

ASIA
SECURITIES



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WEALTH MANAGEMENT

Asia Securities Income Fund

Interim Report

*For the six months ended
30th September 2023*



TABLE OF CONTENTS

Report of the Investment Manager	02
Statement Of Profit Or Loss	04
Statement Of Financial Position	05
Statement of Movement in Unitholders' Fund	06
Notes to the Interim Financial Statements	08
Corporate Information	11

Asia Securities Income Fund (Inception: 15th Dec. 2022)

Fund Manager

Nadarajah Gowthaman

Fund Objective.

The Fund is an open-ended unit trust fund that primarily invests in government securities and fixed income instruments with an investment-grade rating of BBB- or above. These fixed income securities have medium to long-term maturities. The investment objective of the fund is to generate a competitive interest income for its investors while ensuring that best efforts are made to grow capital and provide liquidity.

Fund Return

Period	ASIF Return	CRISIL 364 Day Benchmark Return
2022-23	29.65% (Annualized)	35.93%
01H 2023-24	41.75% (Annualized)	36.43%

Commentary

During the first half of the 2023/24 period, the Asia Security Income Fund provided its investors with an annualized return of 41.75%. The fund's primary focus is on government securities, which offer better risk-adjusted returns and liquidity compared to long-term corporate papers.

Outlook

We expect that there will be scope for further reduction in interest rates by the end of 2023, especially at the shorter end of the yield curve. However, as we enter 2024, factors such as external debt restructuring, increased private credit uptake, the government's achievement of a primary surplus in revenue collection, and the risk premium associated with the upcoming election will significantly impact the movement of interest rates. Additionally, according to the new CBSL act, the CBSL is not able to finance the budget deficit, which could lead to an increased volatility at the longer end of the yield curve in the event of any significant catalyst event in the country.

**ASIA SECURITIES INCOME FUND
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2023**

ASIA SECURITIES INCOME FUND
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
 period ended 30 September 2023
 (All amounts in Sri Lanka Rupees)

	Notes	For the Period April 23 -Sep 23	For the Period Dec 22- March 23
Income			
Interest Income	3	84,313,149	25,537,746
Fair Value Gain	4	45,554,778	1,296,483
Total Income		129,867,927	26,834,229
Operating Expense			
Management Fees		(1,879,022)	(454,291)
Trustee & Custodian Fees		(806,810)	(242,958)
Audit Fees		(451,561)	(258,146)
Other Expenses		(963,014)	(193,321)
Total Operating Expenses		(4,100,407)	(1,148,716)
Other Income	5	470,002	15,275
Profit for the Period		<u>126,237,521</u>	<u>25,700,788</u>
Increase in net asset attributable to unit holders		<u>126,237,521</u>	<u>25,700,788</u>

ASIA SECURITIES INCOME FUND
STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 September 2023

		As at 30 September 2023	As at 31 March 2023
ASSETS	Notes	Rs.	Rs.
Cash and cash equivalents	6	3,559,336	27,439,314
Financial assets - FVTPL	7	925,813,771	222,368,493
Financial assets - Amortised cost	8	153,196,662	100,061,370
		<u><u>1,082,569,769</u></u>	<u><u>349,869,177</u></u>
LIABILITIES			
Accrued Expenses	9	1,061,490	525,784
Total Liabilities		<u><u>1,061,490</u></u>	<u><u>525,784</u></u>
UNIT HOLDERS' FUNDS			
Net Assets Attributable to Unit holders		<u><u>1,081,508,278</u></u>	<u><u>349,343,393</u></u>
		<u><u>1,082,569,769</u></u>	<u><u>349,869,177</u></u>

Director
Asia Securities Wealth Management (Pvt) Limited

Director
Asia Securities Wealth Management (Pvt) Limited



Trustees
Hatton National Bank

ASIA SECURITIES INCOME FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
period ended 30 September 2023

	Period ended 30.09.2023	Period ended 31.03.2023
	Rs.	Rs.
UNITHOLDERS' FUNDS AS AT PERIOD START	349,343,393	-
Audit adjustment	-	-
Unitholders' fund as per FS	<u>349,343,393</u>	<u>-</u>
Total Comprehensive Income for the Period	126,237,521	25,700,789
Received on Creation of Units	<u>1,175,230,338</u>	<u>497,070,644</u>
Paid on Redemption of Units	<u>(569,302,974)</u>	<u>(173,428,040)</u>
Net Increase / (decrease) due to Unit holders' Transactions	605,927,364	323,642,604
Dividend paid	-	-
	<u><u>1,081,508,278</u></u>	<u><u>349,343,393</u></u>

ASIA SECURITIES INCOME FUND
CASH FLOW STATEMENT (UNAUDITED)
period ended 30 September 2023

