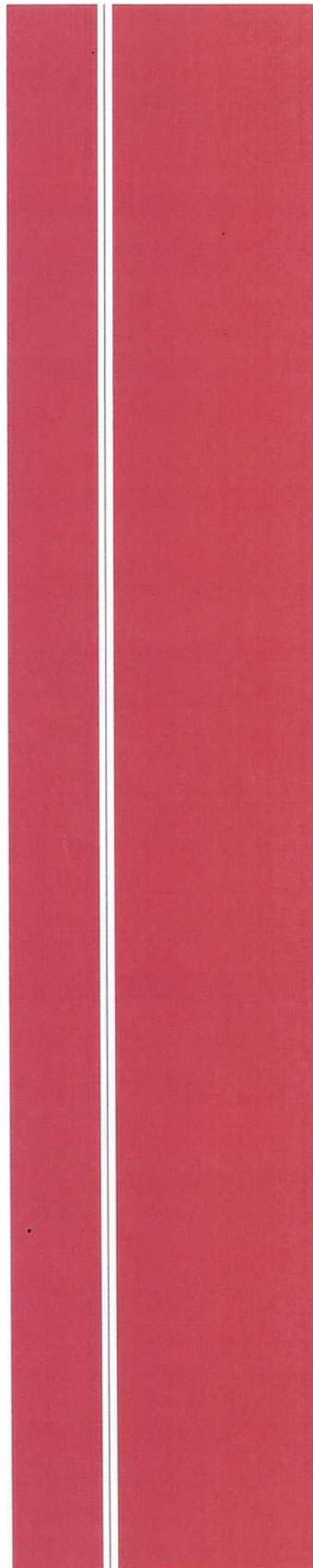


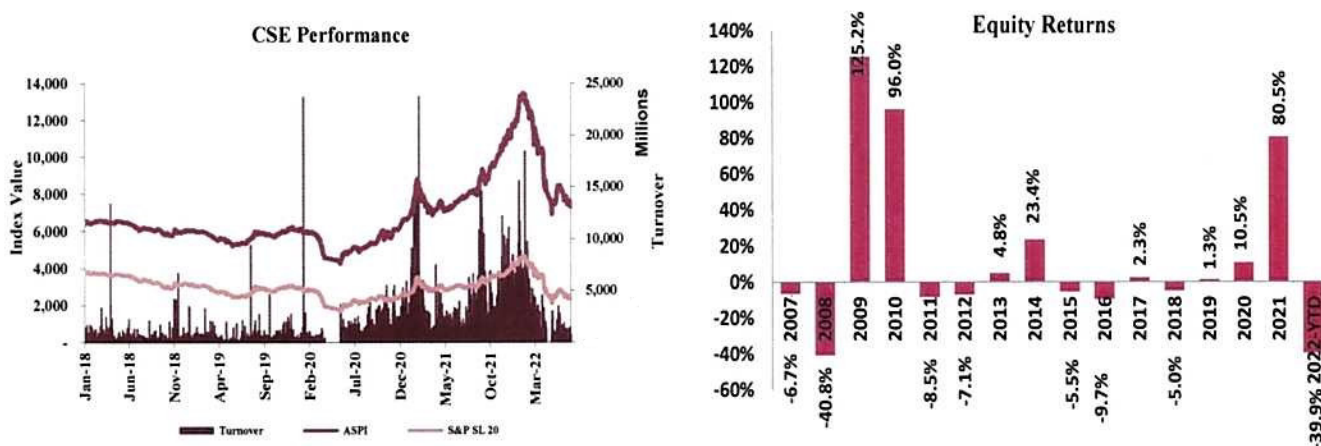
NDB Wealth Growth Fund

Financial Statements for the Period
Ended 30th June 2022



Fund Review 1st Half 2022 – NDB Wealth Growth Fund

The Colombo Stock Exchange nose-dived during the first half of 2022 on the back of Sri Lanka’s economic crisis fueled by an acute shortage of foreign exchange leading to the suspension of foreign debt service payments and shortages of essential commodities which in turn led to widespread social unrest and political turmoil. The All Share Price Index (ASPI) declined 39.95% and the more liquid S&P SL 20 index fell 44.86% during the period under review. As of 30th June 2022, Market PE stood at 4.74x whilst market capitalization was LKR 3.18 trillion (Source: Colombo Stock Exchange).



Source: Colombo Stock Exchange

The economic crisis is expected to lead to a significant contraction in GDP this year on the back of monetary tightening, free float of the Rupee, fiscal consolidation and steep levels of inflation which have led to a marked slowdown in economic activity and consumption. In line with the weak macroeconomic fundamentals and a significant deterioration in investor confidence, foreign investors were net sellers on the bourse during the first half of the year, amounting to LKR 1.17 bn. (Source: Colombo Stock Exchange)

In line with market conditions, the NDB Wealth Growth Fund declined by 37.08% during the first half of 2022 however outperforming the ASPI and the S&P-SL 20 index by 2.87% and 7.78% respectively.

