

ASIA
SECURITIES



INTEGRITY | INSIGHT | INNOVATION

WEALTH MANAGEMENT

Asia Securities Equity Opportunities Fund

Interim Report

*For the six months ended
30th September 2024*

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Asia Securities Equity Opportunities Fund (Inception: 28th Dec 2023)

Fund Manager

Nidesh Perera

Fund Objective

The primary objective of the Asia Securities Equity Opportunities Fund is to achieve long-term capital appreciation by investing primarily in a diversified portfolio of equity securities. The fund seeks to outperform its benchmark index through a combination of top-down macroeconomic analysis and bottom-up fundamental research, identifying companies with strong growth potential, solid financial health, and sustainable competitive advantages.

The fund targets a broad range of industries and sectors to capitalize on economic trends and opportunities. Risk management is a key component of the investment strategy, with a focus on maintaining a balanced portfolio to mitigate market volatility and protect against downside risk.

By investing in high-quality, growth-oriented companies, the Asia Securities Equity Opportunities Fund aims to deliver consistent returns to its investors over the long term, while aligning with their risk tolerance and investment objectives.

Fund Return vs. Benchmark Return

For the period ended 30th September 2024, your fund NAV increased by 7.42% while ASPI & S&P SL 20 Indices increased by 3.59% and 4.09% respectively (all returns stated are non-annualized). The investment fund outperformed the index due to optimal stock selection and asset allocation.

Period	Non Annualized Fund Return	Non Annualized ASPI Return	Non Annualized S&P SL20 Return
Six months ended 30th September 2024	7.4159%	3.5884%	4.0930%

Top Holdings

NAME OF SHARE	% of NAV
VALLIBEL ONE PLC	14.4%
HATTON NATIONAL BANK PLC	12.1%
SAMPATH BANK PLC	10.8%
SUNSHINE HOLDINGS PLC	7.4%
PAN ASIA BANKING CORPORATION PLC	6.7%
DISTILLERIES COMPANY OF SRI LANKA PLC	2.7%
PEOPLE'S LEASING & FINANCE PLC	2.2%
JOHN KEELLS HOLDINGS PLC	0.6%

Outlook for 2024/25

The outlook for Sri Lankan equities is optimistic in the post-election period, as several key sectors, including banking, consumer goods, tourism, and manufacturing, show signs of strong recovery. This positive momentum is supported by a stable macroeconomic environment, characterized by historically low inflation, improving consumer confidence, and rising disposable incomes. The recent approval of the IMF's Third Tranche has bolstered investor sentiment by reinforcing fiscal discipline and enhancing economic stability. Banking and financial institutions are poised to benefit from increased credit demand, while the tourism sector gains traction amid growing international arrivals. Manufacturing and consumer sectors are also experiencing growth, driven by higher domestic demand and improved production capabilities. Together, these factors underscore a promising trajectory for Sri Lankan equities in the near to medium term.

Source: CBSL Monetary Policy Review


**ASIA SECURITIES EQUITY OPPORTUNITIES FUND
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2024**

ASIA SECURITIES EQUITY OPPORTUNITIES FUND
STATEMENT OF COMPREHENSIVE INCOME
period ended 30 September 2024

		For the Period	For the period
	Notes	Apr 24 - Sep 24	Dec 23 - Mar 24
		Rs.	Rs.
Income			
Interest Income	3	531,312	538,084
Dividend Income		1,037,523	19,750
Unrealized (Loss)/ Gain on Financial Assets Held at FVTPL	4	1,672,104	1,235,225
Realized (Loss)/ Gain on Financial Assets Held at FVTPL	5	323,537	-
Total income		<u>3,564,476</u>	<u>1,793,059</u>
Operating expenses			
Management Fees		(265,303)	(104,777)
Trustee and Custodian Fees		(199,143)	(95,864)
Audit Fees		187,997	(474,124)
Brokerage Expenses on Equity Transactions		(763,519)	(258,517)
Other Expenses		(191,401)	(16,764)
Total Operating expenses		<u>(1,231,369)</u>	<u>(950,046)</u>
Total comprehensive income for the period		<u><u>2,333,107</u></u>	<u><u>843,013</u></u>

