

MUTUAL FUNDS

INTERIM REPORT 2022-2023



ASSETLINE

Assetline Capital (Pvt) Limited

ASSETLINE MUTUAL FUNDS
INTERIM REPORT FOR THE SIX MONTHS PERIOD ENDED
SEPTEMBER 30, 2022

Table of Contents

1. Corporate Information	1
2. Fund Manager's Report	2
3. Fund Report of Assetline Income Fund	
Fund Performance – Assetline Income Fund	6
Financial Statements	8
4. Fund Report of Assetline Income Plus Growth Fund	
Fund Performance – Assetline Income Plus Growth Fund	14
Financial Statements	16

Corporate Information

Assetline Mutual Funds: *Assetline Income Fund*
Assetline Income Plus Growth Fund

MANAGEMENT COMPANY & REGISTRAR

Assetline Capital (Private) Limited

Registered Office &

Principal Place of Business:

No. 120, 120A
Pannipitiya Road
Battaramulla
Sri Lanka

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Ms. R.M.A.S. Parakrama (Chairperson)

Mr. G. L. W. N. Perera

Mr. A.Y.D. De Silva

Mr. M. R. Mohamed

Mr. N. D. P. R. Kalyanaratne

TRUSTEE & CUSTODIAN

Deutsche Bank AG
Colombo branch
Level 21
One Galle Face Tower
1A, Centre Road, Galle Face
Colombo 2
Sri Lanka

AUDITORS & TAX CONSULTANTS

B.R. De Silva & Company
No. 22/4
Vijaya Kumaranatunga Mawatha
Colombo 05
Sri Lanka

BANKERS

Commercial Bank of Ceylon PLC
Commercial House
No. 21
Sir Razik Fareed Mawatha
Colombo 01
Sri Lanka

National Development Bank PLC
No. 40
Navam Mawatha
Colombo 02
Sri Lanka

Sampath Bank PLC
No. 110
Sir James Peiris Mawatha
Colombo 02
Sri Lanka

Deutsche Bank AG
Colombo branch
Level 21
One Galle Face Tower
1A, Centre Road, Galle Face
Colombo 2
Sri Lanka

Nations Trust Bank PLC
No. 242
Union Place
Colombo 02
Sri Lanka

Seylan Bank PLC
Seylan Towers
No. 90
Galle Road
Colombo 03
Sri Lanka

Hatton National Bank PLC
HNB Towers
No. 479
T. B. Jayah Mawatha
Colombo 10
Sri Lanka

People's Bank
No. 75
Sir Chittampalam A. Gardiner Mawatha
Colombo 02
Sri Lanka

Fund Manager's Report

It is with great pleasure that we submit the Half Yearly Fund Management Report for Assetline Mutual Fund (AMF) for the period 1st April 2022 to 30th September 2022. It was another challenging six months for the fund managers given the civil unrest, political instability and as country officially announced the default in sovereign bonds. The stock market was the first to react falling by 3237 points (32% drop) from 28th March 2022 to 26th April 2022 it then started rebounding before falling again in May 2022. Most of the investors took a risk averse approach, with the intention of preserving their investments. Investment returns were severely impacted again due to the elevated inflation, increase in commodity prices and currency devaluation, where the real returns became negative. Given these setbacks it was extremely difficult to balance risk and return particularly at a deteriorating macro-economic condition.

The policy makers increased SDF and SLF rates by 800 basis points in two instants during the review period, which was the highest increase in history. This was a positive move to maintain price stability by controlling inflation. As a result, market interest rates increased significantly, especially in government securities, which led to the fund manager moving assets into medium term fixed income securities from short term investments. The interest rates in the primary market for government securities showed a rapid increase and outperformed bank deposit rates, and therefore AMF shifted part of the assets into government security products. Talk of IMF staff level agreement requiring the Country's debt to be brought to a sustainable level, and the uncertainty as whether the domestic debt was to be restructured on par with other creditors, created a lower demand for Government securities. As a result, the market interest rates reached and remained at a historically high level towards the end of review period.

However, based on economic expectations outlined below we are optimistic that the initiatives taken by the policymakers will bring down the inflation and thereby ease interest rates, improve GDP and finally result in the recovery of the economy. We also believe the fiscal measures initiated by the Government and the commitment to reach the IMF agreement will succeed in bringing a positive investment climate in the near term.

Our Funds

Assetline Capital (Pvt) Ltd currently manages two funds, Assetline Income Fund (AINF) and Assetline Income Plus Growth Fund (AIGF), each designed to cater to different investor requirements.

AINF is designed for investors with a low to moderate risk appetite and a short-term investment horizon. The asset classes include government securities, corporate debt and bank fixed deposits with tenors less than 397 days. The fund qualifies as a money market fund due to having maintained the required liquidity levels and other provisions introduced by Appendix 5 of CIS Code under SEC act No, 19 of 2021.

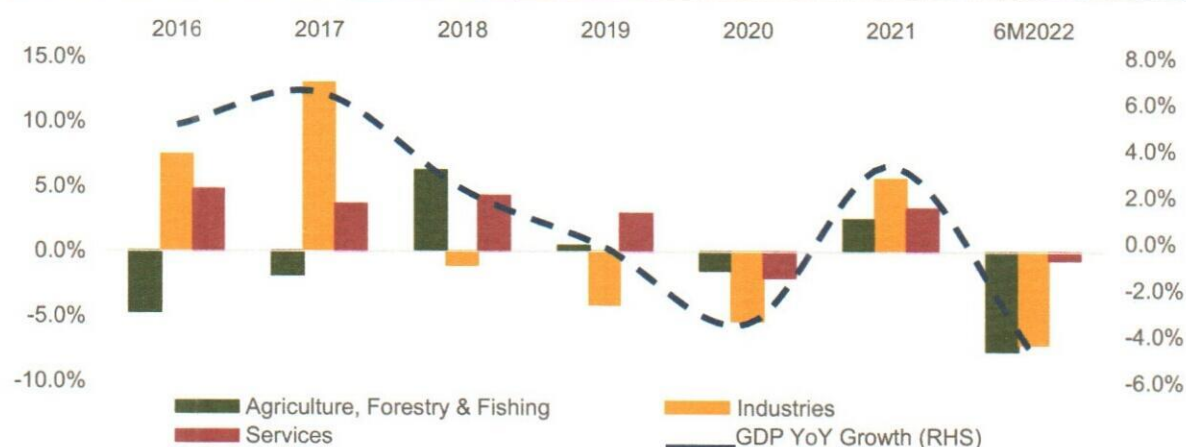
AIGF is designed for investors with a high-risk appetite and a long-term investment horizon. The asset classes include government securities, corporate debt, bank fixed deposits and equity.

As of 30th September 2022, AINF & AIGF posted financial year yields of 16.82% & -0.01% and the number of unit holders were 950 & 113 respectively. The NAV of AINF was Rs. 4.16 billion whilst AIGF was Rs. 1.44 billion.

The strategy of investing in fixed income securities was with the intention of balancing stable returns and avoiding capital erosion whilst focusing on liquidity in an elevated interest rate environment. Bank FDs were placed with top tier banks and part of the funds moved to medium term Treasury Bills. In terms of the equity portfolio, the fund managers used an active investment strategy focusing of fundamentally strong shares with emphasis on value and growth projections.

