

Asia Securities Money Market Fund

FUND PROFILE 2023



ASIA SECURITIES MONEY MARKET FUND

FUND PROFILE 2023



KEY FACTS

FUND NAME	Asia Securities Money Market Fund
TYPE	Open ended money market fixed income fund
FUND MANAGER	Asia Securities Wealth Management (Pvt). Ltd
TRUSTEE/CUSTODIAN	Hatton National Bank
INVESTABLE ASSETS	High quality fixed income instruments with a residual maturity of less than 397 days
MINIMUM INITIAL INVESTMENT	LKR 50,000
MANAGEMENT FEE*	0.50% per annum of the Net Asset Value
TRUSTEE FEE*	0.15% per annum of the Net Asset Value
CUSTODIAN FEE*	LKR 240,000 per annum
FRONT-END FEE	None
EXIT FEE	None
OTHER EXPENSES	Expenses of the fund such as brokerage, legal, and any other expenses approved by the SEC are paid by the fund and are indirectly borne by unit holders
INVESTOR ELIGIBILITY	Individuals, corporates, institutions, non-residents, foreign individual investors, and foreign institutional investors
BORROWINGS	Shall not exceed 15% of the net asset value and should be for a period not exceeding three calendar months.
LENDING	Shall not engage in any form of direct lending of any part of the assets of the fund.
LIABILITY OF UNIT HOLDERS	Limited to the amount of the NAV of the units held by each unit Holder
TAX LIABILITY	Fund is not liable for income tax in accordance with Inland Revenue (amended) Act 10 of 2021. Investors should consult professional tax consultants with regard to implications of investing in unit trust funds.

*Taxes may be applicable

KEY INVESTOR INFORMATION DOCUMENT

1. WHAT IS THE INVESTMENT OBJECTIVE?

The investment objective is to generate a high interest income while preserving capital and providing liquidity. The Fund will invest into high quality money market instruments with a residual maturity of less than 397 days.

2. WHERE WILL THE FUNDS BE INVESTED IN?

The fund may invest into the following fixed income instruments with a residual maturity of less than 397 days.

Fund investments

ISSUER	TYPES OF INSTRUMENTS
Government of Sri Lanka/ Central Bank of Sri Lanka	Treasury bills, bonds and other fixed income instruments
Banking & financial sector	Deposits, debentures, asset backed securities, commercial paper and other fixed income instruments
Corporate sector	Debentures, asset backed securities and commercial paper
Other	Repurchase or reverse repurchase transactions on all fixed income instruments, and any other investment approved by the SEC and the Trustee

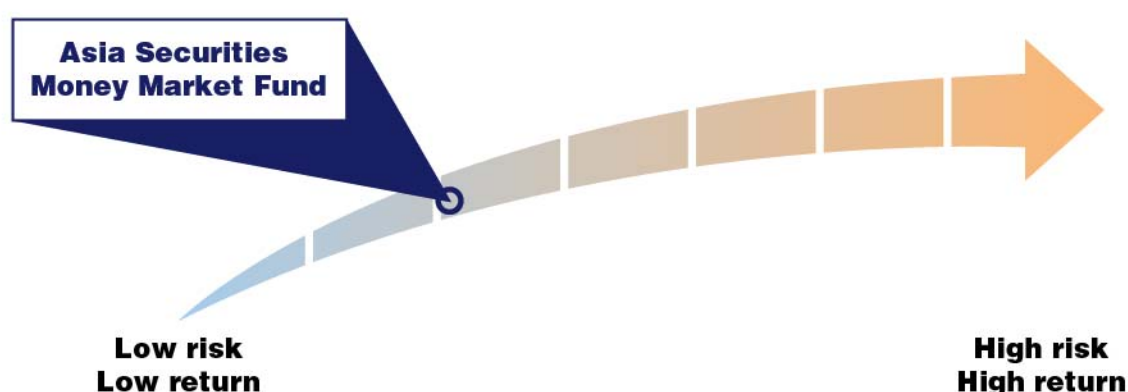
3. WHAT IS THE VALUATION METHOD ADOPTED BY THE FUND?

