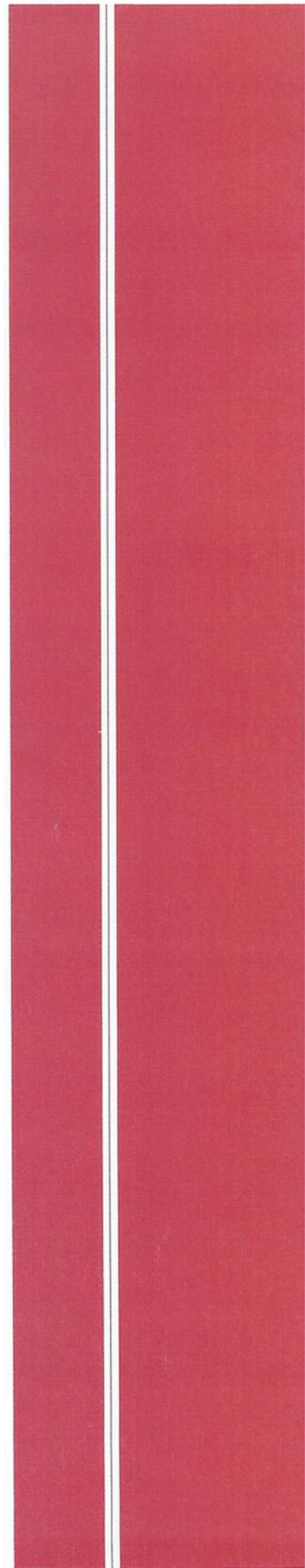


NDB Wealth Money Fund

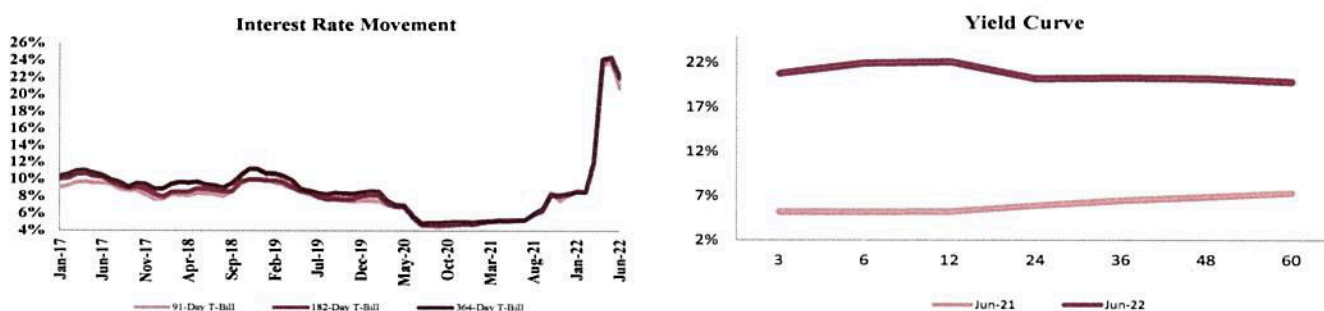
Financial Statements for the Period
Ended 30th June 2022



Fund Review 1st Half 2022 - NDB Wealth Money 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 Money Fund yielded the following returns commensurate with the risk parameters and the objective of the Fund:

	NDB Wealth Money Fund	*Average Weighted Deposit Rate (AWDR) ^{*6-month avg.}
Performance - 1 st Half 2022	4.75% (after fees)	N/A
Annualized Performance - 1 st Half 2022	9.50% (after fees)	6.03%

*Source: Central Bank of Sri Lanka

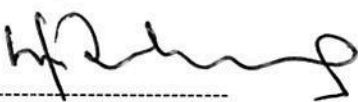
We expect interest rates to remain elevated during the second half of the year owing to policy action by the Central Bank along with uncertainties surrounding domestic debt restructuring and the government's continued requirement for domestic financing. However, if Sri Lanka manages to enter in to a 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 MONEY FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 LKR	2021 LKR
Interest income	1	1,238,507,597	24,696,184
Realised Gain/(Loss) on Sale of financial assets		868,500	-
Expenses	2	(88,011,416)	(3,010,926)
Profit before tax		<u>1,151,364,681</u>	<u>21,685,258</u>
Income tax expense	3	<u>-</u>	<u>-</u>
Profit for the year		1,151,364,681	21,685,258
Other comprehensive income		-	-
Total comprehensive income for the year		<u>1,151,364,681</u>	<u>21,685,258</u>
Increase in net assets attributable to unitholders		<u>1,151,364,681</u>	<u>21,685,258</u>

