

# **NAMAL MONEY MARKET FUND**

## **Interim Report**

*For the Six months ended 30<sup>th</sup> September 2016*

**National Asset Management Limited**  
**Union Bank Building,**  
**64, Galle Road, Colombo 03.**  
**Phone : 2445911 Fax : 2445903 Email : [info@namal.lk](mailto:info@namal.lk)**

**NAMAL MONEY MARKET FUND**  
*Interim Report 2016*

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Dear Investor,

We take pleasure in presenting the interim report of the NAMAL Money Market Fund (NMMF) for the six months ended 30<sup>th</sup> September 2016.

### Performance review

The NMMF generated a return of 3.89% for the six month period under review. The Fund recorded interest income of Rs. 19.65m and net operating profit of Rs. 18.79m with Rs. 15.93m distributed to unit holders.

### Market Review

The Central Bank adopted a tighter monetary policy stance for 1HFY17 ending its loose monetary policy stance that was initiated in December 2012. In January 2016 the Central Bank revised up the Statutory Reserve Ratio (SRR) by 150bp to 7.5%. This was followed by the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) also being revised up by 100bp each, 50bp in February, followed by a further 50bp in July to end at 7.00% and 8.50% respectively. As a result, short term yield curve displayed an upward shift with the Benchmark 12 month Treasury bill auction yield increasing by 21 basis points to 10.11% over the six month period under review. FI's were net sellers during the period with foreign holdings of government securities as a percentage of total government securities decreasing by 40bp to end at 6.7% as of 30th September 2016 from 7.1% in December 2015.

On the economic front, the Balance of Payment improved recording a surplus of USD 356.0m in the first seven months of the year, compared to a deficit of USD 1.2b the prior year. Trade deficit widened by 0.7% to USD 4.8b, owing to a 5.6% YoY drop in export, which was partially offset by a 2.9% decline in imports. However, earnings from tourism and workers' remittances increased during the period by 16.7% YoY (USD 1.9b) and 3.8% YoY (USD 4.2b), respectively.

### Portfolio composition

NMMF has a policy of restricting investments to short term (less than one year to maturity) treasury bills and repurchase transactions thereon. The Fund does not have exposure to corporate debt and credit risks thereon.

As at 30 September 2016, the Fund had a 100% allocation to Repurchase Agreements.

Sincerely,

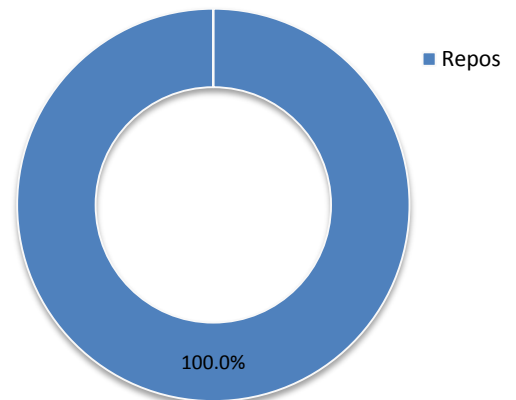
The Fund Management Team  
15<sup>th</sup> November 2016

### Performance Comparison

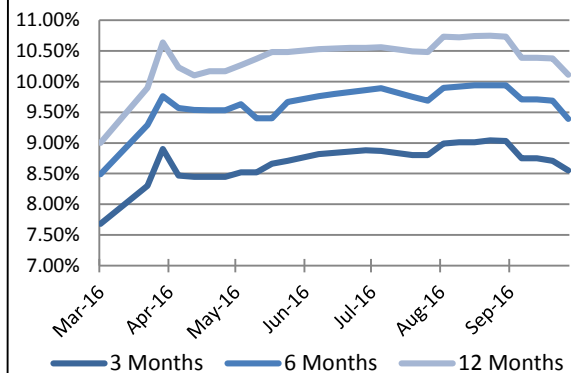
	6M* (%)	12M (%)	24M (%)	36M (%)
NMMF	7.90	7.13	6.33	6.59

\* Annualised Returns

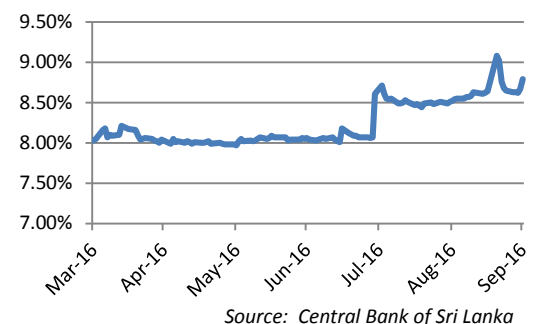
### Asset Allocation



### Treasury Bill Rates



### Daily Repurchase Rate (Past 6 Months)



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## Statement of Comprehensive Income For the six month period ended September

