

CM1 Issuer - Sri Lanka Investment Limited

Unit Price

USD 1038.67 As at 30th of June 2024

Actively Managed Certificate that offers investors participation in the Sri Lankan equity market

Swiss strategy manager and local strategy advisor with a 10-year track record in the local market

Daily Net Asset Value
Daily liquidity

Investment Objective

- CM1 is an actively managed certificate that invests in fixed income, equities, and equity-related securities of companies that are based in Sri Lanka.
- The objective is to deliver long-term capital growth and above-benchmark returns to investors in USD terms.
- The investment strategy is a bottom-up fundamental strategy whilst utilizing a macro view and theme overlay. We build a portfolio that takes selection off benchmark to outperform the index.

Performance

	1 Mth	3 Mths	6 Mths	1 Yr	YTD	Since Inception
CM1 Certificate (USD)	-0.87%	10.04%	15.00%	33.00%	15.00%	4.03%
Benchmark (USD)	-0.94%	4.54%	20.80%	29.92%	20.80%	-32.99%
MSCI FM (USD)	-0.01%	0.65%	5.74%	12.32%	5.74%	-12.48%

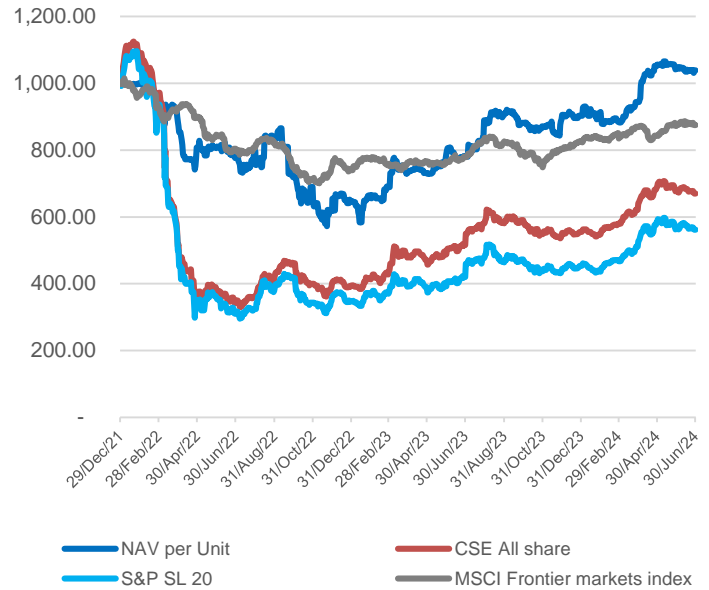
Certificate Facts

Type	Actively Managed Certificate
Currency	US Dollar
Min. Investment	USD 1000
Payment Date / Issue Date	29 th December 2021
Mgmt-/ Admin Fee	2.0% / 0.5%
Performance Fee	15% with High Water Mark (HWM)
ISIN	CH0574683717
WKN	A3GUAS
Issuer	CM1 Issuer Limited
Benchmark Index	CSE All Share Price Index
Strategy Manager	CORUM Vermögensverwaltung AG
Strategy Advisor	ACP Advisors Pvt Ltd
Paying Agent	ISP Securities AG

Certificate Activities

- The portfolio's NAV was relatively flat during the month of June. The NAV declined by -0.87% during the month.
- YTD the AMC has gained 15% outperforming the MSCI frontier market index.
- We rebalanced the portfolio of the AMC and added positions in Hayleys PLC and Hatton National Bank PLC.
- Further to this the AMC also reduced exposure to positions in the other banks such as DFCC PLC and Nations Trust Bank PLC.
- With the completion of the debt restructuring and an upgrade in the sovereign credit rating we anticipate some positive sentiment in the market.
- According to the CSE, the ASPI is currently trading at TTM 9.7x P/E, at a discount to its 10-year P/E of 11.8x. The forward PE is at a significant discount at 7.8x.

