

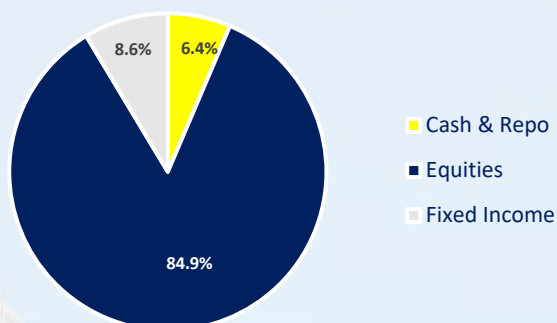
Fund Manager's View of the Market – September 2023

The Colombo Stock Exchange (CSE) witnessed a rebound in September (+2.0% MoM) as the completion of the domestic debt exchange program calmed investor sentiments. The successful execution of domestic debt exchange combined with the passing of the new Central Bank Act are expected to support the downward adjustment of G-sec yields and market interest rates in the period ahead.

Your Fund sustained its outperformance over the benchmark, rising +2.3% MoM; +38.4% YTD, driven by positive contributions from Hayleys Fabric (MGT; +0.6% amid positive earnings surprise in 1Q), John Keells Holdings (JKH; +0.5% aided by its inclusion in FTSE Frontier 50 Index) and Asian Hotels and Properties (AHPL; +0.5% led by renewed interest in leisure sector) during the month.

In our view, the markets could experience some volatility and subdued trading activity in the near term as investors await the budget reading for 2024E (scheduled to be held on 13 November 2023) and a staff level agreement with the IMF to unlock the second tranche of funding from the global lender. Notwithstanding the near term volatility, we expect equities to significantly outperform over the next 12-18 months aided by monetary easing measures, attractive valuations and a recovery in corporate profitability

Asset Allocation (as a % of NAV) – 27 Sep 2023



Fund Details – 27 Sep 2023

Category	Balanced Fund
AUM	351.5mn
NAV per Unit (Rs.)	33.54
3 Year CAGR – CEF	33.1%
3 Year CAGR – ASPI	23.7%
Inception Date	Feb-1992
3M 6M 12M Returns – CEF	22.2% 27.0% 26.9%
3M 6M 12M Returns – ASPI	20.0% 21.9% 14.1%

Sector Exposures (as a % of Equity) – 27 Sep 2023



Risk and Return Characteristics – 27 Sep 2023

YTD Return - CEF	38.4%
YTD Return - ASPI	33.5%
Over/Under Performance (alpha)	4.8%
Tracking Error (annualized)*	9.1%
Information Ratio (annualized)*	0.74
Beta (daily)	0.57
*Tracking Error is a measure of volatility relative to the index – a low figure is desirable; Information Ratio is a measure of Risk Adjusted Returns - a figure above 0.5 is desirable	

Top 5 Holdings	As a % of NAV	Relative to Index	Price to Book Value^	Gross Dividend Yield^	YTD Price Movement	6m Price Movement	Est. Portfolio Contribution-Sep 2023
Sampath Bank	8.0%	Overweight	0.6x	6.6%	+103.5%	+33.3%	0.0%
John Keells Holdings	6.3%	Overweight	0.8x	1.0%	+41.8%	+37.5%	+0.5%
Hayleys Fabric	5.4%	Overweight	2.0x	4.9%	+114.7%	+91.7%	+0.6%
Hayleys	5.2%	Overweight	0.9x	5.7%	+37.2%	+29.6%	+0.2%
Aitken Spence Hotel Holdings	5.2%	Overweight	1.4x	0.0%	+56.6%	+32.1%	+0.3%

*Risk measures are calculated based on YTD performance (annualized). ^based on current book value and last 12 month dividends

