

**ASIA  
SECURITIES**



INTEGRITY | INSIGHT | INNOVATION

WEALTH MANAGEMENT

# Asia Securities Gilt Fund

Interim Report

*For the six months ended  
30th September 2025*

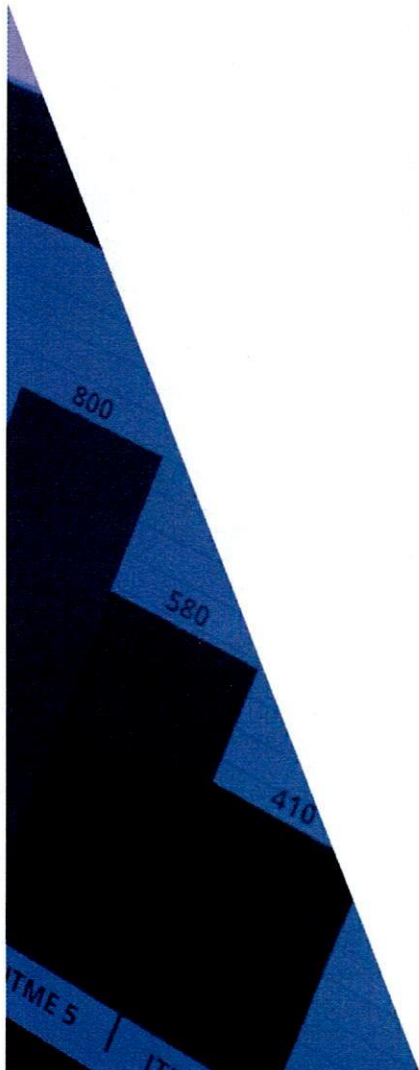
ID	NAME	BOSS
1	Kovalenko	Popach D
2	Lebedeva	Popach D
3	Guraluk	Popach D
4	Novak	Popach D
5	Korotkiy	Popach D

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## TABLE OF CONTENTS

Report of the Investment Manager	02
Statement Of Profit Or Loss	05
Statement Of Financial Position	06
Statement of Movement in Unitholders' Fund	07
Notes to the Interim Financial Statements	09
Corporate Information	12



## 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
2024-25 (Annualized) (31 Mar 2025 – 30 Sep 2025)	11.26%	8.05%
CAGR Annualized Return since Inception (03 Apr 2023 – 30 Sep 2025)	27.13%	16.25%

### Commentary

During the 1st Half of 2024/25 financial year, the Asia Securities Gilt Fund delivered an annualized return of 11.26% to its investors. The fund primarily focuses on long-term government securities, capitalizing on higher yields amid a stable interest rate environment.



