

NAMAL MONEY MARKET FUND

Interim Report

For the Six months ended 30th September 2018

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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 30th September 2018.

Performance review

The NMMF generated a return of (46.93%) for the six month period under review. The Fund recorded interest income of Rs. 2.24m and net operating profit of Rs. 1.66m.

Market Review

The benchmark 12 month Treasury Yields declined during 1HFY19 and stood at 9.51%. The decrease was led by CBSL reducing Standing Lending Facility Rate by 25 bps to 8.50% at the beginning of the period under review. Private credit growth followed a downward trend during the period mainly due to slowdown in lending by financial institutions.

The Sri Lankan economy reported GDP growth of 3.6% YoY for 1HCY18. Growth was mainly led by recovery in agricultural sector which posted a growth of 4.9% YoY. Industries sector continued to grow at a slow pace of 1.6% YoY while service sector grew by 4.8%. Construction sub segment growth remained muted over Q2 i2018 (YoY growth of -1.8%), while high growth in sub segments such as telco and financial services led to a higher growth in services sector. On external sector, trade deficit continued to widen, resulting in deficit of USD 7,240 Mn to August 2018. Significant growth in motor vehicle imports, gold and rising crude oil prices had a major impact on trade deficit. Tourism earnings grew by 12.5% to USD 2,935 Mn to August 2018, while worker remittances declined to USD 4,777 Mn, end of August 2018. Overall BoP position to August posted a surplus of USD 474 Mn.

Portfolio composition

NMMF invests in short term Fixed Income Instruments.

As at 30 September 2018, the Fund had 55% in Commercial Paper, 45% in Fixed Deposit with the remainder in Repo and Cash Deposits.

Sincerely,

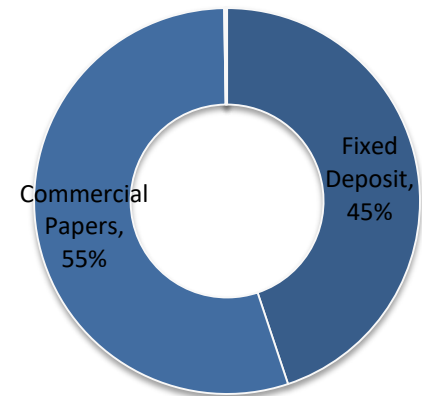
The Fund Management Team
19th November 2018

Performance Comparison

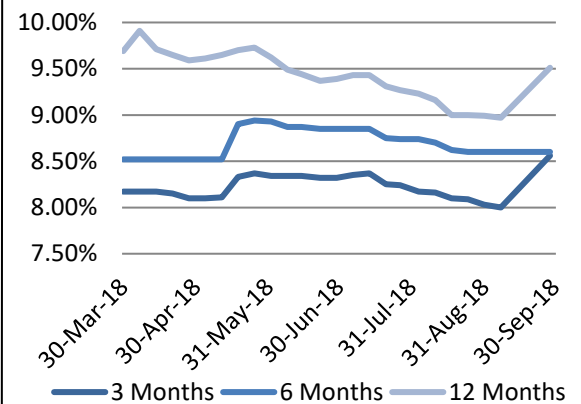
	6M* (%)	12M (%)	24M (%)	36M (%)
NMMF	(46.93)	(30.06)	(13.77)	(7.28)

*6 months ending 30th September 2018
*Annualised returns

Asset Allocation

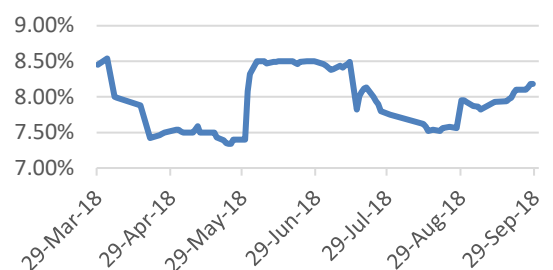


Treasury Bill Rates



Source: Central Bank of Sri Lanka

Daily Repurchase Rate (Past 6 Months)



Source: Central Bank of Sri Lanka

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Statement of Comprehensive Income
For the six month period ended September