ECONOMIC EXPECTATIONS FOR 2022

GDP and Sectorial Growth from 2016 – 1H2022



Source: CBSL

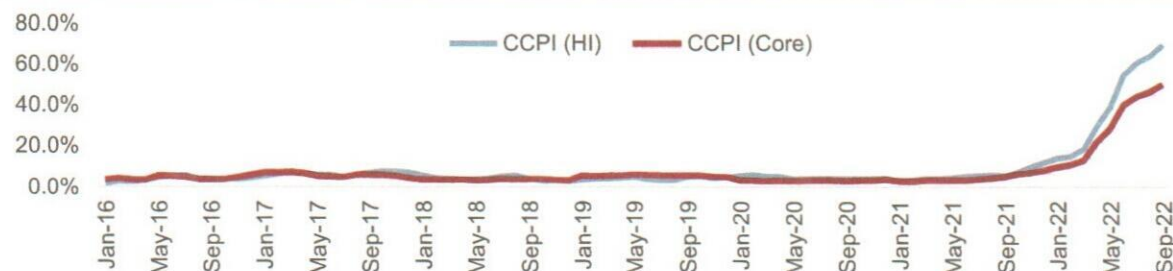
A recovery in economy is expected in 2023

In contrast to the 9.3% growth seen during the same period in 2021, Sri Lanka's real GDP shrank by 4.8% YoY for the first half of 2022. Due to tighter monetary and fiscal regulations, the persistence of supply-side restraints, and uncertainty surrounding the business environment amid shortages of foreign exchange on the domestic foreign exchange market, the economy is predicted to decrease in the second half of 2022 as well. However, a rebound in economic activity is anticipated in 2023 as a result of supply-side improvements and the prompt adoption of necessary reforms.

Source: Monetary Policy Review – October 2022, Page 01

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20221006_Monetary_Policy_Review_No_7_2022_e_W83r9.pdf

CCPI Inflation of Headline and Core, YoY Basis



Source: Department of Census and Statistics

headline inflation would follow a path of deflation

According to the Colombo Consumer Price Index (CCPI), headline inflation grew slightly in September 2022, primarily due to the recent revision of electricity and water rates and the increase in value-added tax (VAT). On the other hand, in the coming years, headline inflation is anticipated to take a downward path. The favorable statistical base impact, the predicted improvement in domestic supply circumstances, the normalization of global food and other commodity prices, and the timely passthrough of such reductions to local prices will all play a significant role in containing inflation over the medium term.

Source: *Monetary Policy Review – October 2022, Page 02*

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20221006_Monetary_Policy_Review_No_7_2022_e_W83r9.pdf

Continuous upward adjustments are made to market interest rates

Market interest rates are continuously rising as a result of tight liquidity conditions in the domestic money market and the continued pass-through of considerable monetary policy tightening measures already implemented by the Central Bank.

Source: *Monetary Policy Review – October 2022, Page 02*

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20221006_Monetary_Policy_Review_No_7_2022_e_W83r9.pdf

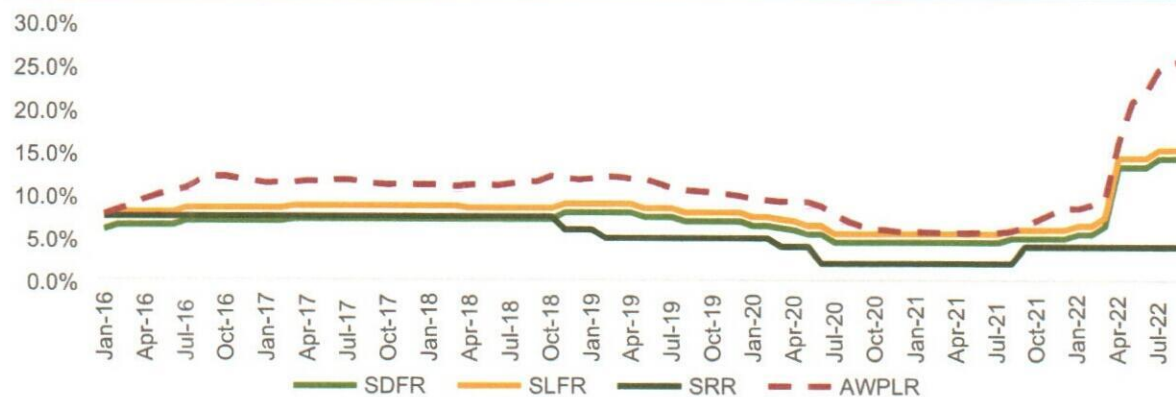
A route to disinflation will be sufficiently achieved by the tight monetary conditions

The effects of the tight monetary policy measures already in place would be complemented by the contractionary fiscal policies, which would help to mitigate any build-up of aggregate demand pressures. This would anchor inflation expectations and lower headline inflation to the desired level of 4-6% over the medium term.

Source: *Monetary Policy Review – October 2022, Page No 01*

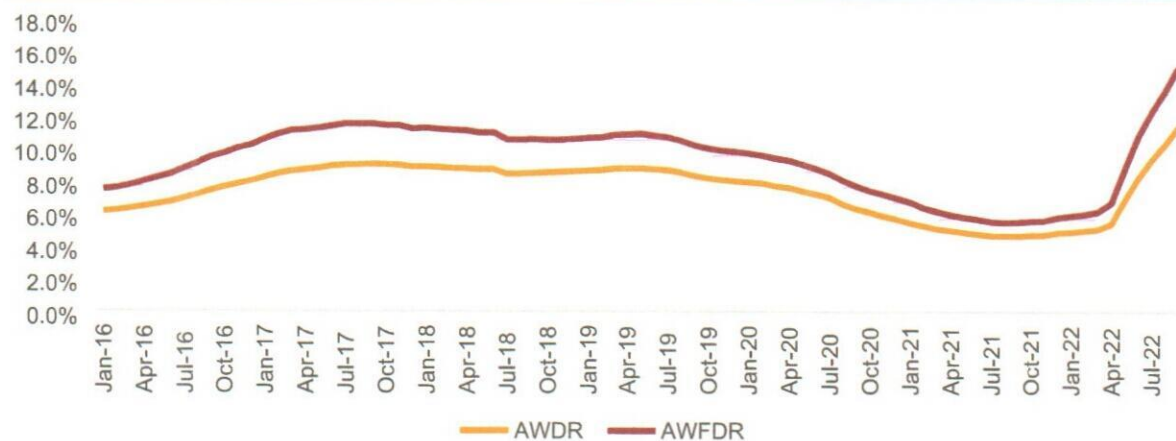
https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20221006_Monetary_Policy_Review_No_7_2022_e_W83r9.pdf

Policy Rates Movements Vs AWPLR



Source: CBSL

Movements in AWDR and AWFDR



Source: CBSL

Fund Performance – Assetline Income Fund (AINF)

The NAV of the Assetline Income Fund (AINF) as of 30th September 2022 was Rs. 4.1 Bn. The fund generated a 16.82% financial year YTD yield for the interim period ended 30th September 2022 while the number of unit holders was 950.

The funds under management were Rs. 2.51 Bn as of 1st April 2022 and fluctuated within a range of Rs. 1.88Bn and Rs. 6.79Bn during the period.

The financial-year yield of AINF continued to increase from the month of April, reaching 16.82% on 30th September 2022, compared to 6.32% as of 01st April 2022. The increase in the yield was mainly driven by Central Bank policy rates hikes which was the highest ever in its history. Consequently, this fueled the Government Securities rate to increase, whilst banks also adjusted their FD rates upwards. This was a favorable outcome for the fund, since fund managers focused on liquidity rather than longer term investments which were repriced at higher rates in a tightening monetary policy environment.

