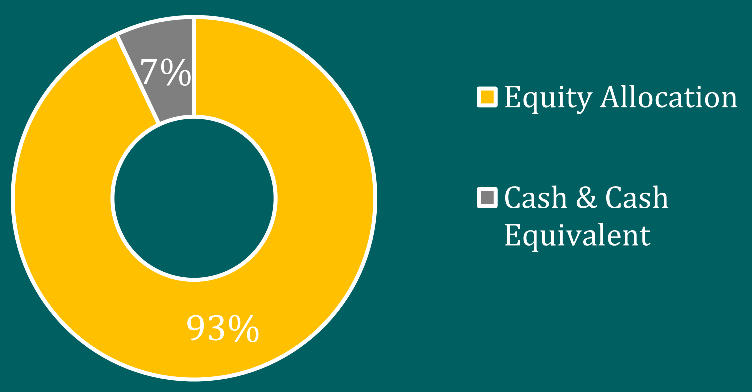
Softlogic Equity Fund

Softlogic Equity Fund is an open-ended equity fund incorporated in Sri Lanka, investing in listed shares of the Colombo Stock Exchange. The Fund aims to achieve a capital growth by investing in companies that show promising value characteristics that could bring returns over a longer time period.

FUND SNAPSHOT

31-May-26	
Fund Performance (Last 31 days)	0.40%
NAV Per Unit	301.78
AUM (LKR MN)	180
Risk Profile	High

ASSET ALLOCATION



FUND MANAGER CORNER

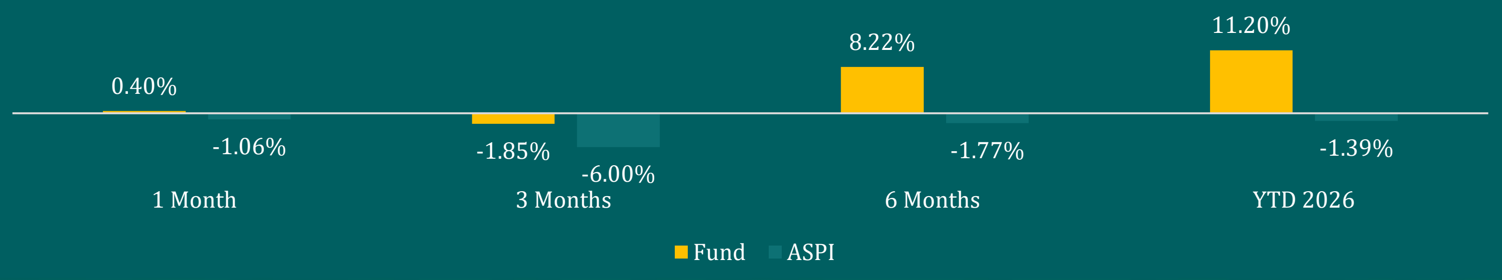
May 2026 witnessed a period of consolidation in the Colombo Stock Exchange (CSE) following the strong market recovery recorded during April 2026. Investor sentiment remained cautious amidst heightened domestic inflationary pressures, rising interest rates and continued geopolitical uncertainty stemming from developments in the Middle East. Consequently, the All-Share Price Index (ASPI) declined by 1.06% during the month, while the S&P SL20 Index fell by 0.78%. Despite the marginal pullback in the broader market, trading activity remained healthy, with total market turnover increasing to LKR 69.3 bn compared to LKR 65.8 bn recorded in April 2026, while average daily turnover remained robust at LKR 3.65 bn. Market capitalization declined marginally by 0.72% during the month, closing at LKR 8.12 tn by month end.

