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MID YEAR FUND REVIEW for the six months ended 30th September 2022

Dear Investor.

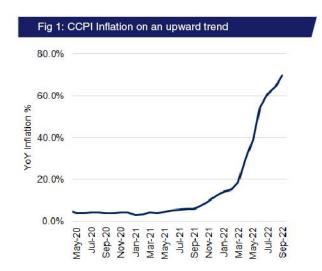
It is with great pleasure we present our mid – year review for the Asia Securities Money Market Fund. The return of your Fund stood at 5.32% during the six months ended 30th September 2022 compared to 7.64% during the six months ended 30th September 2021. The main reason for dismal fund performance was a result of the fund having to experience large redemptions from clients due to sudden and significant increase in interest rates in April 2022. As a result, the fund had a significantly higher net fund outflow rate, leaving with no options to reinvest and reprice at higher yields.

Economic Review

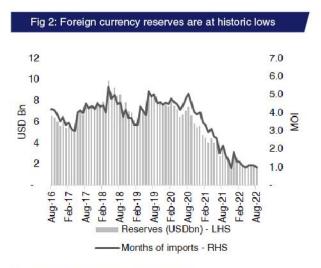
The six month period under review was a challenging year for the entire economy, in line with what was experienced in FY21/FY22 – as political unrest and economic uncertainty continued to disrupt activity across a multitude of sectors. During the same period, several Island wide curfews were implemented which continued to fracture a fragile economy. This led to an economic degrowth for the quarter ending June 2022 of -8.4%.

Concerns on runaway inflation have materialized, with CCPI inflation picking up to 69.8% in September 2022, vs. 18.7% in March 2022. The pick – up in inflation was largely driven by food inflation, hike in utility and fuel prices, and general increase in price of goods due to currency depreciation. Food inflation was one of the significant factors which we believe was due to supply side disruptions and shortage in food supplies due to low crop yields driven by a ban on fertilizer imports, high fuel costs and the unavailability of fuel to transport crops.

Credit to the private sector show cased a slower pickup – increasing by 11.6% YoY in August 2022 vs. YoY growth of 15.0% in August 2021. Notably, credit to the government sector continues to burgeon – growth in credit to the government sector in August 2021 was 20.9% YoY - indicating severe fiscal slippage especially during a high interest rate environment.



Source: Department of Census and Statistics



Source: Central Bank of Sri Lanka

MID YEAR FUND REVIEW for the six months ended 30th September 2022

Reserves came under severe stress during the last 6M, as our import bill continued to rise amidst minimal bi-lateral and multilateral funding support. As a result, reserves dropped to 1.0x months of Imports in August 2022 from 2.2x months of imports recorded during August 2021. To control this rapid decline in reserves, the GoSL continued to limit outflows by keeping import restrictions in place. Import restrictions are likely to continue till reserve position improves with an increase in dollar denominated inflows. However, we highlight that significant support from bilateral / multilateral lenders is required to address the current foreign reserve crisis.

With this risk narrative playing out, market rates have picked up sharply. The 1Y T-bill increased to 29.85% (an increase of 1,757bps since March 2022), and the 10Y T-bond rates increased to 30.09% (an increase of 1,467bps since March 2022) as at September 2022.

During the year under review, the Asia Securities Money Market Fund yielded the following returns commensurate with the risk parameters and the objective of the Fund:

| Table 1: Return Summary of the Fund | | |
|-------------------------------------|---------------------|-------|
| | Annualized return % | AER % |
| Sep 2022 | 8.58 | 8.86 |
| Aug 2022 | 6.58 | 6.74 |
| July 2022 | 4.93 | 5.02 |
| Jan - Sep 2022 | 6.10 | 6.24 |
| 1H FY22/23 | 5.32 | 5.43 |

Outlook

As economic risks intensify, multiplied by the low reserves, fiscal slippage and threat of debt restructuring we expect the economy to see weak growth in the near term. However, we expect market rates to come down if inflation continues to recede from its peak in September 2022. These factors are likely to also result in the Central Bank of Sri Lanka being dovish on policy rates in the near term.