The fund which will consist of short term fixed income securities with a maturity period of less than 397 calendar days and will be valued on a cost plus accrued interest method.

KEY INVESTOR INFORMATION DOCUMENT

4. WHAT ARE THE RISKS?

The risk profile of the fund is low as the fund will be investing only into high quality liquid instruments with capital preservation as a primary objective. The following details the key risks and our strategy on mitigating these risks.



Interest rate risk

The fund invests in short-term instruments exposing it to short-term interest rate movements. As such, significant declines in interest rates will lead to a decline in fund performance and vice versa. We mitigate this risk by basing our asset allocation decisions on our interest rate outlook. The interest rate outlook is developed by leveraging our extensive expertise in capital markets and our meticulous research process.

Credit risk

This is the risk that an issuer of a debt obligation will not or is unable to pay the interest and/or the capital. As a mitigating strategy we invest only into instruments which are rated by a credit rating agency while carrying out our proprietary in-house rating evaluation. Additionally, in-house exposure limits as well as those mandated by the SEC prevents substantial exposure to one single issuer.

Inflation risk

Risk that inflation will exceed investment returns leading to negative real returns. This risk sees a substantial level of natural mitigation as short-term interest rates react rapidly to inflation and the Fund is predominantly exposed to short-term interest rates.

Liquidity risk

This is the risk that the Fund may not be able to readily liquidate an investment into cash or will have to liquidate at a substantial discount which would impact performance. We mitigate this risk by keeping part of the Fund's assets in highly liquid instruments such as treasury bills as well as through the inherently short duration of the Fund.

KEY INVESTOR INFORMATION DOCUMENT

5. WHO SHOULD INVEST WITH THE FUND?

This Fund is suitable for short-term investors with a low risk tolerance while seeking an uptick in interest yields. The following persons are eligible to invest in the Fund:

- Resident individual investors
- Companies, corporates, and institutions incorporated in Sri Lanka
- Non-resident individual investors
- Non-resident institutional investors

6. WHO ARE THE FUND MANAGERS?

The Fund is managed by Asia Securities Wealth Management (Pvt) Ltd. (ASWM). We provide wealth management services for individuals, corporates, and institutions. The company was launched in October 2018 providing private wealth management services to high net-worth individuals, corporates, and institutions. ASWM launched its first unit trust, the Asia Securities Money Market Fund, in December 2020 and subsequently Asia Securities Income Fund in December 2022 and Asia Securities Gilt Fund in April 2023.

The company is a fully owned subsidiary of Asia Securities Holdings (Pvt) Ltd and is licensed to operate as an Investment Manager by the Securities and Exchange Commission of Sri Lanka. Asia Securities Holdings (Pvt) Ltd is a leading investment bank in Sri Lanka providing wealth management, M&A advisory, and equity brokerage, and research services through its related companies.

The Board of Directors are ;

Dumith Hemantha Fernando	Chairman (Executive) 4th Floor, 349, Lee Hedges Tower, Galle Road, Colombo 3
Harold Avancka Herat	Director (Executive) No 43/93, Poorwarama Mawatha, Colombo 05

7. WHO ARE THE KEY PARTIES WORKING WITH THE FUND MANAGER?

We work with reputed custodian banks, lawyers, and auditors who have extensive expertise in financial markets. Details of our key partners are as follows:

Trustee and custodian	Lawyer	Auditor
Hatton National Bank PLC No. 479, T. B. Jayah Mawatha, P.O. Box 837, Colombo 10, Sri Lanka.	Nithya Partners 97/A, Galle Main Rd, Colombo 03, Sri Lanka.	Pricewaterhouse Coopers 100, Braybrooke Place, Colombo 02, Sri Lanka.

