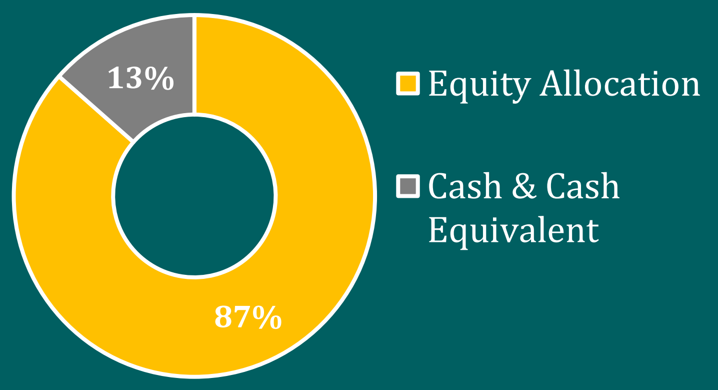
Softlogic Equity Fund

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

30-Jun-26	
Fund Performance (Last 30 days)	-3.66%
NAV Per Unit	293.82
AUM (LKR MN)	180
Risk Profile	High

ASSET ALLOCATION



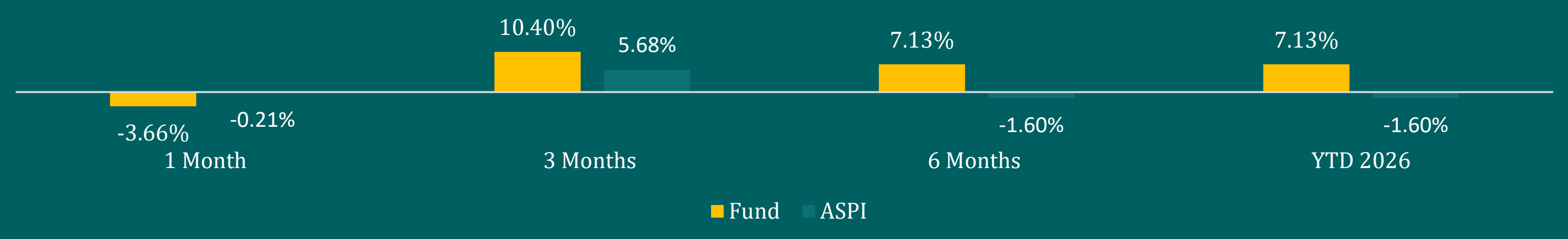
FUND MANAGER CORNER

June 2026 was characterized by a period of consolidation within the Colombo Stock Exchange (CSE), as investors adopted a more cautious stance amidst rising domestic inflation, increasing interest rat and continued global geopolitical uncertainty. While the broader market remained relatively resilient, trading activity moderated noticeably during the month, with total equity turnover declining to LK 47.4 bn from LKR 69.3 bn in May 2026, whilst average daily turnover reduced sharply to LKR 2.26 bn from LKR 3.65 bn in the previous month, reflecting a meaningful contraction in market liquidity. Th All-Share Price Index (ASPI) declined marginally by 0.21% during the month, while the S&P SL20 Index gained 0.75%, as investor participation became increasingly concentrated in a limited number of large-cap counters. Against this backdrop, the Softlogic Equity Fund recorded a loss of 3.66% during June 2026. The Fund underperformed both the ASPI and the S&P SL20 Index over the month, prima due to a temporary pullback in a few fundamentally strong but relatively less liquid undervalued counters held within the portfolio. As overall market liquidity contracted significantly during June, tradi volumes across these counters declined, resulting in short-term price weakness despite no material deterioration in their underlying fundamentals. In contrast, market performance was largely suppor by a relatively narrow group of highly liquid large-cap stocks, leading to temporary relative underperformance for actively managed value-oriented portfolios.

