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Asia Securities Money Market Fund

Interim Report

*For the six months ended
30th September 2024*

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Asia Securities Money Market Fund (Inception: 23rd Dec 2020)

Fund Manager

Nadarajah Gowthaman

Fund Objective

The Fund is an open-ended unit trust fund that focuses on investing in short-term government securities and fixed income securities with an investment-grade rating of BBB- or above. These securities have a maturity period of 365 days or less. The investment objective is to generate a high interest income for its investors while preserving capital and providing liquidity.

Fund Return

Period	ASMMF Annualized Return
2023-24	19.45%
01H 2024-25	09.91%

Commentary

Over the six-month period ending in 2024/25, the Asia Security Money Market Fund provided its investors with an annualized return of 09.91%. The fund's primary focus was on government securities, as they offer higher yields compared to corporate papers.

Outlook

In the short term, G-Sec yields are expected to decline marginally, particularly the benchmark 1-year T-bill, due to improved liquidity conditions and the Central Bank of Sri Lanka's (CBSL) accommodative policy stance. The mid and long ends are also likely to move lower in the short term, influenced by overall liquidity levels and anticipated rate cuts. This outlook is supported by several factors: actual revenue collection exceeding IMF targets, enhanced rupee liquidity from CBSL's net dollar purchases and foreign money inflows, and positive expectations surrounding the conclusion of the Extended Fund Facility (EFF) arrangement with the IMF and securing additional multilateral funding. CBSL's continuation of an accommodative policy stance, given low inflation and slow private sector credit growth, further supports this view, with market sentiment even suggesting potential rate cuts. However, significant near-term debt maturities could exert upward pressure on interest rates if the government issues more securities than the maturity proceeds. In the long term, starting from the second half of 2025, the yield curve is expected to face slight upward pressure due to rising inflation driven by a low base effect, demand for private sector credit, increased budgetary allocations streaming from FY2025 Budget together with spillover effects from any public sector salary increases. As the economy recovers and private sector borrowing picks up, the demand for credit is likely to push up interest rates, reflecting increased competition for available funds. Overall, while the short-term outlook for G-Sec interest rates appears to favor a potential decline, the long-term view suggests a gradual increase driven by inflationary pressures and economic recovery dynamics.

Source: CBSL Monetary Policy Review.

**ASIA SECURITIES MONEY MARKET FUND
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2024**

**ASIA SECURITIES MONEY MARKET FUND
STATEMENT OF PROFIT OR LOSS
period ended 30 September 2024**

	Notes	For the Period April 24 - Sep 24	For the Period April 23 - Sep 23
		Rs.	Rs.
Income			
Interest Income	3	40,605,251	25,402,264
Gain/loss on Disposals of Financial Assets	4	13,725	309,869
Total Income		40,618,976	25,712,133
Operating Expenses			
Management Fees		(1,994,280)	(552,930)
Trustee & Custodian Fees		(869,706)	(337,575)
Audit Fees		(258,087)	(211,149)
Other Expenses		(430,775)	(713,628)
Total Operating Expenses		(3,552,848)	(1,815,282)
Profit for the period		37,066,128	23,896,851
Total Comprehensive income for the period		37,066,128	23,896,851

**ASIA SECURITIES MONEY MARKET 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 cash equivalents	5	32,044,799	7,772,107
Financial assets - Amortised Cost	6	2,772,244,276	266,677,198
Other Receivable		5,972	-
		<u>2,804,295,047</u>	<u>274,449,305</u>
LIABILITIES			
Accrued Expenses	7	1,350,906	688,368
Total Liabilities		1,350,906	688,368
UNIT HOLDERS' FUNDS			
Net Assets Attributable to Unit holders		2,802,944,141	273,760,937
		<u>2,804,295,047</u>	<u>274,449,305</u>



Director

Asia Securities Wealth Management (Pvt) Limited

DEUTSCHE BANK AG
Colombo Branch



.....
Authorized Signatories
Trustees
Deutsche Bank



Director

Asia Securities Wealth Management (Pvt) Limited

**ASIA SECURITIES MONEY MARKET FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
period ended 30 September 2024**

	Period ended 30.09.2024	Period ended 30.09.2023
	Rs.	Rs.
Unit Holders Fund as at the Beginning of the Period	273,760,937	378,198,877
Total Comprehensive Income for the Period	37,066,128	23,896,852
Received on Creation of Units	3,535,951,205	459,462,842
Paid on Redemption of Units	(1,043,834,128)	(580,819,081)
Net Increase / (decrease) due to Unit holders' Transactions	2,492,117,076	(121,356,239)
Unitholders, Funds As At 30th September 2024	2,802,944,141	280,739,490

ASIA SECURITIES MONEY MARKET FUND
CASH FLOW STATEMENT
period ended 30 September 2024