Against this backdrop, the Softlogic Equity Fund continued to demonstrate resilience and outperformed both the ASPI Index and the S&P SL20 Index during May 2026. The Fund generated a positive return of 0.40% for the month despite the negative market environment, outperforming both, the ASPI loss of -1.06% with a return of 1.46% and the S&P SL20 loss of 0.78% with a return of 1.18%. This marks the fourth month out of five of substantial relative outperformance to the indices and broader market, highlighting the effectiveness of the Fund's active management approach, disciplined stock selection process and tactical portfolio positioning. Over the longer term, the Fund continues to generate meaningful excess returns, recording 8.22% over the six-month period compared to declines of 1.77% and 1.72% in the ASPI and S&P SL20 respectively, while delivering an 8.06x Alpha multiple via a year-to-date return of 11.20% against a decline of 1.39% in the ASPI.

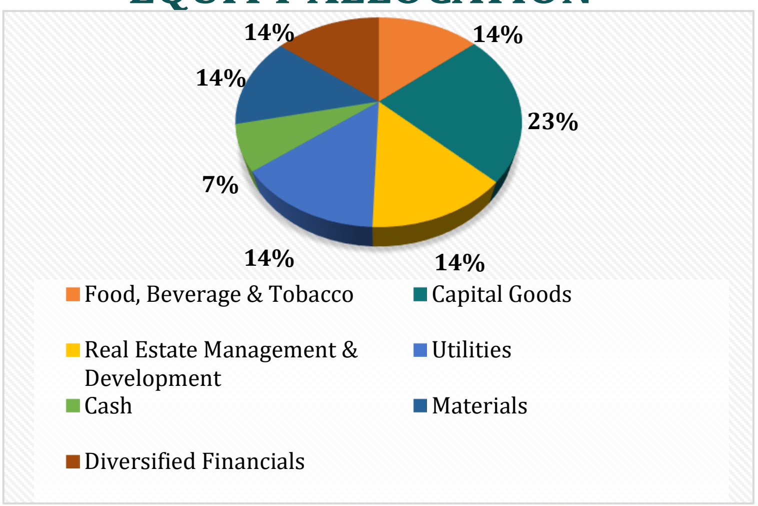
The Fund remained substantially invested in equities during the month, maintaining an equity allocation of 93.0% whilst holding 7.0% in cash and cash equivalents. The sector allocation remained diversified across several high-conviction sectors, with Capital Goods representing the largest allocation at 23%, followed by Food, Beverage & Tobacco at 14%, Real Estate Management & Development at 14%, Utilities at 14%, Materials at 14%, and Diversified Financials at 14%, whilst maintaining a cash position of 7%. The elevated equity exposure reflects the Fund's conviction in the medium-term earnings potential and valuation attractiveness of selected counters despite short-term market volatility.

Looking ahead, the Fund remains well-positioned to capitalize on emerging opportunities within the Colombo Stock Exchange whilst maintaining a disciplined focus on capturing profits earned and reinvesting in fundamentally strong and undervalued companies. The current portfolio structure balances growth opportunities with prudent risk management, enabling the Fund to navigate periods of market uncertainty while continuing to pursue superior long-term capital appreciation relative to the broader market.

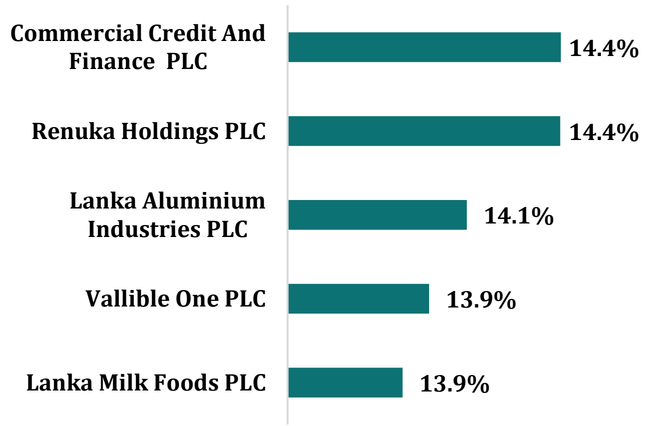
FUND PERFORMANCE



EQUITY ALLOCATION



TOP 5 PORTFOLIO HOLDINGS



Call us: +94 11 210 4304 Visit us: www.softlogicinvest.lk

Email us: info@softlogicinvest.lk

softlogic INVEST