

ASIA  
SECURITIES



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WEALTH MANAGEMENT

# Asia Securities Dynamic Gilt Fund

Interim Report

*For the six months ended  
30th September 2025*

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## Asia Securities Dynamic 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	ASDGF Return	CRISIL 364 Benchmark Return
YTD (Annualized) (Since Inception)	10.20%	10.04%
Half-Year performance (annualized) (31 Mar 2025 - 30 Sep 2025)	08.11%	08.05%

### Commentary

Over the course of 01Half of the 2025/26 financial year, the Asia Securities Dynamic Gilt Fund delivered an annualized return of 08.11% to its investors. The fund primarily invests in long-term government securities, actively managing duration to capitalize on higher yields in a stable interest rate environment.

### Macroeconomic Overview: Sri Lanka in 01 Half of 2025/26

#### Inflation and Price Developments

Inflation remained in negative territory from September 2024, reflecting a period of deflation. This deflation was largely driven by declines in energy and transport-related prices, alongside some ease in food prices compared to the previous year. However, deflationary pressures began to ease from March 2025, mainly due to accelerating food inflation and upward adjustments in energy prices.

The brief deflationary episode did not adversely impact producer behavior or disrupt overall economic activity, while it provided some relief to household cost-of-living pressures. Deflation ended in Q3-2025, and a gradual acceleration of inflation is expected thereafter, reaching approximately 5% by mid-2026. In the medium term, inflation is projected to stabilize around the 5% target, albeit with possible transitory peaks along with the inflation trajectory. Core inflation, which remains at a low positive level, is also expected to pick up before stabilizing over the medium term.

While both upside and downside risks exist for the inflation outlook, the overall risk assessment suggests a balanced scenario for the realization of the projected inflation path.

## Asia Securities Dynamic Gilt Fund

### Monetary Policy and Financial Conditions

The Central Bank maintained an accommodative monetary policy stance amid subdued demand-driven inflationary pressures. Market interest rates declined significantly, facilitating robust credit growth across all major private-sector sectors.

### External Sector and Exchange Rate Developments

Despite global economic policy uncertainties, Sri Lanka's external sector performance remained resilient in 2025. The Sri Lankan rupee experienced modest depreciation against the US dollar, supported by improved inflows from tourism earnings, workers' remittances, and the sixth tranche under the IMF Extended Fund Facility (IMF-EFF), despite rising import demand. Gross official reserves were maintained above USD 6 billion, ensuring the ability to meet debt servicing requirements.

### Economic Growth Outlook

The growth momentum observed in 2025 is expected to continue in the near term, supported by favorable credit expansion, recovery in aggregate demand, and a stable policy environment that fosters business confidence. Continued policy efforts to address structural economic issues are likely to further underpin sustainable growth.

### Fiscal Sector Performance

From January to October 2025, fiscal performance improved, reflecting the Government's strong commitment to revenue-based fiscal consolidation measures. These measures resulted in a significant primary surplus and a reduction in the overall budget deficit during the period.

### Risks and Policy Considerations

Looking ahead, the rapidly evolving global trade landscape, policy uncertainties, and recurring geopolitical tensions pose potential risks to the economic outlook. Sustaining growth momentum in the medium term and ensuring its equitable benefits will require growth-enhancing policies complemented by necessary structural reforms.

Source: CBSL



**ASIA SECURITIES DYNAMIC GILT FUND  
INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
30 SEPTEMBER 2025**

**ASIA SECURITIES DYNAMIC GILT FUND**  
**STATEMENT OF PROFIT OR LOSS**  
**period ended 30 September 2025**  
**(All amounts in Sri Lanka Rupees)**

	Notes	For the Period Apr 25 -Sep 25	For the Period Apr 24 -Sep 24
		Rs.	Rs.
<b>Income</b>			
Interest Income	3	211,009,154	61,024,845
Realized Gain/Loss on Financial Assets Held at FVTPL	4	9,700,396	-
Unrealized (Loss)/ Gain on Financial Assets Held at FVTPL	5	(15,464,590)	2,843,056
<b>Total Income</b>		<u>205,244,961</u>	<u>63,867,901</u>
<b>Operating Expense</b>			
Management Fees		(7,989,063)	(1,898,789)
Trustee & Custodian Fees		(4,529,288)	(1,197,554)
Audit Fees		(397,704)	(170,729)
Other Expenses	6	(102,357)	(116,327)
<b>Total Operating Expenses</b>		<u>(13,018,412)</u>	<u>(3,383,400)</u>
Profit for the Period		<u>192,226,548</u>	<u>60,484,501</u>
<b>Total comprehensive income for the period</b>		<u>192,226,548</u>	<u>60,484,501</u>



