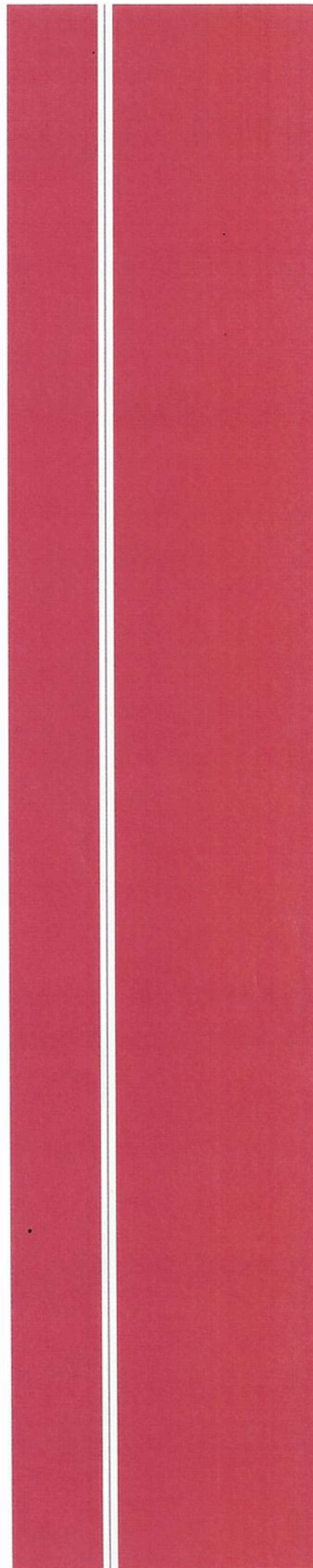


NDB Wealth Islamic Money Plus Fund

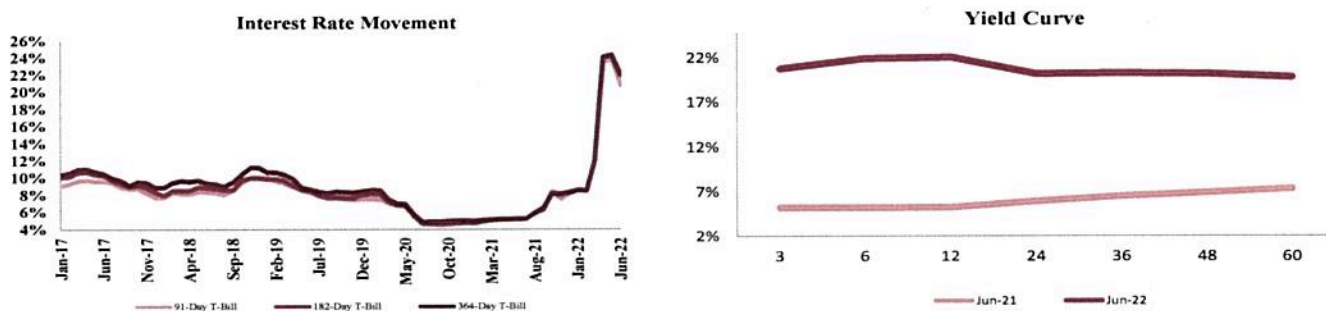
Financial Statements for the Period
Ended 30th June 2022



Fund Review 1st Half 2022 - NDB Wealth Islamic Money Plus Fund

Interest rates increased significantly through the first half of 2022 with the Central Bank of Sri Lanka (CBSL) announcing its highest policy rate hike in history (700 basis points) in April 2022 to combat rising inflation, currency depreciation and with a view of addressing anomalies observed in market interest rates. Accordingly, the Standing Lending Facility Rate (SLF) and the Standing Deposit Facility Rate (SDF) were increased to 14.50% and 13.50% respectively during the period under review. In tandem, interest rates surged across the yield curve with the benchmark 364-day Treasury bill rate rising to 22.04% by the end of June 2022 from 8.55% seen at the beginning of the year (Source: Central Bank of Sri Lanka).

Moreover, the steep depreciation of the exchange rate and elevated prices of global commodities may continue to exert pressure on inflation, which in turn may lead to further monetary policy tightening to contain any build-up of adverse inflation expectations.



