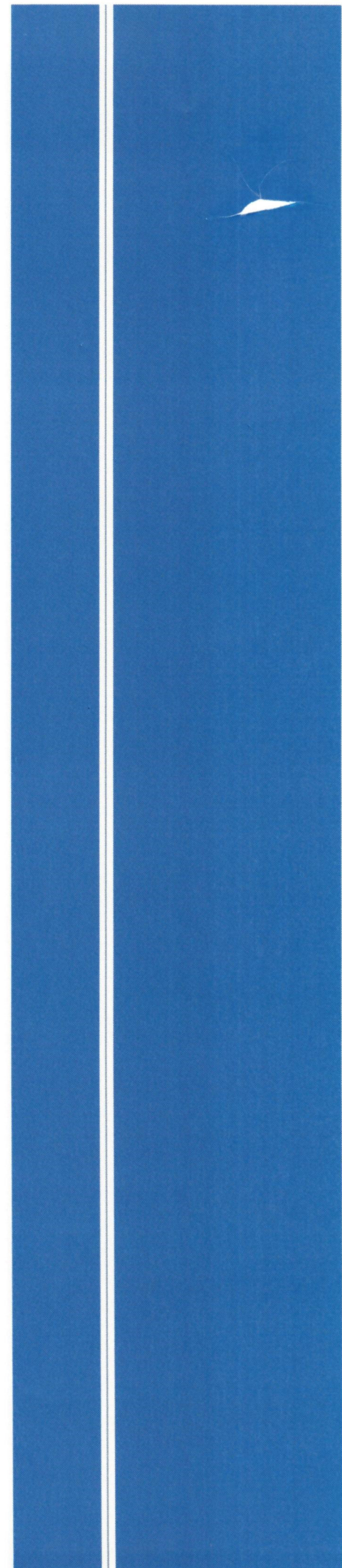


# **NDB Wealth Islamic Money Plus Fund**

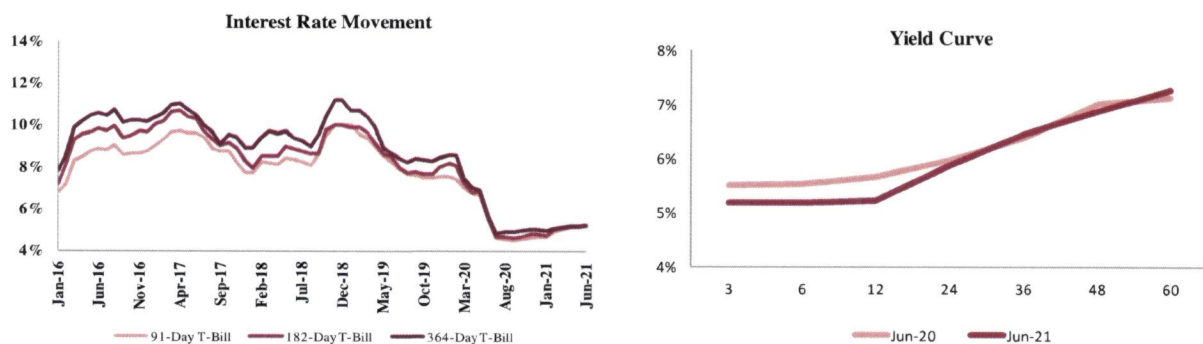
Financial Statements for the Period  
Ended 30<sup>th</sup> June 2021



## Fund Review 1<sup>st</sup> Half 2021 - NDB Wealth Islamic Money Plus Fund

The Central Bank of Sri Lanka (CBSL) held its policy rates stable during the period under review, with a view of maintaining an accommodative monetary policy stance, to support the ongoing recovery of the economy hampered by the Covid-19 pandemic. Accordingly, the Standing Lending Facility Rate (SLF) and the Standing Deposit Facility Rate (SDF) were maintained at 5.50% and 4.50% respectively while the Statutory Reserve Ratio (SRR) was maintained at 2.00% during the first half of the year. However, interest rates saw upward pressure across the yield curve with the benchmark 364-day Treasury bill rate edging up to 5.23% by the end of June 2021 from lows of 4.98% seen at the beginning of the year (Source: Central Bank of Sri Lanka).

