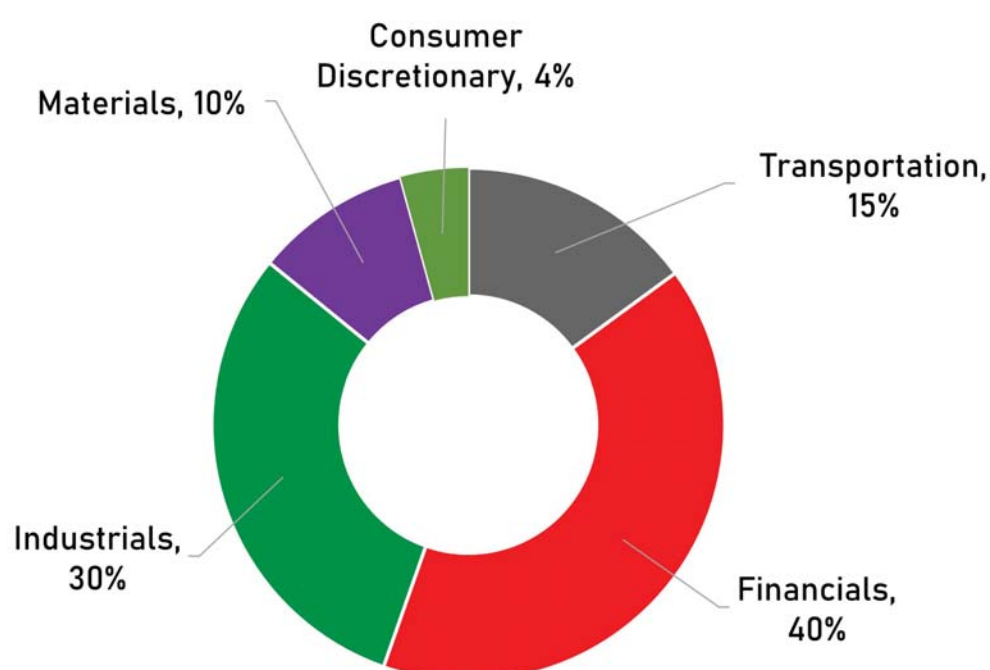
A sector wise allocation of funds

Asset Allocation

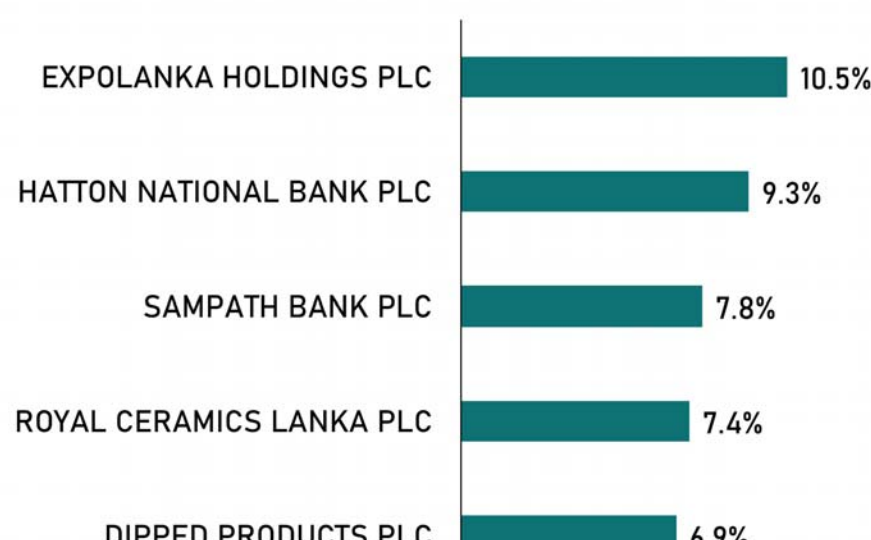


■ Equity Allocation ■ Cash & Cash equivalent

Equity Allocation



The top 5 companies your funds are invested in



The Fund Return Rate

	October 2021	Year to date 2021	SINCE INCEPTION ¹
ASPI	7.43%	50.02%	100.47%
S&P SL 20	4.91%	40.58%	68.90%
SOFTLOGIC EQUITY FUND	5.06%	34.97%	47.67%

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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