We see two potential pathways for Sri Lanka to avert the current foreign currency reserve crisis – 1) Negotiate a bailout package from a global multilateral funding agency such as the International Monetary Fund (IMF) and renew terms on outstanding contingencies and debt commitments and 2) a rapid recovery in tourism which could boost our reserve position with an increase in dollar inflows coupled with strong support from bi-lateral funding partners.

We emphasize that despite our view of market interest rates may come down in the near future, we expect your fund to see a gradual upward revision in returns in the near term as we are continuing to reprice our fund at market rates.

Note: All other data mentioned are sourced from the Central Bank of Sri Lanka



ASIA SECURITIES
MONEY MARKET FUND
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMER 2022

ASIA SECURITIES MONEY MARKET FUND STATEMENT OF COMPREHENSIVE INCOME period ended 30 September 2022

| | Notes | For the Period Apr 22 - Sep 22 | For the Period Apr 21 - Sep 21 |
|---------------------------------------|--------|-----------------------------------|-----------------------------------|
| | | Rs. | Rs. |
| INCOME | | | |
| Interest Income | 3 | 79,621,969 | 71,718,836 |
| | | | |
| EXPENSES | | | |
| Management Fees | | (2,174,490) | (4,401,932) |
| Trustee & Custodian Fees | | (1,620,475) | (1,556,181) |
| Audit Fees | | (183,092) | (135,552) |
| Other Expenses | | (41,425,068) | (22,320) |
| | | (45,403,125) | (6,115,985) |
| | | | |
| NET PROFIT BEFORE INCOME TAX | | 34,218,844 | 65,602,851 |
| | | | |
| Income Tax Expense | 4 | - | - |
| | | | |
| NET PROFIT AFTER INCOME TAX FOR THE F | PERIOD | 34,218,844 | 65,602,851 |
| | | | |
| TOTAL COMPREHENSIVE INCOME FOR THE | PERIOD | 34,218,844 | 65,602,851 |

ASIA SECURITIES MONEY MARKET FUND STATEMENT OF FINANCIAL POSITION As at 30 September 2022

| | Notes | As at 30 Sep 2022 | As at 31 Mar 2022 |
|---|-------|-------------------|----------------------|
| | | Rs. | Rs. |
| ASSETS | | | |
| | | | |
| Cash and cash equivalents | 5 | 157,473,938 | 12,012,164 |
| Financial assets - Amortised Cost | 6 | 664,413,775 | 6,118,436,492 |
| Other Receiveble | 7 | 40,646 | - |
| | | 821,928,360 | 6,130,448,656 |
| | | | |
| | | | |
| LIABILITIES | | | |
| | | | |
| Accrued Expenses | 8 | 995,846 | 5,577,915 |
| Borrowings | | 188,713,228 | 689,732,542 |
| Total Liabilities | | 189,709,073 | 695,310,457 |
| | | | |
| UNIT HOLDERS' FUNDS | | | |
| Net Assets Attributable to Unit holders | | 632,219,287 | 5,435,138,199 |
| | | 821,928,360 | 6,130,448,656 |

Director
Asia Securities
Wealth Management (Pvt) Limited

Director
Asia Securities
Wealth Management (Pvt) Limited

Trustees Hatton National Bank

ASIA SECURITIES MONEY MARKET FUND STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND As at 30 September 2022

| | Period ended 30.09.2022 | Period ended 30.09.2021 |
|--|-------------------------|-------------------------|
| | Rs. | Rs. |
| UNITHOLDERS' FUNDS AS AT PERIOD START | 5,435,138,199 | 378,286,767 |
| Audit adjustment | - | - |
| Unitholders' fund as per FS | 5,435,138,199 | 378,286,767 |
| | | |
| Total Comprehensive Income for the Period | 34,218,844 | 65,602,851 |
| | | |
| Received on Creation of Units | 1,242,857,253 | 6,109,737,043 |
| | | |
| Paid on Redemption of Units | (6,079,995,009) | (1,515,560,040) |
| | | |
| Net Increase / (decrease) due to Unit holders' Transactions | (4,837,137,756) | 4,594,177,003 |
| Onit noiders Transactions | | |
| Dividend paid | - | - |
| | | |
| | | |
| UNITHOLDERS' FUNDS AS AT PERIOD END | 632,219,287 | 5,038,066,620 |
| | | |