Given our opinion of future interest rate movements and to mitigate risk of uncertainty,

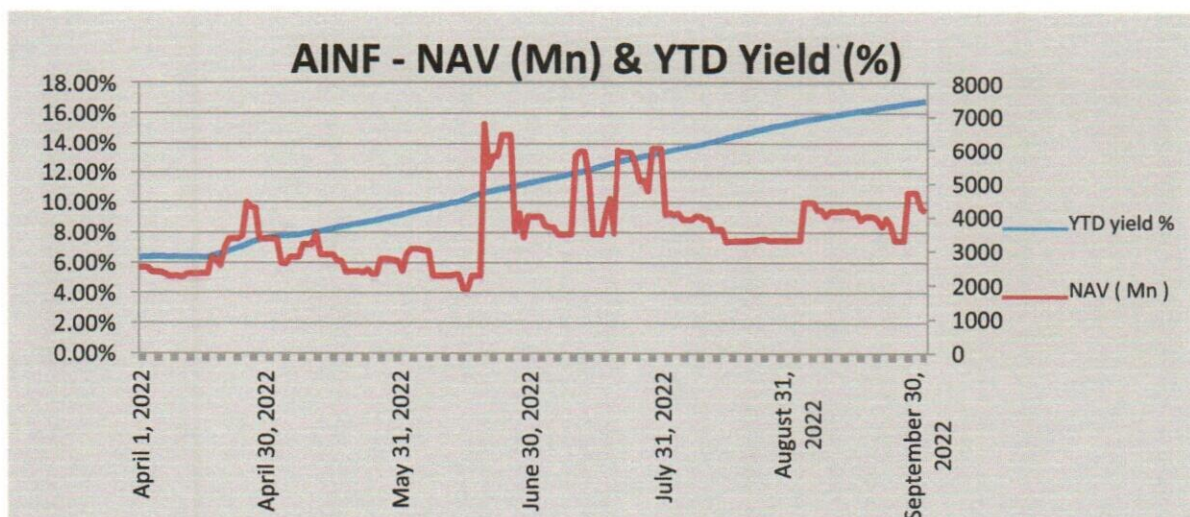
FDs were invested in banks with sound credit ratings in mixed tenors of up to one year. Government securities being the highest yielding asset class, part of the funds was also moved to treasury bills and liquidity was maintained in money market accounts.

The number of unit holders in AINF reduced by 0.73% to 950 from 956 during the 6-month period.

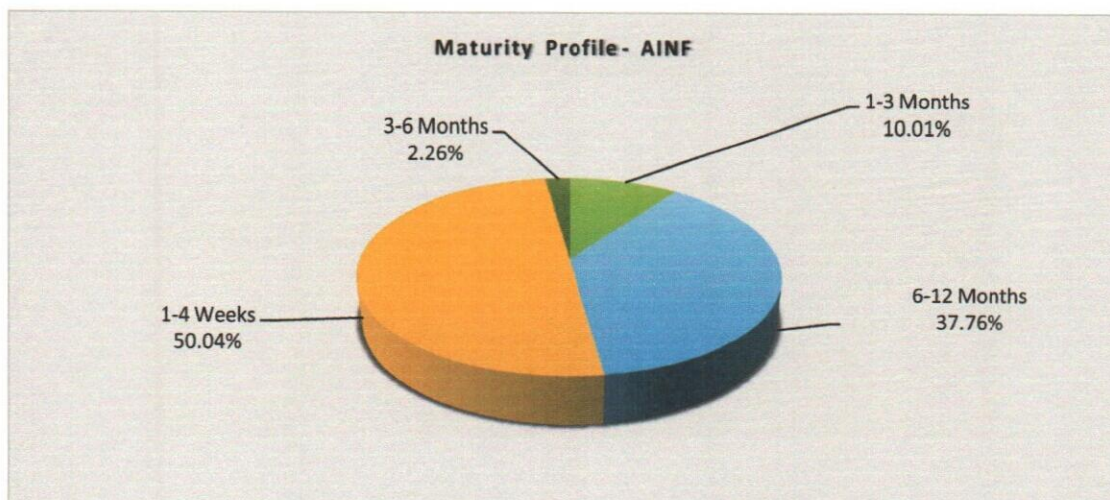
Fund managers paid more emphasis on providing liquidity for the unit holders and placed a higher portion in a 1-4-week maturity bucket (50.04%) whereas the balance portion was invested in mixed tenors of up to 1 year.

The AINF has an investment mix of money market savings accounts 36.86%, government securities 45.18% and fixed deposits 17.89%.

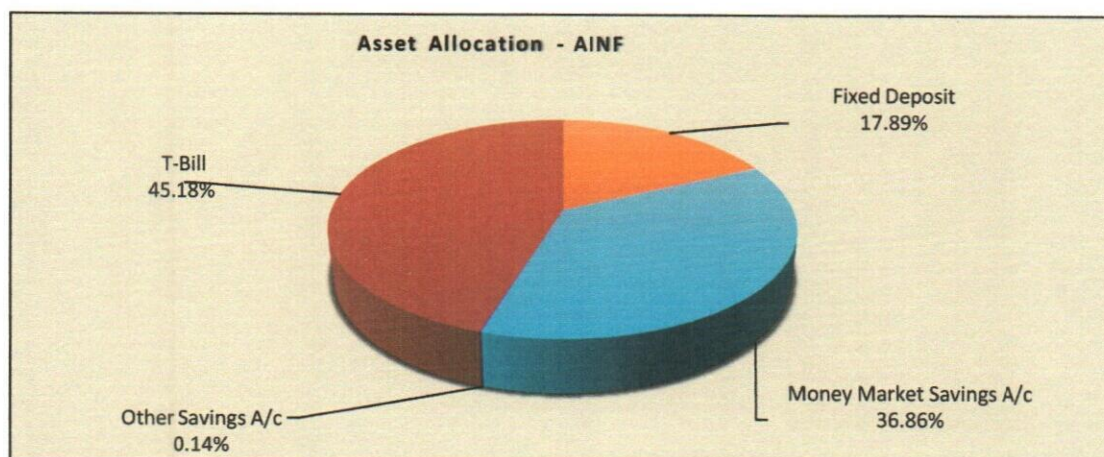
From the funds under management, 86.55% was invested in government securities and companies with a credit rating (Fitch) of A or above; of which the majority was in government securities (45.18%) of the balance 15.84% were invested in counter parties with “AA-” followed by “A” (23.43%) respectively.