**ASIA SECURITIES DYNAMIC GILT FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 September 2025**

		As at 30 September 2025	As at 31 Mar 2025
		Rs.	Rs.
<b>ASSETS</b>			
	Notes		
Cash and cash equivalents	7	1,752,317	2,036,219
Financial assets - FVTPL	8	3,314,577,779	1,960,711,358
Financial assets - Amortised cost	9	1,421,623,030	3,091,969,617
		<u>4,737,953,127</u>	<u>5,054,717,194</u>
<b>LIABILITIES</b>			
Accrued Expenses	10	2,534,552	2,692,029
Total Liabilities		2,534,552	2,692,029
<b>UNIT HOLDERS' FUNDS</b>			
Net Assets Attributable to Unit holders		4,735,418,574	5,052,025,165
		<u>4,737,953,127</u>	<u>5,054,717,194</u>



Director

Asia Securities Wealth Management (Pvt) Limited



Director

Asia Securities Wealth Management (Pvt) Limited



DEUTSCHE BANK AG  
Colombo Branch

Trustees

Deutsche Bank

**ASIA SECURITIES DYNAMIC GILT FUND**  
**STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND**  
**As at 30 September 2025**

	Period ended 30.09.2025	Period ended 30.09.2024
	Rs.	Rs.
<b>Unit Holders Fund as at the Beginning of the Period</b>	5,052,025,165	-
Total Comprehensive Income for the Period	192,226,548	60,484,501
Received on Creation of Units	600,000	4,337,643,670
Paid on Redemption of Units	(509,433,139)	-
Net Increase / (decrease) due to Unit holders' Transactions	(508,833,139)	4,337,643,670
<b>Unit Holders' Fund as at the End of the Period</b>	<u><u>4,735,418,574</u></u>	<u><u>4,398,128,171</u></u>



**ASIA SECURITIES DYNAMIC GILT FUND**  
**CASH FLOW STATEMENT**  
**As at 30 September 2025**

	Period ended 30.09.2025	Period ended 30.09.2024
	Rs.	Rs.
<b>Cash Flows from Operating Activities</b>		
Interest Received	137,965,687	26,310,032
Other income received	9,700,396	-
Management Fees and Trustee Fees Paid	(12,464,420)	(879,400)
Other Expenses Paid	(711,468)	(116,206)
Investment in Repurchase Agreement	(48,779,362,062)	(21,764,043,649)
Investment in Treasury Bills	-	-
Investment in Treasury Bonds	(2,605,670,437)	(2,507,933,419)
Maturity Proceeds from Repurchase Agreements	49,318,272,599	(341,281,458)
Maturity Proceed from Treasury Bills	678,082,055	20,256,028,876
Maturity Proceed from Treasury Bonds	1,762,736,887	-
<b>Net Cash Flow generated from Operating Activities</b>	<b><u>508,549,237</u></b>	<b><u>(4,331,915,224)</u></b>
<b>Cash Flows from Financing Activities</b>		
Cash Received on Creation of Units	600,000	4,337,643,670
Cash Paid on Redemption of Units	(509,433,139)	-
<b>Net Cash generated from Financing Activities</b>	<b><u>(508,833,139)</u></b>	<b><u>4,337,643,670</u></b>
Net Increase in Cash and Cash Equivalents	(283,902)	5,728,446
Cash and Cash Equivalents at the beginning of the year	2,036,219	-
<b>Cash and Cash Equivalents at the end of the period</b>	<b><u>1,752,317</u></b>	<b><u>5,728,446</u></b>

**ASIA SECURITIES DYNAMIC GILT FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 September 2025**

- 1 All figures for the six month period ended 30 September 2025 are provisional and unaudited.  
 2 Income is recognised on an accrual basis.

