

# Annual Report

Senfin Money Market Fund

FY 2023



**SenFin**  
ASSET MANAGEMENT

**Trustee and Custodian**  
HNB Bank PLC

**Fund Manager**  
Senfin Asset Management (Pvt) Ltd



## **Senfin Money Market Fund**

is Licensed and Regulated by the Securities & Exchange  
Commission of Sri Lanka



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## Profile of the fund management company

### The Company

Senfin Asset Management (Pvt) Ltd (SFAM) was incorporated in 2010 and licensed by the Securities & Exchange Commission of Sri Lanka (SEC) to manage unit trust funds and third-party portfolios/private portfolios for institutional clients, private provident funds, insurance funds, and high net worth individuals.

SFAM (formally Candor Asset Management (Pvt) Ltd) is a wholly owned subsidiary of Senkadagala Finance PLC, a finance company licensed by the Central Bank of Sri Lanka. Senkadagala Finance PLC commenced operations in the city of Kandy in 1968 and since then has steadily gained momentum, leveraging on the varied partnerships it nurtured throughout the years.

## Board of Directors

### Dr. Prathap Ramanujam - Chairman

Dr. Prathap Ramanujam, was previously Chairman of Panasian Power PLC and has extensive experience in the public sector. During the last 14 years in the Public Sector, he was the Permanent Secretary to several Ministries and was responsible for the establishment of the Secretariat for Infrastructure Development & Investments (SIDI), which was instrumental in initiating the first mini hydro project as a Public Private sector project as far back as 1993.

Dr. Ramanujam has previously served on the Boards of several financial services institutions including the National Savings Bank, the State Mortgage and Investment Bank and Senkadagala Finance PLC., during his career. He also served as a Director in Panasian Power PLC, Manelwela Hydro Power Pvt. Ltd, Panasian Investment Pvt. Ltd, Paddiyapallela Hydropower Pvt. Ltd, and associated companies.

Dr. Ramanujam currently serves as director of Ceylon Grain Elevators PLC, Three Acre Farm PLC and Iconic Development Pvt. Ltd.

Dr. Ramanujam has a First Class B.Sc. (Hons.) degree from the University of Peradeniya Sri Lanka, a M.Sc. degree in Economics from the University of Bristol, U.K and a Ph.D. in Economics from the Australian National University, Canberra, Australia. He worked as a Post-Doctoral Fellow at the Faculty of Economics at the University of Glasgow U.K.

### Mr. Sanath Divale Bandaranayake –Director

Mr. Bandaranayake served at Commercial Bank of Ceylon PLC, the largest and the most awarded bank in Sri Lanka, for 36 years. He has served Commercial Bank in various capacities such as Branch Manager (Kandy, City Office), Chief Manager, Assistant General Manager and Deputy General Manager (Operations) and was a core member of the Management teams which led the Bank to important milestones such as introducing Banking Software to improve the bank's operations (which is very successfully used even today), Holiday Banking and Supermarket Banking. During his career at the Commercial Bank, he was appointed as Director at LankaClear and also served as Director of Commex Sri Lanka S R L (subsidiary of Commercial Bank based in Italy) and ONEzero Company Ltd., (subsidiary of Commercial Bank engaged in the business of Information Technology).

Mr. Bandaranayake currently serves as an Executive Director / Additional CEO of Senkadagala Finance PLC. Mr. Bandaranayake is also a director of Senfin Securities Ltd, Senkadagala Insurance Brokers (Pvt) Ltd, Sobhadanavi (Pvt) Ltd & Lakdhanavi (Pvt) Ltd

Mr. Bandaranayake holds a Bachelor's Degree in Physical Sciences from the University of Sri Lanka, Vidyodaya Campus.

### Mr. Sonal Balasuriya -Director

Mr. Sonal Balasuriya has gained 3 years of work experience in both the United Kingdom and Sri Lanka before starting his own practice Sonal Balasuriya Architects in 2016. He is the principal architect at Sonal Balasuriya Architects and Design Studio.

Mr. Sonal Balasuriya holds a First-Class B.Sc. (Hons) degree from the University of Westminster and a Distinction in MA. Architecture from the Bartlett School of Architecture, University College London. He is also a SLIA qualified Chartered Architect.

### Mr. Tilak Collure - Director

Mr. Tilak Collure is a former Sri Lanka Administrative Service Special Grade officer who has held senior positions during 35 years in Government service mainly in the areas of trade, commerce, and logistics. Mr. Tilak Collure has served as the Secretary to the following Cabinet level Ministries: Ministry of Industry and Commerce, Ministry of Transport, Ministry of Shipping, Ports and Aviation. During his career, Mr. Collure has also headed several major public sector corporate institutions as their CEO/ Chairman. Mr. Tilak Collure served as a Member of the independent National Police Commission from 2015 to 2020. Mr. Tilak Collure has functioned as an Independent Non-Executive Director of Senkadagala Finance PLC, prior to the present appointment.

Mr. Collure holds a BSc in Natural Sciences (University of Sri Lanka, Colombo) and a Master's in Public Administration (Postgraduate Institute of Management/University of Sri Jayewardenepura).

### Mr. Keshav Balasuriya – Director

Mr. Keshav Balasuriya has been instrumental in initiating and acquiring Candor Asset Management (Pvt) Ltd from Eagle Proprietary Investment Limited in 2020. Mr. Keshav Balasuriya serves as a member of the Investment Committee of Senfin Asset Management (Pvt) Ltd.