(Figure 1: NAV and financial-year yield of AINF)



(Figure 2: Maturity profile of AINF as at 30th September 2022)



(Figure 3: Asset allocation of AINF as at 30th September 2022)

Rating	Fitch		ICRA		Total	
	Amount (LKR)	As % of NAV	Amount (LKR)	As % of NAV	Amount (LKR)	As % of NAV
Government Securities	-	-	-	-	1,879,935,937.23	45.18%
AAA	-	-	85,776,415.83	2.06%	85,776,415.83	2.06%
AA-	658,916,924.14	15.84%	-	-	658,916,924.14	15.84%
A+	1,582,444.97	0.04%	-	-	1,582,444.97	0.04%
A	975,033,804.68	23.43%	-	-	975,033,804.68	23.43%
BBB+	5,266,823.64	0.13%	-	0.0%	5,266,823.64	0.13%
BBB-	557,309,802.79	13.39%	-	0.0%	557,309,802.79	13.39%
Total	2,198,109,800.21	52.83%	85,776,415.83	2.06%	4,163,822,153.28	100%

(Figure 4: Credit profile of AINF as at 30th September 2022)

ASSETLINE INCOME FUND

Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees)

	Note	For the period from 1 April 2022 to 30 September 2022 (Unaudited)	For the year ended 31 March 2022 (Audited)
<u>Investment Income</u>			
Interest income from financial assets at amortised cost	01	318,575,188	209,081,033
Total investment income		318,575,188	209,081,033
<u>Expenses</u>			
Management fee		(8,991,368)	(17,231,236)
Trustee and custodian fee		(4,678,747)	(8,698,381)
Audit fee		(123,819)	(209,999)
Professional fee		(21,044)	(32,000)
Other operating expenses		(202,064)	(247,250)
Total operating expenses		(14,017,043)	(26,418,866)
Net operating profit		304,558,145	182,662,167
Profit after deductions and before tax		304,558,145	182,662,168
Income tax expense		-	-
Increase in net assets attributable to unitholders		304,558,145	182,662,168

ASSETLINE INCOME FUND

Statement of Financial Position

(all amounts in Sri Lanka Rupees)

	Note	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		5,629,002	7,054,392
Financial assets at amortised cost	02	4,158,193,071	2,539,315,221
Income tax receivables		42,338,456	42,338,456
Total assets		4,206,160,529	2,588,708,069
LIABILITIES			
Current liabilities			
Accrued expenses and other payables		2,736,114	1,920,692
Liabilities (Excluding net assets attributable to unitholders)		2,736,114	1,920,692
UNITHOLDERS' FUNDS			
Net assets attributable to unitholders		4,203,424,415	2,586,787,377
Total unitholders' funds and liabilities		4,206,160,529	2,588,708,069



Director
Management Company



Director
Management Company

Trustee
Date of Approval

06/12/2022

DEUTSCHE BANK AG

9




Authorized Signatories
Trustee

ASSETLINE INCOME FUND

Statement of Changes in Unitholders' Funds

(all amounts in Sri Lanka Rupees)

	For the period from 1 April 2022 to 30 September 2022 (Unaudited)	For the year ended 31 March 2022 (Audited)
Unitholders' funds at beginning of the period	2,586,787,377	5,802,510,434
Increase in net assets attributable to unitholders	304,558,145	182,662,168
Received on unit creations	34,843,849,489	29,068,705,160
Paid on unit redemptions	(33,531,770,597)	(32,467,090,385)
Unitholders' funds at end of the period	03 <u>4,203,424,415</u>	<u>2,586,787,377</u>

ASSETLINE INCOME FUND

Statement of Cash Flows

(all amounts in Sri Lanka Rupees)

	For the period from 1 April 2022 to 30 September 2022 (Unaudited)	For the year ended 31 March 2022 (Audited)
Cash flows from operating activities		
Proceeds from sale of Financial assets at amortised cost	94,539,831,096	133,971,980,313
Purchase of Financial assets at amortised cost	(96,048,739,331)	(130,798,760,262)
Other payables	-	(1,000)
Interest received	208,605,573	251,036,455
Management fees paid	(8,410,593)	(17,872,713)
Other expenses paid	(4,791,028)	(9,467,389)
Net cash flows from operating activities	(1,313,504,283)	3,396,915,404
Cash flows from financing activities		
Proceeds from subscription by unitholders	34,843,849,489	29,068,705,160
Payment for redemption by unitholders	(33,531,770,597)	(32,467,090,385)
Net cash flows from financing activities	1,312,078,892	(3,398,385,225)
Net increase / (decrease) in cash and cash equivalents	(1,425,391)	(1,469,821)
Cash and cash equivalents at beginning of the period	7,054,392	8,524,213
Net increase / (decrease) in cash and cash equivalents	(1,425,391)	(1,469,821)
Cash and cash equivalents at end of the period	5,629,002	7,054,392

ASSETLINE INCOME FUND

Notes to the Financial Statements

(All amounts in notes are shown in Sri Lanka Rupees)

01 Interest income from financial assets at amortised cost

Notes	For the period from 1 April 2022 to 30 September 2022 (Unaudited)	For the year ended 31 March 2022 (Audited)
Interest income from fixed deposits	82,470,888	113,134,808
Interest income from money market savings	114,620,153	71,106,058
Interest Income From Treasury Bills	117,222,470	13,942,146
Interest Income From commercial papers	-	4,290,411
Interest on repurchase agreements	4,261,676	6,607,610
Total Interest income from financial assets at amortised cost	318,575,188	209,081,033

02 Financial assets measured at amortised cost

		As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
Investment in fixed deposits	(a)	744,471,929	1,769,757,809
Investment in money market savings	(b)	1,533,785,281	365,931,558
Investment in treasury bills	(c)	1,879,935,860	49,839,796
Repurchase agreements		-	353,786,058
Total financial assets at amortised cost		4,158,193,071	2,539,315,221

(a) Financial Assets measured at amortised cost : Fixed Deposits

30th September 2022	Cost	Market value
Bank Of Ceylon	219,534,027	228,061,269
Commercial Bank of Ceylon PLC	200,000,000	212,054,794
People's Bank	200,000,000	218,579,451
National Savings Bank	82,627,515	85,776,415
	702,161,543	744,471,929
31st March 2022	Cost	Market value
Bank Of Ceylon	200,000,000	201,783,561
DFCC Bank PLC	250,147,945	262,393,669
National Development Bank PLC	439,002,399	459,019,723
National Savings Bank	410,474,001	425,108,921
People's Bank	412,408,904	421,451,935
	1,712,033,249	1,769,757,809

(b) Financial Assets measured at amortised cost : Money Market Savings

30th September 2022	Cost	Market value
National Development Bank PLC	959,331,751	974,893,033
Pan Asia Banking Corporation PLC	554,681,411	557,309,803
DFCC Bank PLC	1,258,625	1,582,445
	1,515,271,788	1,533,785,281
31st March 2022	Cost	Market value
National Development Bank PLC	1,556,268	2,085,588
DFCC Bank PLC	363,110,212	363,845,970
	364,666,480	365,931,558

(c) Financial Assets measured at amortised cost : Investment in treasury bills

30th September 2022	Cost	Market value
Investment in Government Security -Treasury Bills	1,767,179,083	1,879,935,860
	1,767,179,083	1,879,935,860
31st March 2022	Cost	Market value
Investment in Government Security -Treasury Bills	49,004,450	49,839,796
	49,004,450	49,839,796

ASSETLINE INCOME FUND

Notes to the Financial Statements

(All amounts in notes are shown in Sri Lanka Rupees)

03 Net Assets Attributable to Unitholders

	Number of units	Net assets attributable to unitholders (Rs)
Opening balance	339,559,653	5,802,510,434
Subscriptions	1,666,243,735	29,068,705,160
Redemptions	(1,863,616,491)	(32,467,090,385)
Increase in net assets attributable to unitholders	-	182,662,168
As at 31st March 2022	142,186,896	2,586,787,378
Opening balance	142,186,896	2,586,787,378
Subscriptions	1,890,034,136	34,843,849,489
Redemptions	(1,817,778,613)	(33,531,770,597)
Increase in net assets attributable to unitholders	-	304,558,145
As at 30th September 2022	214,442,420	4,203,424,415

04 Related Party Transactions

a) Key management personnel unit holdings

The key management personnel of Asset line Capital (Private) Limited held units in the fund as follows.