Source: Central Bank of Sri Lanka

On the fiscal front, overall budget deficit for 2022 is expected to expand significantly, amidst higher government expenditure and weak revenue collections owing to deteriorating economic activity. 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 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) ^{*6-month avg.}
Performance - 1 st Half 2022	4.09% (after fees)	N/A
Annualized Performance - 1 st Half 2022	8.18% (after fees)	6.03%

*Source: Central Bank of Sri Lanka

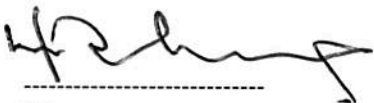
We expect interest rates to remain elevated during the second half of the year owing to policy action by the Central Bank along with uncertainties surrounding domestic debt restructuring and the government's continued requirement for domestic financing. However, if Sri Lanka manages to enter in to a staff level agreement with the IMF, policymakers may be able to secure some form of bridging finance, which in turn will ease pressure off interest rates in the interim.

NDB WEALTH ISLAMIC MONEY PLUS FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 LKR	2021 LKR
Profit share on Mudharabah and Wakala investments	1	32,355,632	34,091,222
Expenses	2	(3,647,105)	(5,820,349)
Profit before tax		<u>28,708,527</u>	<u>28,270,873</u>
Income tax expense	3	<u>-</u>	<u>-</u>
Profit for the year		28,708,527	28,270,873
Other comprehensive income		-	-
Total comprehensive income for the year		<u>28,708,527</u>	<u>28,270,873</u>
Increase in net assets attributable to unitholders		<u>28,708,527</u>	<u>28,270,873</u>

NDB WEALTH ISLAMIC MONEY PLUS FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	30.06.2022 LKR	31.12.2021 LKR
ASSETS			
Cash at bank		25,000	25,000
Financial assets measured at amortised cost	4	601,105,351	800,523,097
Other Receivables		1,199,697	173,790
Total assets		<u>602,330,047</u>	<u>800,721,887</u>
LIABILITIES			
Accrued expenses	5	<u>603,059</u>	<u>983,502</u>
Total liabilities		<u>603,059</u>	<u>983,502</u>
Net assets attributable to unitholders		<u>601,726,988</u>	<u>799,738,385</u>
UNITHOLDERS' FUNDS			
Unit capital		337,657,511	467,479,443
Retained earnings		264,069,477	332,258,942
Net assets attributable to unitholders	6	<u>601,726,988</u>	<u>799,738,385</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 YEAR ENDED 30 JUNE 2022**

	Unit capital LKR	Retained earnings LKR	Total LKR
Balance as at 01 January 2021	631,240,531	394,394,528	1,025,635,059
Net increase due to creation and redemption of units	(163,761,088)	(121,768,810)	(285,529,898)
Increase in net assets attributable to unitholders	-	59,633,224	59,633,224
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	59,633,224	59,633,224
Balance as at 31 December 2021	<u>467,479,443</u>	<u>332,258,942</u>	<u>799,738,385</u>
Prior period adjustment	-	-	-
Net decrease due to creation and redemption of units	(129,821,932)	(96,897,992)	(226,719,924)
Increase in net assets attributable to unitholders	-	28,708,527	28,708,527
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	28,708,527	28,708,527
Balance as at 30 June 2022	<u><u>337,657,511</u></u>	<u><u>264,069,477</u></u>	<u><u>601,726,988</u></u>

**NDB WEALTH ISLAMIC MONEY PLUS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	LKR	LKR
Cash flows from operating activities		
Income received from Mudharabah investments	3,022,992	7,596,313
Income received from Wakala investments	29,630,667	39,809,574
Income received from Commercial Paper Wakala	4,041,096	-
Tax paid	-	-
Management fees paid	(3,020,972)	(4,318,686)
Other expenses paid	(1,006,576)	(1,681,215)
Net investments in commercial paper - Wakala	50,000,000	-
Net investments in fixed deposits- Wakala	153,839,979	(99,027,351)
	-	-
Net cash flow generated /(used in) from operating activities	<u>236,507,186</u>	<u>(57,621,365)</u>
Cash flows from financing activities		
proceeds on creation of units	294,700,449	580,158,129
payments on redemption of units	(521,420,373)	(313,170,223)
Net cash generated frim/ (used in) financing activities	<u>(226,719,924)</u>	<u>266,987,906</u>
Net (decrease)/ increase in cash and cash equivalents	9,787,262	209,366,541
Cash and cash equivalents at the beginning of the year	<u>121,796,810</u>	<u>273,880,826</u>
Cash and cash equivalents at the end of the year	<u><u>131,584,073</u></u>	<u><u>483,247,366</u></u>
Cash and cash equivalents at the end of the year comprises of:		
Cash at bank	25,000	25,000
Money Market - Mudharabah Savings Account	<u>131,559,073</u>	<u>483,222,366</u>
	<u><u>131,584,073</u></u>	<u><u>483,247,366</u></u>