Mr. Keshav Balasuriya is an Investment/Portfolio Manager at E.W. Balasuriya & Co (Pvt) Ltd., covering Listed Equities, Fixed Income and Real Estate asset classes since 2013. Mr. Keshav Balasuriya is a Treasury Analyst at Senkadagala Finance PLC, since 2016 covering funding and proprietary investments of Senkadagala Finance PLC which has been operating over 50 years.

Mr. Keshav Balasuriya holds an MSc (Hons) degree in Computer Science from the University of Bristol and a Master of Finance (MFin) from the University of Cambridge.

## Key Personnel

### Ms. Jeevan Sukumaran – Chief Executive Officer

Mr. Sukumaran has in total, experience of over 15 years in Sri Lankan Capital Markets, covering Unit Trusts, Portfolio Management, Equity Analysis and Research, Corporate Finance and Financial Advisory with over 10 years of experience in the Unit Trust Industry. Prior to joining SFAM, Mr. Sukumaran was the General Manager/Head of Operations at CT CLSA Asset Management (Pvt) Ltd (CAM), during which time he also acted as the fund manager for all of CAM's Fixed Income Funds. Mr. Sukumaran is also experienced in Corporate Finance and Investment Banking, having worked at CT CLSA Capital, an Investment Bank.

Mr. Sukumaran is an Associate Member (ACMA) of the Chartered Institute of Management Accountants (CIMA-UK) and a Chartered Global Management Accountant (CGMA). Mr. Sukumaran is also an Associate Member (ACIM) of the Chartered Institute of Marketing (CIM) holding a Professional Diploma in Marketing.

### Mr. Murugiah Rajendran – Head of Compliance

Mr. Murugiah Rajendran has in total over 41 years of experience in banking. Mr. Murugiah Rajendran has acquired a skill sets in Risk Management (including Credit Approval, Credit Monitoring, Remedial Management etc.), Client Coverage, Operational Risk Management, Business Compliance Management and Internal Audit. Mr. Rajendran started banking career with Commercial Bank of Ceylon Ltd, the largest and most awarded bank in SL and served the bank for 16 years mainly in Corporate Banking. He then moved to overseas and worked as Marketing Manager, National Bank of Oman, Abu Dhabi (for 2 years), Director, Standard Chartered Bank, Dubai (12 years) and Vice President, Mashreq bank plc, Dubai (11 years).

Mr. Rajendran has completed 'The Credit Skills Component' of the Standard Chartered Bank Credit Programme conducted by the external agency and designated a 'Credit Professional'. Mr. Rajendran is an Associate Member of the Chartered Institute of Management Accountants – UK (ACMA), Chartered Global Management Accountant (CGMA) and an Associate Member in the Institute of Bankers, Sri Lanka (AIB).

### Mr. Surath Perera – Chief Investment Officer

Mr. Surath Perera is a Senior Fund Manager who has been in the unit trust industry for over twelve (12) years, of which, eight (8) years have been as a Fund Manager. Mr. Surath Perera joined Senfin in January 2021 and was previously employed at CT CLSA Asset Management (Pvt) Ltd. (CAM), a pioneer asset management company during which time he managed the Comtrust Equity Fund, the flagship fund and one of the first mutual funds launched in Sri Lanka. In addition to managing equity mutual funds, he is also experienced in managing high net worth client portfolios and fixed income portfolios etc.

Mr. Surath Perera has a Second-Class Upper Bachelor of Business Administration (Hons) degree specializing in Accounting from the University of Colombo, Sri Lanka. Mr. Surath Perera is an Associate Member (ACMA) of the Chartered Institute of Management Accountants (CIMA-UK) and



Chartered Global Management Accountant (CGMA). Mr. Surath Perera also has Dip.M (CIM) from the Chartered Institute of Marketing (CIM-UK) and has completed Level 1 of the Chartered Financial Analyst (CFA) Program

## **Rajitha Kapil Rathwatta Elapata – Senior Fund Manager**

Mr. Rajitha is recruited by Senfin Asset Management Private Ltd in November 2023 as a Senior Fund Manager and to deal with the Company's Collective Investment Schemes (Unit Trusts).

Mr. Rajitha brings over nine years of working experience as an analyst and fund manager. His previous working experience included Working on investment strategy, asset allocations policies and specific individual investment for all funds managed by Namal (for both Mutual and Private Portfolios), Generating key investment recommendations, Fund reporting, Origination, structuring, pricing and negotiation with investee companies, brokers, intermediaries and investment banks for debt, equity etc., Continuous monitoring of investments, the Capital & Money Market and their performance, market values & intrinsic values, Conduct macro-economic and political analysis, Performing industry and company specific analysis, Liaising with the regulators, the trustees, and the custodians to facilitate proper adherence of fund management activities, discussing with clients and trustees to understand their requirements, In-house research, Financial modelling, Portfolio management, Tracking liquidity position, Analysing return on portfolios, Product development and Worked as banking assistant – dealing with corporate and personal customers

Mr. Rajitha's previous employments include As a Fund Manager - Namal Asset Management, Analyst – Ceybank Asset Management Ltd, Senior Executive – Product Development & Operations at Entrust Wealth Management Ltd, Senior Executive Dealing & Front Office Sales – Entrust Securities Plc, Investment Analyst – Capital Trust Securities (Pvt) Ltd, Banking Assistant – HSBC, and Assistant Manager (Sports Dept) – as part time in University of Greenwich, UK.