**ASIA SECURITIES EQUITY OPPORTUNITIES FUND
STATEMENT OF FINANCIAL POSITION
As at 30 September 2024**

		As at 30 Sep 2024	As at 31 Mar 2024
Assets	Notes	Rs.	Rs.
Cash and bank balances	5	1,909,891	147,650
Financial assets at FVTPL	6	86,009,540	24,317,081
Financial assets at amortised cost		70,017,356	6,517,452
Total assets		<u>157,936,787</u>	<u>30,982,183</u>
Liabilities			
Accrued Expenses	7	24,736,096	544,598
Total Liabilities		24,736,096	544,598
Net assets attributable to unit holders		<u>133,200,691</u>	<u>30,437,584</u>
Unitholders' funds			
Net assets attributable to unit holders		<u>133,200,691</u>	<u>30,437,584</u>



Director

Asia Securities Wealth Management (Pvt) Limited
DEUTSCHE BANK AG
Colombo Branch



Authorised Signatories
Trustees
Deutsche Bank



Director
Asia Securities Wealth Management (Pvt) Limited

ASIA SECURITIES EQUITY OPPORTUNITIES FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
period ended 30 September 2024

	Period ended 30.09.2024	Period ended 31.03.2024
	Rs.	Rs.
Unit Holders Fund as at the Beginning of the Period	30,437,584	-
Total Comprehensive Income for the Period	2,333,107	843,013
Received on Creation of Units	100,430,000	29,594,571
Paid on Redemption of Units	-	-
Net Increase / (decrease) due to Unit holders' Transactions	100,430,000	29,594,571
Unit Holders' Fund as at the End of the Period	<u>133,200,691</u>	<u>30,437,584</u>

ASIA SECURITIES EQUITY OPPORTUNITIES FUND
STATEMENT OF CASH FLOWS
period ended 30 September 2024

	Period ended 30.09.2024	Period ended 31.03.2024
	Rs.	Rs.
Cash Flows from Operating Activities		
Interest Received	432,336	514,480
Dividend Received	1,037,523	19,750
Management Fees and Trustee Fees Paid	(412,394)	(130,167)
Brokerage Paid on Equity Transactions	(763,519)	(258,517)
Audit Fees Paid	-	-
Other Expenses Paid	(91,259)	(10,612)
Equity Investments cost	(39,653,601)	(23,081,856)
Equity Investments sold	3,959,618	-
Gain/loss on Equity Share Sales	323,537	-
Trust Certificates	-	-
Investment in Repurchase Agreements	(312,000,000)	(217,900,000)
Maturity Proceed from Repurchase Agreements	248,500,000	211,400,000
Net Cash Flow generated from Operating Activities	<u>(98,667,759)</u>	<u>(29,446,922)</u>
Cash Flows from Financing Activities		
Cash Received on Creation of Units	100,430,000	29,594,571
Cash Paid on Redemption of Units	-	-
Net Cash generated from Financing Activities	<u>100,430,000</u>	<u>29,594,571</u>
Net Increase in Cash and bank balances	1,762,241	147,650
Cash and bank balances at the beginning of the year	147,650	-
Cash and bank balances at the end of the period	<u>1,909,891</u>	<u>147,650</u>

ASIA SECURITIES EQUITY OPPORTUNITIES FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
period ended 30 September 2024

1 All figures for the six month period ended 30 September 2024 are provisional and unaudited.

2 Income is recognised on an accrual basis.

3 Gross Income	For the Period Apr 24 - Sep 24 Rs	For the Period Dec 23 - Mar 24 Rs
Interest on Repurchase Agreements	477,402	467,547
Interest on Savings	53,910	70,538
	531,312	538,084

4 Unrealized (Loss)/ Gain on Financial Assets Held at FVTPL	For the Period Apr 24 - Sep 24 Rs	For the Period Dec 23 - Mar 24 Rs
Unrealised appreciation of Equity Shares	1,672,104	1,235,225
	1,672,104	1,235,225

5 Realized (Loss)/ Gain on Financial Assets Held at FVTPL	For the Period Apr 24 - Sep 24 Rs	For the Period Dec 23 - Mar 24 Rs
Gain / loss - Disposal of Equity Shares	323,537	-
	323,537	-

6 Cash and bank balances	30.09.2024 Rs	31.03.2024 Rs
HNB Current account	-	25,000
HNB Money Market account	4,408	122,650
Deutsche Bank Savings Account	1,905,483	-
	1,909,891	147,650

7 Financial Assets - Fair Value through profit or loss	Note	30.09.2024 Rs	31.03.2024 Rs
Cost of purchases		83,102,210	23,081,856
Appreciation of Marketable Securities		2,907,329	1,235,225
Market Value as at end of the year	7.1	86,009,540	24,317,081

