



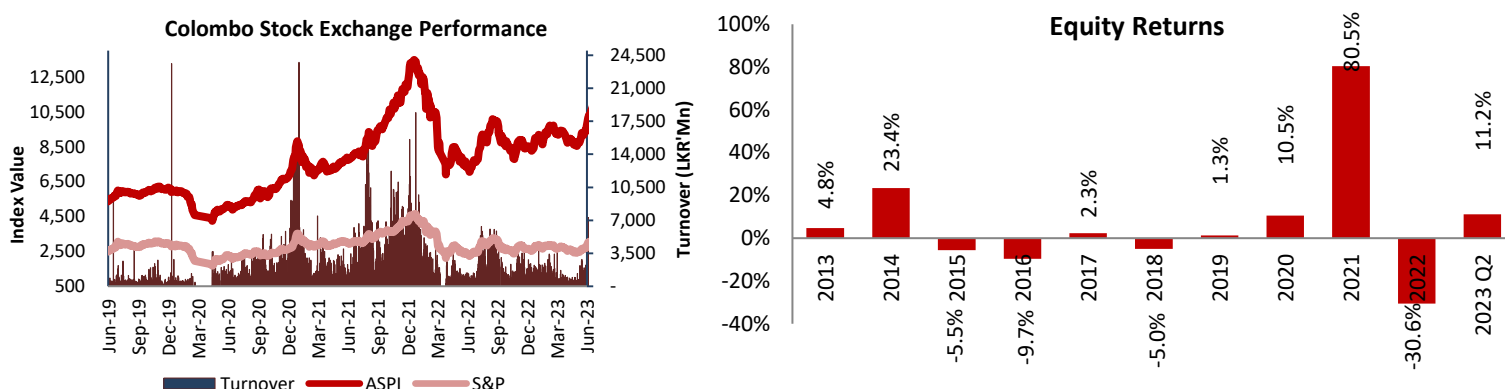
NDB | WEALTH

NDB WEALTH GROWTH FUND

Financial statements for the period ended 30th June 2023

Fund Review 1st Half 2023 – NDB Wealth Growth Fund

The Colombo Stock Exchange (CSE) experienced improvements in the first half of 2023, largely attributed to the anticipated favorable results stemming from the ongoing domestic debt optimization process. In addition, markets witnessed surged activity due to favorable macro-economic conditions and analyst's confidence in better than expected quarterly results. During the review period, the All Share Price Index (ASPI) demonstrated remarkable growth, surging by 11.23%, while the more liquid S&P SL 20 index showed resilience, registering a growth of 2.96%. As of 28th of June 2023, Market PE stood at 5.02x whilst market capitalization was LKR 3.90 trillion (Source: Colombo Stock Exchange).



Source: Colombo Stock Exchange

Anticipating a gradual economic rebound, our outlook for the GDP points toward a recovery commencing in the second half of 2023, with a substantial upturn primarily anticipated in the fourth quarter. We foresee the normalization of real wages over a three-year span, bolstered by low inflation rates and the systemic effects of heightened consumer demand, consequently augmenting overall purchasing power. Aligned with the strengthening macroeconomic fundamentals, there has been a noticeable enhancement in investor confidence and foreign investors were net buyers on the bourse during the first half of the year, amounting to LKR 1.07 Bn (Source: Colombo Stock Exchange).

In line with market conditions, the NDB Wealth Growth Fund increased by 18.58% during the first half of 2023 and outperformed the ASPI and the S&P SL 20 index by 7.35% and 15.62% respectively.

	NDB Wealth Growth Fund	*ASPI	*S&P SL 20
Performance - 1 st Half 2023	18.58% (after fees)	11.23%	-2.96%

*Source: Colombo Stock Exchange

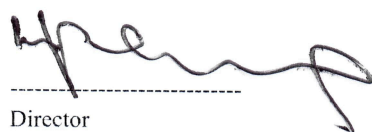
Despite June quarter Corporate earnings being subdued, Corporate earnings are predicted to show signs of recovery in the second half of 2023 backed by the decline in interest rates and improvements in purchasing power upon easing of the inflation. In the backdrop of the anticipated macro-economic rebound, we expect the equity market to react positively in the 2H2023, while not ruling out intermittent declines which we may witness from time to time.

