

Softlogic Money Market Fund

June 2022

Factsheet



Hi there Investaa!

This right here is our June 2022 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)	1,570.00
Minimum Investment (LKR)	5,000.52
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

The weighted average maturity of the money market fund came below 3 months in the end of this reporting period, and we expect a speedy recovery in the yield during next 3 months. Further, we maintain 78% of our investments in "A" rated instruments while maintaining the external ICRA rating of "A" (SL mutual fund rating). On 7th July 2022, CBSL increased its policy rates by 100Bps. This indicates a possible series of policy rate hikes in rest of the calendar year. Rate hike came amidst elevated levels of inflation of 54.6% (CCPI headline inflation) at the end of June 2022. Further CBSL governor has indicated the possibility of even higher levels of inflation during rest of the year. This signals a further potential upside in the interest rates within the near term. The USD reserve position of the country is at a challenging level with usable reserves of USD 50Mn In June and the total official reserves were around 1.9Bn during the same period. Country is in a crucial point, and it requires bridging finance till it secures a proper IMF funding arrangement. According to Central Bank, the government has already started negotiations with the bilateral and multilateral partners on bridging finance.

President Gotabaya had to step down from his post on mid July 2022, due to mass protests. However, the political situation is yet to improve and currently has limited clarity on the new appointments. However, the tensed situation due to mass protests improved slightly with the presidential resignation.

The overnight liquidity in the system continues to remain at a negative level and we expect this phenomenon to remain till SL solves its USD shortage. However, its estimated that SL requires USD 5Bn funding to source fuel, fertilizer, and other essentials. Under this scenario, we are still in the view that the interest rates could further go up within next 6 months period.

Level of risk compared to Equity Fund

LOW

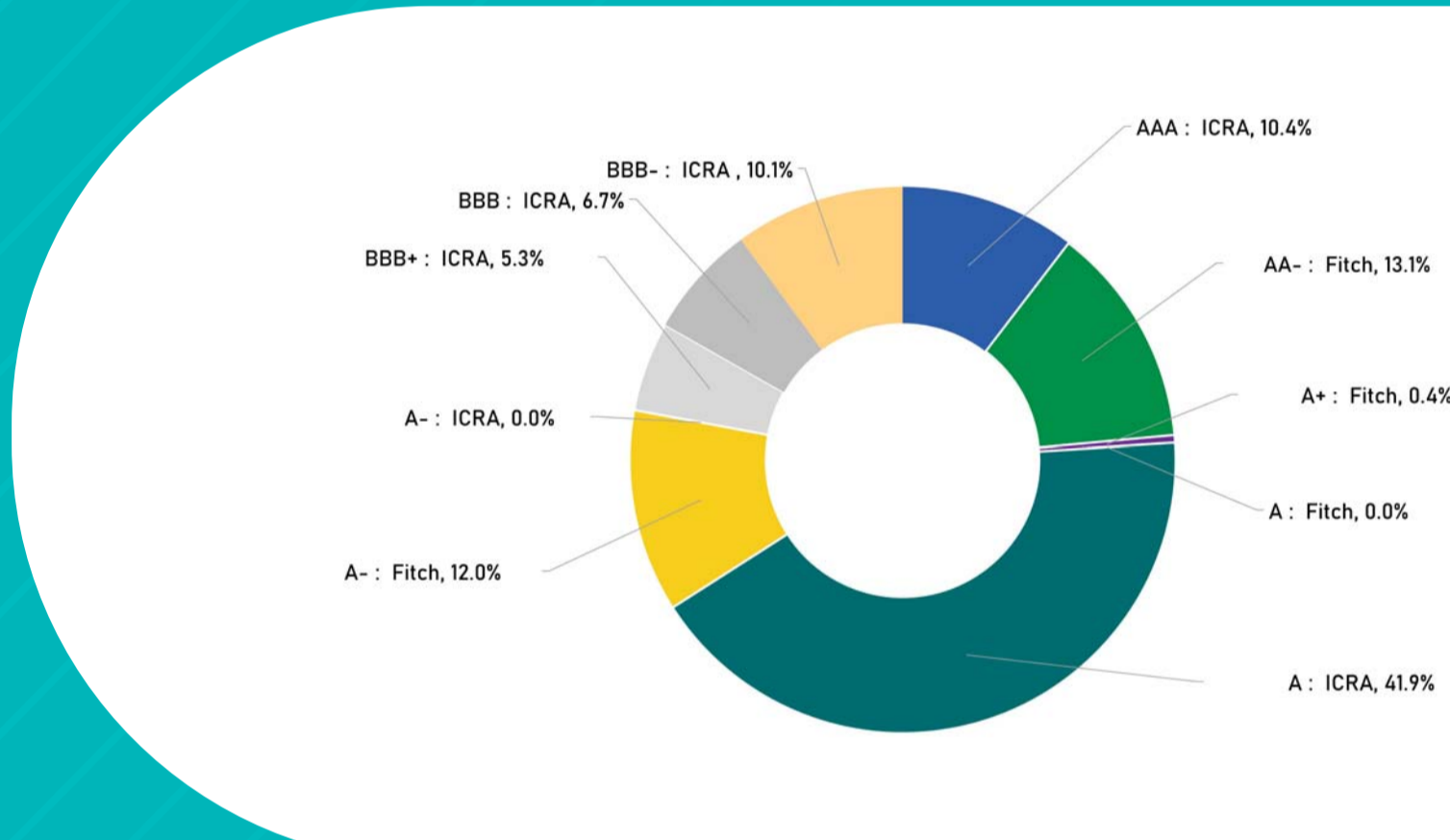
Medium

HIGH

Since Inception SMMF return as at 30th June 2022 ¹	7.84%
Current annualized SMMF return as at 30th June 2022	8.12%
Current annualized NDB CRISIL 91-day return as at 30th June 2022	-16.40%