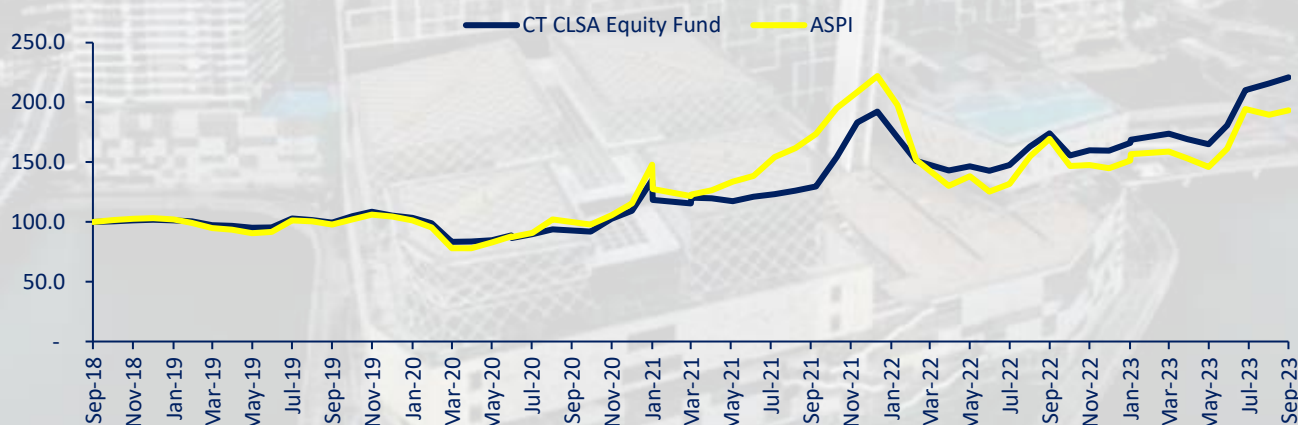
About CT CLSA Equity Fund

CT CLSA Equity Fund is a balanced fund that invests in CSE listed equities and LKR denominated fixed income securities. The fund aims to generate alpha over its benchmark (the All share Price Index of the Colombo Stock Exchange) with a medium to long term investment horizon through active stock selection. The fund's investment objective is to provide its unitholders superior risk adjusted returns whilst limiting downside volatility through risk management practices. The fund's investment philosophy is centered around investing in securities with strong fundamental qualities such as sustainable earnings growth, superior free cash flow generation, structural revenue growth and industry leadership in terms of price, cost or differentiation, combined with reasonable valuations.

CT CLSA Equity Fund – Monthly Performance Matrix – 2019-2023 YTD

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ASPI
2019	-0.5%	-0.9%	-3.0%	-0.7%	-1.7%	0.3%	7.8%	-1.2%	-2.1%	5.2%	3.7%	-2.9%	3.6%	1.3%
2020	-1.8%	-4.6%	-15.6%	0.1%	1.5%	4.6%	-2.3%	3.8%	4.3%	-1.8%	11.4%	6.6%	3.7%	10.5%
2021	23.6%	-12.4%	-2.4%	4.2%	-0.6%	-2.0%	3.3%	1.6%	2.6%	2.7%	18.9%	18.8%	67.6%	80.5%
2022	4.9%	-11.2%	-11.5%	-5.3%	2.5%	-2.7%	3.5%	10.4%	6.8%	-10.6%	2.7%	-0.1%	-12.9%	-30.6%
2023	4.0%	1.7%	3.0%	-2.7%	-2.5%	9.5%	16.3%	2.7%	2.3%				38.4%	33.5%

CT CLSA Equity Fund NAV vs ASPI – Indexed to September 2018



Trustee

Hatton National Bank

Management Fee

2.0%

Front End Fee

3.0%

Minimum Investment

Rs.1,000

Disclaimer

Current yields can fluctuate daily. Past Performance is not an indicator of future returns. Investors are advised to read and understand the contents of the Explanatory Memorandum before investing including but not limited to all fees/charges and risks. If required, please contact CT CLSA Asset Management (Ltd) for any clarifications prior to investing.