KEY INVESTOR INFORMATION DOCUMENT

8. HOW CAN I INVEST IN THE FUND?

Please read this information document carefully and complete an application form and together with the KYC and relevant supporting documents and deliver to Asia Securities Wealth Management at 4th Floor, Lee Hedges Tower, 349, Galle Road, Colombo 03, Sri Lanka. Copies of this document and the application forms can be obtained from Asia Securities Wealth Management, an authorized website or any other authorized sales agent appointed by it from time to time.

Application forms

- Investors must fill in the mandatory fields of NIC, name, mobile number, correspondence address, e-mail address and bank account details in the account opening application.
- It is mandatory for investors to mention the bank account details in their application. We always encourage redemptions to be credited to this bank account as payments made directly to a bank account is the fastest way to receive redemption proceeds.
- Duly completed Know Your Customer (KYC) form provided along with the application form.
- Each application shall accompany the following key documents as well as any additional document(s) to satisfy KYC requirements:
 - » Individual/Joint accounts – Copy of NIC/Passport of each individual investor
 - » Minor account – Copy of birth certificate of minor and NIC/Passport copy of the parent/legal guardian
 - » Company/Corporate/Institutional – Copy of the business registration certificate, articles of association board resolution and list of authorized signatories
- Asia Securities Wealth Management reserves the right to reject any application which does not fulfill its requirements.

Mode of payment

- Investors may apply for units and make payments for units via a direct bank transfer, cheque, or a banker's draft crossed "A/C payee only".
- All payments are to be made payable to the following collection account or any other collection accounts assigned by Asia Securities Wealth Management (Pvt) Ltd which may be published on its website.
 - » Hatton National Bank: 0030 1052 5880

NB: Company representatives are not authorized to accept cash on behalf of Asia Securities Wealth Management (Pvt) Limited. The creation of units is subject to the realization of funds.

Asia Securities Wealth Management (Pvt) Limited reserves the right to scrutinize, review, and reject any application received, on an ongoing basis, at its discretion without assigning any reason.

KEY INVESTOR INFORMATION DOCUMENT

9. HOW WILL UNITS BE ALLOTTED ONCE PAYMENT HAS BEEN MADE?

Applications are processed upon the receipt of a valid application forms and units will be allotted upon the realization of funds, based on the closing net asset value of the same business day.

- If funds are realized before 9.30 a.m. on a business day, units will be created at the previous day's unit price as money can be invested as part of the deposited property on the current business day.
- If funds are realized after 9.30 a.m. on a business day, units will be created at the same day's unit price as money cannot be invested as part of deposited property until the next business day.
- If there are any non-business day/s between the last business day and the current business day the issue price of a unit shall be derived by adjusting the closing NAV of the previous business day for accrued income and charges for the number of non-business days and dividing the units in issue as at the previous business day in order to safe guard the interest of the existing unit holders.

10. HOW CAN I REDEEM UNITS AND WHEN WILL I GET THE PROCEEDS?

Redemption requests can be made in writing or through email*. A valid redemption request will then be processed as follows:

- For valid redemption requests received on or before 3.00 p.m. the closing net asset value of the same business day shall apply
- For valid redemption requests received after 3.00 p.m. the closing net asset value of the next business day shall apply
- Payment of redemptions will take a maximum of ten (10) business days upon the receipt of a valid redemption request

*E-mail redemption requests can only be made from a pre-approved e-mail address and the Fund Manager will not be held liable for redemption instruction received from either method.