	<b>2016</b>	<b>2015</b>
	<b>Rs.Mn.</b>	<b>Rs.Mn.</b>
<b>INVESTMENT INCOME</b>		
Interest income	19.65	17.38
Net change in unrealised gains/(losses) on financial assets held for trading	0.65	0.13
	<hr/> 20.30	<hr/> 17.52
<b>EXPENSES</b>		
Management and Registrar Fees	(0.65)	(0.79)
Trustee and Custodian Fees	(0.49)	(0.56)
Audit Fee and Expenses	(0.15)	(0.20)
Bank Charges	(0.02)	(0.01)
Other Expenses	(0.21)	(0.09)
<b>Operating expenses</b>	<hr/> (1.52)	<hr/> (1.65)
<b>NET OPERATING PROFIT</b>	18.79	15.86
<b>FINANCE COST</b>		
Distribution to Unit Holders	(15.93)	
<b>PROFIT AFTER DEDUCTIONS AND BEFORE TAX</b>	<hr/> 2.86	<hr/> 1.06
Income Tax Expense	(1.81)	(1.57)
<b>PROFIT AFTER DISTRIBUTIONS AND TAX</b>	<hr/> 1.05	<hr/> (0.51)
<b>INCREASE IN NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>	1.05	(0.51)

# NAMAL MONEY MARKET FUND

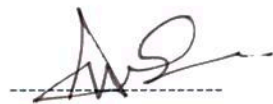
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## Statement of Financial Position

As at 30 th September

	Note	2016 Rs.Mn.	2015 Rs.Mn.
<b>ASSETS</b>			
Cash and Cash equivalents		3.93	3.35
Financial Assets- Held for Trading	8	-	155.44
Financial Assets- Loans and receivables	9	211.34	350.10
Other receivable		-	0.01
Income tax receivable		5.92	5.40
<b>Total Assets</b>		<u>221.19</u>	<u>514.30</u>
<b>UNIT HOLDERS' FUNDS &amp; LIABILITIES</b>			
<b>LIABILITIES</b>			
Accrued expenses	10	<u>0.22</u>	<u>0.33</u>
		0.22	0.33
<b>Net asset attributable to Unit Holders</b>		<u>220.96</u>	<u>513.96</u>
		220.96	513.96
		<u>221.19</u>	<u>514.30</u>

Signed on behalf of the Management Company



Director  
Management Company



Director  
Management Company

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**Statement of Movements in Unitholder's Fund**  
**For the six month period ended September**

	<b>2016</b>	<b>2015</b>
	<b>Rs.Mn.</b>	<b>Rs.Mn.</b>
<b>Unit Holders' Fund at the Beginning of the Period</b>	851.24	461.52
Increase/ (decrease) in net assets attributable to Unit Holders	1.05	(0.51)
Received on unit creation	54.38	81.31
Payments on unit redemption	(685.71)	(28.37)
<b>Unit Holders' Fund at the End of the Period</b>	<u>220.96</u>	<u>513.96</u>

# NAMAL MONEY MARKET FUND

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### Notes To the Accounts

For the period ended 30th September 2016

#### NOTES TO THE ACCOUNTS

1

All figures are audited. Where necessary comparative figures have been adjusted to confirm with the changes in presentation in the current period.

2 Income is recognised on accrual basis.

3 Interest on repurchase agreements is shown together with the applicable notional tax credit which is set off against the income tax payable by the fund.

4 The profit and income of the fund is liable for income tax at the rate of 10% for the year of assessment 2016/2017 as specified in part A of the Second Schedule to the Inland Revenue Act No. 10 of 2006.

5 There are no material Contingent Liabilities or contingent Assets which require disclosure in the financial statements.

6 No circumstances have arisen since the Balance Sheet date, which would require adjustments or disclosure in the Financial Statements.

7

	2016	2015
Net Assets Value per Unit	10.63	10.51
No. of units as at 30th September	20,221,535.80	48,414,504.20

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## Notes to the Financial Statements

For the six month period ended September 2016

	2016 Rs.Mn.	2015 Rs.Mn.
<b>8 Financial Assets- Held for Trading</b>		
<b>8.1 Government Treasury bond</b>	-	155.44
	-	155.44
<b>9 Financial Assets- Loans and receivables</b>		
<b>9.1 T - bill Repurchase Agreements</b>		
First Capital Treasuries LTD.	140.74	-
NSB Asset Management	-	-
Wealthtrust Treasuries LTD	70.60	100.37
Union Bank PLC	-	13.08
Commercial Bank PLC	-	100.11
DFCC Vardhana Bank	-	136.54
	211.34	350.10
<b>10 ACCRUED EXPENSES</b>		
Fund manager payable	0.05	0.13
Trustee fee and Custodian fees payable	0.05	0.09
Audit fees payable	0.12	0.12
	0.22	0.33



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**CORPORATE INFORMATION**

Trustee & Custodian	Deutsche Bank AG 86 ,Galle Road Colombo 03
Auditors	Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10
Bankers	Deutsche Bank AG 86, Galle Road Colombo 03
Lawyers	F J & G De Saram Attorneys-at-Law & Notries Public 216, De Saram Place Colombo 10
Managers & Registrars	National Asset Management Limited (NAMAL) Union Bank Building 64,Galle Road Colombo 03

**National Asset Management Limited**

**Board of Directors (30<sup>th</sup> September 2016)**

Mr. Alexis Lovell	Chairman
Mr. Indrajit Wickramasinghe	Director
Mr. Palitha Gamage	Director
Mr. Tyronne de Silva	Director
Mr. Malinda Samaratunga	Director
Mr. Wijenanada Dambawinne	Director
Mr. Suren Madhanayake	Director
Mr. Avancka Herat	Director
Ms. Khoo Siew Bee	Director