

The logo consists of the word "NDB" in a bold, red, sans-serif font, followed by a vertical line and the word "WEALTH" in a bold, dark grey, sans-serif font. The background of the top half of the page features a low-angle, upward-looking photograph of modern glass skyscrapers. The image is overlaid with large, semi-transparent geometric shapes in shades of blue and red, creating a dynamic, architectural feel.

NDB | **WEALTH**

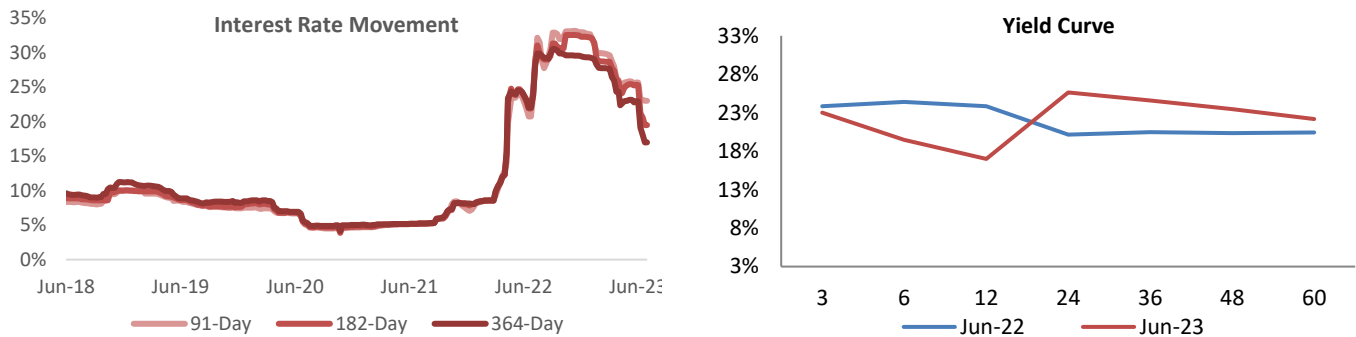
NDB WEALTH INCOME PLUS FUND

Financial statements for the period ended 30th June 2023

Fund Review 1st Half 2023 - NDB Wealth Income 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 Income Plus Fund yielded the following returns commensurate with the risk parameters and the objective of the Fund:

	NDB Wealth Income Plus Fund	*Average Weighted Fixed Deposit Rate (AWFDR) ^{*6-month avg.}
Performance - 1 st Half 2023	13.67% (after fees)	N/A
Annualized Performance - 1 st Half 2023	27.34% (after fees)	19.57%

*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 INCOME PLUS FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

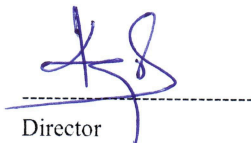
	Note	30-Jun-23 LKR	30-Jun-22 LKR
Investment income			
Interest income	1.	599,985,929	610,005,498
Realised Gain/(Loss) on Sale of TBills		2,168	-
Expenses	2.	(11,678,485)	(18,833,336)
Profit before tax		<u>588,309,612</u>	<u>591,172,162</u>
Income tax expense	3.	<u>-</u>	<u>-</u>
Profit for the year		588,309,612	591,172,162
Other comprehensive income		-	-
Total comprehensive income for the year		<u>588,309,612</u>	<u>591,172,162</u>
Increase in net assets attributable to unit holders		<u>588,309,612</u>	<u>591,172,162</u>

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

	Note	30-Jun-23 LKR	31-Dec-22 LKR
Assets			
Cash at bank		316,926	405,692
Financial assets measured at amortised cost	4.	678,009,207	4,541,647,528
Tax recoverable	5.	-	-
Total assets		678,326,133	4,542,053,220
Liabilities			
Accrued expenses	6.	379,750	1,658,884
Total liabilities		379,750	1,658,884
Net assets attributable to unitholders		677,946,385	4,540,394,336
Unitholders' funds			
Unit capital		275,834,920	2,100,311,331
Retained earnings		402,111,465	2,440,083,005
Net assets attributable to unitholders	7.	677,946,385	4,540,394,336