	For the Period Apr 25 -Sep 25	For the Period Apr 24 -Sep 24
<b>3 Interest Income</b>	<b>Rs.</b>	<b>Rs.</b>
Interest on Repurchase Agreements	65,345,803	39,788,419
Interest on Treasury Bills	106,257,986	13,775,441
Interest on T Bonds	39,374,880	7,400,279
Interest on Savings Account	30,485	60,706
	<u>211,009,154</u>	<u>61,024,845</u>
	<b>For the Period Apr 25 -Sep 25</b>	<b>For the Period Apr 24 -Sep 24</b>
<b>4 Realized (Loss)/ Gain on Financial Assets Held at FVTPL</b>	<b>Rs.</b>	<b>Rs.</b>
Treasury Bonds	9,700,396	-
	<u>9,700,396</u>	<u>-</u>
	<b>For the Period Apr 25 -Sep 25</b>	<b>For the Period Apr 24 -Sep 24</b>
<b>5 Unrealized (Loss)/ Gain on Financial Assets Held at FVTPL</b>	<b>Rs.</b>	<b>Rs.</b>
Treasury Bills	(12,037,131)	11,407
Treasury Bonds	(3,427,459)	2,831,650
	<u>(15,464,590)</u>	<u>2,843,056</u>
	<b>For the Period Apr 25 -Sep 25</b>	<b>For the Period Apr 24 -Sep 24</b>
<b>6 Other Expenses</b>	<b>Rs.</b>	<b>Rs.</b>
Annual Report Formatting Charges	58,900.00	-
Bank Charges	40,375.00	39,507.00
WHT Expenses	3,081.90	3,035.28
Legal Fees	-	36,285.00
Bid Handling Charges	-	30,000.00
KIID Revision Charges	-	7,500.00
	<u>102,356.90</u>	<u>116,327.28</u>
	<b>30.09.2025</b>	<b>31.03.2025</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>7 Deutsche Bank Savings Account</b>	<u>1,752,317</u>	<u>2,036,219</u>
	<u>1,752,317</u>	<u>2,036,219</u>

ASIA SECURITIES DYNAMIC GILT FUND  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
As at 30 September 2025

<b>8 FINANCIAL ASSET- at FVTPL</b>	<b>30.09.2025</b>	<b>31.03.2025</b>
	<b>Rs.</b>	<b>Rs.</b>
Investment in Treasury Bills	1,960,616,629	2,611,300,380
Investment in Treasury Bonds	1,353,961,151	480,669,237
	<u>3,314,577,779</u>	<u>3,572,638,854</u>
<b>9 FINANCIAL ASSET- at Amortised Cost</b>	<b>30.09.2025</b>	<b>31.03.2025</b>
	<b>Rs.</b>	<b>Rs.</b>
Investment in Repurchase Agreements	1,421,623,030	1,960,711,358
	<u>1,421,623,030</u>	<u>1,960,711,358</u>
<b>9.1 Repurchase Agreements</b>	<b>30.09.2025</b>	<b>31.03.2025</b>
	<b>Rs.</b>	<b>Rs.</b>
Commercial Bank	1,421,623,030	-
DFCC Bank	-	1,960,711,358
	<u>1,421,623,030</u>	<u>1,960,711,358</u>
<b>10 ACCRUED EXPENSES</b>	<b>30/09/2025</b>	<b>31/03/2025</b>
	<b>Rs.</b>	<b>Rs.</b>
Management Fee Payable	1,408,211	1,281,885
Trustee & Custodian Fee Payable	727,979	775,705
Audit Fee Payable	397,704	24,669
Other Payable	658	182
	2,534,552	2,692,029

**11 Related Party Disclosures**

**11.1 Related party unit holding transactions and balances**

Key management personnel made no investments during the financial period.

ASIA SECURITIES DYNAMIC GILT FUND  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**As at 30 September 2025**

**9 Transactions and balances related to the service provided by related parties**

Fees were charged by the management company and trustee for services provided during the period and the balances outstanding related to such services as at period end are as disclosed below:

	30.09.2025	31.03.2025
	Rs.	Rs.
<b>10 Charges for the period with related parties</b>		
Management fees by		
Asia securities Wealth Management (Pvt) Ltd	7,989,063	9,110,921
Trustee fees by Deutsche Bank	4,383,659	5,513,275
Custodian fees by Deutsche Bank	145,629	193,376

**11 Outstanding Balances for the period with related parties**

Saving Account balance at Deutsche Bank	1,751,736	2,036,219
Management fees payable to		
Asia securities Wealth Management (Pvt) Ltd	1,408,211	1,281,885
Trustee fees payable to Hatton National Bank	704,106	775,705
Custodian fees payable to Hatton National Bank	23,874	24,669

**12 Contingencies**

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

**13 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

**14 Capital commitments**

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

**15 Reconciliation between Net Asset Value as per**

the Interim Report and the published Net Asset Value	30.09.2025	31.03.2025
	Rs.	Rs.
Net Asset Value as per Financial Statements	4,735,418,574	5,052,025,165
Other Adjustments	-	-
Published Net Asset Value	<u>4,735,418,574</u>	<u>5,052,025,165</u>
Published No of Units	423,162,346	469,802,007
Net Asset Value as per unit	11.1905	10.7535

## **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 Avanca Herat - Executive Director  
Mr. Arjuna Kumar Wignaraja - Independent Director

### **Management Team**

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