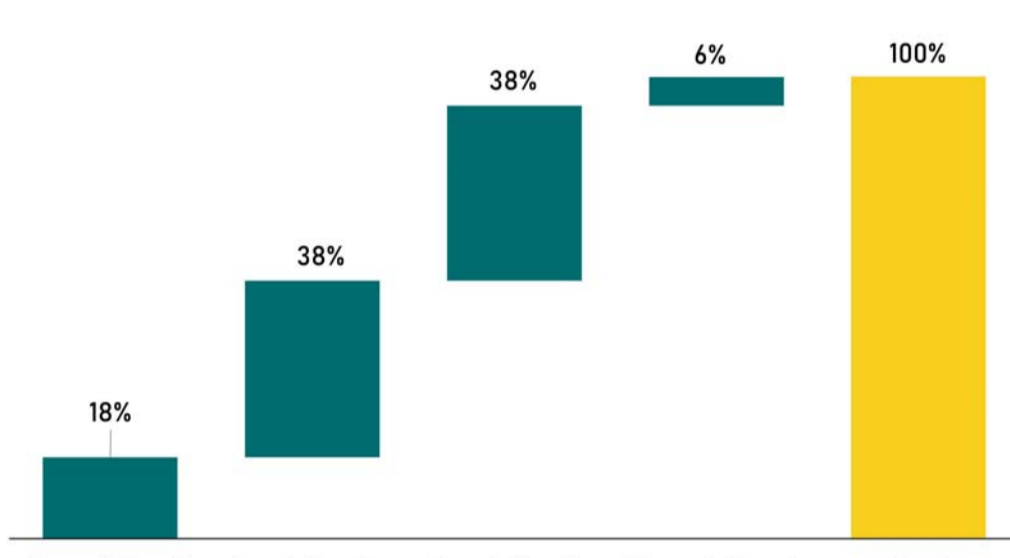
What's a Rating Profile?

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

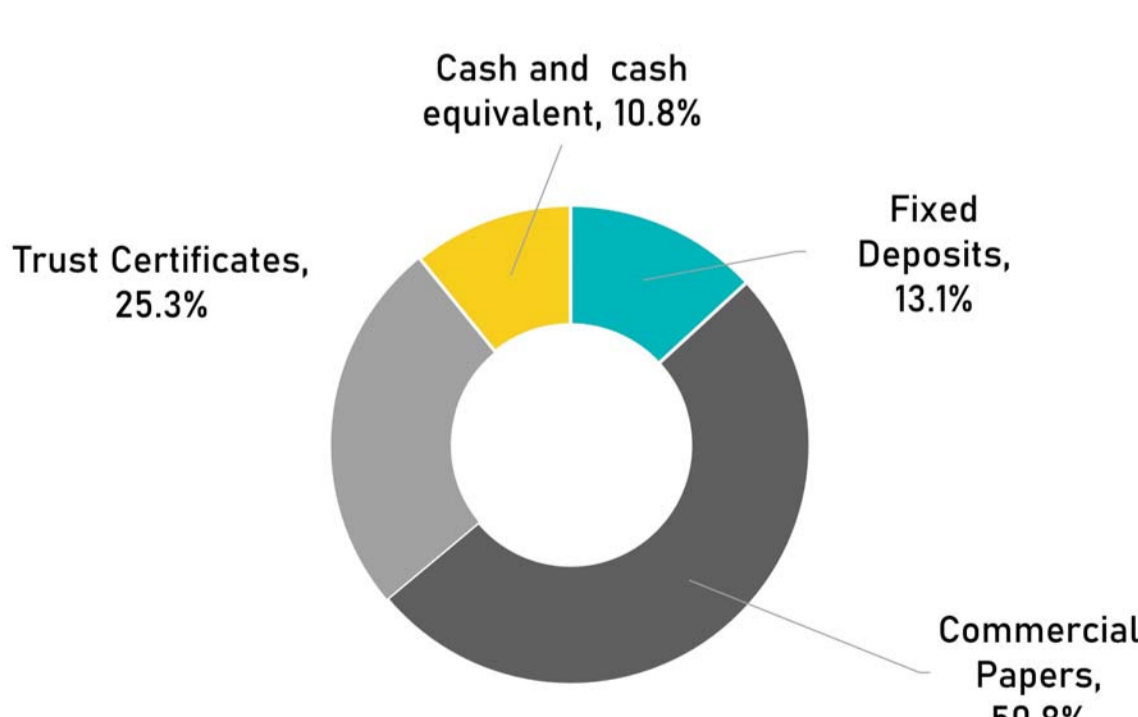


Here's a quick run through of our Maturity Profile

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.