11. PRICING OF UNITS

The Issue Price of units will be calculated to four (4) decimal places by dividing the Value of the Deposited Property as at 4.00 p.m. (Sri Lanka time) on the date ,by the number of units in issue on that date, and adding any Front End Fee and Charges in relation to issue of Units,

KEY INVESTOR INFORMATION DOCUMENT

12. EXPENSES ALLOWED FROM THE FUND

- Any expenses or disbursements of the custodian which are authorised by the trust deed
- The cost of dealing in the assets of the Fund;
- Interest on borrowings permitted and charges incurred in effecting or varying the terms of such borrowings;
- The costs and expenses incurred in obtaining a listing of the shares of the Scheme on any licensed securities exchange;
- The fees and expenses of the auditor of the Scheme;
- The costs incurred in respect of the distribution of income to investors;
- The costs reasonably incurred in respect of the publication of prices of units and in respect of the publication and distribution of the Scheme KIID or trust deed, annual and interim reports and accounts;
- Any costs incurred in preparation or the modification of the trust deed of the Scheme;
- Any other costs, incidental to its operation that may be charged to the Scheme;
- Any change in annual charges of the Managing Company;
- Expenses or disbursements of the Trustee, which are authorized by the trust deed to be paid out of the assets of the Scheme;
- Fees payable to the Commission in respect of obtaining approval for a Scheme;
- Legal expenses incurred in safeguarding the assets of the Scheme;

13. HOW WILL JOINT ACCOUNT HOLDERS BE CONSIDERED?

- In a joint account (if an account has more than one registered investor), the first-named investor will receive all notices and correspondences regarding that account
- The application must specify if the account is held 'Jointly' or by 'Anyone'.
 - › In the case of an account being held 'Jointly', redemption requests must be signed by ALL joint holders
 - › Conversely, in the case of an account being specified as 'Anyone', any one of the unit holders will have the power/authority to make redemption requests, without it being necessary for all the unit holders to sign
 - › However, irrespective of an account being specified as 'Jointly' or 'Anyone', the proceeds of the redemptions will always be paid to the first-named unit holder
 - › In the event the account has more than one registered unit holder and the mode of holding is not specified in the application form the default option would be 'Anyone'.
- In case of death/insolvency of any one or more of the persons named in the register of account holders as a joint holder of any account, Asia Securities Wealth Management shall not be bound to recognize any person(s) other than the remaining unit holders. In all such cases, the proceeds of the redemptions will be paid to the first-named of such remaining unit holders.

KEY INVESTOR INFORMATION DOCUMENT

14. DIVIDENDS, DISTRIBUTIONS, AND RE-INVESTMENT OF DISTRIBUTIONS

Dividend declaration is solely at the discretion of the Fund Manager. In the event of a dividend declaration by the fund manager, all distributions shall be either paid out or re-invested for which new units will be issued for the value of dividends distributed and will be at the discretion of the unit holder. In the event of a minor's account, dividends (if any) will be automatically reinvested in additional units.

15. SWITCHING

A unit holder may instruct to switch investments from Money Market fund in which the investment is already made to another fund under the management of the Fund Manager. A switch will be treated as a redemption and a new investment. For example, this will be treated as a redemption from the Money Market fund, and a new investment made in the relevant fund. The Manager shall comply with the same upon deducting any switching fee, if applicable. However, the fee applicable on a switch between funds may be waived off at the discretion of the Manager.

16. WHAT ARE MY RIGHTS AS A UNIT HOLDER?

- To inspect the Trust Deed at the office of the Fund Managers during office hours free of charge.
- Copies of the Trust Deed priced at Rs. 1,000/- can be purchased from the Managers, between 9.00 a.m. and 3.00 p.m. on any working day.
- To redeem subject to the conditions of the Trust Deed all or some Units registered in your name
- To receive periodical statements, annual accounts, and reports of the Auditors
- To participate in meetings of the unit holders subject to the provision of the Trust Deed

17. PUBLICATION OF FINANCIAL STATEMENTS OF THE FUND

- Annual reports and audited financial statements shall be published and distributed by the Fund Manager to unit holders, entered in the registrar, within four(4) months of the end of the Unit Trust's financial year
- Interim reports shall be published in the official website of the Fund within three months of the period they cover.
- In addition, the reports will be published in the official website of the Fund or any other website as designated by the Fund Manager

18. REGULATIONS APPLICABLE

The Fund is approved by the SEC to be managed by Asia Securities Wealth Management (Pvt) Limited. The trust deed is binding on the Managing Company, Trustee, Custodian and each Unit Holder; All assets of the Scheme are held by the Trustee / Custodian;

KEY INVESTOR INFORMATION DOCUMENT

19. SUSPENSION OF DEALINGS OF THE FUND

The Managing Company in exceptional circumstances to protect the interests of unit holders in consultation with the trustees subject to approval of the Commission, will temporarily suspend the sale and redemption of units for 90 days.