	Period ended 30.09.2024	Period ended 30.09.2023
	Rs.	Rs.
Cash Flows from Operating Activities		
Interest Received	29,675,471	35,273,978
T bill Sale	13,725	309,869
Other income received	(5,972)	174,406
Management Fees and Trustee Fees Paid	(1,946,757)	(918,208)
Audit Fees Paid	(514,763)	(421,144)
Other Expenses Paid	(161,320)	(713,627)
Investment in Repurchase Agreement	(10,360,500,000)	(1,007,000,000)
Investment in Fixed deposits	-	-
Investment in Commercial Papers	(100,000,000)	(288,726,938)
Investment in Treasury Bills	(1,072,357,690)	(228,727,494)
Investment in Treasury Bonds	(160,491,390)	-
Maturities in Repurchase Agreement	8,801,500,000	1,107,000,000
Maturities in Fixed deposits	30,000,000	-
Maturities in Commercial Papers	125,000,000	295,366,938
Maturities in Treasury Bills	241,944,313	174,122,034
Net Cash Flow generated from Operating Activities	<u>(2,467,844,381)</u>	<u>85,739,812</u>
Cash Flows from Financing Activities		
Cash Received on Creation of Units	3,535,951,205	459,462,842
Cash Paid on Redemption of Units	(1,043,834,128)	(580,819,081)
Net Cash generated from Financing Activities	<u>2,492,117,073</u>	<u>(121,356,239)</u>
Net Increase in Cash and Cash Equivalents	24,272,692	(35,616,427)
Cash and Cash Equivalents at the beginning of the year	7,772,107	43,687,694
Cash and Cash Equivalents at the end of the period	<u>32,044,799</u>	<u>8,071,267</u>

ASIA SECURITIES MONEY MARKET 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.

	For the Period April 24 - Sep 24	For the Period April 23 -Sep 23
3 Interest Income	Rs.	Rs.
Interest on Repurchase Agreements	12,343,330	3,596,030
Interest on Treasury Bills	19,166,020	16,426,078
Interest on Fixed Deposits	397,500	-
Interest on Commercial Papers	4,523,055	4,210,814
Interest on Trust Certificate	-	-
Interest on T Bond Investment	6,265,770	-
Interest on Savings	51,109	-
Interest on HNB Money Market	377,746	1,169,342
Premium/Discount on T Bond	(2,519,279)	-
	<u>40,605,251</u>	<u>25,402,264</u>

4 Gain/loss on Disposals of Assets

Gain on disposal of treasury bills	13,725	309,869
Total Investment Income	<u>40,618,976</u>	<u>309,869</u>

	30.09.2024	31.03.2024
	Rs.	Rs.
5 Cash at Bank	-	25,000
Deutsche Bank Savings	32,039,990	-
HNB Money Market Savings	4,809	7,747,107
	<u>32,044,799</u>	<u>7,772,107</u>

ASIA SECURITIES MONEY MARKET FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
period ended 30 September 2024

6 FINANCIAL ASSETS - AMMORTISED COST

	Notes	30.09.2024	31.03.2024
		Rs.	Rs.
Repurchase Agreements	6.1	1,600,611,947	40,064,345
Investment in Commercial Papers	6.2	30,483,134	58,111,705
Investment in Treasury Bills		976,500,455	137,934,710
Investment in T Bonds		164,648,741	-
Investment in Fixed Deposits	6.3	-	30,566,438
		<u>2,772,244,276</u>	<u>266,677,198</u>
		30.09.2024	31.03.2024
6.1 Repurchase Agreements			
Acuity Securities Ltd		761,739,508	40,064,345
Capital Alliance PLC		838,872,438	-
		<u>1,600,611,947</u>	<u>40,064,345</u>
6.2 Commercial papers			
LOLC Holdings PLC		30,483,134	21,981,205
Asia Securities Pvt Ltd		-	36,130,500
		<u>30,483,134</u>	<u>58,111,705</u>
6.3 Fixed Deposits			
Alliance Finance Company PLC		-	30,566,438
		<u>-</u>	<u>30,566,438</u>

**ASIA SECURITIES MONEY MARKET FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
period ended 30 September 2024**

7 ACCRUED EXPENSES	30.09.2024	31.09.2024
	Rs.	Rs.
Management Fee Payable	682,292	109,264
Trustee & Custodian Fee Payable	408,542	64,340
Audit Fee Payable	258,087	514,764
	<u>1,350,906</u>	<u>688,368</u>

8 CONTINGENCIES

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

9 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

10 CAPITAL COMMITMENTS

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

11 UNITS IN ISSUE AND UNIT PRICE

No. of units in issue and deemed to be in issue as at 30 September 2024 was 180,059,116.31 and net assets value per unit as at 30 September 2024 was Rs.15.5667

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