ASIA SECURITIES MONEY MARKET FUND CASH FLOW STATEMENT As at 30 September 2022

| | Period ended 30.09.2022 | Period ended 30.09.2021 |
|---|-------------------------|-------------------------|
| | Rs. | Rs. |
| Cash Flows from Operating Activities | | |
| Interest Received | 271,692,313 | 7,149,885 |
| Other income received | 3,026,000 | 5,758,726 |
| Management Fees and Trustee Fees Paid | (6,811,152) | (4,163,389) |
| Audit Fees Paid | | - |
| Other Expenses Paid | (174,299) | (22,319) |
| Net Investment in Commercial Papers | 2,470,000,000 | (1,812,140,000) |
| Net Investment in Trust Certificates | 340,000,000 | (184,000,000) |
| Net Investment in Repurchase Agreement | 46,568,555 | (2,617,559) |
| Net Investment in Fixed deposits | 2,087,000,000 | (2,377,272,644) |
| Net Investment in Treasury Bills | 313,608,845 | |
| Net Cash Flow generated from Operating Activities | 5,524,910,263 | (4,367,307,299) |
| | | |

| Cash Flows from Financing Activities | | |
|--|-----------------|-----------------|
| Cash Received on Creation of Units | 1,242,857,253 | 6,109,737,043 |
| Cash Paid on Redemption of Units | (6,079,995,009) | (1,515,560,040) |
| Interest paid for Borrowings | (35,350,076) | - |
| Capital Paid for Borrowings | (506,960,654) | - |
| Dividend Distribution | - | - |
| Net Cash generated from Financing Activities | (5,379,448,489) | 4,594,177,000 |
| Net Increase in Cash and Cash Equivalents | 145,461,774 | 226,869,701 |
| Cash and Cash Equivalents at the beginning of the year | 12,012,164 | 6,993,479 |
| Cash and Cash Equivalents at the end of the period | 157,473,938 | 233,863,180 |

- All figures are provisional and unaudited. Comparatives figures are presented for the last 6 months period as the Asia Securities Money Market Fund started operations on 23rd December 2020.
- 2 Income is recognised on an accrual basis.

| | | For the Period April 22 - Sep 22 | For the Period April 21 - Sep 21 |
|---|-----------------------------------|-------------------------------------|-------------------------------------|
| 3 | GROSS INCOME | Rs. | Rs. |
| | Interest on Repurchase Agreements | 6,871,563 | 6,590,620 |
| | Interest on Treasury Bills | 4,007,148 | H . |
| | Interest on Fixed Deposits | 24,079,484 | 25,158,438 |
| | Interest on Commercial Papers | 16,306,070 | 26,414,497 |
| | Interest on Trust Certificate | 23,718,115 | 5,902,075 |
| | Interest on HNB Money Market | 1,710,307 | 561,846 |
| | Placement fee income | 2,929,281 | 7,091,359 |
| | | 79,621,969 | 71,718,835 |
| 4 | INCOME TAX EXPENSES | | |
| | Provision for the current year | | - |

No Income tax is recognised in the financial statements as the fund has considered all income as being pass through its unit holders

| | | 9/30/2022 | 3/31/2022 |
|---|--------------------------|-------------|------------|
| | | Rs. | Rs. |
| 5 | Cash at Bank | 25,000 | 25,000 |
| | HNB Money Market Savings | 157,448,938 | 11,987,164 |
| | | 157,473,938 | 12,012,164 |