20. TERMINATION OF THE FUND

The fund will be terminated or wound up upon the occurrence of any of the following events:

- Approval granted by the Commission to operate the Scheme is cancelled;
- Unit Holders representing at least seventy-five per centum (75%) of the total Units in issue (excluding those held by the Managing Company) pass a special resolution to terminate or wind up the Scheme;
- Commission in consultation with the Trustee and the Managing Company has directed the Trustee to wind up the Scheme since the value of the deposited property has fallen below an operationally viable level;
- Upon an order made by a competent court

21. DELEGATION OF SERVICES

No service of the managing company have been delegated.

22. MANAGEMENT PERSONNEL AUTHORIZED TO MAKE INVESTMENT DECISIONS

Harold Avancka Herat- Executive Director

He has been the Chief Executive Officer for Asia Securities Wealth Management(Pvt) Limited from September 2018 and there after Executive Director, group client coverage.

Avancka was also the CEO of National Asset Management (Pvt) Ltd (NAMAL) from 2011 to 2018.

He functioned as the Chief Investment Officer of Aegis Fund Management(fund manager for Sri Lanka Insurance Corporation) in 2004-2010 with an AUM of USD 600mn (LKR 93bn), where he was responsible for articulating overall investment strategy and execution of asset allocation for both equity and debt markets. Through his career he has worked at Caltex Ceylon, Jardine Fleming HNB Capital, Jardine Fleming HNB Securities, and Lanka Securities. He counts over 25 years of capital markets experience and started his career as an Analyst at Lanka Securities. Avancka holds a Master's Degree in Business Finance from Brunel University London, UK and a Bachelor's Degree in Business Studies from Swansea University, UK

Nadarajah Gowthaman - Portfolio Manager

Gowthaman joined Asia Securities Wealth Management (Pvt) Ltd as the Vice President/Portfolio Manager. Prior to this role, he was associated with Ceylon Asset Management, one of Sri Lanka's leading asset management firms, where he covered fixed income and equity funds. Before that, he worked as an Investment Manager at ETF Board and as a Forex & FIS Dealer at Indian Bank, amassing over a decade of experience in both domestic and foreign markets.

KEY INVESTOR INFORMATION DOCUMENT

23. INVESTMENT COMMITTEE

Steven Enderby - Independent Member

Accounts for over 25 yrs of Investments and private equity experience in UK, Asia, India and Bangladesh and former CEO/MD, Hemas Group

Dumith Fernando - Executive Chairman ASWM

25+ years of investment banking experience in New York, Hong Kong, and Sri Lanka. Former MD/Group COO at Credit Suisse APAC. Former Chairman, Colombo Stock Exchange; Board Member, Union Assurance PLC & Singer PLC

Avancka Herat - Executive Director ASWM (See above for the profile)

Kishan Vairavanathan - Chief Executive Officer ASWM

He was the Managing Director of Asset line Capital (Private) Limited and Asset line Securities (Private) Limited and held directorship positions in four other companies in the David Pieris Group, namely DPMC Asset line Holdings (Private) Limited, Asset line Leasing Company Limited, David Pieris Investment Properties (Private) Limited and David Pieris International Ventures (Private) Limited.

Pushpika Jeevaratne - VP Compliance ASWM

15+years of capital markets experience. Former Head of Compliance & Risk at National Asset Management (Pvt) Ltd (NAMAL).