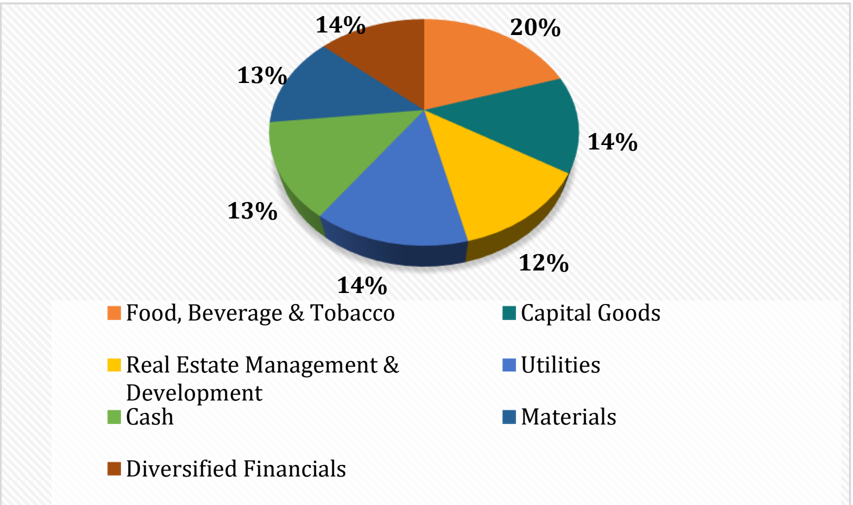
Despite the short-term setback, the Fund continues to demonstrate strong medium-term performance. Over the three-month period, the Fund generated a return of 10.40%, substantially outperformin the ASPI return of 5.68% and the S&P SL20 return of 5.10%. Similarly, over the six-month period of 2026, the Fund delivered a return of 7.13%, significantly exceeding the ASPI decline of 1.60% and the S&P SL20 gain of 0.77%. These results continue to reflect the effectiveness of the Fund's disciplined investment philosophy, active portfolio management, and focus on identifying fundamentally undervalued companies capable of generating superior long-term shareholder returns, despite periods of short-term market volatility.

The Fund remained substantially invested in equities throughout the month, maintaining an equity allocation of 87%, while holding 13% in cash and cash equivalents to preserve flexibility for future investment opportunities. Sector allocations remained well diversified across high-conviction investment themes, with Food, Beverage & Tobacco representing the largest allocation at 20%, followed by Capital Goods at 14%, Diversified Financials at 14%, Utilities at 14%, Materials at 13%, Real Estate Management & Development at 12%, whilst the Fund held a tactical allocation of 13% in Cash and Cas Equivalents. The Fund's largest individual holdings comprised Renuka Holdings PLC, Vallibel One PLC, Commercial Credit & Finance PLC, Lanka Aluminum Industries PLC and Lanka Milk Foods PLC, reflecting continued conviction in companies offering attractive long-term earnings growth and valuation support. Looking ahead, the Fund Manager remains confident that the recent weakness observ in several portfolio holdings is primarily liquidity-driven rather than fundamentally driven. As trading activity normalizes and investor participation broadens across the market, these fundamentally strong companies are expected to better reflect their intrinsic value. The Fund will continue to maintain its disciplined long-term investment approach, actively identifying opportunities to accumulate high-quality undervalued businesses while remaining focused on delivering sustainable long-term capital appreciation and superior risk-adjusted returns relative to the broader market.

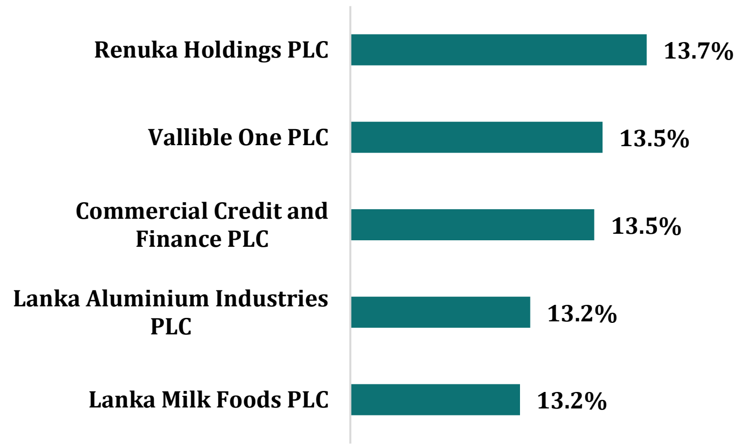
FUND PERFORMANCE



EQUITY ALLOCATION



TOP 5 PORTFOLIO HOLDINGS



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