	NDB Wealth Growth Fund	*ASPI	*S&P SL 20
Performance - 1 st Half 2022	-37.08% (after fees)	-39.95%	-44.86%

*Source: Colombo Stock Exchange

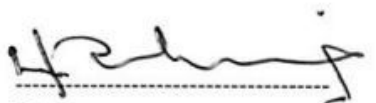
We expect corporate earnings to come under pressure in the period ahead, owing to contractionary monetary and fiscal policies and the shortage of essentials impacting economic activities. Thus, given the macro-economic headwinds, we expect the equity market to be range-bound during the second half of 2022 however, not ruling out the possibility of intermittent rallies which we may witness from time to time given the steeply discounted share prices and attractive trading multiples.

NDB WEALTH GROWTH FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2022

	Note	30.06.2022 LKR	30.06.2021 LKR
Investment income			
Interest income	1.	1,200,668	664,210
Net dividend income		8,519,785	12,398,689
		<u>9,720,453</u>	<u>13,062,899</u>
Realised (loss) / gain on financial assets at fair value through profit or loss	2.	(4,550,182)	2,737,167
Unrealised loss on financial assets at fair value through profit or loss	8.	(117,205,579)	6,987,352
Total investment income / (loss)		<u>(112,035,309)</u>	<u>22,787,418</u>
Operating expenses	3.	(4,110,479)	(5,913,046)
Loss before tax		<u>(116,145,788)</u>	<u>16,874,372</u>
Income tax expense	4.	-	-
Loss for the period		<u>(116,145,788)</u>	<u>16,874,372</u>
Other comprehensive income		-	-
Total comprehensive loss for the period		<u>(116,145,788)</u>	<u>16,874,372</u>
Decrease in net assets attributable to unitholders		<u>(116,145,788)</u>	<u>16,874,372</u>

NDB WEALTH GROWTH FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	30.06.2022 LKR	31.12.2021 LKR
Assets			
Cash at bank	5.	172,935	157,667
Financial assets at fair value through profit or loss	8.	97,363,716	316,021,600
Financial assets measured at amortised cost	9.	21,802,578	27,034,544
Other receivables	6.	20,763	1,998,363
Dividend Receivabl from Investments in Listed Equities		439,080	-
Taxes recoverable	7.	-	-
IPO Application		34,555,640	-
Total assets		<u>154,354,712</u>	<u>345,212,174</u>
Liabilities			
Accrued expenses	10.	<u>559,599</u>	<u>1,134,483</u>
Total liabilities		<u>559,599</u>	<u>1,134,483</u>
Net assets attributable to unitholders		<u><u>153,795,113</u></u>	<u><u>344,077,691</u></u>
Unitholders' fund			
Unit capital		19,766,571	27,787,450
Retained earnings		134,028,542	316,290,241
Net assets attributable to unitholders	11.	<u><u>153,795,113</u></u>	<u><u>344,077,691</u></u>



 Director
 NDB Wealth Management Limited
 Fund Management Company



 Director
 NDB Wealth Management Limited
 Fund Management Company

NDB WEALTH GROWTH FUND
STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS
FOR THE PERIOD ENDED 30 JUNE 2022

	Unit capital LKR	Retained earnings LKR	Total LKR
Balance as at 1 January 2021	19,991,693	173,246,035	193,237,728
Net decrease due to creation and redemption of units	7,795,757	81,102,577	88,898,334
Decrease in net assets attributable to unitholders	-	61,941,629	61,941,629
Balance as at 1 January 2022	<u>27,787,450</u>	<u>316,290,241</u>	<u>344,077,691</u>
Net decrease due to creation and redemption of units	(8,020,879)	(66,115,911)	(74,136,790)
Decrease in net assets attributable to unitholders	-	(116,145,788)	(116,145,788)
Balance as at 30 June 2022	<u><u>19,766,571</u></u>	<u><u>134,028,542</u></u>	<u><u>153,795,113</u></u>

