

ASIA
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Asia Securities Gilt Fund

Interim Report

*For the six months ended
30th September 2023*



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Asia Securities Gilt Fund (Inception: 03rd Apr 2023)

Fund Manager

Nadarajah Gowthaman

Fund Objective.

To maximize returns to its investors by investing exclusively in government securities and government guaranteed securities.

Fund Return

Period	ASGF Return	CRISIL 364 Day Benchmark Return
01H 2023-24	70.83% (Annualized)	32.99% (Annualized)
01H 2023-24	34.93% (YTD)	16.27% (YTD)

Commentary

During the first half of the 2023/24 period, the Asia Security Gilt Fund delivered an annualized return of 70.83% to its investors. The fund primarily focuses on investing in long-term government securities, capitalizing on higher rates in a declining interest rate environment.

Outlook

We expect that there will be scope for further reduction in interest rates by the end of 2023, especially at the shorter end of the yield curve. However, as we enter 2024, factors such as external debt restructuring, increased private credit uptake, the government's achievement of a primary surplus in revenue collection, and the risk premium associated with the upcoming election will significantly impact the movement of interest rates. Additionally, according to the new CBSL act, the CBSL is not able to finance the budget deficit, which could lead to an increased volatility at the longer end of the yield curve in the event of any significant catalyst event in the country.

A hand holding a white pen points to a financial chart on a screen. The chart displays a candlestick pattern with green and red bars, overlaid with a blue line graph. The background is dark, and the overall scene is dimly lit, suggesting a professional or analytical setting.

**ASIA SECURITIES GILT FUND
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2023**

ASIA SECURITIES GILT FUND
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
 period ended 30 September 2023
 (All amounts in Sri Lanka Rupees)

	Notes	For the Period April 23 -Sep 23
Income		
Interest Income	3	579,008,818
Fair Value Gain	4	1,296,536,873
Total Income		1,875,545,692
Operating Expense		
Management Fees		(5,656,282)
Trustee & Custodian Fees		(5,143,233)
Audit Fees		(320,016)
Other Expenses		(240,799)
Total Operating Expenses		(11,360,330)
Other Income	5	653,920
Profit for the Period		<u>1,864,839,282</u>
Increase in net asset attributable to unit holders		<u>1,864,839,282</u>

ASIA SECURITIES GILT FUND
STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 September 2023

**As at 30
September 2023**

ASSETS	Notes	Rs.
Cash and cash equivalents	6	458,147
Financial assets - FVTPL	7	7,536,771,178
Financial assets - Amortised cost	8	34,763,410
		<u>7,571,992,735</u>
LIABILITIES		
Accrued Expenses	9	2,668,373
Borrowings		-
Total Liabilities		<u>2,668,373</u>
UNIT HOLDERS' FUNDS		7,569,324,362
Net Assets Attributable to Unit holders		<u>7,571,992,735</u>

 Director
 Asia Securities Wealth Management (Pvt) Limited

 Director
 Asia Securities Wealth Management (Pvt) Limited

 Trustees
 Hatton National Bank

ASIA SECURITIES GILT FUND
CASH FLOW STATEMENT (UNAUDITED)
period ended 30 September 2023

	Period ended 30.09.2023
	Rs.
Cash Flows from Operating Activities	
Interest Received	197,891,344
Other income received	653,920
Management Fees and Trustee Fees Paid	(8,451,158)
Other Expenses Paid	(240,799)
Investment in Repurchase Agreement	(13,188,827,704)
Investment in Treasury Bills	(5,188,063,622)
Investment in Treasury Bonds	(3,711,845,914)
Maturity Proceeds from Repurchase Agreements	13,154,194,591
Maturity Proceed from Treasury Bills	3,040,662,411
Net Cash Flow generated from Operating Activities	<u>(5,704,026,930)</u>
Cash Flows from Financing Activities	
Cash Received on Creation of Units	5,704,485,080
Cash Paid on Redemption of Units	-
Net Cash generated from Financing Activities	<u>5,704,485,077</u>
Net Increase in Cash and Cash Equivalents	458,147
Cash and Cash Equivalents at the beginning of the year	-
Cash and Cash Equivalents at the end of the period	<u>458,147</u>

ASIA SECURITIES GILT FUND
 NOTES TO THE INTERIM FINANCIAL STATEMENTS
 period ended 30 September 2023

1 All figures are provisional and unaudited. Comparatives figures are presented for the last 6 months period as the Asia Securities Gilt Fund started operations on 03rd April 2023.