**NDB WEALTH MONEY 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	10,262,857,246	23,588,816,861
Tax recoverable	5	-	-
Total assets		<u>10,262,882,246</u>	<u>23,588,841,861</u>
UNIT HOLDERS' FUNDS AND LIABILITIES			
LIABILITIES			
Accrued expenses	6	<u>6,907,792</u>	<u>12,535,010</u>
Total liabilities		<u>6,907,792</u>	<u>12,535,010</u>
Net assets attributable to unitholders		<u><u>10,255,974,453</u></u>	<u><u>23,576,306,852</u></u>
UNITHOLDER'S FUNDS			
Unit capital		4,513,808,466	10,869,132,706
Retained earnings		5,742,165,987	12,707,174,146
Net assets attributable to unitholders	7	<u><u>10,255,974,453</u></u>	<u><u>23,576,306,852</u></u>



Director
NDB Wealth Management Ltd
Fund Management Company



Director
NDB Wealth Management Ltd
Fund Management Company

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

	2022	2020
	LKR	LKR
Cash flows from operating activities		
Interest received	1,154,418,625	37,974,138
Tax paid	-	-
Management fees paid	(76,250,570)	(2,365,328)
Other expenses paid	(17,388,064)	(868,351)
Net movement in fixed deposits	12,936,254,051	(30,540,992)
Net disposal of/ (investment in) TBills	1,007,604,425	-
Net realised gain on security sales	868,500	-
Net cash generated from operating activities	15,005,506,967	4,199,466
Cash flows from financing activities		
Proceeds on creation of units	48,545,633,442	152,661,235
Payments on redemption of units	(63,017,330,522)	(227,403,586)
Net cash generated from / (used in) financing activities	(14,471,697,080)	(74,742,352)
Net increase / (decrease) in cash and cash equivalents	533,809,888	(70,542,886)
Cash and cash equivalents at the beginning of the year	2,898,707,350	274,993,790
Cash and cash equivalents at the end of the year	3,432,517,238	204,450,904
 Cash and cash equivalents at the end of the year comprises of:		
Cash at bank	25,000	25,000
Financial instruments - maturity within 3 months	3,432,492,238	204,425,904
	3,432,517,238	204,450,904

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

	2022	2021
	LKR	LKR
1. Interest income		
Treasury bills under repurchase agreements (long term)	161,925,391	1,151,561
Treasury bills under repurchase agreements (short term)	32479544	1,941,711
Fixed deposits	555,859,107	20,329,592
Interest on money market saving accounts	132,683,747	1,273,320
Interest Income from GOSL Tbills	355,559,808	-
	<u>1,238,507,597</u>	<u>24,696,184</u>
2. Expenses		
Management fee	71,692,578	2,334,238
Trustee fee	15,804,272	687,539
Custodian fee	64,662	64,268
Auditors Remuneration	55,000	(59,348)
Tax consultancy fee	12,000	(22,834)
Bank charges	382,903	7,062
	<u>88,011,416</u>	<u>3,010,926</u>
3. Income tax		
Tax expense for the year	-	-
	<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 from 1 April 2018. Hence no provision for the income tax was made in the financial statements.