6 FINANCIAL INVESTMENTS - LOANS AND RECEIVABLES

| | | Notes | 30.09.2022 | 31.03.2022 |
|-----|----------------------------------|-------|-------------|---------------|
| | | | Rs. | Rs. |
| | Repurchase Agreements | 6.1 | :- | 46,577,933 |
| | Investment in Fixed deposits | 6.2 | 217,357,096 | 2,383,725,099 |
| | Investment in Commercial Papers | 6.3 | 48,716,930 | 2,632,537,868 |
| | Investment in Trust Certificates | 6.4 | 347,330,132 | 686,747,427 |
| | Investment in Treasury Bills | 6.5 | 49,576,796 | 365,569,648 |
| | Placement fee receivable | | 1,432,822 | 3,278,515 |
| | | | 664,413,775 | 6,118,436,490 |
| | | | | |
| | | | 30.09.2022 | 31.03.2022 |
| 6.1 | Repurchase Agreements | | | |
| | Wealth Trust Securities | | : | 46,577,933 |
| | | | | 46,577,933 |
| | | | | |
| 6.2 | Fixed deposits | | | |
| | Asia Asset Finance PLC | | | 113,177,014 |
| | Ideal Finance Ltd | | | 291,433,014 |
| | L.B Finance PLC | | | 103,812,603 |
| | Mercentile Investments | | | 104,513,288 |
| | LOLC Development Finance | | 163,277,096 | 506,304,875 |
| | Merchant Bank of SriLanka | | | 52,281,521 |
| | Prime Finance PLC | | | 105,843,836 |
| | Richards Peries Finance PLC | | 54,080,000 | 311,654,329 |
| | Singer Finance Lanka PLC | | | 285,826,274 |
| | Siyapatha Finance PLC | | | 155,758,123 |
| | Vallibel Finance PLC | | | 353,120,224 |
| | | | 217,357,096 | 2,383,725,099 |

| | | 30.09.2022 | 31.03.2022 |
|-----|---------------------------------|-------------|---------------|
| | | Rs. | Rs. |
| 6.3 | Commercial papers | | |
| | Abans Finance PLC | | 104,386,986 |
| | Asia Securities (Pvt) Ltd | 48,716,930 | 154,783,724 |
| | First Capital Holdings PLC | | 26,093,151 |
| | Janshakthi PLC | | 742,631,575 |
| | LOLC Holdings PLC | | 1,013,953,288 |
| | Softlogic Holding PLC | | 590,689,144 |
| | | 48,716,930 | 2,632,537,868 |
| | | | |
| 6.4 | Trust Certificates | | |
| | Asia Asset Finance PLC | - | 52,210,246 |
| | Singer Finance Lanka PLC | | 144,381,972 |
| | Mercentile Investments | | 53,567,123 |
| | Commercial Credit & Finance PLC | 347,330,132 | 436,588,086 |
| | | 347,330,132 | 686,747,427 |
| | | | |
| 6.5 | Treasury Bills | | |
| | First Capital | 49,576,796 | 295,569,648 |
| | JB Giltedge Fund | - | 70,000,000 |
| | | 49,576,796 | 365,569,648 |
| | | | |
| 7 | Other Receivebles | | |
| | Receiveble from Trustee | 40,646 | -1 |
| | | 40,646 | • |
| | | | |

| 8 | ACCRUED EXPENSES | 30.09.2022 Rs. | 31.03.2022 Rs. |
|---|---------------------------------------|-------------------|-------------------|
| | | 110. | 110. |
| | Management Fee Payable | 274,374 | 2,557,319 |
| | Trustee & Custodian Fee Payable | 117,344 | 850,585 |
| | Audit Fee Payable | 526,046 | 342,955 |
| | Advance Receipts- Placement Fee | 78,082 | 1,827,056 |
| | | 995,846 | 5,577,915 |
| | | | |
| 9 | Borrowings | 9/30/2022 | 3/31/2022 |
| | Loans received against fixed deposits | 188,713,228 | 689,732,542 |
| | | 188,713,228 | 689,732,542 |
| | | | |
| | 9.1 | | |
| | Singer Finance PLC | 320 | 130,906,884 |
| | LOLC Development Finance PLC | 141,546,225 | 355,202,987 |
| | Siyapatha Finance PLC | ¥ | 112,684,329 |
| | Richard Pieris Finance PLC | 47,167,003 | - |
| | LB Finance PLC | ~ | 90,938,342 |
| | | 188,713,228 | 689,732,542 |

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 2022 was 56,140,981.48 and net assets value per unit as at 30 September 2022 was Rs. 11.2612

CORPORATE INFORMATION

Trustee & Custodian

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

Auditors

Price Waterhouse Coopers 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. Avancka Herat - Chief Executive Officer Mrs. Pushpika Jeevaratne - Head of Compliance Mrs. Imesha Abeywardhena - Asst. Fund Manager