Mr. Rajitha's academic and professional educational qualifications are Bachelor of Arts – Business with Economics at University Greenwich and presently attending the second semester for Master's (MFE) at the University of Colombo

## **Mr. Nilanka Gamaethige - Head of Client Services & Marketing**

Mr. Nilanka Gamaethige has over fifteen years of experience in both international banks and a local bank. While working at both HSBC and Standard Chartered Bank he covered aspects mainly such as Portfolio Management, Proposition Management, PFS Lending, Brand Marketing, Operations, recoveries, branch management, strategic planning. While at Standard Chartered Bank he also worked as a Teller Service Manager and thereafter as the acting Branch Manager at the Negombo branch and a Relationship Manager at the Lipton Circle Branch, Colombo.

In 2016, Mr. Nilanka Gamaethige moved to DFCC Bank PLC and worked for 5 plus years at retail banking handling the affluent client segment. Mr. Nilanka Gamaethige was assigned the task of setting up and operating the Negombo Premier center and acquiring affluent clients, which he successfully achieved within a short period of time. Mr. Nilanka Gamaethige also well contributed to the growth of SME and Corporate sector of the Negombo branch.

Mr. Nilanka Gamaethige got the opportunity to complete a SME Workshop at JNIBF Hyderabad India.



## Investment Committee

SFAM's investment philosophy is based on fundamental research, long-term focus and strong price discipline. The principle of intelligent investing, through quality decisions based on thorough research and knowledge means that the investment approach is simple and based on understanding fundamentals. SFAM also utilizes the expertise of the investment committee to make industry and entity investment decisions. The Investment Committee consists of experts in the field of asset management and includes the following external members:

### Mr. Alastair Corera, CFA

Mr. Alastair Corera is an Executive Director of Orion Fund Management (Pvt) Ltd., a position he has held since 2006. Previously, he was at Fitch Ratings Lanka Ltd. where he headed the Financial Institutions team and was its Country Head from 2004 to 2006. Prior to that he was General Manager at Forbes ABN AMRO Securities (Pvt) Ltd.

Mr. Corera is a Chartered Financial Analyst, USA and a Fellow of the Chartered Institute of Management Accountants, UK. He is the Chairman/Independent Non-Executive Director at Citizens Development Business Finance PLC and an Independent Non-Executive Director in Citizens Development Business Finance PLC

### Mr. Mahendra Jayasekera

Mr. Mahendra Jayasekera is a Director of Lanka Walltiles PLC, Lanka Tiles PLC, Swisstek (Ceylon) PLC, Lanka Ceramic PLC and Swisstek Aluminium Limited. He is also a Director of Uni Dil Packaging Limited and Uni Dil Packaging Solutions Limited.

Mr. Jayasekera holds a BSc Special (Hons) degree in Business Administration from the University of Sri Jayawardenapura and is a Fellow of the Institute of Chartered Accountants of Sri Lanka.

### Mr. Keshav Balasuriya

*see profile above*

## Risk Management Committee

1. Mr. Sanath Divale Bandaranayake – Chairman of the Risk Management Committee
2. Mr. Murugiah Rajendran
3. Mr. Keshav Balasuriya
4. Mr. Jeevan Sukumaran

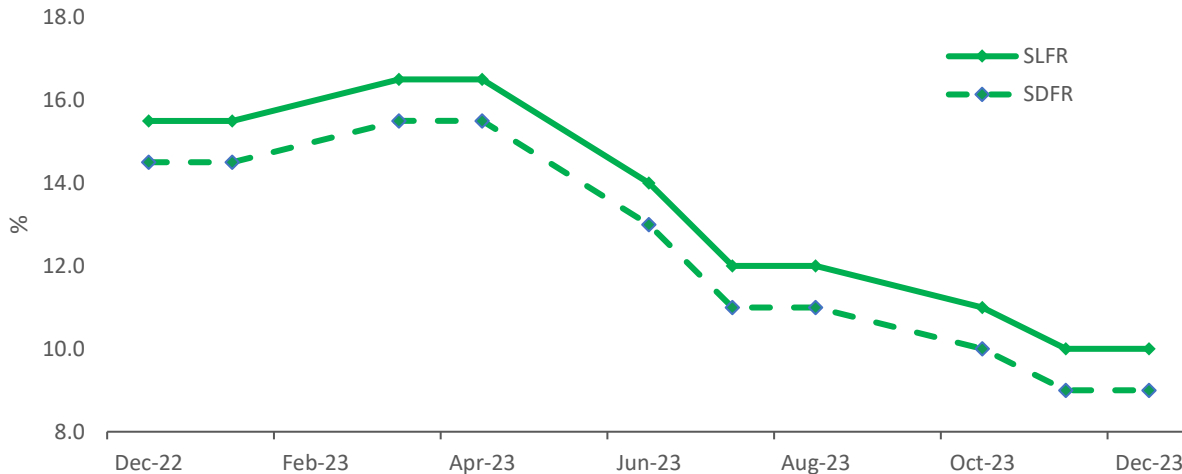
# FUND MANAGER'S REPORT

Dear Investor,

We are pleased to present the Annual Report of the Senfin Money Market Fund for the year ending 31<sup>st</sup> December 2023 (FY 2023).

During FY 2023, Sri Lanka saw their economic position improve from the crisis faced during 2022 with the economy rebounding for the first time following the economic crisis with Real GDP Growth for 4Q2023 closing at 4.5% compared to a contraction of 12.4% in 4Q2022. Growth was driven by expansion in activities in all three major economic sectors with highest growth being recorded in the industry sector. Growth was supported by easing interest rates after elevated inflation levels were brought under control. However, the Real GDP Growth for the full year 2023 recorded -2.3% vs -7.3% seen in crisis hit 2022. The Central Bank of Sri Lanka commenced the reversal of its sharp monetary tightening in 2022 which helped bring inflation under control. Accordingly, policy rates were cut by a cumulative 650 bps from June 2023 onwards. The Standing Deposit Facility Rate (SDFR) stood at 9.0% as at 31 Dec 2023 compared to 14.5% as at 31 Dec 2022 and the Standing Lending Facility Rate (SLFR) stood at 10.0% compared to 15.5% as at 31 Dec 2022. Similarly, the Statutory Reserve Ratio was also cut down to 2.0% during 2H2023 compared to 4.0% maintained up to July 2023.