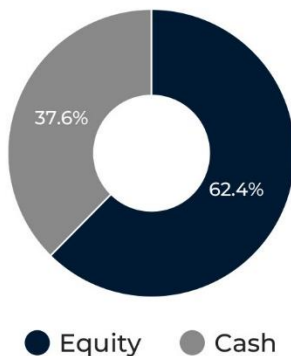
NAV Per Unit



Top 10 Holdings - Equity

Name	Identifier	Class	% Allocation
AMBEON CAPITAL PLC	LK0411N00005	Equity	12.23%
HAYLEYS PLC	LK0080N00008	Equity	9.65%
DFCC BANK PLC	LK0055N00000	Equity	6.43%
COMMERCIAL BANK (X) OF CEYLON	LK0053X00004	Equity	5.50%
NATIONS TRUST BANK LTD	LK0309N00001	Equity	5.24%
EXPOLANKA HOLDINGS LTD	LK0381N00000	Equity	4.75%
HATTON PLANTATIONS PLC	LK0457N00008	Equity	3.23%
LANKA WALLTILE LTD	LK0219N00002	Equity	1.95%
DISTILLERIES COMPANY OF SRI LANKA PLC	LK0191N00003	Equity	1.73%
HNBVN SL	LK0078X00001	Equity	1.65%

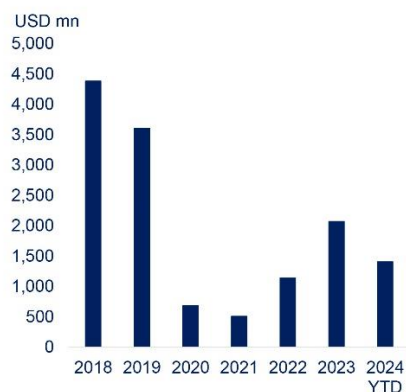
Asset allocation



Sri Lanka Economic Update – June 2024

- Sri Lanka reached its final debt restructuring agreements on bilateral debt with the Official Creditor Committee (led by Japan, France and India) and the Export-Import Bank of China on 26 June 2024.
- On 03 July 2024 the Sri Lankan authorities announced that they had reached an agreement with the ISB holders' on a framework for the commercial det treatment which involved macro-linked bonds offering a 28% haircut on baseline parameters.
- The market lending rates continued to ease during June 2024 with the Average Weighted Prime Lending Rate (AWPR) declining -58bps during the month to 8.78%. The Average Weighted Deposit Rate (AWDR) also declined -67bps to 8.38% during the month.
- The Colombo Consumer Price Index (CCPI - Base year 2013) increased by 1.5 points to 195.6 index points, whilst point-to-point inflation was recorded at 1.7% in June 2024 (vs. 0.9% in May 2024)
- Tourist arrivals to Sri Lanka recorded as 113,470 in June 2024 reaching 1mn arrivals mark and recovering 77% compared to June 2018 arrivals. Meanwhile, the LKR depreciated by - 1.26% MoM to Rs. 305.71 against the US

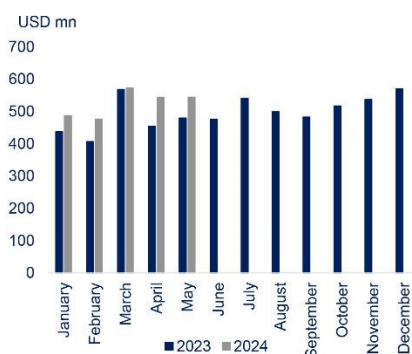
Earnings from Tourism



Macro - Linked Bonds

Instrument type	Bonds instalments	Notional amount at exchange date (USD mn)	Coupon rate Up to 2027 (cash)	Coupon rate 2028-2032 (cash)	Coupon rate 2033 onwards (cash)
MLB #1	2029	650	3.50%	3.75%	-
	2030	650			
MLB #2	2031	900	3.75%	4.00%	8.75% (2033 Bond Installment)
	2032	900			
	2033	750			
MLB #3	2036	1,195	4.00%	4.25%	9.50%
MLB #4	2037	1,196	4.00%	4.25%	9.75%
	2038	1,196			
Instrument	Bonds	Notional amount at exchange date (USD mn)	Coupon rate Up to 2027 (cash)	Coupon rate 2028-2032 (cash)	Coupon rate 2033 onwards (cash)
Plain Vanilla #2	2034	800	4.00%	5.50%	9.25%
	2035	800			