30th September 2022

Unit holder	No of units held opening	No of units held closing	Fair value of investment (Rs.)	Dividend paid or payable by the fund
Ms. R.M.A.S. Parakrama	742,748	1,026,197	19,912,524	-
Mr. G.L.W.N. Perera	127	127	2,456	-
Mr. N.D.P.S.R. Kalyanaratne	94	94	1,827	-

b) Related party unitholding

The Management Company of the Fund Assetline Capital (Pvt) Ltd. DPMC Assetline Holdings (Private) Limited, the immediate parent company of the Management Company and other related parties of the Management Company, held units in the Fund as follows:

30th September 2022

Assetline Capital (Pvt) Ltd	462,983	411,825	7,991,126.13	-
DPMC Assetline Holdings(Private) Limited	22,679,844	3,798,345	73,703,846.44	-
Other related parties:				
David Pieris Holdings (Pvt)	18,741,788	334,141	6,483,733	-
Assetline Corporate Services (Private) Limited	292,601	242,916	4,713,587	-
Assetline Insurance Brokers (Private) Limited	4,749,272	1,140,460	22,129,709	-
Assetline Securities (Private) Limited	4,653,743	-	-	-
David Pieris Automobiles (Private) Limited	-	20,557,408	398,900,047	-
David Pieris Motor Company (Lanka) Limited	-	45,437,785	881,683,877	-
David Pieris Motor Company (Private) Limited	13,559,142	7,735,069	150,092,821	-
David Pieris Trust	304,319	303,202	5,883,397	-
DP Logistics (Private) Limited	3,187,274	16,302,000	316,327,272	-
Hill Cottage Nuwara Eliya (Private) Limited	227,418	119,560	2,319,962	-
David Pieris Racing & Leisure (Private) Limited	1,157,714	5,245	101,771	-
D P Infotech (private) Limited	1,041,853	1,342,801	26,055,974	-
Mr. D.P. PIERIS	39,690,413	44,372,874	861,020,125	-
Mrs. E.M. PIERIS	9,352,918	16,208,097	314,505,152	-
Dee Investments (Pvt.) Ltd.	8,696,665	-	-	-
Mr. J.D. Pieris	6,587	9,908,299	192,262,624	-
Mr. E.D. Pieris	124,294.18	30,980,480	601,151,432	-
Assetline Lands (Private) Limited	-	5,273,206	102,322,353	-
David Pieris Aviation (Private) Limited	-	1,252,093	24,295,856	-
David Pieris Leisure (Pvt) Ltd	-	5,407	104,915	-
Pulsar Shipping Agencies (Private) Limited	-	5,330,490	103,433,902	-
Thelwadana Mudiyanseelage Jayantha Kumara Ratnayake	-	667,422	12,950,794	-
Close family member of KMP	-	-	-	-
Ambalangodage Dhinain Harshika De Silva	-	14,727	285,758	-
Galhenage Yasanthi Poornima Perera Ratnayake	-	15,442	299,645	-

c) Transactions held with and amounts due to related parties

The fees were charged by the management company and trustee for services provided during the year and the balances outstanding from such dues as at year end are as disclosed below:

	Charge for the year ended 30th September 2022	Charge for the year ended 30th September 2022	Balance Outstanding 31st March	Balance Outstanding 31st March 2022
	Rs.	Rs.	Rs.	Rs.
Management fees	8,991,368	17,231,236	1,675,455	1,094,679
Trustee & custodian fee	4,678,747	8,698,381	895,798	559,014
	13,670,116	25,929,617	2,571,253	1,653,694

05 Reconciliation between the Net Asset Value as per Financial Statements and the SEC Return

	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
Net Asset Value as per Interim Financial Statements	4,203,424,415	2,586,787,377
Less :		
Income Tax Receivable	(42,338,456)	(42,338,456)
Net Asset Value as per SEC Return	4,161,085,958	2,544,448,921

Fund Performance – Assetline Income Plus Growth Fund (AIGF)

The NAV of the Assetline Income Plus Growth Fund (AIGF) as of 30th September 2022 was Rs. 1,434.45 Mn. The fund generated a -0.01% financial year YTD yield for the period ended 30th September 2022 while the number of unit holders was 113.

AIGF's financial year yield experienced fluctuations within a range of -419.36% and 68.09% for the period due to the high volatility and performance of the equity market.

Historically high interest rates, economic crisis, higher Inflation, liquidity shortage and monetary tightening created a bearish sentiment in the equity market

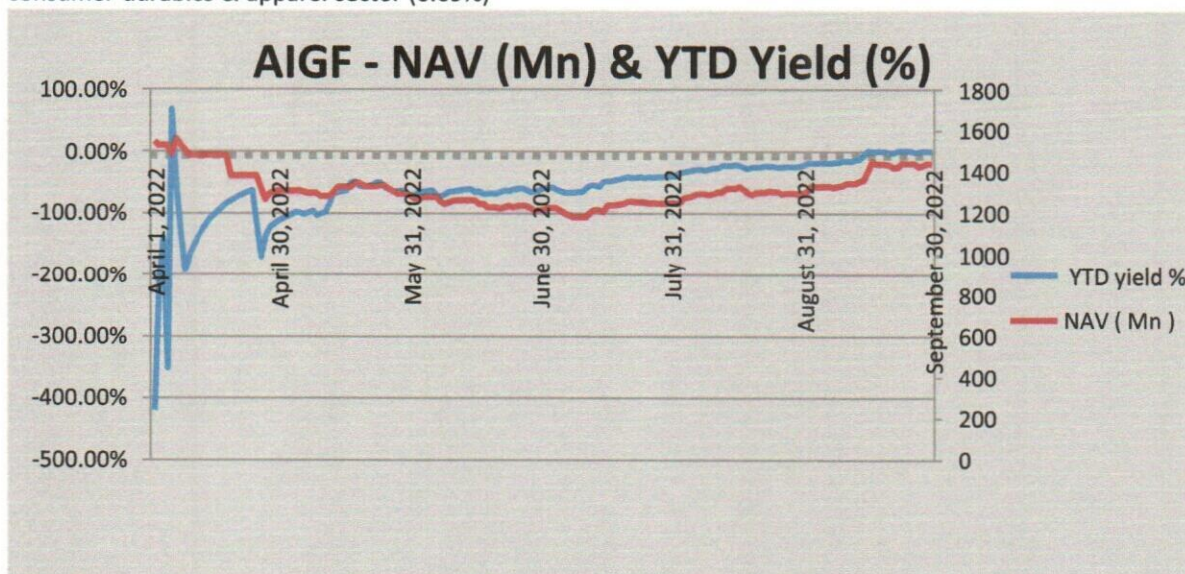
Increased income from FIS due to the prevailing high interest rates led the fund managers to prudently manage the portfolio with a mix of Government securities, which generated a higher return. In keeping with the investment objective of the fund asset allocation was maintained at 70:30 between equity and FIS. The equity portfolio was managed with active investment strategy with more emphasis on the banking sector (32.88%) so as to focus on fundamentals and lower beta. Capital goods (16.61%), utilities (10.21%) and consumer durables & apparel sector (6.69%)

companies which met with the fund's growth projections were also key focus area for investment. Higher volatility and deteriorating macro conditions forced the investors into bearish sentiment, and the fund managers realized the available gains before the market fell further.