Overall, macro-economic weakness, the depreciating rupee and the heavy external debt servicing burden continued to deter foreign investors from the local market, with foreign investors continuing to exit out of Rupee denominated government securities and foreign holding of local Treasury bills and bonds declining to a historic low of LKR 2.49 bn as of 30<sup>th</sup> June 2021 (Source: Central Bank of Sri Lanka).



Source: Central Bank of Sri Lanka

Credit to the private sector recovered considerably during the period under review on the back of Central Bank's loose monetary policy stance, leading to historically low lending rates driving private sector demand for credit. On the fiscal front, overall budget deficit for 2021 is expected to expand significantly, amidst the continued impact of the pandemic leading to slower growth, fragile revenue collections and the escalation of expenditure.

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

	NDB Wealth Islamic Money Plus Fund	*Average Weighted Deposit Rate (AWDR) <sup>*6-month avg.</sup>
Performance - 1 <sup>st</sup> Half 2021	2.53% (after fees)	N/A
Annualized Performance - 1 <sup>st</sup> Half 2021	5.06% (after fees)	5.18%

\*Source: Central Bank of Sri Lanka

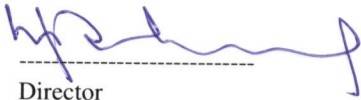
We expect interest rates to see upward pressure during the second half of the year owing to fiscal slippage, the high debt servicing burden and the increasing demand for credit from the private sector. Further, inflationary pressures stemming from rising global commodity prices, the Rupee depreciation and demand side factors may prompt policymakers to engage in appropriate policy action in terms of monetary tightening.

**NDB WEALTH ISLAMIC MONEY PLUS FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30TH JUNE 2021**

	Note	2021 LKR	2020 LKR
Profit share on Mudharabah and Wakala investments	1	34,091,222	22,957,778
Expenses	2	(5,820,349)	(2,434,162)
<b>Profit before tax</b>		<u>28,270,873</u>	<u>20,523,615</u>
Income tax expense	3	<u>-</u>	<u>-</u>
<b>Profit for the year</b>		28,270,873	20,523,615
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>28,270,873</u>	<u>20,523,615</u>
<b>Increase in net assets attributable to unitholders</b>		<u>28,270,873</u>	<u>20,523,615</u>

**NDB WEALTH ISLAMIC MONEY PLUS FUND  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2021**

	Note	30.06.2021 LKR	31.12.2020 LKR
<b>ASSETS</b>			
Cash at bank		25,000	25,000
Financial assets measured at amortised cost	4	1,322,112,120	1,026,466,327
Other Receivables		223,052	789,619
<b>Total assets</b>		<u>1,322,360,172</u>	<u>1,027,280,946</u>
<b>LIABILITIES</b>			
Accrued expenses	5	1,466,334	1,645,887
<b>Total liabilities</b>		<u>1,466,334</u>	<u>1,645,887</u>
<b>Net assets attributable to unitholders</b>		<u>1,320,893,838</u>	<u>1,025,635,059</u>
<b>UNITHOLDERS' FUNDS</b>			
Unit capital		792,967,591	631,240,531
Retained earnings		527,926,246	394,394,528
<b>Net assets attributable to unitholders</b>	6	<u>1,320,893,838</u>	<u>1,025,635,059</u>



Director  
NDB Wealth Management Ltd  
Fund Management Company



Director  
NDB Wealth Management Ltd  
Fund Management Company



**NDB WEALTH ISLAMIC MONEY PLUS FUND  
STATEMENT OF CHANGES IN UNITHOLDERS' FUND  
FOR THE PERIOD ENDED 30TH JUNE 2021**

	<b>Unit capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>LKR</b>	<b>LKR</b>	<b>LKR</b>
<b>Balance as at 01 January 2020</b>	252,193,951	123,003,340	375,197,291
Net increase due to creation and redemption of units	379,046,581	222,070,546	601,117,127
Increase in net assets attributable to unitholders	-	49,320,641	49,320,641
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	49,320,641	49,320,641
<b>Balance as at 31 December 2020</b>	<u>631,240,531</u>	<u>394,394,528</u>	<u>1,025,635,059</u>
Prior period adjustment	-	-	-
Net decrease due to creation and redemption of units	161,727,060	105,260,846	266,987,906
Increase in net assets attributable to unitholders	-	28,270,873	28,270,873
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	28,270,873	28,270,873
<b>Balance as at 30 June 2021</b>	<u><u>792,967,591</u></u>	<u><u>527,926,246</u></u>	<u><u>1,320,893,838</u></u>

