Softlogic Money Market Fund

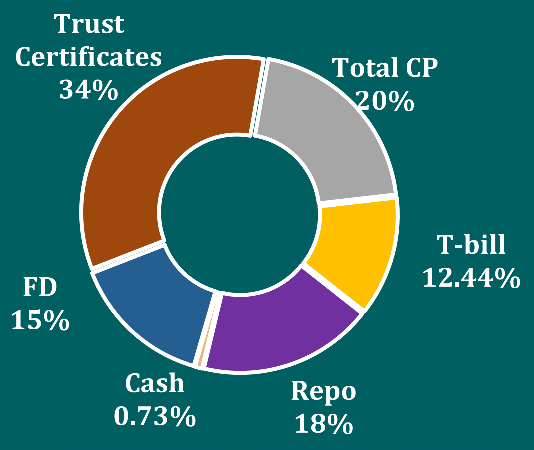
Softlogic Money Market Fund is an open-ended money market fund incorporated in Sri Lanka, investing in short term LKR based corporate debt instruments including commercial paper, securitized paper, bank deposits as well as Sri Lanka Treasury Bills, Bonds and government securities backed Repurchase transactions. The Fund aims to provide liquidity to investors while enhancing returns by investing in a diversified portfolio of short-term debt securities with maturities less than 365 days.

FUND SNAPSHOT

30-June-26	
Current Running Yield **	9.58%
NAV Per Unit	190.1563
AUM (LKR MN)	1,066
Risk Profile	Low