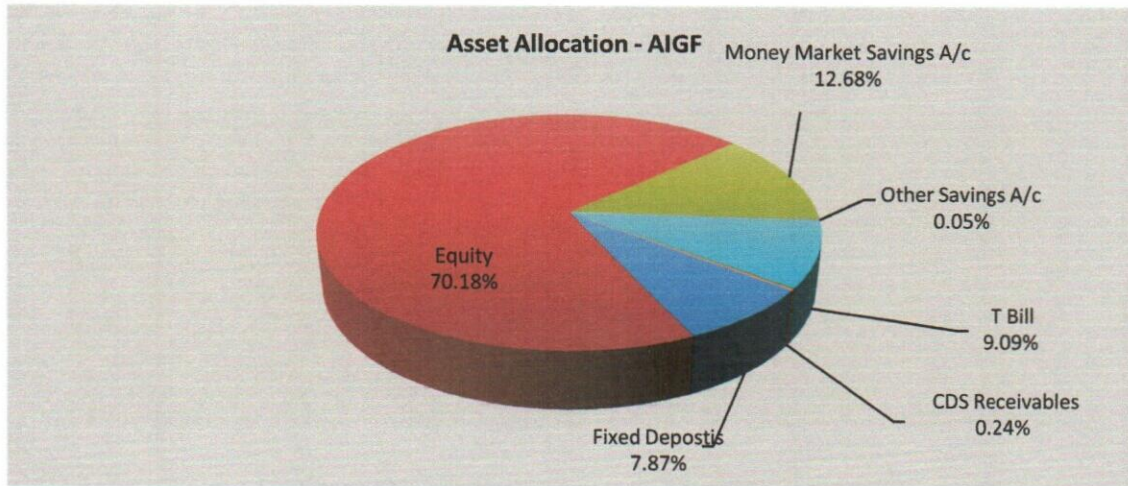
A higher portion of fixed income securities was maintained for Liquidity purposes in money market accounts (12.68%) and fixed deposits (7.87%) with attractive returns in order to balance out the volatility of the equity market.

The Fixed Income Securities (FIS) portfolio had an investment mix of fixed deposits and money market savings accounts whilst equity and treasury bill investments stood at 70.18% & 9.09% respectively.

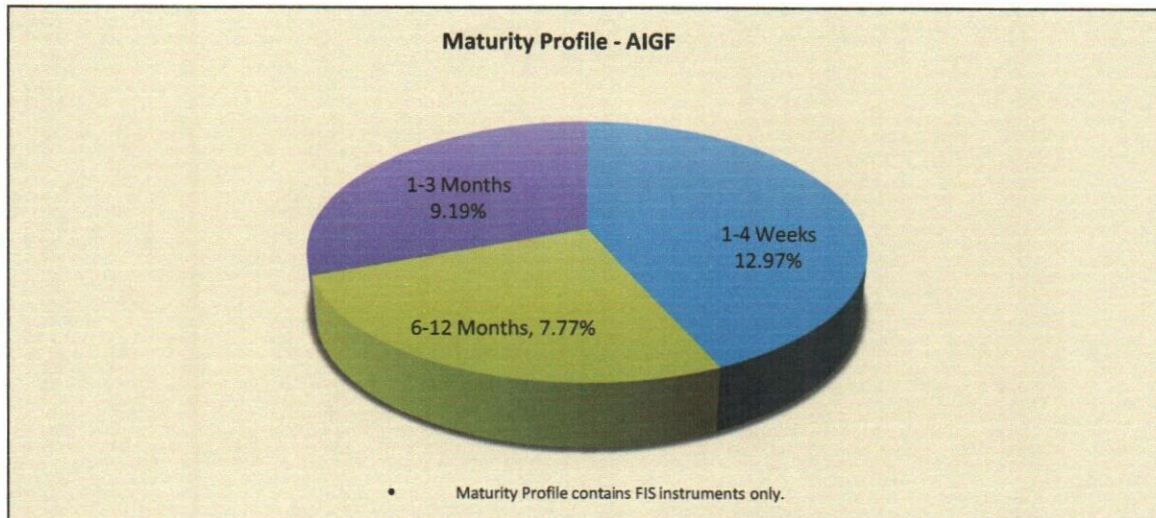
The maturities of fixed income securities ranged from short term to long term with 12.97% of the investments in the "1-4" weeks category and 7.77% of the investments maturing in the "6-12" months category. 7.87% of the NAV was invested in fixed income securities with counterparties with "AA-" rating and above, while 6.12% was with counterparties with a credit rating of "A+".



(Figure 1: NAV and financial-year yield of AIGF)



(Figure 2 : FIS Maturity profile of AIGF as at 30th September 2022)



(Figure 3 : Asset allocation of AIGF as at 30th September 2022)

Rating	Fitch		ICRA		Total	
	Amount	As a % of NAV	Amount	As a % of NAV	Amount	As a % of NAV
Government Securities	-	-	-	-	130,373,555.15	9.09%
AA-	112,949,878.57	7.87%	-	-	112,949,878.57	7.87%
A+	87,799,385.72	6.12%	-	-	87,799,385.72	6.12%
A	1,010,726.07	0.07%	-	-	1,010,726.07	0.07%
BBB+	634,274.69	0.04%	-	-	634,274.69	0.04%
BBB-	93,108,774.66	6.49%	-	-	93,108,774.66	6.49%
Total	295,503,039.71	20.59%	-	-	425,876,594.86	29.68%

(Figure 4 : Credit profile of AIGF – Fixed Income Securities as at 30th September 2022)

ASSETLINE INCOME PLUS GROWTH FUND

Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees)

	Note	For the period from 1 April 2022 to 30 September 2022 (Unaudited)	For the year ended 31 March 2022 (Audited)
<u>Investment Income</u>			
Interest income from financial assets at amortised cost	01	22,149,482	22,126,582
Dividend income		21,098,297	54,349,329
Other Income		-	287,400
Net gains on financial assets at fair value through profit or loss	02	(37,564,843)	(164,043,889)
Total investment income		5,682,936	(87,280,578)
<u>Expenses</u>			
Management fee		(6,604,479)	(16,757,697)
Trustee and custodian fee		(1,781,499)	(4,305,629)
Audit fee		(123,819)	(209,999)
Professional fee		(21,044)	(32,000)
Brokerage Charges		(2,386,854)	(8,211,766)
Other operating expenses		(15,321)	(24,010)
Total operating expenses		(10,933,016)	(29,541,100)
Net operating profit		(5,250,080)	(116,821,678)
Profit after deductions and before tax		(5,250,080)	(116,821,678)
Income tax expense		-	-
Increase in net assets attributable to unitholders		(5,250,080)	(116,821,678)

ASSETLINE INCOME PLUS GROWTH FUND

Statement of Financial Position

(all amounts in Sri Lanka Rupees)

	Note	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		666,479	644,031
Financial assets at amortised cost	03	294,836,559	474,275,689
Financial assets held at fair value through profit or loss	04	1,137,100,666	1,042,848,671
Other Receivables		3,471,170	29,412,920
Income tax receivables		1,622,001	1,622,001
Total assets		1,437,696,875	1,548,803,312
LIABILITIES			
Current liabilities			
Accrued expenses and other payables		1,627,826	2,025,139
Liabilities (Excluding net assets attributable to unitholders)		1,627,826	2,025,139
UNITHOLDERS' FUNDS			
Net assets attributable to unitholders		1,436,069,049	1,546,778,173
Total unitholders' funds and liabilities		1,437,696,875	1,548,803,312