24. DEFINITIONS

- **Business Day** - Any day on which the Colombo Stock Exchange is open for trading;
- **Central Bank** - Central Bank of Sri Lanka;
- **CIS Code** - The Collective Investment Scheme Code framed and gazetted in Gazette No. 2278/27 dated 7th May 2022 by the Commission under the Act and any modifications made thereto;
- **Commission** - The Securities and Exchange Commission of Sri Lanka established in terms of the SEC Act;
- **Deposited Property** - All the assets (including cash and earnings on cash deposits) for the time being held or deemed to be held by the Trustee, in his capacity as custodian of the FUND, on behalf of the FUND and subject to the provisions of the Trust Deed, excluding any amount for the time being standing to the credit of the account which has been set up by the Trustee to hold income for the distribution to the Unit Holders;
- **Government** - The Government of Sri Lanka;

KEY INVESTOR INFORMATION DOCUMENT

24. DEFINITIONS

- **Front-End Fee** - The difference between the issue price and the portion of proceeds from the sale of a Unit which is received by the Managing Company;
- **FUND** - The Unit Trust constituted by the Trust Deed, as modified or added to from time to time with the approval of the Commission and called by the name "Asia Securities Money Market Fund" or such other name as the Trustee and the Managing Company may mutually agree upon from time to time;
- **Manager/s or Managing Company** - Asia Securities Wealth Management (Pvt) Limited licensed by the Commission to operate Unit Trusts in Sri Lanka;
- **LKR or rupees or Sri Lanka rupees** - Sri Lankan Rupees, the legal currency of Sri Lanka;
- **KIID or Key Investor Information Document** - A written statement that discloses in detail the terms of the offering of the FUND.
- **Management Fees** - Any sum to which the Managers may become entitled pursuant to the provisions of the Trust Deed
- **SEC Act** - Securities & Exchange Commission of Sri Lanka Act No. 19 of 2021;
- **Subscription Day** - Any day on which Asia Securities Wealth Management (Pvt)Limited will create Units;
- **Trustee** - Hatton National Bank PLC, Colombo Branch, or any successor appointed by the Managing Company with the approval of the Commission;
- **Trust Deed** - The Trust Deed dated 15th October 2020
- **Unit** - One undivided unit in the FUND.
- **Unit Holders** - Any person who by reason of holding of units in the FUND or by reason of having invested capital in the FUND is entitled to a proportionate part of the property of the FUND.

DECLARATION

DECLARATION BY THE TRUSTEE

We Hatton National Bank PLC the Trustees hereby declare and certify that we have read and agreed with the representations herein.

The Trustee declare that they will carry out transactions with the Fund Manager at an arm's length basis and on terms which are best available for the Fund, as well as act, at all times, in the best interest of the fund's unit holders.

They further declare that the requirements of Securities and Exchange Commission of Sri Lanka (SEC) issued guidelines have been complied with.

Authorized Representative of the Trustee



DECLARATION BY THE MANAGER

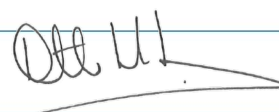
This Key Investor Information Document has been seen and approved by the board of directors of the Managing Company and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable inquiries and to the best of our knowledge and belief, there are no facts, the omission of which, would make any statement herein misleading."

On behalf of the Manager,

Director



Director



IMPORTANT

READ AND RETAIN THIS KEY INVESTOR INFORMATION DOCUMENT FOR FUTURE REFERENCE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS INFORMATION MEMORANDUM YOU SHOULD CONSULT ASIA SECURITIES WEALTH MANAGEMENT (PVT) LIMITED, AN ATTORNEY-AT-LAW, AN ACCOUNTANT OR OTHER FINANCIAL ADVISER.

THE PRICE OF UNITS AND THE INCOME DERIVED FROM HOLDINGS MAY INCREASE OR DECREASE FROM TIME TO TIME AND THIS IS APPLICABLE TO INVESTMENTS MADE IN THE FUND REFERRED TO IN THIS INFORMATION DOCUMENT.

This Key Investor Information Document is dated 12th June, 2023