**07 days annualized

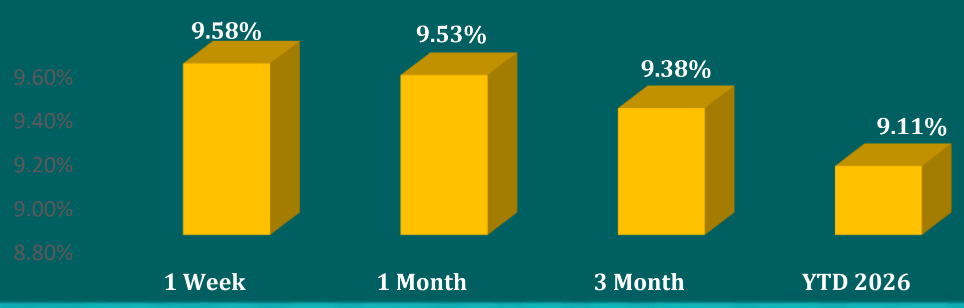
ASSET ALLOCATION



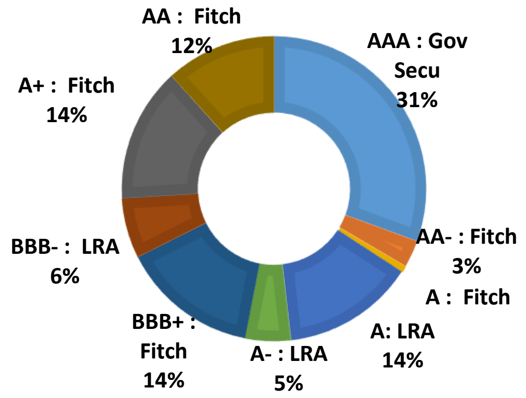
FUND MANAGER CORNER

June 2026 saw the domestic fixed income market continue to adjust to the higher interest rate environment following the Central Bank of Sri Lanka's policy tightening during May. Inflationary pressures intensified during the month, with the Colombo Consumer Price Index (CCPI) based headline inflation accelerating to 6.8% in June from 5.5% in May, driven primarily by the pass-through of higher domestic energy prices arising from the Middle East conflict. Food inflation increased to 3.6%, whilst Non-Food inflation rose further to 8.4%, with Core Inflation edging up to 4.0%, indicating a gradual increase in underlying price pressures. Primary market Treasury bill yields remained elevated, with the 91-day, 182-day and 364-day Treasury bill yields reaching 10.14%, 10.21% and 10.17%, respectively, during the week ending 26 June 2026, providing attractive reinvestment opportunities across the short end of the yield curve. The Average Weighted Prime Lending Rate (AWPR) increased during the first three weeks of June before easing marginally to 10.39%. Consequently, money market rates adjusted upwards, with the Average Weighted Call Money Rate (AWCMR) increasing to 9.22% by month-end compared to 9.10% a week earlier. Despite the upward adjustment in policy rates, overall market liquidity remained in surplus territory, recording approximately LKR 61.2 bn by the end of June 2026 compared to a surplus of LKR. 92.15 bn. This indicated the market sentiment shift towards deploying funds in discounted short-term rates in lieu of the ongoing war in the Middle East. From the external sector, tourism earnings declined by 11.9% YoY to USD 155.7 mn as of May 2026, however workers' remittances increased by 26% YoY to USD 847.0 mn during May 2026, continuing to support foreign exchange inflows despite heightened global geopolitical uncertainty. Overall, the prevailing macroeconomic environment continued to provide an attractive backdrop for actively managed short-duration fixed income portfolios. The Fund maintained a highly diversified, high-quality and liquid portfolio throughout the month. Government Securities represented the largest allocation at 30.6%, providing a strong sovereign anchor to the portfolio. This was complemented by AA and AA- rated corporate issuers (11.7% and 2.9% respectively), whilst the balance of the portfolio was diversified across A+ (14.2%), A (14.7%), A- (4.9%), BBB+ (14.5%) and BBB- (6.4%) rated issuers. Consequently, the Fund maintained an average weighted portfolio credit rating of A+ as at 30 June 2026, reflecting its continued emphasis on balancing capital preservation with enhanced yield generation through investments in fundamentally strong, highly rated issuers. From an instrument allocation perspective, Trust Certificates represented the largest allocation at 33.7%, followed by Commercial Paper (20.4%), Repurchase Agreements (18.1%), Fixed Deposits (14.60%), Treasury Bills (12.4%), whilst maintaining 0.7% in cash to facilitate daily liquidity requirements. From a maturity perspective, 22% of the portfolio was scheduled to mature within one month, 19% between one and three months, 2% between three and six months, and 57% beyond six months, enabling the Fund to preserve adequate liquidity whilst locking in attractive yields across the medium-term segment of the yield curve. Looking ahead, whilst inflationary pressures are expected to remain elevated over the near term, the current interest rate environment continues to present attractive investment opportunities for actively managed money market portfolios. The Fund will continue to maintain its disciplined investment philosophy by focusing on high-quality issuers, prudent duration management and adequate liquidity, with the objective of preserving capital whilst consistently delivering superior risk-adjusted returns to investors.

FUND PERFORMANCE

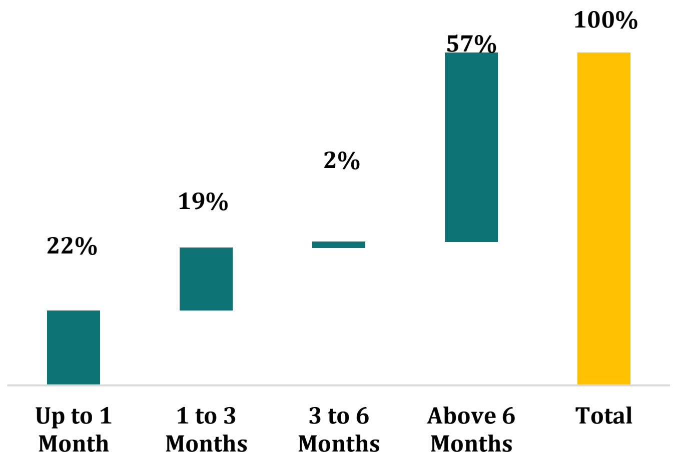


RATING PROFILE



Average Credit Rating: A+

MATURITY PROFILE



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