Workers' Remittances



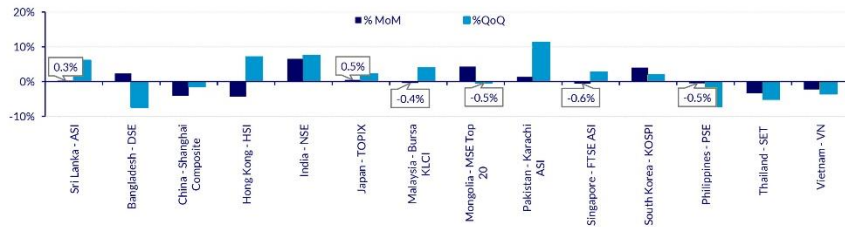
Plain Vanilla Bond on PDI

PVB instalments (Year)	Notional amount at exchange date (USD mn)	Coupon rate Up to 2027 (cash)
2024	291	4.0%
2025	336	4.0%
2026	336	4.0%
2027	336	4.0%
2028	380	4.0%

Sri Lanka Equity Market Update – June 2024

- The Colombo Bourse closed positive in June 2024, with the benchmark All Share Price Index (ASPI) rising +0.3% MoM to 12,145 points (an increase of +38 index points MoM). Meanwhile, the more liquid S&P SL20 index increased +0.5% MoM to 3,589 points (an increase of +20 index points).
- Average daily turnover increased to Rs.1,828mn in June 2024 (vs. Rs.1,789mn in May 2024). Top contributors to monthly turnover were John Keells Holdings (JKH, Rs.4,028mn, 20mn shares), Commercial Bank of Ceylon (voting) (COMB-N, Rs.3,847mn, 35mn shares), and Hayleys (HAYL, Rs.2,561mn, 25mn shares).
- Net foreign outflows recorded at Rs.901mn in June 2024 following a net foreign outflow of Rs.168mn in May 2024.
- During the month, net foreign buying was seen in John Keells Holdings (JKH, +Rs.783mn), Melstacorp (MELS, +Rs.96mn), and Hayleys (HAYL, +Rs.80mn), whilst net foreign selling was seen in Ambeon Capital (TAP, -Rs.1,271mn), Sampath Bank (SAMP, -Rs.267mn) and Commercial Bank of Ceylon (voting) (COMB-N, -Rs.197mn)
- With the announcement and finalization of the debt restructuring and a sovereign upgrade we anticipate a inflow of foreign activity over the next quarter.
- Further to this we expect the main indices to continue to move up over the quarter with strong earnings from the manufacturing and financial services sector driving the market.

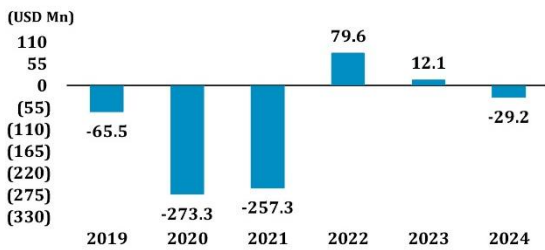
Regional Market Performance



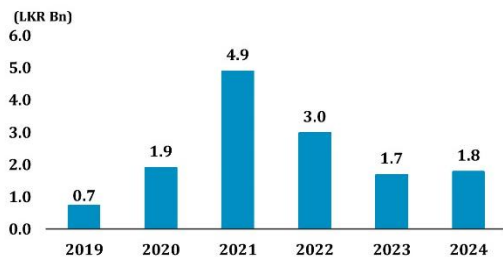
Sri Lanka trades at a discount of -11.8% against the Peer Average