## Movement in Policy Rates

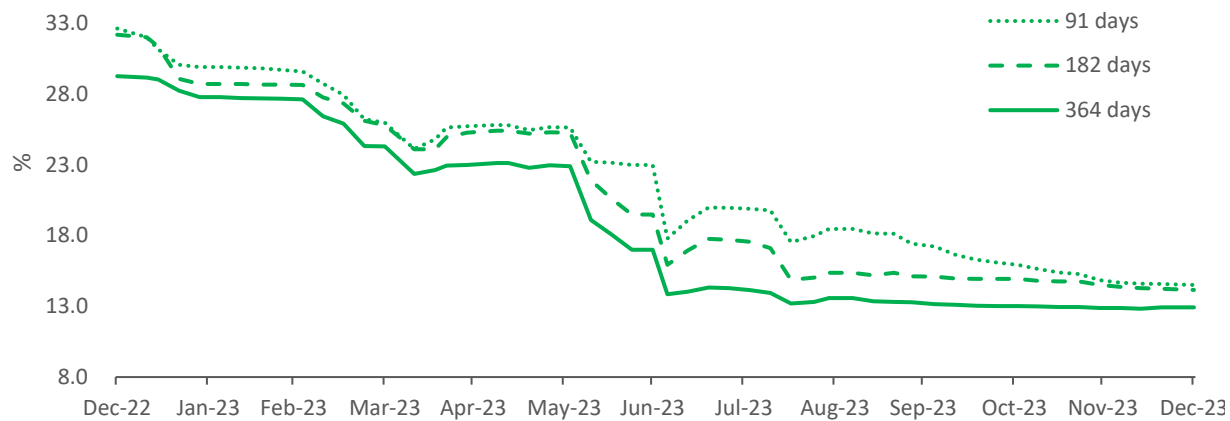


Source: Central Bank of Sri Lanka

In line with the aforesaid changes to the Monetary Policy, Government Security yields as well as market interest rates on deposits offered by commercial banks and other non-banking financial institutions too followed a similar trajectory, especially subsequent to the Domestic Debt Optimization (DDO) announcement which was lenient than the market expectation. The benchmark 03, 06 and 12-month yields decreased from 32.64%, 32.20% and 29.27% respectively as at the end of December 2022 to 14.51%, 14.16% and 12.93% respectively as at the end of December 2023. Similarly yields on long term government bonds too decreased as rates fell below the 15.00% mark across multiple maturities.