NDB WEALTH GROWTH 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
Investment income			
Interest income	1.	2,839,032	1,200,668
Net dividend income		<u>3,843,946</u>	<u>8,519,785</u>
		6,682,978	9,720,453
Gain on sale of investments in government Bonds/Bills		(279,425)	-
Realised (loss) / gain on financial assets at fair value through profit or loss	2.	826,188	(4,550,182)
Unrealised loss on financial assets at fair value through profit or loss	8.	25,959,784	(117,205,579)
Total investment income / (loss)		<u>33,189,524</u>	<u>(112,035,309)</u>
Operating expenses	3.	(3,006,739)	(4,110,479)
Loss before tax		<u>30,182,785</u>	<u>(116,145,788)</u>
Income tax expense	4.	-	-
Loss for the period		<u>30,182,785</u>	<u>(116,145,788)</u>
Other comprehensive income		-	-
Total comprehensive loss for the period		<u>30,182,785</u>	<u>(116,145,788)</u>
Decrease in net assets attributable to unitholders		<u>30,182,785</u>	<u>(116,145,788)</u>

NDB WEALTH GROWTH FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	30-Jun-23 LKR	31-Dec-22 LKR
Assets			
Cash at bank	5.	299,845	237,917
Financial assets at fair value through profit or loss	8.	168,861,444	128,630,407
Financial assets measured at amortised cost	9.	19,226,615	34,205,075
Other receivables	6.	-	20,762
IPO Application		-	-
Total assets		<u>188,727,951</u>	<u>163,094,161</u>
Liabilities			
Accrued expenses	10.	<u>608,290</u>	<u>666,301</u>
Total liabilities		<u>608,290</u>	<u>666,301</u>
Net assets attributable to unitholders		<u>188,119,663</u>	<u>162,427,860</u>
Unitholders' fund			
Unit capital		18,634,210	19,106,174
Retained earnings		169,485,453	143,321,686
Net assets attributable to unitholders	11.	<u>188,119,663</u>	<u>162,427,860</u>



Director
NDB Wealth Management Ltd
Fund Management Company



Director
NDB Wealth Management Ltd
Fund Management Company

FOR BANK OF CEYLON



Authorised Signatories

Bank of Ceylon
Trustee

NDB WEALTH GROWTH FUND
STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS
FOR THE PERIOD ENDED 30 JUNE 2023

	Unit capital LKR	Retained earnings LKR	Total LKR
Balance as at 1 January 2022	27,787,450	316,290,241	344,077,691
Net decrease due to creation and redemption of units	(8,681,276)	(70,989,704)	(79,670,980)
Decrease in net assets attributable to unitholders	-	(101,978,851)	(101,978,851)
Balance as at 1 January 2023	<u>19,106,174</u>	<u>143,321,686</u>	<u>162,427,860</u>
Net decrease due to creation and redemption of units	(471,964)	(4,019,018)	(4,490,982)
Decrease in net assets attributable to unitholders	-	30,182,785	30,182,785
Balance as at 30 June 2023	<u><u>18,634,210</u></u>	<u><u>169,485,453</u></u>	<u><u>188,119,663</u></u>

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

	30-Jun-23	30-Jun-22
	LKR	LKR
Cash flows from operating activities		
Interest received	4,862,741	999,902
Dividend received	3,503,899	8,080,705
Tax paid	-	-
Management fees paid	(2,017,661)	(3,116,953)
Other expenses paid	(1,029,667)	(1,533,102)
Proceeds from sale of equity investments	23,287,575	89,371,992
Net disposal of treasury bonds	(280,966)	-
Net disposal of fixed deposits	18,728,898	(18,727,358)
Net investment in equity instruments	(36,732,643)	(25,047,910)
Net cash generated from operating activities	<u>10,322,177</u>	<u>50,027,276</u>
Cash flows from financing activities		
Cash received on creation of units	1,297,888	8,320,360
Cash paid on redemption of units	(5,785,530)	(82,492,457)
Net cash generated from financing activities	<u>(4,487,642)</u>	<u>(74,172,098)</u>
Net increase in cash and cash equivalents	5,834,534	(24,144,822)
Cash and cash equivalents at the beginning of the year	13,577,998	27,107,576
Cash and cash equivalents at the end of the period	<u><u>19,412,534</u></u>	<u><u>2,962,755</u></u>
Cash and cash equivalents at the end of the period comprises of:		
Cash at bank	299,845	172,935
Money market savings	19,112,689	2,789,820
	<u><u>19,412,534</u></u>	<u><u>2,962,755</u></u>