**NDB WEALTH GROWTH FUND
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022**

	30.06.2022	30.06.2021
	LKR	LKR
Cash flows from operating activities		
Interest received	999,902	647,084
Dividend received	8,080,705	9,700,589
Management fees paid	(3,116,953)	(2,936,807)
Other expenses paid	(1,533,102)	(2,863,722)
Proceeds from sale of equity investments	89,371,992	75,283,561
Net disposal of fixed deposits	(18,727,358)	-
Net investment in equity instruments	(25,047,910)	(144,228,436)
Net cash generated from operating activities	<u>50,027,276</u>	<u>(64,397,731)</u>
 Cash flows from financing activities		
Cash received on creation of units	8,320,360	96,182,370
Cash paid on redemption of units	(82,492,457)	(12,198,575)
Net cash generated from financing activities	<u>(74,172,098)</u>	<u>83,983,795</u>
 Net increase in cash and cash equivalents	(24,144,822)	19,586,064
Cash and cash equivalents at the beginning of the year	27,107,576	7,080,421
Cash and cash equivalents at the end of the period	<u>2,962,755</u>	<u>26,666,485</u>
 Cash and cash equivalents at the end of the period comprises of:		
Cash at bank	172,935	335,048
Money market savings	2,789,820	26,331,437
	<u>2,962,755</u>	<u>26,666,485</u>

NDB WEALTH GROWTH FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

	30.06.2022	30.06.2021
	LKR	LKR
1. Interest income		
Interest on money market saving accounts	1,133,388	304,491
Interest on treasury bills Repo	911	359,719
Interest on treasury bills	66,368	-
	<u>1,200,668</u>	<u>664,210</u>
2. Net realised (loss)/gain on financial assets at fair value through profit or loss		
Gross sales proceeds from disposal of equity shares	87,394,392	74,609,201
Weighted average cost of equity shares disposed	(91,944,574)	(71,872,034)
	<u>(4,550,182)</u>	<u>2,737,167</u>
3. Expenses		
Management fee	2,788,921	3,123,036
Trustee fee & Custodian fee	134,405	346,948
Auditor's remuneration	94,743	86,130
Tax consultancy fee	(78,622)	55,099
Bank charges	25,741	29,222
Transaction costs on equity share transactions	1,145,292	2,272,610
	<u>4,110,479</u>	<u>5,913,046</u>
4. Income tax expense	<u>-</u>	<u>-</u>

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.

	30.06.2022	31.12.2021
	LKR	LKR
5. Cash at bank		
Bank of Ceylon operations account	172,935	157,667
	<u>172,935</u>	<u>157,667</u>
6. Other receivables		
Receivable on sale of shares	-	1,977,600
Receivable on creations	20,763	20,763
	<u>20,763</u>	<u>1,998,363</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 2022

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	30.06.2022		No. of shares	31.12.2021	
		Cost of the investment LKR	Market value LKR		Cost of the investment LKR	Market value LKR
Banks						
Commercial Bank Of Ceylon PLC	244,172	20,962,940	12,355,103	235,228	20,257,256	18,653,580
Hatton National Bank PLC	261,999	39,483,570	20,802,721	274,099	41,366,054	37,003,365
		<u>60,446,510</u>	<u>33,157,824</u>		<u>61,623,310</u>	<u>55,656,945</u>
Capital Goods						
Hayleys Plc	-	-	-	196,317	18,284,967	25,521,210
Access Eng Ltd	1,006,259	21,634,569	9,358,209	1,127,000	24,230,500	35,951,300
Royal Ceramics Lanka Plc	-	-	-	115,085	7,993,680	8,988,139
		<u>21,634,569</u>	<u>9,358,209</u>		<u>50,509,146</u>	<u>70,460,649</u>
Consumer Durables & Apparel						
Hayleys Fabric PLC	150,000	6,502,321	4,350,000	-	-	-
Hela Apparel Holdings Limited	589,000	8,835,000	6,184,500	-	-	-
		<u>15,337,321</u>	<u>10,534,500</u>		<u>-</u>	<u>-</u>
Diversified Financials						
Vallibel Finance Plc	102,970	3,840,292	2,553,656	340,592	12,702,463	13,589,621
L O L C Holdings	-	-	-	15,000	11,225,000	17,430,000
Alliance Finance Company Plc	40,000	3,800,000	2,012,000	40,000	3,800,000	4,190,000
Sarvodaya Development Finance Limited	162,327	3,571,194	1,558,339	227,500	5,005,000	4,413,500
		<u>11,211,486</u>	<u>6,123,995</u>		<u>32,732,463</u>	<u>39,623,121</u>
Food, Beverage and Tobacco						
Ceylon Cold Stores PLC	52,360	3,321,600	1,350,888	5,236	3,321,600	2,775,080
Distilleries Company Of Sri Lanka Plc	746,555	11,616,223	10,153,148	816,555	12,705,407	13,881,435
Cargills (Ceylon) Plc	91,000	20,020,000	14,082,250	91,000	20,020,000	19,587,750
Sunshine Holdings Plc	70,300	1,960,080	2,010,580	300,300	8,372,859	13,633,620
		<u>36,917,903</u>	<u>27,596,866</u>		<u>44,419,866</u>	<u>49,877,885</u>
Insurance						
Peoples Insurance PLC	775,000	11,625,000	14,880,000	775,000	11,625,000	26,582,500
LOLC General Insurance Limited	346,600	2,738,140	1,975,620	346,600	2,738,140	7,105,300
		<u>14,363,140</u>	<u>16,855,620</u>		<u>14,363,140</u>	<u>33,687,800</u>
Materials						
Chevron Lubricants Lanka Plc	26,760	3,475,331	1,993,620	-	-	-
Alumex Plc	158,034	459,837	173,464	562,000	9,385,800	8,935,800
Haycarb Plc	102,766	9,026,891	5,580,194	222,000	19,500,319	17,049,600
		<u>12,962,060</u>	<u>7,747,278</u>		<u>28,886,119</u>	<u>25,985,400</u>
Transportation						
Expolanka Holdings Plc	8,460	2,600,393	1,461,465	32,000	9,836,000	12,008,000
		<u>2,600,393</u>	<u>1,461,465</u>		<u>9,836,000</u>	<u>12,008,000</u>
Utilities						
Windforce Limited	850,000	13,600,000	11,730,000	850,000	13,600,000	15,470,000
		<u>13,600,000</u>	<u>11,730,000</u>		<u>13,600,000</u>	<u>15,470,000</u>
Software & Services						
Hsenid Business Solutions Limited	383,000	4,787,500	7,353,600	383,000	4,787,500	13,251,800
		<u>4,787,500</u>	<u>7,353,600</u>		<u>4,787,500</u>	<u>13,251,800</u>
Total value of quoted equity securities		<u>193,860,880</u>	<u>131,919,357</u>		<u>260,757,544</u>	<u>316,021,600</u>
Total unrealised loss			<u>(61,941,523)</u>			<u>55,264,056</u>
Charged to profit or loss			<u>(117,205,579)</u>			

