

Softlogic Income Fund

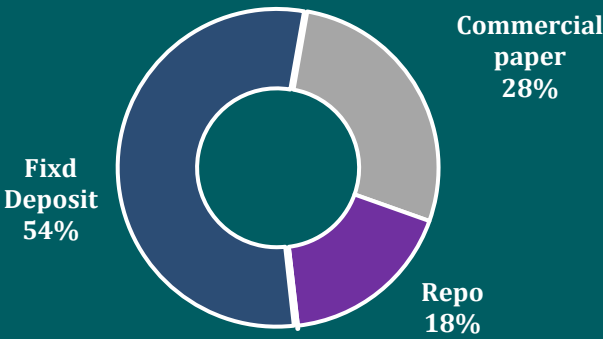
Softlogic Income Fund is an open-ended Income fund incorporated in Sri Lanka that invests in medium to longer term LKR-denominated debt instruments, including commercial papers, securitized papers, bank deposits, Sri Lanka Treasury Bills, government bonds, and repurchase agreements. The fund is designed to provide investors with medium to long term return while seeking enhanced liquidity through a diversified portfolio of high-quality debt securities with maturities of up to 365 days and more.

FUND SNAPSHOT

31-Aug-26	
Current Running Yield **	11.08%
NAV Per Unit	101.6286
AUM (LKR MN)	341
Risk Profile	Medium

