

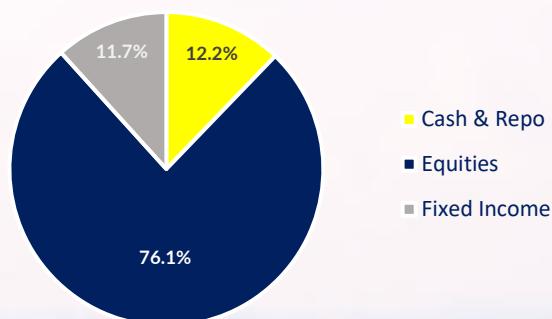
## Fund Manager's Take of the Market – August 2023

The Colombo Stock Exchange (CSE) witnessed a pull back in August 2023 (-2.4% MoM) following a strong month in July (+20.6% MoM) as investors resorted to profit taking amid continued extensions to the execution of the Domestic Debt Exchange (DDO) program which caused uncertainty in the market. Concerns around the finalization of the DDO also weighed on the G-Sec market as rates notched up higher across the yield curve. However, the CBSL's decision to relax the statutory reserve ratio combined with the imposition of lending rate caps accelerated the decline in AWPLR leading to MoM gains in private credit.

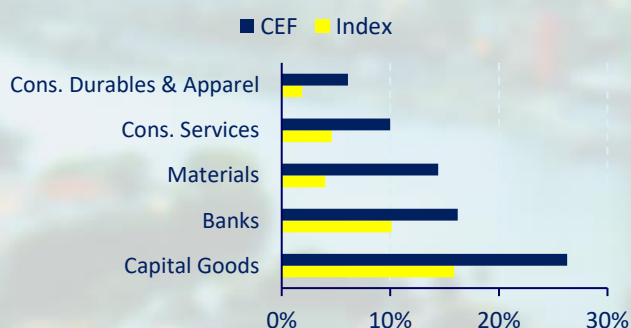
Your Fund sustained its outperformance over the benchmark, rising +2.7% MoM; +35.3% YTD, led by positive contributions from Hayleys Fabric (MGT; +1.2% amid better than expected Q1 earnings) and John Keells Holdings (JKH; +0.3%) during the month.

In our view, the equity market is poised for a strong rally in the near-medium term amid continued easing of headline inflation and market interest rates, a gradual recovery in corporate earnings, the undervaluation of the index compared to historical multiples and regional peers, removal of debt restructuring overhang and the tax efficient nature of the asset class

## Asset Allocation (as a % of NAV) – 31 Aug 2023



## Sector Exposures (as a % of Equity) – 31 Aug 2023



## Fund Details – 31 Aug 2023

Category	Balanced Fund
AUM	343.6mn
NAV per Unit (Rs.)	32.79
3 Year CAGR - CEF	33.9%
3 Year CAGR - ASPI	27.8%
Inception Date	Feb-1992
3M   6M   12M Returns – CEF	30.8%   27.9%   32.4%
3M   6M   12M Returns – ASPI	29.9%   21.0%   22.5%

## Risk and Return Characteristics – 31 Aug 2023

YTD Return - CEF	35.3%
YTD Return - ASPI	30.9%
Over/Under Performance (alpha)	4.4%
Tracking Error (annualized)*	9.5%
Information Ratio (annualized)*	0.77
Beta (daily)	0.55
*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	YTD Price Movement	6m Price Movement	Est. Portfolio Contribution- Aug 2023
Sampath Bank	7.3%	Overweight	0.6x	+103.5%	+35.4%	-0.5%
John Keells Holdings	5.8%	Overweight	0.8x	+31.5%	+32.2%	+0.3%
Aitken Spence Hotel Holdings	5.2%	Overweight	1.3x	+48.5%	+31.6%	+0.3%
Hayleys	5.0%	Overweight	0.9x	+32.4%	+19.8%	+0.1%
Hayleys Fabric	4.7%	Overweight	1.8x	+93.8%	+58.0%	+1.2%

\*Risk measures are calculated based on YTD performance (annualized).

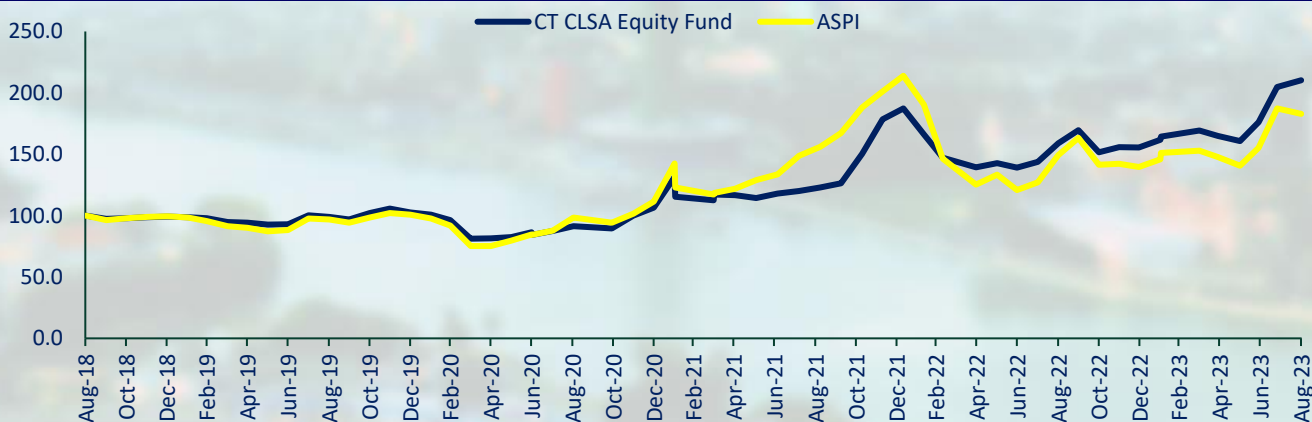
### About CT CLSA Equity Fund

CT CLSA Equity Fund is a balanced fund that invests in equities listed on the CSE and LKR 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%					35.3%	30.9%

### CT CLSA Equity Fund NAV vs ASPI – Indexed to August 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.