NDB WEALTH GROWTH FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

	30-Jun-23	30-Jun-22
	LKR	LKR
1. Interest income		
Interest on money market saving accounts	661,868	1,133,388
Interest on treasury bills Repo	-	911
Interest on treasury bills	2,132,958	66,368
	<u>2,839,032</u>	<u>1,200,668</u>
2. Net realised (loss)/gain on financial assets at fair value through profit or loss		
Gross sales proceeds from disposal of equity shares	23,287,575	87,394,392
Weighted average cost of equity shares disposed	(22,461,388)	(91,944,574)
	<u>826,188</u>	<u>(4,550,182)</u>
3. Expenses		
Management fee	2,044,379	2,788,921
Trustee fee & Custodian fee	104,922	134,405
Auditor's remuneration	131,218	94,743
Tax consultancy fee	38,262	(78,622)
Bank charges	34,175	25,741
Transaction costs on equity share transactions	653,782	1,145,292
	<u>3,006,739</u>	<u>4,110,479</u>
4.		
The fund is deemed as conducting an eligible investment business and is treated as a tax pass through vehicle. Hence, no provision for income tax was made in the financial statements.		

	30-Jun-23	31-Dec-22
	LKR	LKR
5. Cash at bank		
Bank of Ceylon operations account	299,845	237,917
	<u>299,845</u>	<u>237,917</u>
6. Other receivables		
Receivable on sale of shares	-	-
Receivable on creations	-	20,762
	<u>-</u>	<u>20,762</u>
7. Taxes recoverable		
Withholding tax receivable	2,304,867	2,304,867
Notional tax credit recoverable	68,339	68,339
Income tax payable	-	-
	<u>2,373,206</u>	<u>2,373,206</u>
<u>Less</u>		
Impairment allowance for Withholding tax	(2,304,867)	(2,304,867)
Impairment allowance for notional tax	(68,339)	(68,339)
Write off - Notional tax recoverable	-	-
	<u>-</u>	<u>-</u>

NDB WEALTH GROWTH FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

8. Financial assets at fair value through profit or loss

Net change in total unrealised gain / (loss) on equity securities at fair value through profit or loss.

Company	No. of shares	30-Jun-23 Cost of the investment LKR	Market value LKR	No. of shares	31-Dec-22 Cost of the investment LKR	Market value LKR
Banks						
Commercial Bank Of Ceylon PLC	258,540	21,896,898	17,606,574	244,172	20,962,940	12,257,434
Hatton National Bank PLC	162,876	24,208,960	22,639,764	156,236	23,544,957	12,327,020
Sampath Bank PLC	51,237	2,993,875	2,864,148	-	-	-
		49,099,732	43,110,486		44,507,896	24,584,455
Capital Goods						
John Keells Holdings PLC	35,000	4,900,000	5,250,000	-	-	-
Richard Pieris And Company Plc	35,000	1,118,716	703,500	35,000	1,118,716	843,500
Vallibel One Plc	-	-	-	50,000	2,475,000	1,505,000
Access Eng Ltd	500,400	10,758,600	8,306,640	500,400	10,758,600	5,354,280
		16,777,316	14,260,140		14,352,316	7,702,780
Consumer Durables & Apparel						
Hayleys Fabric PLC	128,020	5,549,514	3,008,470	150,000	6,502,321	3,390,000
Aitken Spence Hotel Holdings Plc	145,076	8,484,881	8,124,256	20,000	1,320,000	1,016,000
Hela Apparel Holdings Limited	563,621	8,454,315	3,832,623	579,000	8,685,000	4,921,500
		22,488,710	14,965,349		16,507,321	9,327,500
Diversified Financials						
Vallibel Finance Plc	-	-	-	102,970	3,840,292	2,316,825
Alliance Finance Company Plc	30,000	2,850,000	2,025,000	30,000	2,850,000	1,710,000
Sarvodaya Development Finance Limited	-	-	-	147,317	3,240,974	1,591,024
Capital Alliance Limited	81,764	2,608,448	2,698,212	-	-	-
		5,458,448	4,723,212		9,931,266	5,617,849
Food, Beverage and Tobacco						
Ceylon Cold Stores PLC	52,360	3,321,600	2,324,784	52,360	3,321,600	1,932,084
Distilleries Company Of Sri Lanka Plc	-	-	-	746,555	11,616,223	9,854,526
Cargills (Ceylon) Plc	91,000	20,020,000	23,842,000	91,000	20,020,000	21,362,250
Sunshine Holdings Plc	70,300	1,960,080	3,163,500	70,300	1,960,080	2,446,440
Watawala Plantations Plc	61,600	5,585,600	4,318,160	61,600	5,585,600	4,558,400
		30,887,280	33,648,444		42,503,503	40,153,700
Insurance						
Peoples Insurance PLC	775,000	11,625,000	16,197,500	775,000	11,625,000	15,655,000
LOLC General Insurance Limited	346,600	2,738,140	2,114,260	346,600	2,738,140	2,807,460
		14,363,140	18,311,760		14,363,140	18,462,460
Materials						
Chevron Lubricants Lanka Plc	40,641	4,685,754	3,625,177	26,760	3,475,331	2,582,340
Haycarb Plc	16,566	1,455,145	992,303	17,766	1,560,553	1,023,322
		6,140,900	4,617,481		5,035,884	3,605,662
Utilities						
Windforce Limited	850,000	13,600,000	14,450,000	850,000	13,600,000	12,665,000
		13,600,000	14,450,000		13,600,000	12,665,000
Telecommunication Services						
Dialog Axiata Plc	872,842	9,127,055	8,990,273		-	-
		9,127,055	8,990,273		-	-
Software & Services						
Hsenid Business Solutions Limited	383,000	4,787,500	4,634,300	383,000	4,787,500	6,511,000
		4,787,500	4,634,300		4,787,500	6,511,000
Energy						
Lanka IOC Plc	55,000	7,130,000	7,150,000		-	-
		7,130,000	7,150,000		-	-
Total value of quoted equity securities		179,860,081	168,861,444		165,588,826	128,630,405
Total unrealised loss			(10,998,637)			(36,958,421)
Charged to profit or loss			25,959,784			