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-Head Office
Trustee

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

	LKR	Retained earnings LKR	Total LKR
Balance as at 01 January 2022	865,888,733	701,520,246	1,567,408,979
Net decrease due to creation and redemption of units	1,234,422,598	434,763,785	1,669,186,383
Increase in net assets attributable to unitholders	-	1,303,798,974	1,303,798,974
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,303,798,974	1,303,798,974
Balance as at 31 December 2022	<u>2,100,311,331</u>	<u>2,440,083,005</u>	<u>4,540,394,336</u>
Net increase due to creation and redemption of units	(1,824,476,411.40)	(2,626,281,152)	(4,450,757,564)
Increase in net assets attributable to unitholders	-	588,309,612	588,309,612
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	588,309,612	588,309,612
Balance as at 30 June 2023	<u><u>275,834,920</u></u>	<u><u>402,111,465</u></u>	<u><u>677,946,385</u></u>

**NDB WEALTH INCOME PLUS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	30-Jun-23	30-Jun-22
	LKR	LKR
Cash flows from operating activities		
Interest received	691,009,042	120,865,621
Management fees paid	(11,435,881)	(9,821,124)
Other expenses paid	(1,521,739)	(1,265,353)
Net movement in investments	3,620,582,764	(18,106,894,275)
Net cash generated from / (used in) operating activities	<u>4,298,634,186</u>	<u>(17,997,115,132)</u>
 Cash flows from financing activities		
Proceeds on creation of units	5,186,514,188	24,075,594,896
Payments on redemption of units	(9,637,271,752)	(5,817,357,989)
Net cash generated from / (used in) financing activities	<u>(4,450,757,565)</u>	<u>18,258,236,907</u>
 Net increase in cash and cash equivalents	(152,123,379)	261,121,776
Cash & cash equivalents at the beginning of the year	176,146,067	80,930,780
Cash & cash equivalents at the end of the year	<u>24,022,687</u>	<u>342,052,556</u>
 Cash and cash equivalents at the end of the period comprises of:		
Cash at bank	316,925	4,439,611
Financial instruments - maturity within 3 months	23,705,761	337,612,945
	<u>24,022,687</u>	<u>342,052,556</u>

NDB WEALTH INCOME PLUS FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-23	30-Jun-22
	LKR	LKR
1. Interest income		
Interest on Treasury bills	582,088,457	436,492,350
Interest on fixed deposits	-	65,275,450
Interest on commercial papers	-	2,315,959
Income From Buy & Sell Back Financial Instruments	-	4,260,006
Interest on money market saving accounts	6,410,857	9,146,892
Interest on treasury bills repo - short term	-	92,514,841
Interest on treasury bills repo - long term	11,486,615	-
	599,985,929	610,005,498
2. Expenses		
Management fee	10,316,555	16,861,625
Trustee fee & Custodian fee	1,228,328	1,883,264
Auditor's remuneration	61,590	44,550
Bank charges	72,012	43,897
	11,678,485	18,833,336
3.		
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. Hence, no provision for income tax was made in the financial statements for the period ended 31st December 2021.		

NDB WEALTH INCOME PLUS FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-23	As a % of net	31-Dec-22	As a % of net
	LKR	asset value	LKR	asset value
4. Financial assets measured at amortised cost				
Investment in money market saving accounts (Note 4.1)	3,818,640	0.56%	26,677,296	0.59%
Investment in GOSL Tbills (Note 4.2)	654,098,406	96.48%	4,363,671,535	96.11%
Investment in GOSL TBills under repo (R/Repo) (Note 4.3)	20,092,161	2.96%	151,298,697	3.33%
	<u>678,009,207</u>	<u>100%</u>	<u>4,541,647,528</u>	<u>100%</u>