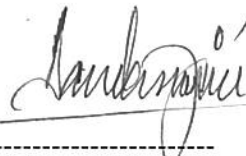
	2018	2017
	Rs.Mn.	Rs.Mn.
INVESTMENT INCOME		
Interest income	2.24	1.22
Net change in unrealised gains/(losses) on financial assets held for trading	-	-
	2.24	1.22
EXPENSES		
Management and Registrar Fees	(0.06)	(0.04)
Trustee and Custodian Fees	(0.17)	(0.16)
Audit Fee and Expenses	(0.21)	(0.17)
Bank Charges	(0.01)	(0.00)
Other Expenses	(0.12)	(0.10)
Operating expenses	(0.58)	(0.47)
NET OPERATING PROFIT	1.66	0.74
FINANCE COST		
Interest expense	-	(0.03)
PROFIT AFTER DEDUCTIONS AND BEFORE TAX	1.66	0.72
Income Tax Expense	-	(0.07)
PROFIT AFTER DISTRIBUTIONS AND TAX	1.66	0.64
INCREASE IN NET ASSET ATTRIBUTABLE TO UNIT HOLDERS	1.66	0.64

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Statement of Financial Position

As at 30th September	Note	2018 Rs.Mn.	2017 Rs.Mn.
ASSETS			
Cash and Cash equivalents		0.46	3.12
Financial Assets- Loans and receivables	6	502.84	14.33
Other receivable		-	-
Income tax receivable		-	6.08
Total Assets		503.29	23.53
UNIT HOLDERS' FUNDS & LIABILITIES			
LIABILITIES			
Accrued expenses	7	0.26	0.15
		0.26	0.15
Net asset attributable to Unit Holders		503.04	23.38
		503.04	23.38
		503.29	23.53

Signed on behalf of the Management Company



Director



Director

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Statement of Movements in Unitholder's Fund

For the six month period ended 30th September

	2018	2017
	Rs.Mn.	Rs.Mn.
Unit Holders' Fund at the Beginning of the Period	1.43	60.16
Increase/ (decrease) in net assets attributable to Unit Holders	1.66	0.64
Received on unit creation	500.00	0.38
Payments on unit redemption	(0.05)	(37.40)
Distribution to Unit Holders	-	(0.41)
Unit Holders' Fund at the End of the Period	<u>503.04</u>	<u>23.38</u>

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Notes to the Financial Statements

For the six month period ended 30th September 2018

	2018	2017
	Rs.Mn.	Rs.Mn.
6 Financial Assets- Loans and receivables		
6.1 T - bill Repurchase Agreements		
First Capital Treasuries LTD.	0.75	-
Wealthtrust Treasuries LTD	-	14.33
	0.75	14.33
6.2 Commercial Papers		
Dunamis Capital PLC	50.22	-
Lanka Orix Leasing PLC	75.33	-
First Capital Holdings PLC	75.32	-
Softlogic Holdings PLC	75.33	-
	276.19	-
6.3 Fixed Deposits		
Siyapatha Finance PLC	75.30	-
LB Finance PLC	25.09	-
Commercial Leasing & Finance PLC	50.21	-
Merchant Bank of Sri Lanka PLC	75.29	-
	225.89	-
	502.84	14.33
7 ACCRUED EXPENSES		
Fund manager payable	0.06	0.01
Trustee fee and Custodian fees payable	0.06	0.03
Audit fees payable	0.14	0.12
	0.26	0.15
	0.26	0.15

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Notes To the Accounts

For the period ended 30th September 2018

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** There are no material Contingent Liabilities or contingent Assets which require disclosure in the financial statements.
- 4** No circumstances have arisen since the Balance Sheet date, which would require adjustments or disclosure in the

	2018	2017
5 Net Assets Value per Unit	7.48	10.89
No. of units as at 30th September	67,240,427.00	1,587,293.70

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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 & Notaries Public 216, De Saram Place Colombo 10.
Management Company & Registrars	National Asset Management Limited (NAMAL) 7, Glen Aber Place, Colombo 03.

National Asset Management Limited
Board of Directors (As of 30th September 2018)

Mr. Alexis Lovell	Chairman
Mr. Indrajit Wickramasinghe	Director
Mr. Tyronne de Silva	Director
Mr. Malinda Samaratunga	Director
Mr. Wijenanada Dambawinne	Director
Mr. Suren Madhanayake	Director
Ms. Khoo Siew Bee	Director
Mr. Kapila Nanayakkara	Director