2 Income is recognised on an accrual basis.

	For the Period April 23 -Sep 23
3 INVESTMENT INCOME	Rs.
3.1 Interest Income	
Interest on Repurchase Agreements	35,386,637
Interest on Treasury Bills	248,312,820
Interest on T Bonds	295,096,974
Interest on HNB Money Market	212,387
	<u><u>579,008,818</u></u>
4 Fair Value Gain	
Treasury Bills	29,147,851
Treasury Bonds	1,267,389,022
	<u><u>1,296,536,873</u></u>
5 Other Income	
Gain/ loss on disposal of treasury bills/bonds	653,920
	<u><u>653,920</u></u>
	30/09/2023
	Rs.
6 Cash at Bank	25,000
HNB Money Market Savings	433,147
	<u><u>458,147</u></u>

ASIA SECURITIES GILT FUND
 NOTES TO THE INTERIM FINANCIAL STATEMENTS
 period ended 30 September 2023

7	FINANCIAL ASSET- at FVTPL	Notes	30.09.2023
			Rs.
	Investment in Treasury Bills		2,350,325,485
	Investment in Treasury Bonds		5,186,445,693
			<u>7,536,771,178</u>
8	FINANCIAL ASSET- at Amortised Cost		30.09.2023
			Rs.
	Investment in Repurchase Agreements	8.1	34,763,410
			<u>34,763,410</u>
			30.09.2023
			Rs.
8.1	Repurchase Agreements		
	Commercial Bank		34,763,410
			<u>34,763,410</u>

ASIA SECURITIES GILT FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
period ended 30 September 2023

9 ACCRUED EXPENSES	30/09/2023
	Rs.
Management Fee Payable	1,233,721
Trustee & Custodian Fee Payable	1,114,636
Audit Fee Payable	320,016
Advance Receipts- Placement Fee	-
	<u>2,668,373</u>

10 CONTINGENCIES

There were no significant contingencies existing as at the reporting date that required adjustments to or disclosures in the financial statements

11 EVENTS OCCURRING AFTER REPORTING DATE

There have been no significant events occurring after the reporting date that required adjustment to or disclosures in the financial statements

12 CAPITAL COMMITMENTS

There were no significant capital and financial commitments as at the reporting date.

13 UNITS IN ISSUE AND UNIT PRICE

No. of units in issue and deemed to be in issue as at 30 September 2023 was 560,976,739.43 and net assets value per unit as at 30 September 2023 was Rs. 13.4931

CORPORATE INFORMATION

Trustee & Custodian

Hatton National Bank PLC
No. 479, T. B. Jayah Mawatha,
Colombo 10,

Auditors

Deloitte Partners
100, Braybrooke Place,
Colombo 02,

Bankers

Hatton National Bank PLC
No. 479, T. B. Jayah Mawatha,
Colombo 10,

Lawyers

Nithya Partners
97/A, Galle Main Rd,
Colombo 03,

Managers & Registrars

Asia Securities Wealth Management (Pvt) Limited
4th Floor Lee Hedges Tower
No. 479, Galle Road
Colombo 3

ASIA SECURITIES WEALTH MANAGEMENT (PVT) LIMITED

Board of Directors

Mr. Dumith Fernando - Chairman
Mr. Avancka Herat - Executive Director

Management Team

Mr. Kishan Vairavanathan - Chief Executive Office
Mrs. Pushpika Jeevaratne - Head Of Compliance
Mr. Nadarajah Gowthaman - Portfolio Manager

