



**NDB** | WEALTH



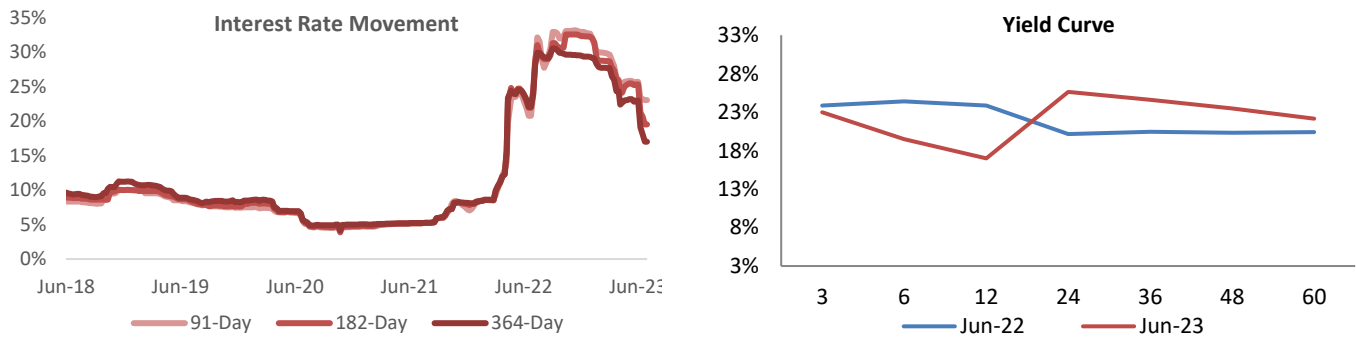
**NDB WEALTH  
MONEY PLUS FUND**

Financial statements for the period ended 30<sup>th</sup> June 2023

## Fund Review 1<sup>st</sup> Half 2023 - NDB Wealth Money Plus Fund

In the first half of 2023, Sri Lanka experienced a significant decrease in interest rates. The Central Bank of Sri Lanka (CBSL) and the Monetary Board raised policy rates by 100 basis points in March 2023 to meet the requirements for securing the IMF Extended Fund Facility (EFF) arrangement. Subsequently however, CBSL implemented aggressive rate cuts from June 2023, reducing policy rates by 250 basis points to stimulate the economy following a historic contraction in 2022. As a result, the Standing Lending Facility Rate (SLF) stood at 14.00% and the Standing Deposit Facility Rate (SDF) at 13.00% by the end of the first half of 2023. In this backdrop, interest rates across the yield curve dropped, with the benchmark 364-day Treasury bill rate falling from 29.16% in end December 2022 to 16.99% by the end of June 2023 (Source: Central Bank of Sri Lanka).

In the 2H2023, a continued decline in inflation is anticipated, primarily attributed to the appreciation of the Sri Lankan Rupee and the easing of global commodity prices as well as the base effect. These factors are expected to provide room for a more relaxed monetary policy stance, aimed at stimulating economic activity during this period.



Source: Central Bank of Sri Lanka

On the fiscal front, overall budget deficit for 2023 is expected to hover in the range of approximately LKR 2.40 Tn (vs. 2.46 Tn in 2022), amidst better revenue collection and curtailment of capital expenditures. Thus, going forward significant fiscal consolidation measures and structural reforms will have to be introduced as part of an IMF program in order to achieve debt sustainability and overall macro-economic stability.

During the period under review the NDB Wealth Money Plus Fund yielded the following returns commensurate with the risk parameters and the objective of the Fund:

	NDB Wealth Money Plus Fund	*Average Weighted Deposit Rate (AWDR) *6-month avg.
Performance - 1 <sup>st</sup> Half 2023	12.41% (after fees)	N/A
Annualized Performance - 1 <sup>st</sup> Half 2023	24.83% (after fees)	14.98%

\*Source: Central Bank of Sri Lanka

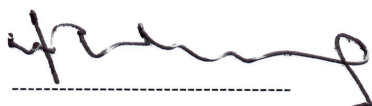
With inflation under control, Central Bank is expected to be able to implement further monetary easing to foster economic recovery and further decreases in interest rates may be foreseen during the second half of the year.