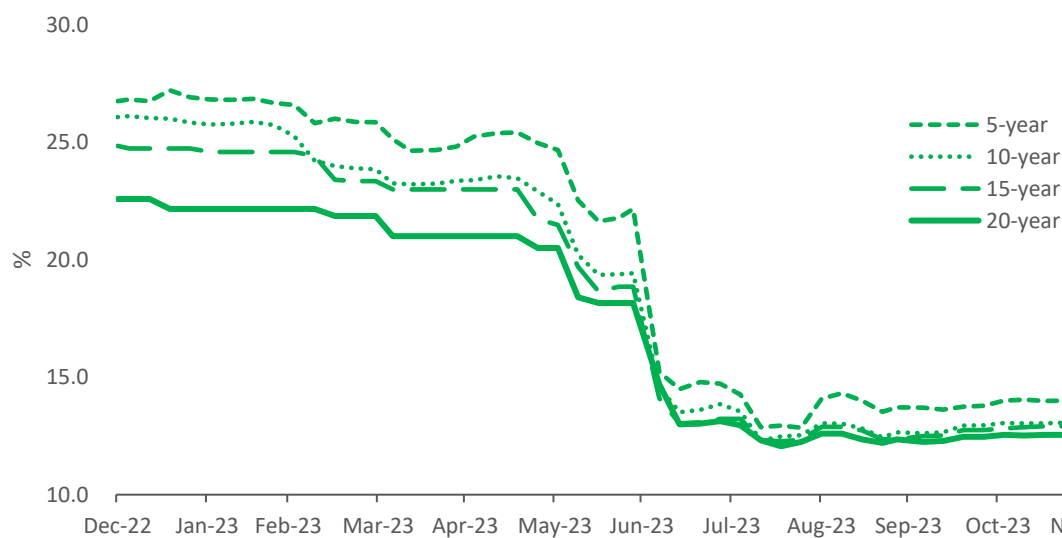


### Treasury Bill Rate Movement



Source: Central Bank of Sri Lanka

### Treasury Bond Rate Movement

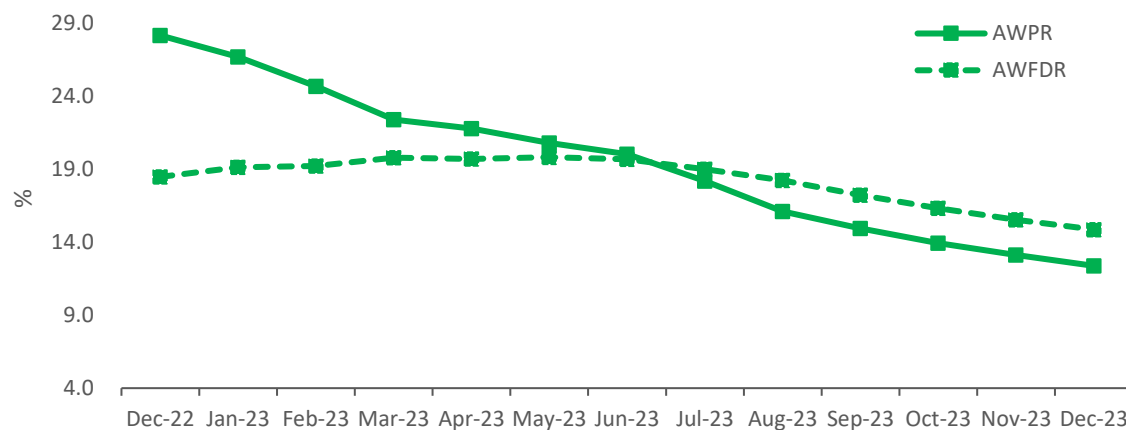


Source: Central Bank of Sri Lanka

Following the rate deduction by CBSL, all deposit and lending rates showed a decreasing trend, with Average Weighted Prime Lending Rate (AWPR) decreased to 12.39% and Average Fixed Deposit Rate (AWFDR) decreased to 14.88% by the end of December 2023 vs. 28.19% and 18.49% respectively by the end of December 2022.



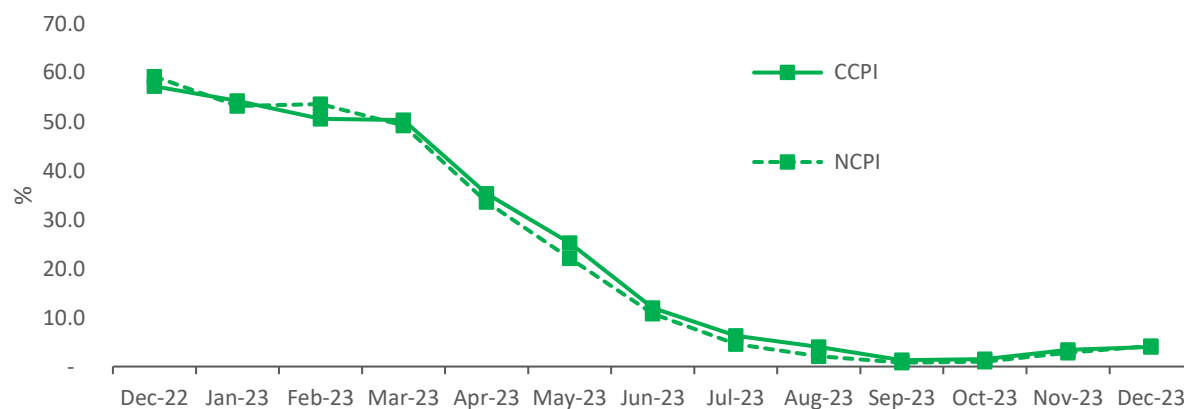
### Movement of AWFDR and AWPR of Commercial Banks (% p.a.) at month-end



Source: Central Bank of Sri Lanka

From as high as 57.2% recorded Inflation (measured by the year-on-year change in the Colombo Consumer Price Index - CCPI) in December 2022, policy makers were successful enough to bring the inflation down to 4.0% in December 2023. Single digit inflation numbers started to report from July 2023. Further, Inflation measured by Year-on-Year change in the National Consumer Price Index (NCPI) decreased to 4.2% in December 2023 from 59.2% in December 2022.

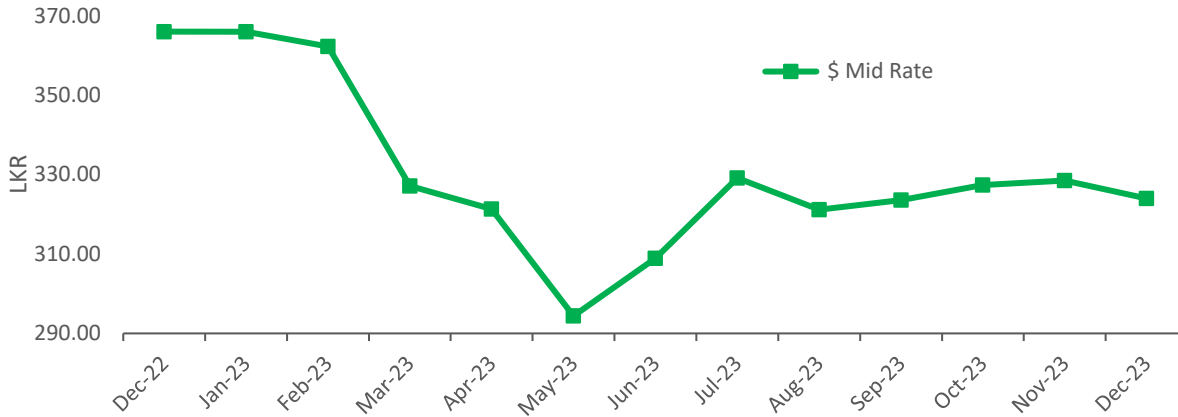
### Movement in the CCPI and NCPI



Source: Department of Census & Statistics

### Movement in the USD/LKR Rate

On the back of IMF Extended Fund Facility, other foreign inflows, improved worker remittances and improved tourism earnings, the Gross Official Reserves witnessed a notable increase. As a result of those factors, LKR appreciated 11.5% against USD during FY2023.