Director

Management Company



Director

Management Company

Trustee

Date of Approval 06/12/2022

DEUTSCHE BANK AG
Colombo Branch




ASSETLINE INCOME PLUS GROWTH FUND

Statement of Changes in Unitholders' Funds

(all amounts in Sri Lanka Rupees)

	For the period from 1 April 2022 to 30 September 2022 (Unaudited)	For the year ended 31 March 2022 (Audited)
Unitholders' funds at beginning of the period	1,546,778,173	1,561,660,336
Increase in net assets attributable to unitholders	(5,250,080)	(116,821,678)
Received on unit creations	21,000	102,047,524
Paid on unit redemptions	(105,480,044)	(108,009)
Unitholders' funds at end of the period	05 1,436,069,049	1,546,778,173

ASSETLINE INCOME PLUS GROWTH FUND

Statement of Cash Flows

(all amounts in Sri Lanka Rupees)

	For the period from 1 April 2022 to 30 September 2022 (Unaudited)	For the year ended 31 March 2022 (Audited)
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	107,566,894	756,495,592
Purchase of financial assets at fair value through profit or loss	(119,616,037)	(558,659,360)
Proceeds from sale of Financial assets at amortised cost	3,104,928,173	8,363,921,202
Purchase of Financial assets at amortised cost	(3,049,242,461)	(8,714,786,972)
Dividend received	50,511,217	57,666,923
Interest received	22,664,034	21,361,262
Other Income received	-	287,400
Management fees paid	(6,858,610)	(16,641,824)
Other expenses paid	(4,471,718)	(12,723,913)
Net cash flows from operating activities	105,481,492	(103,079,689)
Cash flows from financing activities		
Proceeds from subscription by unitholders	21,000	102,047,524
Payment for redemption by unitholders	(105,480,044)	(108,009)
Net cash flows from financing activities	(105,459,044)	101,939,515
Net increase / (decrease) in cash and cash equivalents	22,448	(1,140,174)
Cash and cash equivalents at beginning of the period	644,031	1,784,206
Net increase / (decrease) in cash and cash equivalents	22,448	(1,140,174)
Cash and cash equivalents at end of the period	666,479	644,031

ASSETLINE INCOME PLUS GROWTH FUND

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees)

01 Interest income from financial assets at amortised cost

	Notes	For the period from 1 April 2022 to 30 September 2022 (Unaudited)	For the year ended 31 March 2022 (Audited)
Interest income from Fixed Deposits		16,243,869	10,951,659
Interest Income From Commercial Papers		-	137,908
Interest Income From Money Market Savings		5,905,613	11,037,015
Total interest income from financial assets at amortised cost		22,149,482	22,126,582

02 Net gain on financial assets measured at fair value through profit or loss

		For the period from 1 April 2022 to 30 September 2022 (Unaudited)	For the year ended 31 March 2022 (Audited)
Net gain / (loss) on financial assets held for trading		(44,699,533)	(166,653,389)
Net gain / (loss) on financial assets designated as at fair value through profit or loss		7,134,690	2,609,500
		(37,564,843)	(164,043,889)
Net realised gain / (loss) on financial assets at fair value through profit or loss:	(a)	36,677,123	36,458,483
Net unrealised gain / (loss) on financial assets at fair value through profit or loss	(b)	(74,241,966)	(200,502,372)
		(37,564,843)	(164,043,889)
(a) Net realised gain on financial assets measured at fair value through profit or loss:			
Gain/(Loss) on disposal of equity securities		27,845,228	33,848,983
Interest Income from Treasury Bills		8,831,895	-
		36,677,123	33,848,983
(b) Net unrealised gain / (loss) on financial assets at fair value through profit or loss			
Unrealised gain / (loss) of equity securities		(72,544,761)	33,848,983
Unrealised gain / (loss) of Treasury Bills		(1,697,205)	2,609,500
		(74,241,966)	36,458,483

03 Financial assets measured at amortised cost

		As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
Investment in fixed deposits	(a)	112,917,673	378,374,901
Investment in money market savings	(b)	181,918,886	95,900,787
Total financial assets at amortised cost		294,836,559	474,275,689

ASSETLINE INCOME PLUS GROWTH FUND

Notes to the Financial Statements (Contd...)

(all amounts in Sri Lanka Rupees)

(a) Financial Assets measured at amortised cost : Fixed Deposits

30th September 2022	Cost	Market value
People's Bank People's Bank	103,318,656	112,917,673
	<u>103,318,656</u>	<u>112,917,673</u>

31st March 2022	Cost	Market value
DFCC Bank PLC	36,880,000	39,818,610
Sampath Bank PLC	30,000,000	33,892,193
People's Bank	152,079,452	153,736,701
National Savings Bank	150,000,000	150,927,397
	<u>368,959,452</u>	<u>378,374,901</u>

(b) Financial Assets measured at amortised cost : Money Market Savings

30th September 2022	Cost	Market value
National Development Bank PLC	1,000,000	1,010,726
Pan Asia Banking Corporation PLC	92,601,370	93,108,775
DFCC Bank PLC	86,597,891	87,799,386
	<u>180,199,261</u>	<u>181,918,886</u>

31st March 2022	Cost	Market value
National Development Bank PLC	1,610,169	1,684,126
DFCC Bank PLC	93,566,313	94,216,661
	<u>95,176,482</u>	<u>95,900,787</u>

04 Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss

	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
Financial assets held for trading (a)	1,006,727,111	1,042,848,671
financial assets designated as at fair value through at fair value through profit or loss (b)	130,373,555	-
	<u>1,137,100,666</u>	<u>1,042,848,671</u>

(a) Financial assets held for trading

Equity securities (a)	1,006,727,111	1,042,848,671
Total financial assets held for trading	<u>1,006,727,111</u>	<u>1,042,848,671</u>

(b) Financial assets designated at fair value through profit or loss:

Treasury bills (b)	130,373,555	-
Total Financial assets designated at fair value through profit or loss	<u>130,373,555</u>	<u>-</u>

ASSETLINE INCOME PLUS GROWTH FUND

Notes to the Financial Statements (Contd...)

(all amounts in Sri Lanka Rupees)

a) Investment in equity securities:

As at 30 September 2022

Company	Number of Shares	Cost	Market Value	Percentage of Net Assets
BANKS				
COMB-N-0000 COMMERCIAL BANK OF CEYLON PLC	690,101	61,592,326	37,955,555	2.50%
COMB-X-0000 COMMERCIAL BANK OF CEYLON PLC	935,463	65,203,259	39,382,992	2.59%
HNB-N-0000 HATTON NATIONAL BANK PLC	887,564	114,411,050	74,821,645	4.93%
NDB-N-0000 NATIONAL DEVELOPMENT BANK PLC	2,507,031	200,563,142	107,802,333	7.10%
NTB-N-0000 NATIONS TRUST BANK PLC	1,199,249	75,952,451	60,442,150	3.98%
SAMP-N-0000 SAMPATH BANK PLC	3,643,494	165,764,930	151,205,001	9.95%
		683,487,158	471,609,676	
CAPITAL GOODS				
ACL-N-0000 ACL CABLES PLC	30,000	2,485,051	3,442,500	0.23%
HHL-N-0000 HEMAS HOLDINGS PLC	1,553,595	98,199,816	98,653,283	6.49%
JKH-N-0000 JOHN KEELLS HOLDINGS PLC	991,722	135,843,382	136,113,845	8.96%
		236,528,249	238,209,627	
CONSUMER DURABLES & APPAREL				
HELA-N-0000 HELA APPAREL HOLDINGS LIMITED	7027589	91,228,279	84,331,068	5.55%
TJL-N-0000 TEXTURED JERSEY LANKA PLC	315,301	9,879,247	11,697,667	0.77%
		101,107,526	96,028,735	
FOOD BEVERAGE & TOBACCO				
SUN-N-0000 SUNSHINE HOLDINGS PLC	225,000	10,216,618	10,440,000	0.69%
		10,216,618	10,440,000	
MATERIALS				
PARQ-N-0000 SWISSTEK (CEYLON) PLC	400465	10,842,496	9,611,160	0.63%
TKYO-N-0000 TOKYO CEMENT COMPANY (LANKA) P	215,000	9,106,103	8,600,000	0.57%
		19,948,599	18,211,160	
TELECOMMUNICATION SERVICES				
DIAL-N-0000 DIALOG AXIATA PLC	3,000,278	33,944,197	25,802,391	1.70%
		33,944,197	25,802,391	
Utilities				
WIND-N-0000 WINDFORCE LIMITED	8,613,266	155,039,729	146,425,522	9.64%
		155,039,729	146,425,522	
Total value of Equity securities		1,240,272,077	1,006,727,111	