NDB WEALTH GROWTH FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

	As a % of net asset value	Amortised cost	Amortised cost
	30.06.2022	30.06.2022	31.12.2021
		LKR	LKR
9. Financial assets measured at amortised cost			
Investment in money market saving accounts (Note 9.1)	1.96%	3,008,852	27,034,544
Investment in treasury bills (Note 9.2)	12.22%	18,793,726	-
		<u>21,802,578</u>	<u>27,034,544</u>

9.1 Investment in money market saving accounts

Company	Amortised cost LKR	As a % of net asset value 30.06.2022	Amortised cost LKR	As a % of net asset value 31.12.2021
Union Bank of Colombo PLC	2,935	0.00%	90,784	0.03%
Hatton National Bank PLC	3,527	0.00%	3,792	0.00%
DFCC Bank PLC	3,002,389	1.95%	26,939,968	7.83%
	<u>3,008,852</u>	<u>1.96%</u>	<u>27,034,544</u>	<u>7.86%</u>

9.2 Investment in treasury bills

Company	Amortised cost LKR	As a % of net asset value 30.06.2022	Amortised cost LKR	As a % of net asset value 31.12.2021
Government Bills(LKR) - LKA36423F231	18,793,726	12.22%	-	-
	<u>18,793,726</u>	<u>12.22%</u>	<u>-</u>	<u>0.00%</u>

10. Accrued expenses

	30.06.2022 LKR	31.12.2021 LKR
Front end fee	146,886.46	182,194
Management fee	297,245.76	625,279
Trustee fee & Custodian fee	14,797.11	30,015
Auditor's remuneration	94,743.00	180,873
Tax consultancy fee	5,927.02	116,122
	<u>559,599</u>	<u>1,134,483</u>

**NDB WEALTH GROWTH FUND
NOTES FOR THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

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-22	31-Dec-21	30-Jun-22	31-Dec-21
	Units	Units	LKR	LKR
Opening capital balance	27,779,823	19,985,634	344,077,691	193,237,728
Units issued during the year	765,274	11,190,012	8,355,667	125,677,571
Units redeemed during the year	(8,786,125)	(3,395,823)	(82,492,457)	(36,779,237)
Increase in net assets attributable to unitholders	-	-	(116,145,788)	61,941,629
Closing balance	<u>19,758,972</u>	<u>27,779,823</u>	<u>153,795,113</u>	<u>344,077,691</u>

The creation price was at LKR 8.04 (2021 -LKR. 11.12) per unit and the redemption price was at LKR 7.80 (2021 - LKR. 10.68) per unit as at 30 June 2022.

12. Distributions for the year

There were no distributions for the year ended 30 June 2022.

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

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

15. Capital commitments

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