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

### 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.

#### 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.

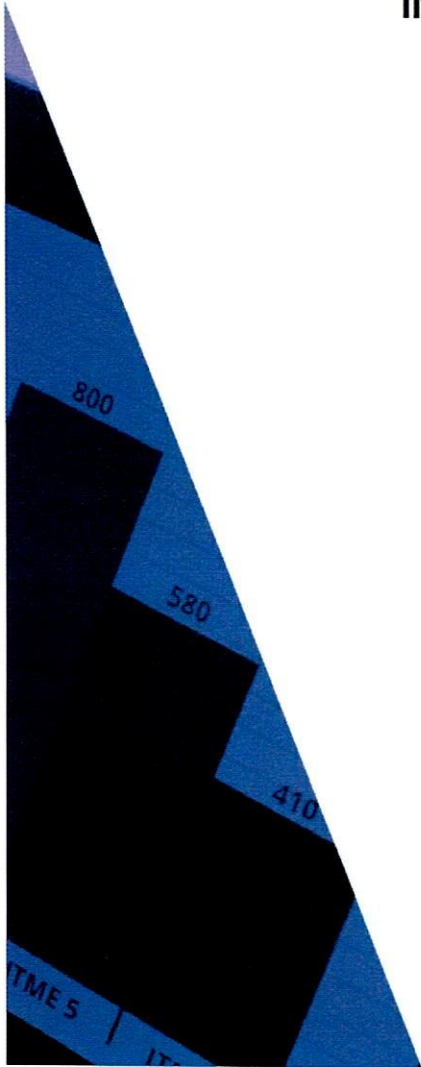
#### Risks and Policy Considerations

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




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

	Notes	For the Period April 25 -Sep 25	For the Period Apr 24 -Sep 24
		Rs.	Rs.
<b>Income</b>			
Interest Income	3	643,565,169	628,758,981
Realized Gain/Loss on Financial Assets Held at FVTPL	4	6,116,245	2,431,274
Unrealized (Loss)/ Gain on Financial Assets Held at FVTPL	5	(79,589,897)	(153,318,617)
<b>Total Income</b>		<u>570,091,517</u>	<u>477,871,638</u>
<b>Operating Expense</b>			
Management Fees		(13,826,214)	(10,487,889)
Trustee & Custodian Fees		(9,213,550)	(8,012,334)
Audit Fees		(305,325)	(204,124)
Other Expenses	6	(109,389)	(394,894)
<b>Total Operating Expenses</b>		<u>(23,454,477)</u>	<u>(19,099,241)</u>
<b>Profit for the Period</b>		<u>546,637,040</u>	<u>458,772,397</u>
<b>Increase in net asset attributable to unit holders</b>		<u>546,637,040</u>	<u>458,772,397</u>

**ASIA SECURITIES 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	658,363	30,620
Financial assets - FVTPL	8	8,347,857,750	8,364,824,530
Financial assets - Amortised cost	9	1,885,330,577	6,039,458
		<u>10,233,846,691</u>	<u>8,370,894,608</u>
<b>LIABILITIES</b>			
Accrued Expenses	10	4,381,933	3,429,558
Total Liabilities		4,381,933	3,429,558
<b>UNIT HOLDERS' FUNDS</b>			
Net Assets Attributable to Unit holders		10,229,464,758	8,367,465,050
		<u>10,233,846,691</u>	<u>8,370,894,608</u>

  
\_\_\_\_\_  
Director

Asia Securities Wealth Management (Pvt) Limited  
Colombo Branch

  
\_\_\_\_\_  
Authorized Signatories  
Trustees  
Deutsche Bank

  
\_\_\_\_\_  
Director  
Asia Securities Wealth Management (Pvt) Limited

ASIA SECURITIES GILT FUND  
**STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND**  
 period ended 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>	9,682,827,717	8,367,465,050
Total Comprehensive Income for the Period	546,637,040	458,772,397
Received on Creation of Units	-	500,000
Paid on Redemption of Units	-	(570,069)
Net Increase / (decrease) due to Unit holders' Transactions	-	(70,069)
<b>Unit Holders' Fund as at the End of the Period</b>	<u><u>10,229,464,758</u></u>	<u><u>8,826,167,378</u></u>



**ASIA SECURITIES GILT FUND**  
**CASH FLOW STATEMENT**  
 period ended 30 September 2025

	Period ended 30.09.2025	Period ended 30.09.2024
	Rs.	Rs.
<b>Cash Flows from Operating Activities</b>		
Interest Received	582,326,845	708,307,928
Other income received	6,116,245	2,431,274
Management Fees and Trustee Fees Paid	(22,512,918)	(16,952,496)
Other Expenses Paid	(732,062)	(969,326)
Investment in Repurchase Agreement	(63,138,664,017)	(16,379,156,648)
Investment in Treasury Bills	-	(1,746,715,955)
Investment in Treasury Bonds	(2,308,931,569)	(681,425,913)
Maturity Proceeds from Repurchase Agreements	62,866,868,363	15,223,120,284
Maturity Proceed from Treasury Bills	1,327,689,536	2,456,435,367
Maturity Proceed from Treasury Bonds	684,322,242	436,917,605
<b>Net Cash Flow generated from Operating Activities</b>	<b><u>(3,517,335)</u></b>	<b><u>1,992,121</u></b>
<b>Cash Flows from Financing Activities</b>		
Cash Received on Creation of Units	-	500,000
Cash Paid on Redemption of Units	-	(570,069)
<b>Net Cash generated from Financing Activities</b>	<b><u>-</u></b>	<b><u>5,704,485,077</u></b>
Net Increase in Cash and Cash Equivalents	(3,517,335)	1,922,048
Cash and Cash Equivalents at the beginning of the year	4,175,699	30,620
<b>Cash and Cash Equivalents at the end of the period</b>	<b><u>658,363</u></b>	<b><u>1,952,668</u></b>



ASIA SECURITIES GILT FUND  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
 period ended 30 September 2025

- 1 All figures for the six month period ended 30 September 2025 are provisional and unaudited.
- 2 There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2025.