Country	YTD % (Gain/Loss)	(Gain/Loss) % in May'24	PER (x)	PBV (X)	ROE (%)
MSCI World Index	10.8	1.9	22.0	3.4	14.1
Italy	-3.5	-2.4	14.1	1.9	13.0
Canada	4.4	-1.8	17.7	1.9	9.6
USA	14.5	3.5	25.6	4.9	17.8
Germany	8.9	-1.4	16.1	1.6	8.7
UK	5.6	-1.3	14.6	1.9	11.4
Japan	18.7	1.3	16.9	1.5	8.6
Singapore	2.9	-0.1	12.2	1.1	9.6
Hong Kong	3.9	-2.0	9.9	1.0	10.0
MSCI EM	6.1	3.6	15.7	1.7	10.7
Iran	-22.4	-0.1	6.0	1.5	27.2
Thailand	-8.1	-3.3	15.6	1.2	7.4
Philippines	-0.6	-0.3	11.8	1.5	12.2
Indonesia	-2.9	1.3	16.9	2.0	7.7
India	9.4	6.9	24.6	3.9	15.7
South Korea	5.4	6.1	16.5	1.0	5.6
China	9.8	-0.9	9.2	1.0	10.4
Taiwan	28.5	8.8	25.4	2.6	10.5
Pakistan	25.6	3.3	5.0	1.0	19.6
Malaysia	9.3	-0.4	15.1	1.4	9.0
MSCI Frontier	1.0	-1.3	11.0	1.6	14.4
Sri Lanka	14.0	0.3	9.7	1.1	9.9
Vietnam	10.2	-1.3	15.4	1.7	12.1

Net Foreign Flows



Average Daily Turnover



Highest TO Generators for the Month

Counter	PER (X)	PBV (x)	DY (%)
John Keells Holdings	27.2	0.9	0.7
Commercial Bank	5.1	0.6	6.2
Hayleys PLC	11.6	1.0	5.0
Sampath Bank PLC	4.9	0.6	7.5
Hatton National Bank PLC	5.1	0.5	3.9

Meet the Team

Sharad Sri

Co-Founder | Chief Executive Officer
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Sharad co-founded ACP Asset Management, is a member of its Board of Directors, and serves on the Investment Committee. Sharad is responsible for sourcing, executing acquisitions and monitoring several of ACP Asset Management's portfolio companies. He serves on all investee company boards and maintains strong personal relationships with all stakeholders across the investment spectrum. Prior to founding ACP Asset Management, Sharad trained and practiced as a corporate M&A lawyer in both Sydney and Abu Dhabi and has worked for several global law firms including Linklaters, Allens Arthur Robinson, and DLA Piper. He holds a Bachelor of Business and a Juris Doctorate from the University of Technology, Sydney.



Asanth Sebastian

Co-Founder | Chief Investment Officer
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Asanth co-founded ACP Asset Management, is a member of its Board of Directors, and serves on the Investment Committee. Asanth heads and is ultimately responsible for the investment teams and decisions of ACP Asset Management's asset management business across private equity, listed equity and fixed income. He is passionate about the detail in any transaction ACP Asset Management undertakes from both return and risk perspectives. Prior to founding ACP Asset Management, Asanth was in structuring and trading roles at global investment banks and held a management position at the Australian Securities Exchange (ASX). Asanth holds a Finance and Economics degree from the University of Macquarie, Sydney and is also an ASX accredited advisor for both equities and derivatives.



Stefan Bucher

Managing Partner
stefan.bucher@corumag.ch | www.corumag.ch

Stefan Bucher is the founder and Managing Partner of CORUM Vermögensverwaltung AG. Before setting up the company, he worked as a director for various Swiss private banks, where he gained extensive experience in the asset management and investment business. He has made himself a name as an asset management specialist and adept financial advisor. Managing Partner bei CORUM Vermögensverwaltung AG, Zürich.



Christian Alois Bucher

Managing Director
www.corumag.ch

Christian Alois Bucher is an experienced finance specialist and worked his way up the banking business from the bottom. As a client and investment advisor, he worked for more than 20 years for various Swiss banks and since 2009 is working for Corum Vermögensverwaltung AG. Christian Alois Bucher maintains an international network of contacts. Aside from speaking German, English and French, he is also fluent in Russian.



CM1 Issuer

Who is CM1	CM1 is the issuer of the Certificate. It is the issuance SPV of Corum for AMC's and is under the Gentwo umbrella of Funds (https://www.gentwo.com/)
How is secured in Default Event?	The money/investment is on a segregated bank account with EMFI (The Custodian)
Rating	Not Rated
Liquidity	Daily (you can check on https://www.cash.ch/suche/alle/ch0574683717 or on Bloomberg)
Jurisdiction	Guernsey

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