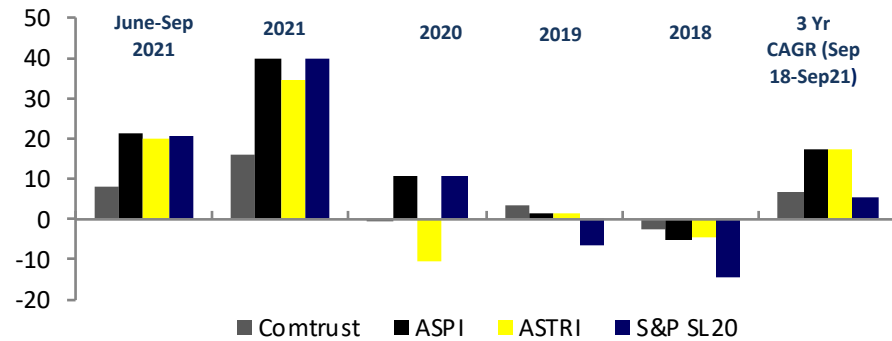


FUND MANAGER'S COMMENT

The market continued on its upward momentum . For the quarter under review ASPI gained by 21.0% while the more liquid S&P SL 20 index gained by 19.7%. The fund performance stood at 7.9% for the quarter under review. Foreigners continued to be net sellers on the bourse; while local investors playing a dominant role aided by the low interest rate environment.

At the meeting held on the 18th of August 2021 the monetary board decided to increase key policy rates by 50 basis points while the SRR was raised by 2.00% to 4.00% . Market interest rates have gradually responded to the policy adjustments, and we believe there would be further upward movement in interest rates.

Market will await the September quarter earnings to assess corporate earnings amidst lock downs and cost escalations.



ECONOMIC INDICATORS:

- The Standard Deposit Facility Rate (SDFR) and Standard Lending Facility Rate (SLFR) remained at 5.00% and 6.00% respectively as at September 2021.
- CCPI recorded 5.7% on a YoY basis.
- With low USD liquidity, rupee depreciated by 0.3% during June-Sep 2021 , despite many restriction and foreign exchange mitigate strategies in place.
- Private sector credit grew by 14.3% on a YoY as at July 2021.

EQUITY OUTLOOK

The fund has reduced allocations to equity amidst anticipation of higher interest rates in the immediate short term. Corporate earnings for September will be of significance amidst the lock downs and cost escalations witnessed amidst supply constraints and escalating global commodity prices. Moreover, the national budget which is expected to be presented in November 2021 would bring about more clarity and policy direction for the broad economy.

With the successful vaccination rollout, we believe the economy would return to normalcy, which would arguer positively for growth and corporate earnings in the future. Thus far the tourist arrivals numbers have been encouraging which is a silver lining for Sri Lanka's external sector performance. On this backdrop we will closely monitor the macro development and will continue to focus on counters which are undervalued, with strong earnings growth.

Key Statistics

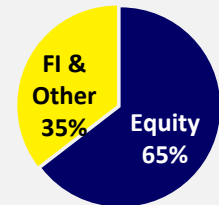
2Q 2021 Performance	%	7.9
NAV per Unit	Rs	19.04
AUM	Rs. Mn	196.5
Equity Exposure	%	64.6
Positions		12

*** Past performance is not a guarantee of future returns**

Top Shareholdings :30 Sep 21

- Sampath Bank PLC
- John Keells Holdings PLC
- Commercial Bank of Ceylon PLC
- Hemas Holdings PLC
- LOLC Holdings PLC

Portfolio Allocation: 30 Sep 2021



Asset Allocation

Equity	64.6%
Banks	12.9%
Food, Beverage & Tobacco	4.4%
Diversified	22.5%
Manufacturing	9.9%
Construction	4.7%
Capital Goods	5.4%
Automobile	4.8%
Fixed Income	35.4%
Commercial Papers	5.4%
Fixed Deposits	0.0%
REPO	14.3%
Corporate Savings	16.4%
Other	-0.6%

Fund Information

Type	Open Ended
Trustee	HNB
Management Fee	2.0% p.a.
Front End Fee	3.0% p.a
Min. Inv	Rs. 1,000/-
Dividends	Annually