As at 31 March 2022

Company	Number of Shares	Cost	Market Value	Percentage of Net Assets
BANKS				
COMB-N-0000 COMMERCIAL BANK OF CEYLON PLC	690,101	61,592,326	43,269,333	2.80%
COMB-X-0000 COMMERCIAL BANK OF CEYLON PLC	935,463	65,203,259	56,969,697	3.69%
HNB-N-0000 HATTON NATIONAL BANK PLC	887,564	114,411,050	96,966,367	6.28%
NDB-N-0000 NATIONAL DEVELOPMENT BANK PLC	2,355,519	189,963,363	131,202,408	8.49%
NTB-N-0000 NATIONS TRUST BANK PLC	1,199,249	75,952,451	54,086,130	3.50%
SAMP-N-0000 SAMPATH BANK PLC	3,643,494	165,764,930	166,872,025	10.80%
		672,887,380	549,365,960	
CAPITAL GOODS				
ACL-N-0000 ACL CABLES PLC	50,500	5,757,000	2,878,500	0.19%
HAYL-N-0000 HAYLEYS PLC	255,000	9,757,320	19,609,500	1.27%
HHL-N-0000 HEMAS HOLDINGS PLC	1,000,000	72,963,133	46,200,000	2.99%
JKH-N-0000 JOHN KEELLS HOLDINGS PLC	1,375,904	188,467,595	199,506,080	12.91%
RCL-N-0000 ROYAL CERAMICS LANKA PLC	75,000	1,168,751	3,052,500	0.20%
		278,113,799	271,246,580	
CONSUMER DURABLES & APPAREL				
HELA-N-0000 HELA APPAREL HOLDINGS LIMITED	2,356,200	35,343,000	30,394,980	1.97%
TJL-N-0000 TEXTURED JERSEY LANKA PLC	315,301	9,879,247	12,548,980	0.81%
		45,222,247	42,943,960	
FOOD BEVERAGE & TOBACCO				
SUN-N-0000 SUNSHINE HOLDINGS PLC	100,000	5,196,833	3,660,000	0.24%
MELS-N-0000 MELSTACORP LIMITED	74,910	2,282,841	3,078,801	0.20%
		7,479,674	6,738,801	
MATERIALS				
PARQ-N-0000 SWISSTEK (CEYLON) PLC	100,000	4,599,488	2,210,000	0.14%
TKYO-N-0000 TOKYO CEMENT COMPANY (LANKA) P	99,990	6,562,363	3,389,661	0.22%
		11,161,851	5,599,661	
TELECOMMUNICATION SERVICES				
DIAL-N-0000 DIALOG AXIATA PLC	3,000,278	33,944,197	30,002,780	1.94%
		33,944,197	30,002,780	
Utilities				
WIND-N-0000 WINDFORCE LIMITED	8,613,266	155,039,729	136,950,929	8.86%
		155,039,729	136,950,929	
Total value of Equity securities		1,203,848,877	1,042,848,671	

ASSETLINE INCOME PLUS GROWTH FUND

Notes to the Financial Statements (Contd...)
(all amounts in Sri Lanka Rupees)

b) Investment in Treasury bills

30th September 2022	Cost	Market value
Investment in Government Security -Treasury Bills	124,932,305	130,373,555
	<u>124,932,305</u>	<u>130,373,555</u>

05 Net Assets Attributable to Unitholders

	Number of units	Net assets attributable to unitholders (Rs)
Opening balance	91,120,859	1,561,660,336
Subscriptions	5,683,869	102,047,524
Redemptions	(6,259)	(108,009)
Increase in net assets attributable to unitholders	-	(116,821,678)
As at 31st March 2022	96,798,470	1,546,778,174
Opening balance	96,798,470	1,546,778,174
Subscriptions	1,440	21,000
Redemptions	(6,930,729)	(105,480,044)
Increase in net assets attributable to unitholders	-	(5,250,080)
As at 30th September 2022	89,869,181	1,436,069,049

06 Related Party Transactions

a) Key management personnel unit holdings

The key management personnel of Asset line Capital (Private) Limited held units in the fund as follows.

30th September 2022	No of units held opening	No of units held closing	Fair value of investment (Rs.)	Dividend paid or payable by the fund
Unit holder				
Ms. R.M.A.S. Parakrama	654840	313,592	5,044,731	-

b) Related party unitholding

Assetline Capital (Private) Limited the Management Company of the Fund, DPMC Assetline Holdings (Private) Limited, the immediate parent company of management company and other related parties of the Management Company, held units in the Fund as follows:

30th September 2022	No of units held opening	No of units held closing	Fair value of investment (Rs.)	Dividend paid or payable by the fund
Unitholder				
Assetline Capital (Pvt) Ltd	159,668,771	6,050,266	97,330,032	-
DPMC Assetline Holdings(Private) Limited	23,537,262	1,474,526	23,720,545	-
Other related parties:				
David Pieris Motor Company (Lanka) Limited	1,298,048,364	81,318,104	1,308,156,204	-
Assetline Insurance Brokers (Private) Limited	50,286,878	515,352	8,290,412	-

c) Transactions held with and amounts due to related parties

The fees were charged by the management company and trustee for services provided during the year and the balances outstanding from such dues as at year end are as disclosed below:

	Charge for the year ended 30th September 2022	Charge for the year ended 30th September 2022	Balance Outstanding 31st March 2022	Balance Outstanding 31st March 2022
	Rs.	Rs.	Rs.	Rs.
Management fees	6,604,479	16,757,697	1,144,625	1,398,756
Trustee & custodian fee	1,781,499	4,305,629	318,340	359,344
	<u>8,385,977</u>	<u>21,063,326</u>	<u>1,462,965</u>	<u>1,758,101</u>

ASSETLINE INCOME PLUS GROWTH FUND

Notes to the Financial Statements (Contd...)
(all amounts in Sri Lanka Rupees)

07 Reconciliation between the Net Asset Value as per Financial Statements and the SEC Return

	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
Net Asset Value as per Interim Financial Statements	1,436,069,049	1,546,778,173
Less :		
Income Tax Receivable	(1,622,001)	(1,622,001)
Net Asset Value as per SEC Return	<u>1,434,447,048</u>	<u>1,545,156,172</u>