**NDB WEALTH MONEY PLUS FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2023**

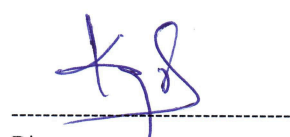
	Note	30-Jun-23 LKR	30-Jun-22 LKR
<b>Investment income</b>			
Interest income	1	467,031,203	593,474,522
<b>Total investment income</b>		<u>467,031,203</u>	<u>593,474,522</u>
Expenses	2	(16,694,992)	(95,800,525)
Realised Gain/Loss on Sale of Securities		1,266,948	-
<b>Profit after deductions and before tax</b>		<u>451,603,159</u>	<u>497,673,997</u>
Income tax expense	3	-	-
<b>Profit for the year</b>		<u>451,603,159</u>	<u>497,673,997</u>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u>451,603,159</u>	<u>497,673,997</u>
<b>Increase in net assets attributable to unitholders</b>		<u><u>451,603,159</u></u>	<u><u>497,673,997</u></u>

**NDB WEALTH MONEY PLUS FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Note	30-Jun-23 LKR	31-Dec-22 LKR
<b>Assets</b>			
Cash at bank	4	25,000	25,000
Other Receivables		50,030,324	304,609
Financial assets measured at amortised cost	5	3,755,779,167	3,427,776,263
Tax recoverable	6	-	-
<b>Total assets</b>		<b>3,805,834,491</b>	<b>3,428,105,872</b>
<b>Liabilities</b>			
Tax payable	6	-	-
Accrued expenses	7	2,950,605	2,591,841
<b>Total liabilities</b>		<b>2,950,608</b>	<b>2,591,841</b>
<b>Net assets attributable to unitholders</b>		<b>3,802,883,883</b>	<b>3,425,514,028</b>
<b>Unitholder's funds</b>			
Unit capital		1,196,534,357	1,211,586,411
Retained earnings		2,606,349,526	2,213,927,616
<b>Net assets attributable to unitholders</b>	9	<b>3,802,883,883</b>	<b>3,425,514,028</b>



Director  
NDB Wealth Management Ltd  
Fund Management Company



Director  
NDB Wealth Management Ltd  
Fund Management Company



Trustee  
Hatton National Bank PLC



**NDB WEALTH MONEY PLUS FUND  
STATEMENT OF CHANGES IN UNITHOLDERS' FUND  
FOR THE PERIOD ENDED 30 JUNE 2023**

	Unit capital	Retained earnings	Total
	LKR	LKR	LKR
<b>Balance as at 1 January 2022</b>	<b>10,140,030,777</b>	<b>14,987,106,052</b>	<b>25,127,136,829</b>
Net increase or decrease due to creation and redemption of units	(8,928,444,366)	(13,654,643,391)	(22,583,087,757)
Increase in net assets attributable to unitholders	-	881,464,955	881,464,955
Other comprehensive income	-	-	-
Total comprehensive income	<hr/>	881,464,955	881,464,955
<b>Balance as at 31 December 2022</b>	<b>1,211,586,411</b>	<b>2,213,927,617</b>	<b>3,425,514,028</b>
Net increase or decrease due to creation and redemption of units	(15,052,055)	(59,181,250)	(74,233,305)
Increase in net assets attributable to unitholders	-	451,603,159	451,603,159
Other comprehensive income	-	-	-
Total comprehensive income	<hr/>	-	-
<b>Balance as at 30 June 2023</b>	<b><u>1,196,534,357</u></b>	<b><u>2,606,349,526</u></b>	<b><u>3,802,883,883</u></b>

The accounting policies and notes from 1 to 15 form an integral part of these financial statements.

**NDB WEALTH MONEY PLUS FUND  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2023**

	<b>30-Jun-23</b>	<b>30-Jun-22</b>
	<b>LKR</b>	<b>LKR</b>
<b>Cash flows from operating activities</b>		
Interest received	282,703,637	1,322,185,052
Net realized gain/loss on security sales	1,266,948	-
Net investment in financial assets	58,573,541	19,442,679,686
Tax paid	-	-
Operating expenses paid	(16,336,228)	(105,634,651)
<b>Net cash generated from / (used in) operating activities</b>	<u>326,207,899</u>	<u>20,659,230,085</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	8,966,160,657	6,360,492,226
Payments on redemption of units	(9,040,393,962)	(26,408,353,021)
<b>Net cash generated from / (used in) financing activities</b>	<u>(74,233,305)</u>	<u>(20,047,860,795)</u>
Net increase/ (decrease) in cash and cash equivalents	251,974,594	611,369,292
Cash & cash equivalents at the beginning of the year	<u>444,465,676</u>	<u>889,121,925</u>
Cash & cash equivalents at the end of the year	<u><u>696,440,266</u></u>	<u><u>1,500,491,217</u></u>
<b>Cash and cash equivalents at the end of the year comprises of:</b>		
Cash at bank	25,000	25,000
Money Market Savings accounts	146,415,265	1,500,466,218
Repurchase Agreements	550,000,001	-
	<u>696,440,266</u>	<u>1,500,491,217</u>