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

	30.06.2022 LKR	As a % of net assets value	31.12.2021 LKR	As a % of net assets value
4. Financial assets measured at amortised cost				
Treasury bills under repurchase agreements (short term) (Note 4.1)	1,559,547,945	15.21%	1,014,857,143	4.30%
Fixed deposits (Note 4.2)	2,938,491,331	28.65%	15,889,977,661	67.40%
Investment in money market saving accounts (Note 4.3)	1,959,976,895	19.11%	1,914,935,808	8.12%
Investment in GOSL Tbills (Note 4.4)	3,804,841,075	37.10%	4,769,046,250	20.23%
	<u>10,262,857,246</u>	<u>100%</u>	<u>23,588,816,861</u>	<u>100%</u>

4.1 Treasury bills under repurchase agreements (short term)

Company	30.06.2022 LKR	As a % of net assets value	31.12.2021 LKR	As a % of net asset value
First Capital Holdings PLC	1,559,547,945	15.21%	-	0.00%
NSB Fund Management Co Ltd	-	0.00%	1,014,857,143	4.30%
	<u>1,559,547,945</u>	<u>15.21%</u>	<u>1,014,857,143</u>	<u>4.30%</u>

4.2 Fixed deposits

Company	30.06.2022 LKR	As a % of net asset value	31.12.2021 LKR	As a % of net asset value
Peoples Bank	-	0.00%	4,537,809,449	19.25%
DFCC Bank PLC	-	0.00%	1,250,402,740	5.30%
National Savings Bank	2,938,491,331	28.65%	5,435,979,157	23.06%
National Development Bank PLC	-	0.00%	1,504,068,493	6.38%
Bank of Ceylon	-	0.00%	2,080,186,589	8.82%
Cargills Bank Limited	-	0.00%	1,081,531,233	4.59%
	<u>2,938,491,331</u>	<u>28.65%</u>	<u>15,889,977,661</u>	<u>67.40%</u>

4.3 Investment in money market saving accounts

Company	30.06.2022 LKR	As a % of net asset value	31.12.2021 LKR	As a % of net asset value
Hatton National Bank PLC	158,552,220	1.55%	200,679,376	0.85%
Cargills Bank Limited	973,452,994	9.49%	1,297,664,693	5.50%
MCB Bank Limited	252,356,652	2.46%	237,541,020	1.01%
DFCC Bank PLC	575,615,029	5.61%	179,050,720	0.76%
	<u>1,959,976,895</u>	<u>19.11%</u>	<u>1,914,935,808</u>	<u>8.12%</u>

4.4 Investment in GOSL Tbills

Company	30.06.2022 LKR	As a % of net asset value	31.12.2021 LKR	As a % of net asset value
WealthTrust Securities Limited	1,039,761,950	10.14%	1,783,695,750	7.57%
First Capital Holdings PLC	1,772,578,625	17.28%	1,493,095,500	6.33%
Capital Alliance Limited	992,500,500	9.68%	1,492,255,000	6.33%
	<u>3,804,841,075</u>	<u>37.10%</u>	<u>4,769,046,250</u>	<u>20.23%</u>

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

	30.06.2022	31.12.2021
	LKR	LKR
5. Tax recoverable		
Balance as at 01 January	-	-
Notional tax credit recoverable	6,749,116	6,749,116
	<u>6,749,116</u>	<u>6,749,116</u>
Less		
Impairment allowance for Notional Tax	(6,749,116)	(6,749,116)
Balance as at 30 June	<u>-</u>	<u>-</u>
6. Accrued expenses		
Management fee	5,472,472	10,030,464
Trustee fee	1,337,273	2,363,542
Audit fee	55,000	100,000
Custodian fee	11,047	11,007
Tax consultancy fee	32,000	105,586
	<u>6,907,792</u>	<u>12,610,600</u>

7. Net assets attributable to unitholders

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

	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	Units	Units	LKR	LKR
Opening capital balance	1,086,913,280	43,025,838	23,576,306,852	883,923,018
Units issued during the period	2,204,184,930	1,345,849,841	48,545,633,442	28,942,113,120
Units redeemed during the period	(2,839,717,368)	(301,962,399)	(63,017,330,522)	(6,506,485,528)
Increase in net assets attributable to unit holders	-	-	1,151,364,681	256,756,241
Closing balance	<u>451,380,842</u>	<u>1,086,913,280</u>	<u>10,255,974,453</u>	<u>23,576,306,852</u>

The creation price was at LKR 22.7208 per unit (2021 - LKR. 21.0665) and the redemption price was at LKR 22.7208 per unit (2021 - LKR. 21.0665) as at 30 June 2022.

8. Distributions for the period

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

9. Contingencies

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

10. 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.

11. Capital commitments

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