

# **NAMAL MONEY MARKET FUND**

## **Interim Report**

*For the Six months ended 30<sup>th</sup> September 2015*

**National Asset Management Limited**  
**Union Bank Building,**  
**64, Galle Road , Colombo 2.**  
**Phone : 2445911 Fax : 2445903 Email : [info@namal.lk](mailto:info@namal.lk)**

**NAMAL MONEY MARKET FUND**  
*Interim Report 2015*

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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 2015.

### Performance review

The NMMF generated a return of 2.77% for the six month period under review. The Fund recorded interest income of Rs. 17.38m and net operating profit of Rs. 15.86m with Rs. 14.80m distributed to unit holders.

### Market Review

The ASPI decreased 3.40% YTD (Jan-Sep 2015) while the S&P SL20 declined 6.43% YTD (Jan-Sep 2015). The average daily turnover dropped to Rs 1,081m during the six months from Rs 1,510m in the comparative period. Sri Lankan equity market witnessed an outflow of Rs. 6.1bn (Apr-Sep 2015) as foreign investors exited emerging markets on the fear of economic slowdown and the US rate hike. Foreign participation stood at 30.6% of turnover for the six month ending September.

Benchmark 12 month Treasury bill auction yields increased by 38 basis points to 7.18% over the six month period under review. CBSL reduced its policy rates by 50bps in April 2015. Accordingly, Standard Deposit Facility and Standing Lending Facility were reduced to 6.00% and 7.00%, respectively. In subsequent monetary policy reviews, CBSL kept policy rates unchanged. Inflationary pressures eased with the CCPI (annual average) declining from 2.5% to 0.7% by September 2015.

On the economic front, the Balance of Payment had deteriorated, with a trade deficit of USD 1.8b in the first eight months of the year, compared to a surplus of USD 2.1b over the corresponding period of 2014. Trade deficit widened by 5.0% YoY to USD 5.4b. Earnings from tourism and workers' remittances increased during the period by 17.1% YoY (USD 1.8b) and 1.8% YoY (USD 4.5b), 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 take exposures to corporate debt and credit risks thereon.

As at 30 September 2015, the Fund had a 69.20% allocation to Repo and a 30.80% allocation in Treasury Bills.

Sincerely,

The Fund Management Team

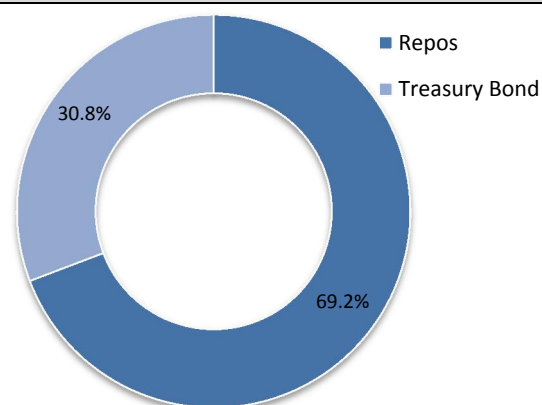
15<sup>th</sup> November 2015

### Performance Comparison

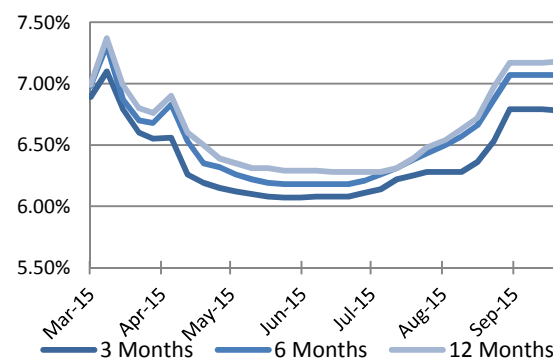
	6M* (%)	12M (%)	24M (%)	36M (%)
NMMF	2.77	5.53	13.03	23.51