The accounting policies and notes from 1 to 15 form an integral part of these financial statements.

**NDB WEALTH MONEY PLUS FUND**  
**NOTES FOR THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2023**

	<b>30-Jun-23</b>	<b>30-Jun-22</b>
	<b>LKR</b>	<b>LKR</b>
<b>1. Interest income</b>		
Interest on commercial papers	-	221,953,686
Interest on fixed deposits	-	279,526,609
Interest on repurchase agreements - Long Term	35,822,457	1,310,517
Interest income on structured debt	20,946,961	39,846,688
Interest income from money market savings account	53,140,000	49,326,121
Interest on treasury bills	351,326,678	1,510,900
Interest on treasury bonds	5,795,107	-
	<b>467,031,203</b>	<b>593,474,522</b>
<b>2. Expenses</b>		
Management fee	12,822,076	46,649,002
Trustee fee	3,402,782	9,280,930
Custodian charges	70,188	64,662
Auditor's remuneration	91,500	85,000
Tax consultancy fee	12,000	12,000
Bank charges	138,913	300,634
Interest Expense	157,534	39,408,298
	<b>16,694,992</b>	<b>95,800,525</b>

- 3** The fund has calculated the income tax liability up to 31 March 2018 in accordance with previous Inland Revenue Act No. 10 of 2006 following the enactment of the new Inland Revenue Act No. 24 of 2017 effective from 1 April 2018, the fund is deemed as conducting an eligible investment business and is treated as a tax pass through vehicle.

**NDB WEALTH MONEY PLUS FUND  
NOTES FOR THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

	30-Jun-23 LKR	31-Dec-22 LKR
<b>4. Cash at bank</b>		
Hatton National Bank	25,000	25,000
	<u>25,000</u>	<u>25,000</u>
<b>5. Financial assets measured at amortised cost</b>		
Money market savings accounts (Note 5.1)	151,170,061	447,416,976
Structured debt (Note 5.2)	60,788,226	267,171,986
Treasury bills (Note 5.3)	2,986,989,372	2,713,187,301
Repurchase agreements (Note 5.4)	556,831,508	-
	<u>3,755,779,167</u>	<u>3,427,776,263</u>

**5.1 Money market savings accounts**

Company	Amortised cost LKR	As a % of net asset value 30-Jun-23	Amortised cost LKR	As a % of net asset value 31-Dec-22
Hatton National Bank PLC	66,943,208	1.76%	75,735,897	2.21%
Union Bank PLC	39	0.00%	39	0.00%
Merchant Bank PLC	42,484,191	1.12%	249,897,232	7.30%
Sampath Bank PLC	5,008	0.00%	5,008	0.00%
Sanasa Development Bank PLC	29,377	0.00%	44,861	0.00%
Habib Bank Limited	2,568	0.00%	27,743	0.00%
DCFF Bank PLC	2,062	0.00%	1,139,205	0.03%
Cargills Bank Limited	41,703,608	1.10%	120,566,990	3.52%
	<u>151,170,061</u>	<u>3.98%</u>	<u>447,416,976</u>	<u>13.06%</u>

**5.2 Structured debt**

Company	Amortised cost LKR	As a % of net asset value 30-Jun-23	Amortised cost LKR	As a % of net asset value 31-Dec-22
Siyapatha Finance PLC	24,489,726	0.64%	126,149,575	0.00%
Asia Asset Finance PLC	-	0.00%	18,853,233	0.00%
LOLC Development Finance Plc	36,298,500	0.95%	62,248,767	0.00%
Vallibel Finance PLC	-	0.00%	59,920,411	0.00%
	<u>60,788,226</u>	<u>1.60%</u>	<u>267,171,986</u>	<u>0.00%</u>