Source: Central Bank of Sri Lanka

### Fund Performance

The fund generated an annualized return of 23.84% for the FY 2023. The Fixed Deposit rates continue to remain lower than Treasury Bill rates during the year and therefore, 82% of the fund was invested in Treasury Bills as at 31 Dec 2023. While market rates were gradually declining, the fund managed to generate a higher yield above other short term fixed income investments alternatives, due to better maturity management.

#### Fund Performance as at 31<sup>st</sup> Dec 2023

Period	1-year Performance	3-months Performance	1-month Performance
Annualized Fund Return	23.84%	17.93%	16.50%
Annualized Benchmark Return	27.79%	17.57%	15.72%

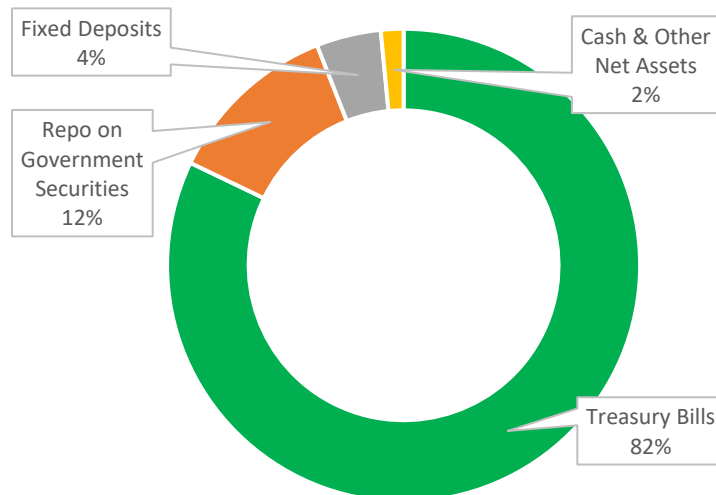
Source: Senfin Asset Management (Pvt) Ltd

#### Note:

- Benchmark is NDBIB-CRISIL 91 Day T-Bill Index
- Performance data is net of management fees and taxes.
- Returns are annualized.



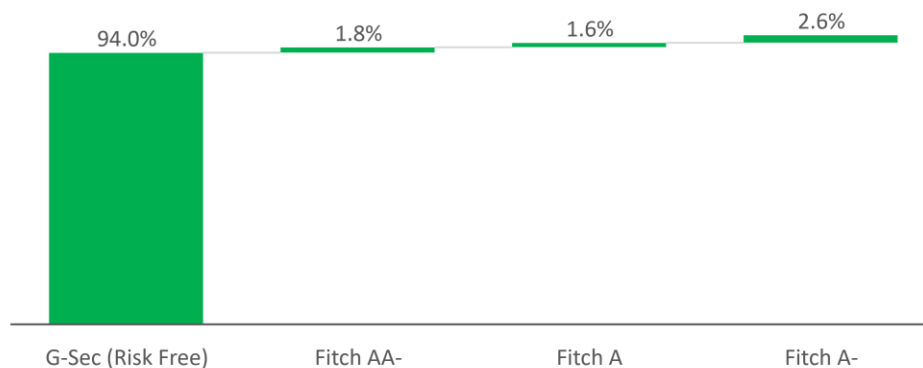
### Asset Allocation as a percentage of Net Asset Value as at 31<sup>st</sup> Dec 2023



Source: Senfin Asset Management (Pvt) Ltd

At the end of the reporting period, the fund had invested 94.0% of its total assets in low-risk Treasury Securities, such as Treasury bills and Repo investments. The remaining assets were invested in securities that were rated above A- by Fitch, as shown in the credit profile chart below.

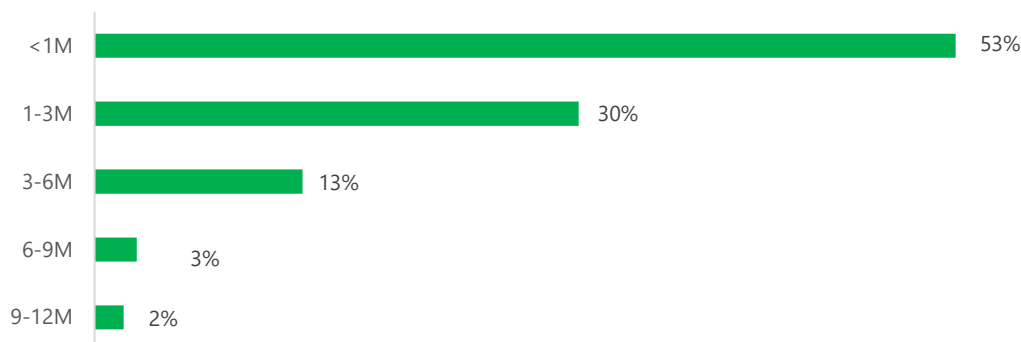
### Credit Profile of Fund as at 31<sup>st</sup> Dec 2023



Source: Senfin Asset Management (Pvt) Ltd



### Maturity Profile of the Fund as at 31st Dec 2023



Source: Senfin Asset Management (Pvt) Ltd

With the assistance of correct policies in place, we witness a sound recovery in key macro-economic variables such as single digit inflation, LKR appreciation against the dollar, remarkable improvement in tourism arrivals, increasing remittances, improved official reserves, positive GDP growth etc.

It is expected that there's further room for market interest rates to decline in the short run. However, in the second half of 2024, there could be some upward pressure on market interest rates. The Policy Rates are projected to align with the statement of the CBSL and maintained at current levels in the short run. However, it is anticipated that a monetary policy easing could take place in the event of a change in the direction of market interest rates.