**31 days annualized

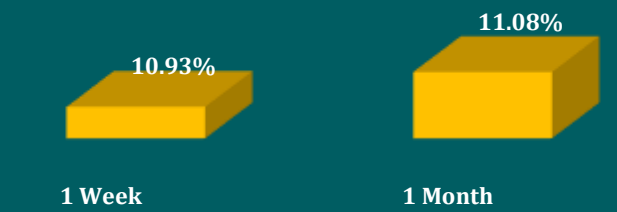
ASSET ALLOCATION



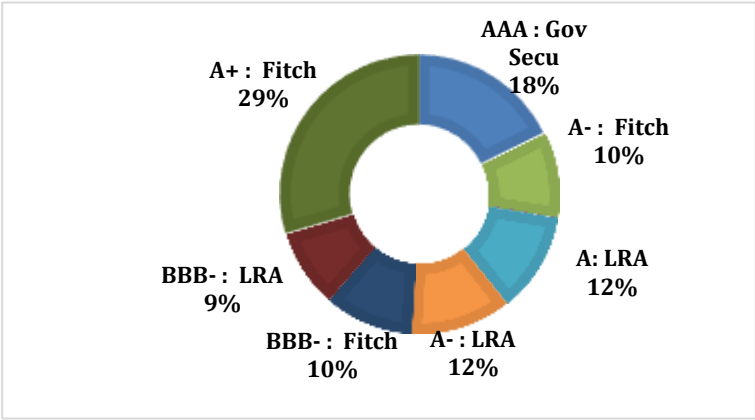
FUND MANAGER CORNER

August 2026 saw the domestic fixed income market remain within a relatively elevated interest rate environment, whilst inflationary pressures strengthened further. Colombo Consumer Price Index (CCPI) based headline inflation accelerated to 8.0% in August from 7.3% in July, with Food inflation increasing to 8.5% and Non-Food inflation recording 7.7%, whilst Core Inflation rose to 5.1% from 4.4%, indicating a further build-up in underlying price pressures. Treasury Bill yields remained broadly stable towards the end of the month, whilst Treasury Bond yields were also broadly stable in the secondary market, with marginal declines observed at the longer end of the curve. The Average Weighted Prime Lending Rate (AWPR) increased to 10.95% by the week ending 28 August, whilst the Average Weighted Call Money Rate (AWCMR) stood at 8.84%. Market liquidity remained ample, with the total outstanding liquidity surplus increasing to LKR 318.13 bn by 28 August. The Fund maintained a diversified portfolio during August whilst continuing to capture attractive yields across corporate fixed income instruments. From an asset allocation perspective, Fixed Deposits represented the largest allocation at 54% of the portfolio, followed by Commercial Paper at 28% and Repurchase Agreements at 18%. The allocation towards Fixed Deposits reflects the Fund's strategy of locking in attractive medium-to-long-term yields available from fundamentally strong financial institutions, whilst Commercial Paper provided additional yield enhancement through selectively identified corporate credit opportunities. The increased 18% allocation to Repurchase Agreements strengthened the Fund's liquidity position, providing flexibility to facilitate investor transactions and rapidly redeploy funds into attractive opportunities as market conditions evolve. This represents a more liquid positioning compared with July, when Repurchase Agreements accounted for 8% of the portfolio. From a maturity perspective, 47% of the portfolio was positioned to mature within one month, 6% between one and three months and 6% between six and twelve months, whilst 42% was invested in instruments with maturities exceeding one year. Accordingly, more than half of the portfolio remained positioned within the shorter end of the maturity spectrum, providing the Fund with a substantial liquidity and reinvestment buffer. At the same time, the 42% allocation beyond one year enabled the Fund to continue locking in attractive yields over a longer investment horizon and mitigate reinvestment risk should market interest rates decline. This barbell-style maturity positioning provides the Fund with flexibility at the short end whilst retaining meaningful exposure to longer-tenured instruments, consistent with its medium-to-long-term investment mandate. The Fund's credit rating profile remained diversified across Government Securities and a broad range of rated corporate issuers. AAA-rated Government Securities accounted for 18% of the portfolio, whilst the corporate credit portfolio comprised 29% in A+ rated instruments, 10% in A- rated instruments under Fitch, 12% in A rated instruments under LRA, 12% in A- rated instruments under LRA, 10% in BBB- rated instruments under Fitch and 9% in BBB- rated instruments under LRA. The portfolio therefore continued to maintain meaningful exposure towards higher-rated issuers, complemented by selective allocations further down the investment-grade credit spectrum where additional credit spreads were considered attractive relative to underlying issuer fundamentals. The Fund continued to deliver strong performance during August, generating a 1-month annualised return of 11.08%, compared to 9.88% for the 1-year Treasury Bill benchmark, representing an outperformance of approximately 120 basis points. This continued outperformance reflects the benefits of actively allocating across the broader fixed income spectrum rather than restricting the portfolio to the short end of the Government Securities curve. The Fund's ability to allocate across Fixed Deposits, Commercial Paper, Repurchase Agreements and Government Securities, whilst actively managing credit, liquidity and duration exposure, remains central to its objective of generating sustainable income and potential capital appreciation over the medium-to-long term. The Fund will continue to maintain its disciplined investment philosophy by focusing on fundamentally strong issuers, prudent duration management and adequate liquidity, whilst selectively locking in attractive yields across the medium-to-long end of the yield curve. The Fund remains positioned to selectively extend duration where attractive opportunities arise, with the objective of preserving capital whilst consistently delivering superior risk-adjusted returns to investors over the medium to long term.

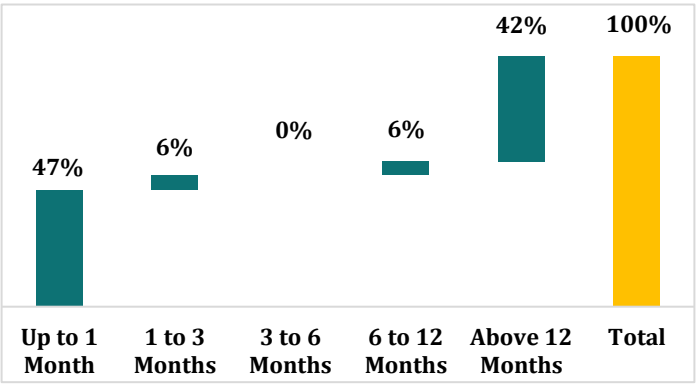
FUND PERFORMANCE



RATING PROFILE



MATURITY PROFILE



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Current rate is variable and subject to change. Past performance is not indicative of future results. Investors are advised to read and understand the content of the explanatory memorandum before investing. Among others investor should consider the fees and chargers involved. Before you invest in any fund, consider how the fund would work with your other investments and your risk tolerance.