	Period ended 30.09.2023	Period ended 30.03.2023
	Rs.	Rs.
Cash Flows from Operating Activities		
Interest Received	61,492,290	14,513,037
Other income received	470,002	15,275
Management Fees and Trustee Fees Paid	(2,337,646)	(429,613)
Other Expenses Paid	(1,227,054)	(193,320)
Investment in Commercial Papers	(1,606,394,482)	(549,610,545)
Investment in Trust Certificates	-	
Investment in Repurchase Agreement	(2,779,500,000)	(618,308,767)
Investment in Fixed deposits	-	
Investment in Treasury Bills	(901,828,733)	(239,844,750)
Investment in Treasury Bonds	(102,440,127)	(118,166,250)
Maturity Proceeds from Repurchase Agreements	2,829,500,000	568,308,767
Maturity Proceed from Commercial Papers	1,504,119,982	499,610,545
Maturity Proceed from Treasury Bills	368,338,430	147,902,330
Net Cash Flow generated from Operating Activities	<u>(629,807,339)</u>	<u>(296,203,291)</u>
Cash Flows from Financing Activities		
Cash Received on Creation of Units	1,175,230,338	497,070,644
Cash Paid on Redemption of Units	(569,302,974)	(173,428,040)
Net Cash generated from Financing Activities	<u>605,927,361</u>	<u>323,642,604</u>
Net Increase in Cash and Cash Equivalents	(23,879,978)	27,439,313
Cash and Cash Equivalents at the beginning of the year	27,439,314	-
Cash and Cash Equivalents at the end of the period	<u>3,559,336</u>	<u>27,439,313</u>

ASIA SECURITIES INCOME FUND
 NOTES TO THE INTERIM FINANCIAL STATEMENTS
 period ended 30 September 2023

1 All figures are provisional and unaudited. Comparatives figures are presented for the last 6 months period as the Asia Securities Income Fund started operations on 15 December 2022.

2 Income is recognised on an accrual basis.

	For the Period April 23 - Sep 23	For the Period Dec 22 - March 23
	Rs.	Rs.
3 INVESTMENT INCOME		
3.1 Interest Income		
Interest on Repurchase Agreements	7,353,530	2,309,144
Interest on Treasury Bills	37,303,689	16,924,792
Interest on T Bonds	27,124,260	2,519,613
Interest on Commercial Papers	11,854,969	2,576,235
Interest on HNB Money Market	676,701	1,207,962
	<u>84,313,149</u>	<u>25,537,746</u>
Fair Value Gain		
4 Treasury Bills	958,201	362,752
Treasury Bonds	44,596,578	933,731
	<u>45,554,778</u>	<u>1,296,483</u>
Other Income		
5 Gain on disposal of treasury bills	470,002	15,275
	<u>470,002</u>	<u>15,275</u>
TOTAL		
	<u>130,337,929</u>	<u>26,486,752</u>
	30/09/2023	31/03/2023
	Rs.	Rs.
6 Cash at Bank	25,000	25,000
HNB Money Market Savings	3,534,336	27,414,314
	<u>3,559,336</u>	<u>27,439,314</u>

ASIA SECURITIES INCOME FUND
 NOTES TO THE INTERIM FINANCIAL STATEMENTS
 period ended 30 September 2023

7 FINANCIAL ASSET- at FVTPL

	Notes	30.09.2023	31.03.2023
		Rs.	Rs.
Investment in Treasury Bills		649,354,024	97,630,148
Investment in Treasury Bonds		276,459,748	124,738,345
		<u>925,813,771</u>	<u>222,368,493</u>

8 FINANCIAL ASSET- at Amortised Cost

		30.09.2023	31.03.2023
		Rs.	Rs.
Investment in Repurchase Agreements	8.1	-	50,030,137
Investment in Commercial Papers	8.2	153,196,662	50,031,233
		<u>153,196,662</u>	<u>100,061,370</u>

30.09.2023 31.03.2023

Repurchase Agreements

8.1	First Capital Treasuries PLC	-	50,030,137
		<u>-</u>	<u>50,030,137</u>

Commercial papers

8.2	Asia Securities (Pvt) Ltd	153,196,662	50,031,233
		<u>153,196,662</u>	<u>50,031,233</u>

ASIA SECURITIES INCOME FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
 period ended 30 September 2023

9 ACCRUED EXPENSES	30/09/2023	31/03/2023
	Rs.	Rs.
Management Fee Payable	437,684	179,928
Trustee & Custodian Fee Payable	178,139	87,709
Audit Fee Payable	445,668	258,147
Advance Receipts- Placement Fee	-	
	<u>1,061,490</u>	<u>525,784</u>

10 CONTINGENCIES

There were no significant contingencies existing as at the reporting date that required adjustments to or disclosures in the financial statements

11 EVENTS OCCURRING AFTER REPORTING DATE

There have been no significant events occurring after the reporting date that required adjustment to or disclosures in the financial statements

12 CAPITAL COMMITMENTS

There were no significant capital and financial commitments as at the reporting date.

13 UNITS IN ISSUE AND UNIT PRICE

No. of units in issue and deemed to be in issue as at 30 September 2023 was 82,341,507.09 and net assets value per unit as at 30 September 2023 was Rs. 13.1344

CORPORATE INFORMATION

Trustee & Custodian

Hatton National Bank PLC
No. 479, T. B. Jayah Mawatha,
Colombo 10,

Auditors

Deloitte Partners
100, Braybrooke Place,
Colombo 02,

Bankers

Hatton National Bank PLC
No. 479, T. B. Jayah Mawatha,
Colombo 10,

Lawyers

Nithya Partners
97/A, Galle Main Rd,
Colombo 03,

Managers & Registrars

Asia Securities Wealth Management (Pvt) Limited
4th Floor Lee Hedges Tower
No. 479, Galle Road
Colombo 3

ASIA SECURITIES WEALTH MANAGEMENT (PVT) LIMITED

Board of Directors

Mr. Dumith Fernando - Chairman
Mr. Avancka Herat - Executive Director

Management Team

Mr. Kishan Vairavanathan - Chief Executive Office
Mrs. Pushpika Jeevaratne - Head Of Compliance
Mr. Nadarajah Gowthaman - Portfolio Manager