**NDB WEALTH ISLAMIC MONEY PLUS FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	LKR	LKR
1. Investment income		
Profit on Wakala Investment (Commercial Papers)	3,381,849.31	-
Profit on Mudharabah Investment (Saving deposits)	5,273,460	6,912,565
Profit on Wakala Investment (Term deposits)	23,700,323	27,178,657
	<u>32,355,632</u>	<u>34,091,222</u>
2. Expenses		
Management fee	2,876,974	4,507,887
Trustee fee	585,595	912,846
Custodian fee	64,357	64,267
Auditor's remuneration	75,000	45,930
Tax consultancy fee	12,000	(20,215)
Other professional charges	0	292,456
Bank charges	33,179	17,176
	<u>3,647,105</u>	<u>5,820,349</u>
3. Income tax	2022	2021
Income Tax Expense for the year(Note 3.1)	-	-
	<u>-</u>	<u>-</u>

- 3.1** 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 YEAR ENDED 30 JUNE 2022

	30.06.2022 LKR	31.12.2021 LKR
4. Financial assets measured at amortised cost		
Investment in Mudharabah savings deposits (Note 4.1)	133,000,997	121,989,175
Investment in Wakala deposits (Note 4.2)	417,160,860	576,931,183
Investment in Commercial Papers Wakala (Note 4.3)	50,943,493	101,602,740
	<u>601,105,351</u>	<u>800,523,098</u>

4.1 Investment in Mudharabah savings deposits

Company	Amortised cost	As a % of net	Amortised cost	As a % of net
	30.06.2022 LKR	asset value	31.12.2021 LKR	asset value
Citizens Development Business Finance PLC	750	0.00%	59,798	0.01%
Richard Pieris Finance Ltd	24,472,671	4.07%	-	0.00%
Hatton National Bank PLC	2,915,444	0.48%	774,611	0.10%
LB Finance PLC	796	0.00%	23,994	0.00%
Lanka Orix Leasing Company PLC	1,140	0.00%	92,413	0.01%
National Development Bank PLC	9,637	0.00%	27,573	0.00%
Commercial Leasing & Finance PLC	-	0.00%	120,991,958	15.13%
MCB Bank Ltd	105,600,560	17.55%	18,827	0.00%
	<u>133,000,997</u>	<u>22.10%</u>	<u>121,989,175</u>	<u>15.25%</u>

4.2 Investment in Wakala deposits

Company	Amortised cost	As a % of net	Amortised cost	As a % of Net
	30.06.2022 LKR	asset value	31.12.2021 LKR	asset value
Commercial Leasing and Finance PLC	59,949,115	9.96%	179,746,016	22.48%
Richard Pieris Finance Ltd	45,645,548	7.59%	143,997,496	18.01%
LB Finance PLC	88,714,122	14.74%	148,846,534	18.61%
National Development Bank PLC	-	0.00%	-	0.00%
CDB Finance	80,073,993	13.31%	104,341,136	13.05%
Hatton National Bank PLC	142,778,082	23.73%	-	0.00%
	<u>417,160,860</u>	<u>69.33%</u>	<u>576,931,183</u>	<u>72.14%</u>

4.3 Investment in Commercial Papers

Company	Amortised cost	As a % of net	Amortised cost	As a % of Net
	30.06.2022 LKR	asset value	31.12.2021 LKR	asset value
Vidullanka PLC- Wakala	50,943,493	8.47%	101,602,740	12.70%
	<u>50,943,493</u>	<u>8.47%</u>	<u>101,602,740</u>	<u>12.70%</u>

NDB WEALTH ISLAMIC MONEY PLUS FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	30.06.2022	31.12.2021
	LKR	LKR
5. Accrued expenses		
Management fee	401,089	545,087
Trustee fee	84,229	110,380
Custodian Fees	10,742	11,007
Auditor's remuneration	75,000	150,000
Other professional charges	-	147,027
Tax consultancy fee	32,000	20,000
	<u>603,059</u>	<u>983,501</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:

	30-Jun-22	31-Dec-20	30-Jun-22	31-Dec-20
	Units	Units	LKR	LKR
Opening capital balance	46,747,955	63,124,053	799,738,385	1,025,635,059
Units issued during the period	16,982,852	73,319,158	294,700,449	1,221,563,905
Units redeemed during the period	(29,965,049)	(89,695,256)	(521,420,373)	(1,507,093,803)
Increase in net assets attributable to unitholders	-	-	28,708,527	59,633,224
Closing balance	<u>33,765,758</u>	<u>46,747,955</u>	<u>601,726,988</u>	<u>799,738,385</u>

The creation price was at LKR 17.80 (LKR 16.65 - 2021) per unit and the redemption price was at LKR 17.80 (LKR 16.65 - 2021) per unit as at 30 June 2022.

7. Distributions for the year

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

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.