ASIA SECURITIES EQUITY OPPORTUNITIES FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
period ended 30 September 2024

7.1	Quoted investments	30-Sep-24			31-Mar-24		
		No of ordinary shares	Market Price per share Rs	Market value Rs	No of ordinary shares	Market Price per share Rs	Market value Rs
	Banks						
	Hatton National Bank	78,563	204.75	16,085,774	27,000	180.00	4,860,000
	Sampath Bank PLC	186,000	77.70	14,452,200	61,000	80.00	4,880,000
	Pan Asia Bank	398,000	22.40	8,915,200			
				<u>39,453,174</u>			<u>9,740,000</u>
	Capital Goods						
	Hayleys Plc	-	-	-	25,000	82.10	2,052,500
	John Keells Holdings Plc	4,500	179.25	806,625	4,500	194.00	873,000
	Vallibel One PLC	370,000	51.90	19,203,000	-	26.20	-
				<u>20,009,625</u>			<u>2,925,500</u>
	Consumer Durables & Apparel						
	Textured Jersey Lanka PLC	-	-	-	50,000	37.60	1,880,000
				<u>-</u>			<u>1,880,000</u>
	Diversified financials						
	Peoples Leasing & Finance PLC	250,000	11.70	2,925,000	250,000	11.00	2,750,000
				<u>2,925,000</u>			<u>2,750,000</u>
	Foods Beverages & Tobacco						
	Sunshine Holdings Plc	160,000	61.90	9,904,000	38,000	59.50	2,261,000
	Distilleries Comp. of SL PLC	134,148	27.30	3,662,240	134,148	26.90	3,608,581
				<u>13,566,240</u>			<u>5,869,581</u>
	Materials						
	Alumex PLC	845,000	11.90	10,055,500	120,000	9.60	1,152,000
				<u>10,055,500</u>			<u>1,152,000</u>
				<u>86,009,540</u>			<u>24,317,081</u>

**ASIA SECURITIES EQUITY OPPORTUNITIES FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
period ended 30 September 2024**

8 Financial Assets - Amortised Cost		30.09.2024	31.03.2024
	Note	Rs.	Rs.
Repurchase Agreements	8.1	70,017,356	6,517,452
		<u>70,017,356</u>	<u>6,517,452</u>
		30.09.2024	31.03.2024
Repurchase Agreements		Rs	Rs
Acuity Securities Limited		70,017,356	6,517,452
		<u>70,017,356</u>	<u>6,517,452</u>
Accrued Expenses		30.09.2024	31.03.2024
		Rs	Rs
Management Fee Payable		59,116	38,122
Trustee Fee and Custodian Fee Payable		63,411	32,353
Audit Fee and professional Fee Payable		286,127	474,124
Equity Settlement Payable		24,326,371	-
Other Payable		1,071	-
		<u>24,736,096</u>	<u>544,599</u>

CONTINGENCIES

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

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

CAPITAL COMMITMENTS

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

UNITS IN ISSUE AND UNIT PRICE

No. of units in issue and deemed to be in issue as at 30 September 2024 was 12,054,008.29 and net assets value per unit as at 30 September 2024 was Rs.11.0503

CORPORATE INFORMATION

Trustee & Custodian

Deutsche Bank AG
Level 21, One Galle Face Tower,
1A, Centre Road, Galle Face, Colombo 2, Sri Lanka.

Auditors

Deloitte Partners
100, Braybrooke Place, Colombo 02, Sri Lanka

Bankers

Deutsche Bank AG
Level 21, One Galle Face Tower,
1A, Centre Road, Galle Face, Colombo 2, Sri Lanka

Lawyers

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

Managers & Registrars

Asia Securities Wealth Management (Pvt) Limited
4th Floor Lee Hedges Tower
No.349, Galle Road, Colombo 3, Sri Lanka

ASIA SECURITIES WEALTH MANAGEMENT (PVT) LIMITED

Board of Directors

Mr. Dumith Hemantha Fernando	- Chairman
Mr. Harold Avancka Herat	- Executive Director/ Chief Executive Officer
Mr. Arjuna Kumar Wignaraja	- Independent Director

Management Team

Mrs.Pushpika Jeevaratne	- Head of Compliance
Mr. Nidesh Perera	- Chief Operating Officer
Mr. Nadarajah Gowthaman	- Portfolio Manager