\* Non annualised Returns

### Asset Allocation

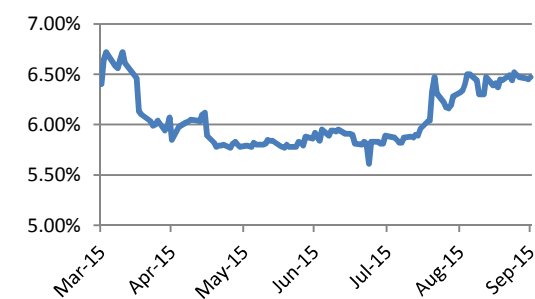


### Treasury Bill Rates



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

	2015 Rs.Mn.	2014 Rs.Mn.
<b>INVESTMENT INCOME</b>		
Interest income	17.38	20.95
Net change in unrealised gains/(losses) on financial assets held for trading	0.13	0.04
	17.52	20.98
<b>EXPENSES</b>		
Management and Registrar Fees	(0.79)	(0.83)
Trustee and Custodian Fees	(0.56)	(0.59)
Audit Fee and Expenses	(0.20)	(0.16)
Bank Charges	(0.01)	(0.03)
Other Expenses	(0.09)	(0.10)
<b>Operating expenses</b>	(1.65)	(1.71)
<b>NET OPERATING PROFIT</b>	15.86	19.27
<b>FINANCE COST</b>		
Distribution to Unit Holders	(14.80)	(15.41)
<b>PROFIT AFTER DEDUCTIONS AND BEFORE TAX</b>	1.06	3.87
Income Tax Expense	(1.57)	(1.92)
<b>PROFIT AFTER DISTRIBUTIONS AND TAX</b>	(0.51)	1.95
<b>INCREASE IN NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>	(0.51)	1.95

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## Statement of Financial Position

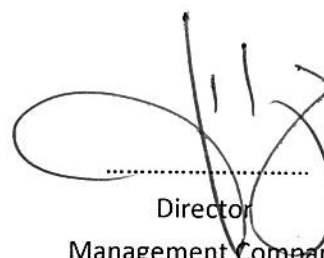
As at 30 th September

	Note	2015 Rs.Mn.	2014 Rs.Mn.
<b>ASSETS</b>			
Cash and Cash equivalents		3.35	2.91
Financial Assets- Held for Trading	1	155.44	285.98
Financial Assets- Loans and receivables	2	350.10	280.30
Other receivable		0.01	
Income tax receivable		5.40	5.03
<b>Total Assets</b>		<b>514.30</b>	<b>574.23</b>
 <b>UNIT HOLDERS' FUNDS &amp; LIABILITIES</b>			
<b>LIABILITIES</b>			
Accrued expenses	3	0.33	0.34
		0.33	0.34
 <b>Net asset attributable to Unit Holders</b>		<b>513.96</b>	<b>573.88</b>
		513.96	573.88
		514.30	574.23

Signed on behalf of the Management Company



Director  
Management Company



Director  
Management Company

## NAMAL MONEY MARKET FUND

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

	2015 Rs.Mn.	2014 Rs.Mn.
<b>Unit Holders' Fund at the Beginning of the Period</b>	461.52	487.96
Increase/ (decrease) in net assets attributable to Unit Holders	(0.51)	1.95
Received on unit creation	81.31	838.76
Payments on unit redemption	(28.37)	(754.78)
<b>Unit Holders' Fund at the End of the Period</b>	513.96	573.88
	<b>2015</b>	<b>2014</b>
Net Assets Value per Unit	<b>10.51</b>	<b>10.54</b>
No. of units as at 30th September	<b>48,414,504.20</b>	<b>53,883,584.10</b>

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### Notes to the Financial Statements

For the six month period ended September 2015

	2015 Rs.Mn.	2014 Rs.Mn.
<b>1 Financial Assets- Held for Trading</b>		
1.1 Government Treasury bond	155.44	285.98
	155.44	285.98
<b>2 Financial Assets- Loans and receivables</b>		
2.1 T - bill Repurchase Agreements		
Capital Alliance LTD.	-	48.24
NSB Asset Management	-	54.24
Wealthtrust Treasuries LTD	100.37	90.13
Union Bank PLC	13.08	-
Commercial Bank PLC	100.11	-
DFCC Vardhana Bank	136.54	87.69
	350.10	280.30
<b>3 ACCRUED EXPENSES</b>		
Fund manager payable	0.13	0.15
Trustee fee and Custodian fees payable	0.09	0.10
Audit fees payable	0.12	0.09
	0.33	0.34

# NAMAL MONEY MARKET FUND

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### **Notes To the Accounts**

**For the period ended 30th September 2015**

#### **NOTES TO THE ACCOUNTS**

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

4.2 Income is recognised on accrual basis.

4.3 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.

The profit and income of the fund is liable for income tax at the rate of 10% for the year of  
4.4 assessment 2015/2016 as specified in part A of the Second Schedule to the Inland Revenue Act No. 10 of 2006.

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

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



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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 (As of September 30, 2015)**

Mr. Alexis Lovell	Chairman
Mr. Ajith Wijeyasekera	Deputy Chairman
Mr. Indrajit Wickramasinghe	Director
Mr. Palitha Gamage	Director
Mr. Tyrone de Silva	Director
Mr. Malinda Samaratinga	Director
Mr. Suren Madhanayake	Director
Mr. Avancka Herat	Director
Ms. Khoo Siew Bee	Director