4.1 Investment in money market saving accounts

Company	30-Jun-23	As a % of net	31-Dec-22	As a % of net
	LKR	asset value	LKR	asset value
Hatton National Bank PLC	3,785,819	0.56%	26,574,549	0.59%
SDB Bank	32,558	0.00%	32,064	0.00%
DFCC Bank	264	0.00%	70,683	0.00%
	<u>3,818,640</u>	<u>0.56%</u>	<u>26,677,296</u>	<u>0.59%</u>

4.2 Investment in GOSL TBills-

	30-Jun-23	As a % of net	31-Dec-22	As a % of net
	LKR	asset value	LKR	asset value
Capital Alliance Ltd	-	0.00%	3,606,588,345	79.43%
First Capital Treasuries	468,354,490	69.08%	325,754,140	7.17%
Wealthtrust Securities	102,581,916	15.13%	431,329,050	9.50%
Acuity Securities	83,162,000	12.27%	-	0.0%
	<u>654,098,406</u>	<u>96.48%</u>	<u>4,363,671,535</u>	<u>96.11%</u>

4.3 Investment in GOSL TBills under repo (R/Repo)

Company	30-Jun-23	As a % of net	31-Dec-22	As a % of net
	LKR	asset value	LKR	asset value
WealthTrust Securities Limited	-	0%	101,224,176	2.23%
Capital Alliance Limited	20,092,161	2.96%	50,074,521	1.10%
	<u>20,092,161</u>	<u>2.96%</u>	<u>151,298,697</u>	<u>3.33%</u>

**NDB WEALTH INCOME PLUS FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	30-Jun-23	31-Dec-22
	LKR	LKR
5. Tax recoverable		
Balance as at 01 January	-	-
WHT-Recoverable	781,633	781,633
Accumulated Impairment provision for Tax Recoverable	(781,633)	(781,633)
Income tax expense	-	-
Balance as at 30 June 2023	<u>-</u>	<u>-</u>
6. Accrued expenses		
Management fee	275,798	1,395,123
Trustee fee & Custodain Fee	63,433	161,652
Audit fee	40,519	102,109
	<u>379,750</u>	<u>1,658,884</u>

7. Net assets attributable to unitholders

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

	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
	Units	Units	LKR	LKR
Opening capital balance	210,121,020	86,647,161	4,540,394,336	1,567,408,979
Units issued during the period	232,623,899	1,557,949,621	5,186,514,188	29,691,194,177
Units redeemed during the period	(415,149,618)	(1,434,475,763)	(9,637,271,751)	(28,022,007,794)
Increase in net assets attributable to unit holders	-	-	588,309,612	1,303,798,974
Closing balance	<u>27,595,300</u>	<u>210,121,020</u>	<u>677,946,385</u>	<u>4,540,394,336</u>

The creation price was at LKR 24.5618 (2022 -LKR. 19.2546) per unit and the redemption price was at 24.5618 (2022 LKR. 19.2546) per unit as at 30 June 2023.

8. Distributions for the year

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

9. Contingencies

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

10. Events after the reporting date

No significant events have taken place since the dates of the statement of financial position that require adjustments to, or disclosure in, these financial statements.

11. Capital commitments

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

**NDB WEALTH INCOME PLUS FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

12. Related party transactions

The following have been identified as related parties to NDB Wealth Income 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 Senaka Kakiriwaragodage, Mr. D.S.P. Wickramanayake, Mr. Bernard Sinniah, Mr. Sanjaya Perera and Mr. Dimantha Seneviratne are directors of the NDB Wealth Management Ltd.

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

Name of the related party	Nature of interest	Particulars of financial dealings	Transaction value LKR	Outstanding value LKR
NDB Wealth Management Limited	Fund management company	Management fee	10,316,555	275,798
Bank of Ceylon	Trustee	Trustee fees & Custodian fees	1,228,328	63,433

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