**NDB WEALTH ISLAMIC MONEY PLUS FUND  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30TH JUNE 2021**

	<b>2021</b>	<b>2020</b>
	<b>LKR</b>	<b>LKR</b>
<b>Cash flows from operating activities</b>		
Income received from Mudharabah investments	7,596,313	15,887,149
Income received from Wakala investments	39,809,574	9,691,137
Tax paid	-	-
Management fees paid	(4,318,686)	(1,577,767)
Other expenses paid	(1,681,215)	(1,156,146)
Net investments in term deposits- Mudharabah	-	-
Net investments in fixed deposits- Wakala	(99,027,351)	(171,827,741)
	<u>-</u>	<u>-</u>
<b>Net cash flow generated /(used in) from operating activities</b>	<u>(57,621,365)</u>	<u>(148,983,368)</u>
<b>Cash flows from financing activities</b>		
proceeds on creation of units	580,158,129	314,866,586
payments on redemption of units	(313,170,223)	(74,093,144)
<b>Net cash generated frim/ (used in) financing activities</b>	<u>266,987,906</u>	<u>240,773,442</u>
Net (decrease)/ increase in cash and cash equivalents	209,366,541	91,790,074
Cash and cash equivalents at the beginning of the year	273,880,826	29,175,041
Cash and cash equivalents at the end of the year	<u>483,247,366</u>	<u>120,965,115</u>
<b>Cash and cash equivalents at the end of the year comprises of:</b>		
Cash at bank	25,000	25,000
Money Market - Mudharabah Savings Account	<u>483,222,366</u>	<u>120,940,115</u>
	<u>483,247,366</u>	<u>120,965,115</u>

**NDB WEALTH ISLAMIC MONEY PLUS FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH JUNE 2021**

	<b>2021</b>	<b>2020</b>
	<b>LKR</b>	<b>LKR</b>
<b>1. Investment income</b>		
Profit on Mudharabah investments (Saving deposits)	6,912,565	1,846,296
Profit on Wakala investments (Term deposits)	27,178,657	21,111,482
	<u>34,091,222</u>	<u>22,957,778</u>
 <b>2. Expenses</b>		
Management fee	4,507,887	1,621,565
Trustee fee	912,846	328,367
Custodian fee	64,267	64,593
Auditor's remuneration	45,930	83,835
Tax consultancy fee	(20,215)	24,257
Other professional charges	292,456	290,858
Bank charges	17,176	20,687
	<u>5,820,349</u>	<u>2,434,162</u>
 <b>3. Income tax</b>		
Tax expense for the year (Note 3.1)	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
 <b>3.1</b>		
The fund is deemed as conducting an eligible investment business and is treated as a tax pass through vehicle in accordance with the new Inland Revenue Act No. 24 of 2017 effective from 1 April 2018. Hence no provision for the income tax was made in the financial statements.		

**NDB WEALTH ISLAMIC MONEY PLUS FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH JUNE 2021**

	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>LKR</b>	<b>LKR</b>
<b>4. Financial assets measured at amortised cost</b>		
Investment in Mudharabah savings deposits (Note 4.1)	484,802,173	275,552,814
Investment in Wakala deposits (Note 4.2)	837,309,948	750,913,513
	1,322,112,120	1,026,466,327