**5.3 Treasury bills**

Company	Amortised cost LKR	As a % of net asset value 30-Jun-23	Amortised cost LKR	As a % of net asset value 31-Dec-22
Wealth Trust Securities Ltd	1,577,358,066	41.48%	1,677,521,950	1.19%
First Capital Holdings PLC	98,378,900	2.59%	85,792,400	0.00%
Capital Alliance Limited	1,096,558,979	28.83%	949,872,950	1.20%
Acuity Securities	214,693,427	5.65%	-	1.20%
	<u>2,986,989,372</u>	<u>78.55%</u>	<u>2,713,187,301</u>	<u>3.60%</u>

**5.4 Repurchase Agreements**

**Repurchase Agreements - Long Term**

Company	Amortised cost LKR	As a % of net asset value 30-Jun-23	Amortised cost LKR	As a % of net asset value 31-Dec-22
Capital Alliance Ltd	506,595,890	13.32%	-	1.28%
SAFE Holdings (Pvt) Ltd.	50,235,617	1.32%	-	0.00%
	<u>556,831,508</u>	<u>14.64%</u>	<u>-</u>	<u>1.28%</u>



**NDB WEALTH MONEY PLUS FUND**  
**NOTES FOR THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2023**

<b>6. Accrued expenses</b>		
Management fee	2,216,282	1,868,836
Trustee fee	588,165	495,958
Auditor's remuneration	77,500	170,000
Custodian fee	11,633	12,021
Tax consultancy fee	56,000	44,000
Payable on redemption - collection account	1,026	1,026
	2,950,605	2,591,841

**7. Net assets attributable to unitholders**

The movement in the number of units and net assets attributable to unitholders during the period is as follows:

	<b>30-Jun-23</b>	<b>31-Dec-22</b>	<b>30-Jun-23</b>	<b>31-Dec-22</b>
	<b>Units</b>	<b>Units</b>	<b>LKR</b>	<b>LKR</b>
Opening capital balance	121,155,867	1,013,980,107	3,425,514,027	25,127,136,829
Units issued during the period	299,008,244	282,979,792	8,966,160,657	7,131,880,920
Units redeemed during the period	(300,513,406)	(1,175,804,032)	(9,040,393,962)	(29,714,968,677)
Increase in net assets attributable to unit holders	-	-	451,603,159	881,464,955
<b>Closing balance</b>	<b>119,650,704</b>	<b>121,155,867</b>	<b>3,802,883,883</b>	<b>3,425,514,027</b>

The creation price was at LKR. 31.78 per unit (2022 - LKR. 25.70) and the redemption price was at LKR. 31.78 per unit (2022 - LKR. 25.70) as at 30 June 2023.

**8. Distributions for the period**

There were no distributions for the Period ended 30 June 2023.

**9. Contingencies**

There were no material contingencies existing at the reporting date that require adjustments to or disclosures in the financial statements.

**10. Events after the reporting date**

There have been no material events occurring after the reporting date that require adjustments to or disclosures in the financial statements.

**11. Capital commitments**

There were no significant capital commitments at the end of the reporting date

**NDB WEALTH MONEY PLUS FUND  
NOTES FOR THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2023**

**12. Related party transactions**

The following have been identified as related parties to NDB Wealth Money Plus Fund in accordance with LKAS 24 for the reasons stated below.

The fund management company, NDB Wealth Management Ltd. is a subsidiary of NDB Capital Holdings PLC. The Company's ultimate parent entity and controlling party is National Development Bank PLC, which is incorporated and domiciled in Sri Lanka.

Mr. D.S.P. Wickramanayake, Mr. Bernard Sinniah , Mr. Sanjaya Perera , Mr.Senaka Kakiriwaragodage and Mr.Dimantha Senevirathne are directors of the NDB Wealth Management Ltd.

Unit purchased and sold by the related parties during the year and the unit holding by related parties are as follows:

Details of fund management fees, custodian fee and trustee fees paid/ payable are as follows:

<b>Name of the related party</b>	<b>Nature of interest</b>	<b>Particulars of financial dealings</b>	<b>Transaction value Rs.</b>	<b>Outstanding value Rs.</b>
NDB Wealth Management Limited	Fund Management Company	Management fee	12,822,076	2,216,282
Hatton National Bank PLC	Trustee	Trustee fees	3,402,782	588,165
		Custodian fees	70,188	11,633