


# Driving Growth in Sri Lanka's Islamic Funds



# Overview of the Unit Trust

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## Industry

- Introduced to Sri Lanka in 1991
  - Initially there were 4 Funds operated by 4 Fund Management Companies (FMC)
  - Until the conclusion of the conflict, there were only 5 FMCs and 16 Funds in operation with an AUM of LKR 6.4 Bn (USD 53.3 Mn)
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# Overview of the Unit Trust Industry

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- After the conclusion of the conflict, 8 new FMCs came into operation
  - At present there are 13 FMCs; 40 Funds; AUM of LKR 33 Bn (USD 254 Mn)
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# Islamic Fund

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## Sector

- First ever Islamic Fund was introduced in January 2008
  - It was a close-ended Fund with a maturity of five years
  - It was an Equity Fund
  - The return to the investor was 10.03% p.a.
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# Islamic

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## Funds

- The first-ever open-ended Equity Fund was launched in October 2011
  - Two more open-ended Equity funds were launched during the first quarter of 2013
  - The first-ever open-ended Mudarabah Fund was launched in January 2013
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# The Performance of the Islamic


## Funds

	2012	2013 (YTD)
ASPI	(-7.10%)	8.39%
Equity Funds	(-2.82%)	(-14.24) – 9.21%
Mudarabah Fund	-	10.61%

# Recent incentives provided to the

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## Industry

- Removal of VAT on Management Fees
  - Reduction of Income Tax on the FMCs
  - Non Nationals can invest in units directly, without opening a SIA (Securities Investment Account)
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Thank You