**4.1 Investment in Mudharabah savings deposits**

<b>Company</b>	<b>Amortised cost</b>	<b>As a % of net</b>	<b>Amortised cost</b>	<b>As a % of net</b>
	<b>30.06.2021</b>	<b>asset value</b>	<b>31.12.2020</b>	<b>asset value</b>
	<b>LKR</b>		<b>LKR</b>	
Citizens Development Business Finance PLC	294,900	0.02%	290,993	0.03%
Hatton National Bank PLC	188,192,253	14.25%	270,779,689	26.40%
LB Finance PLC	3,710,602	0.28%	838,402	0.08%
Lanka Orix Leasing Company PLC	562,281	0.04%	27,455	0.00%
National Development Bank PLC	32,680	0.00%	20,868	0.00%
Commercial Leasing & Finance PLC	29,630	0.00%	28,964	0.00%
MCB BANK LTD	291,979,826	22.10%	3,566,444	0.35%
	484,802,173	36.70%	275,552,814	26.87%

**4.2 Investment in Wakala deposits**

<b>Company</b>	<b>Amortised cost</b>	<b>As a % of net</b>	<b>Amortised cost</b>	<b>As a % of Net</b>
	<b>30.06.2021</b>	<b>asset value</b>	<b>31.12.2020</b>	<b>asset value</b>
	<b>LKR</b>		<b>LKR</b>	
Commercial Leasing and Finance PLC	195,241,425	14.78%	139,442,340	13.60%
Richard Pieris Finance Ltd	197,036,048	14.92%	57,019,666	5.56%
LB Finance PLC	182,520,414	13.82%	138,212,928	13.48%
National Development Bank PLC	51,205,479	3.88%	256,400,498	25.00%
CDB Finance	196,649,972	14.89%	125,625,467	12.25%
Vidulanka	14,656,609	1.11%	14,097,644	1.37%
Lanka Orix Leasing Company	-	0.00%	20,114,970	1.96%
	837,309,948	63.39%	750,913,513	73.21%



**NDB WEALTH ISLAMIC MONEY PLUS FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH JUNE 2021**

	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>LKR</b>	<b>LKR</b>
<b>5. Accrued expenses</b>		
Management fee	851,268	662,068
Trustee fee	172,382	134,069
Custodian Fees	10,652	10,977
Auditor's remuneration	70,000	164,070
Other professional charges	289,260	581,716
Tax consultancy fee	72,772	92,987
	<u>1,466,334</u>	<u>1,645,887</u>

**6. Net assets attributable to unitholders**

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	<b>30-Jun-21</b>	<b>31-Dec-20</b>	<b>30-Jun-21</b>	<b>31-Dec-20</b>
	<b>Units</b>	<b>Units</b>	<b>LKR</b>	<b>LKR</b>
Opening capital balance	63,124,053	25,219,396	1,025,635,059	375,197,291
Units issued during the period	35,269,868	67,172,312	580,158,129	1,063,680,601
Units redeemed during the period	(19,097,162)	(29,267,654)	(313,170,223)	(462,563,475)
Increase in net assets attributable to unitholders	-	-	28,270,873	49,320,641
Closing balance	<u>79,296,758</u>	<u>63,124,053</u>	<u>1,320,893,838</u>	<u>1,025,635,059</u>

The creation price was at LKR 16.65 (LKR 16.24 - 2020) per unit and the redemption price was at LKR 16.65 (LKR 16.24 - 2020) per unit as at 30 June 2021.

**7. Distributions for the year**

There were no distributions for the period ended 30 June 2020.

**8. Contingencies**

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

**9. 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 statement.

**10. Capital commitments**

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

**NDB WEALTH ISLAMIC MONEY PLUS FUND**

For the period ended 30 June 2021

	NAV as per Valuation as at 30.06.2021	1,320,439,843
Add:	Adjustments to the Financial Statements	
	WHT Payable	393,333
	Audit Fee - Over Provision	49,650
	Tax Consultant Fee - Over Provision	26,019
Less :		
	Management Fee, Trustee Fee & Custodian Fee	(305)
	Difference in HNB Money Market Interest due to Sweep Adj.	(14,703)
	NAV as per Financial Statements	<u>1,320,893,838</u>
	(Net Assets attributable to Unit holders)	<u>1,320,893,838</u>