Given the current macroeconomic and interest rate conditions, our commitment is to maximize returns for the fund by investing in high-quality asset classes based on their respective risk profiles. Further, our key priorities are to maintain capital preservation and ensure sufficient liquidity.

### Investment Team





Kreston MNS & Co  
Chartered Accountants  
Level 1 & 2, Advantage Building  
74A, Dharmapala Mawatha  
Colombo 07

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+ 94 (0) 11 2301396-7  
Fax: + 94 (0) 11 2433388  
Email: audit@kreston.lk  
Web: www.kreston.lk

## INDEPENDENT AUDITOR'S REPORT

### TO THE UNIT HOLDERS OF SENFIN MONEY MARKET FUND

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the Financial Statements of **SENFIN MONEY MARKET FUND** (the Fund) which comprise the Statement of Financial Position as at 31<sup>st</sup> December 2023, and the Statement of Comprehensive Income, Statement of Movement in unit holders Fund and Statement of Cash Flows for the year then ended 31<sup>st</sup> December 2023, and notes to the Financial Statements, including a summary of significant accounting policies exhibited on pages 3 to 22.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31<sup>st</sup> December 2023, and of its financial performance and its cash flows for the year then ended 31<sup>st</sup> December 2023 in accordance with Sri Lanka Accounting Standards.

##### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements of the Code of Ethics issued by Chartered Accountants of Sri Lanka that are relevant to our audit of the Financial Statements and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.



#### Member of Kreston Global UK

#### Correspondent firm within Grant Thornton International Ltd. (Grant Thornton International)

Grant Thornton International and the member and correspondent firms are not a worldwide partnership.

#### Partners

S Rajanathan FCA, FCMA (UK) | N K Atukorala FCA, ACMA | Ms. H D S C A Tilkeratne FCA, ACMA | K I Skandadasan B.Sc. (Madras), FCA, ACMA | R L R Balasingham FCA, ACMA | N K G V Bandara B.Sc.(Acc) Sp, FCA, ACMA | Ms.S. Sawumiya BBA (Acc) Sp, ACA | P. Dharshan ACA | M.F.M. Mujahid BBA (Col), MBA (PIM-SJP), ACA, CISA

#### Branches

Anuradhapura, Badulla, Batticaloa, Hatton, Jaffna, Kandy, Negombo, Nuwara Eliya, Trincomalee



### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an Audit in accordance with Sri Lanka Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

The Financial Statements are prepared and presented in accordance with and comply with the requirements of the Unit Trust Deed and Collective Investment Scheme Code of 2022 set by the Securities and Exchange Commission of Sri Lanka.

Kreston MNS & Co  
**CHARTERED ACCOUNTANTS**  
**COLOMBO**  
**25<sup>TH</sup> MARCH 2024**  
 ST/UA/sk

ST-Senfin Money Market Fund(31.12.2023)-C9



## SENFIN MONEY MARKET FUND

## STATEMENT OF FINANCIAL POSITION

		31.12.2023 Rs.	31.12.2022 Rs.
<b>ASSETS</b>	<b>Note</b>		
Cash and Cash Equivalents	4	65,769,447	92,184,692
Financial Assets at Amortised Cost	5	4,068,316,150	1,575,270,115
<b>TOTAL ASSETS</b>		<u>4,134,085,597</u>	<u>1,667,454,807</u>
<b>UNIT HOLDERS' FUNDS &amp; LIABILITIES</b>			
<b>LIABILITIES</b>			
Accrued Expenses	7	1,787,874	956,098
<b>Total Liabilities (Excluding net assets attributable to Unit Holders)</b>		<u>1,787,874</u>	<u>956,098</u>
<b>UNIT HOLDERS FUNDS</b>			
Net Assets Attributable to Unit Holders		<u>4,132,297,723</u>	<u>1,666,498,709</u>
		<u>4,134,085,597</u>	<u>1,667,454,807</u>

The Accounting Policies and the Notes on pages 7 to 22 form an integral part of these Financial Statements.

The Fund Management Company and the Trustee are responsible for the preparation and presentation of these financial statements in accordance with Sri Lanka Accounting Standards. These financial statements were approved by the Fund Management Company and the Trustee.



Director  
Senfin Asset Management (Private) Limited  
Fund Management Company



Director  
Senfin Asset Management (Private) Limited  
Fund Management Company



25th March 2024





## SENFIN MONEY MARKET FUND

## STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED

		31.12.2023 Rs.	31.12.2022 Rs.
	Note		
<b>Investment income</b>			
Interest Income	8	683,394,203	248,295,332
Placement Fee Income		-	148,587
<b>Total investment income</b>		683,394,203	248,443,919
<b>Less : Expenses</b>			
Management Fees		(8,014,510)	(3,756,723)
Trustee Fees		(5,671,807)	(2,517,828)
Custodian Fees		(283,076)	(268,416)
Audit Fees		(211,699)	(235,750)
Other Expenses		(2,824,522)	(190,465)
		(17,005,614)	(6,969,182)
<b>Net Profit / (Loss) Before Tax</b>		666,388,589	241,474,737
Less : Income Tax Expense	9	-	-
<b>Net Profit / (Loss) after Tax for the Year</b>		666,388,589	241,474,737
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the Year</b>		666,388,589	241,474,737
<b>Increase / (Decrease) in Net Assets Attributable to Unit Holders</b>		666,388,589	241,474,737

The Accounting Policies and the Notes on pages 7 to 22 form an integral part of these Financial Statements.