	For the Period Apr 25 -Sep 25	For the Period Apr 24 -Sep 24
	Rs.	Rs.
<b>3 Interest Income</b>		
Interest on Repurchase Agreements	84,134,368	50,442,789
Interest on Treasury Bills	72,230,458	108,501,993
Interest on T Bonds	487,165,143	469,765,353
Interest on Savings	35,201	48,846
	<u>643,565,169</u>	<u>628,758,981</u>
<b>4 Realized Gain/Loss on Financial Assets Held at FVTPL</b>		
Gain/ loss on disposal of treasury bills/bonds	6,116,245	2,431,274
	<u>6,116,245</u>	<u>2,431,274</u>
<b>5 Unrealized (Loss)/ Gain on Financial Assets Held at FVTPL</b>		
Treasury Bills	(9,573,261)	(22,442,678)
Treasury Bonds	(70,016,636)	(130,875,938)
	<u>(79,589,897)</u>	<u>(153,318,617)</u>
<b>6 Other Expenses</b>		
Annual Report Formatting Charges	58,900.00	-
Bank Charges	46,900.00	98,667
WHT Expenses	3,588.58	2,442
Legal Fees	-	36,285.00
Bid Handling Charges	-	250,000.00
KIID Revision Charges	-	7,500
	<u>109,389</u>	<u>394,894</u>
	<b>30.09.2025</b>	<b>31.03.2025</b>
	Rs.	Rs.
<b>7 Deutsche Savings Account</b>	658,363	4,175,699
	<u>658,363</u>	<u>4,175,699</u>

ASIA SECURITIES GILT FUND  
 NOTES TO THE INTERIM FINANCIAL STATEMENTS  
 period ended 30 September 2025

8	FINANCIAL ASSET- at FVTPL	Notes	30.09.2025	31.03.2025
			Rs.	Rs.
	Investment in Treasury Bills		1,091,650,062	2,488,477,815
	Investment in Treasury Bonds		7,256,207,689	5,581,442,675
			<u>8,347,857,750</u>	<u>8,069,920,490</u>
9	FINANCIAL ASSET- at Amortised Cost		30.09.2025	31.03.2025
			Rs.	Rs.
	Investment in Repurchase Agreements		1,885,330,577	1,612,903,965
			<u>1,885,330,577</u>	<u>1,612,903,965</u>
9.1	Repurchase Agreements		30.09.2025	31.03.2025
			Rs.	Rs.
	HNB Securities Ltd		1,885,330,577	-
	Capital Alliance PLC		-	1,612,903,965
			<u>1,885,330,577</u>	<u>1,612,903,965</u>
10	ACCRUED EXPENSES		30.09.2025	31.03.2025
			Rs.	Rs.
	Management Fee Payable		2,532,565	2,041,801
	Trustee & Custodian Fee Payable		1,543,412	1,507,331
	Audit Fee Payable		305,325	623,134
	Other Payable		631	171
			<u>4,381,933</u>	<u>4,172,436</u>

## 11 Related Party Disclosures

### 11.1 Related party unit holding transactions and balances

Company / KMP	Relationship	No of Units Held		Value of units held	
		30/09/2025	31/03/2025	30/09/2025	31/03/2025
		UNITS	UNITS	LKR	LKR
Mr.Dumith Fernando	Chairman	49,465	49,465	900,546	852,422

**ASIA SECURITIES GILT FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**period ended 30 September 2025**

**10.2 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:

<b>Charges for the period with related parties</b>	<b>30.09.2025 Rs.</b>	<b>31.03.2025 Rs.</b>
Management fees by		
Asia securities Wealth Management (Pvt) Ltd	13,826,214	22,097,479
Trustee fees by Deutsche Bank	9,067,921	16,297,053
Custodian fees by Deutsche Bank	145,629	290,462
<b>Outstanding Balances for the period with related parties</b>		
Saving Account balance at Deutsche Bank	657,388	4,175,699
Management fees payable to		
Asia securities Wealth Management (Pvt) Ltd	2,532,565	2,041,801
Trustee fees payable	1,519,539	1,482,661
Custodian fees payable	23,874	24,669

**11 Contingencies**

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

**12 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

**13 Capital commitments**

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

**14 Reconciliation between Net Asset Value as per the Interim Report and the published Net Asset Value**

	<b>As at 30.09.2025 Rs.</b>	<b>As at 31.03.2025 Rs. Audited</b>
Net Asset Value as per Financial Statements	10,229,464,758	9,682,827,717
Other Adjustments	-	-
Published Net Asset Value	10,229,464,758	9,682,827,717
Published No of Units	561,878,083	561,878,083
Net Asset Value as per unit	18.2058	17.2329

## **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  
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