NDB WEALTH GROWTH FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

	As a % of net asset value	Amortised cost	Amortised cost
	30-Jun-23	30-Jun-23 LKR	31-Dec-22 LKR
9. Financial assets measured at amortised cost			
Investment in money market saving accounts (Note 9.1)	10.22%	19,226,615	13,480,312
Investment in treasury bills (Note 9.2)	0.00%	-	20,724,762
		<u>19,226,615</u>	<u>34,205,074</u>

9.1 Investment in money market saving 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
Union Bank of Colombo PLC	3,000	0.00%	2,969	0.00%
Hatton National Bank PLC	19,209,830	10.21%	12,332,691	7.59%
DFCC Bank	13,784	0.01%	1,144,653	0.70%
	<u>19,226,615</u>	<u>10.22%</u>	<u>13,480,312</u>	<u>8.30%</u>

9.2 Investment in 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
Government Bills(LKR) - LKA36423F231	-	0.00%	20,724,762	-
	<u>-</u>	<u>0.00%</u>	<u>20,724,762</u>	<u>0.00%</u>

	30-Jun-23 LKR	31-Dec-22 LKR
10. Accrued expenses		
Front end fee	147,001	143,661
Management fee	347,555	320,837
Trustee fee & Custodian fee	17,765	15,974
Auditor's remuneration	90,050	197,411
Tax consultancy fee	5,918	(11,582)
	<u>608,290</u>	<u>666,301</u>

NDB WEALTH GROWTH FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

11. Net assets attributable to unitholders

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

	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
	Units	Units	LKR	LKR
Opening capital balance	19,098,673	27,779,823	162,427,860	344,077,691
Units issued during the year	136,846	1,059,214	1,294,548	10,811,293
Units redeemed during the year	(608,742)	(9,740,364)	(5,785,530)	(90,482,272)
Increase in net assets attributable to unitholders	-	-	30,182,785	(101,978,851)
Closing balance	18,626,777	19,098,673	188,119,663	162,427,860

The creation price was at LKR 10.44 (2022 -LKR. 8.04) per unit and the redemption price was at LKR 10.02 (2022 - LKR. 7.80) per unit as at 30 June 2023.

12. Distributions for the year

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

13. Contingencies

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

14. Events after the reporting date

No significant events have taken place since the date of the statement of financial position that require adjustment to or disclosures in these financial statements.

15. Capital commitments

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

NDB WEALTH GROWTH FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

16. Related party transactions

The following have been identified as related parties to NDB Wealth Growth 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.

Details of the fund management fees trustee fees and custodian fees paid/payable are as follows;

Name of the	Nature of interest	Particulars of financial	Transaction value LKR	Outstanding value LKR
NDB Wealth Management Limited	Fund Management Co.	Management fee	2,044,378.68	347,555
Bank of Ceylon	Trustee	Trustee fees & Custodian fees	104,922.27	17,765
			-	-

The fund maintains a current account with the Trustee, Bank of Ceylon through which all settlement transactions of the fund were made.