## SENFIN MONEY MARKET FUND

## STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

## FOR THE YEAR ENDED

	2023 Rs.	2022 Rs.
Unitholders' Funds at the beginning of the year	1,666,498,709	1,913,192,196
Received on Creation of Units	6,674,915,096	775,872,231
Paid on Redemption of Units	(4,875,504,671)	(1,264,040,455)
Increase / (Decrease) in net assets attributable to Unit Holders during the year	666,388,589	241,474,737
Net Increase / (Decrease) due to Unitholders' Transactions	4,132,297,723	1,666,498,709
Income Distribution for the year	-	-
Unitholders' Funds as at 31 December	4,132,297,723	1,666,498,709

The Accounting Policies and the Notes on pages 7 to 22 form an integral part of these Financial Statements.



## SENFIN MONEY MARKET FUND

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED

		2023 Rs.	2022 Rs.
	Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest and Placement fees received		521,273,828	293,964,515
Other Expenses paid		(570,595)	(407,109)
Management Fees and Trustee Fees paid		(13,113,373)	(6,621,216)
Net investment in Treasury Securities		(2,233,415,530)	(1,103,706,487)
Net investment in Commercial Papers		-	223,852,062
Net amount received from/(invest in) Fixed Deposits		(100,000,000)	1,062,209,578
Net investment in Trust Certificates		-	104,058,345
<b>Net cash used in Operating Activities</b>		<b>(1,825,825,670)</b>	<b>573,349,688</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amounts received on Unit Creations		6,674,915,096	775,872,231
Amounts paid on Unit Redemptions		(4,875,504,671)	(1,264,040,455)
<b>Net cash generated from Financing Activities</b>		<b>1,799,410,425</b>	<b>(488,168,224)</b>
Net (decrease) / increase in Cash and Cash Equivalents during the year		(26,415,245)	85,181,464
Cash and Cash Equivalents at the beginning of the year	4	92,184,692	7,003,228
<b>Cash and Cash Equivalents at the end of the year</b>	<b>4</b>	<b>65,769,447</b>	<b>92,184,692</b>

The Accounting Policies and the Notes on pages 7 to 22 form an integral part of these Financial Statements.





## SENFIN MONEY MARKET FUND

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 - GENERAL INFORMATION

##### NOTE 1.1 - GENERAL

Senfin Money Market Fund ("the fund") is an open ended fund approved by the Securities and Commission of Sri Lanka. The fund was launched in September 2014.

The fund is managed by Senfin Asset Management (Private) Limited which is incorporated and in Sri Lanka. The registered office of the management company is located at 267, Galle Road, 3. The trustee and custodian of the Fund is Hatton National Bank (HNB) having its place of business at 481, T. B. Jayah Mawatha, Colombo 10.

The investment objective of the Fund is to provide investors a high level of current income in the short term, consistent with liquidity and stability principle.

##### NOTE 1.2 - DATE OF AUTHORIZATION FOR ISSUE

The financial statements of the fund for the year ended 31<sup>st</sup> December 2023 were authorized for issue by the fund management company and the trustee on 25<sup>th</sup> March 2024.

#### NOTE 2 - REPARATION OF FINANCIAL STATEMENTS

##### NOTE 2.1 - BASIS OF PREPARATION

The financial statements are prepared and presented in accordance with and comply with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. The statement of financial position is presented on a liquidity basis and assets and liabilities are presented in descending order of liquidity and are not distinguished between the current and non-current. The financial statements have been prepared on the historical cost basis unless otherwise indicated. The financial statements are presented in Sri Lankan rupees (Rs.).

##### NOTE 2.1.1 - STATEMENT OF COMPLIANCE

The financial statements which comprise the statement of financial position as at 31 December, statement of profit or loss and other comprehensive income, statement of movements in unit value and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information have been prepared and presented in accordance with Sri Lanka Accounting Standards.

##### NOTE 2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses.





## SENFIN MONEY MARKET FUND

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

#### NOTE 2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

In the selection and application of the company's accounting policies, which are described below, the fund management company is required to make judgements and assumptions and use assumptions in measuring items reported in the financial statements. These estimates are based on management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates were revised if the revision affects only that period or in the period of the revision and future periods as well, if the revision affects both the current and future periods.

Management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value.

Fair value of the financial instruments are determined by observable market prices or rates where available.

#### NOTE 2.3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### NOTE 2.3.1 - FINANCIAL ASSETS

###### (i) Recognition and initial measurement

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the fund becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

###### (ii) Classification

On initial recognition, a financial asset is classified as measured at: Amortised Cost.

Financial assets are not reclassified subsequent to their initial recognition unless the fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.







## SENFIN MONEY MARKET FUND

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

#### NOTE 2.3.2 - FINANCIAL LIABILITIES – CLASSIFICATION, SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The fund's financial assets classified under amortised cost include treasury securities, commercial papers, trust certificates, fixed deposits and placement fee receivables.

#### (iii) Subsequent measurement and gains and losses

<i>Financial assets at amortised cost</i>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities measured at amortised cost include accrued expenses and other payables.

#### NOTE 2.3.3 - DERECOGNITION

##### Financial Assets

The fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The fund enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

##### Financial Liabilities

The fund derecognises a financial liability when its contractual obligations is discharged or cancelled, or expires. The fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.





## SENFIN MONEY MARKET FUND

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

#### NOTE 2.3.3 – DERECOGNITION (CONTD.)

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### NOTE 2.3.4 - OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### NOTE 2.3.5 - IMPAIRMENT

The fund recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The fund measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the fund is exposed to credit risk.

#### Credit-impaired financial assets

At each reporting date, the fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data: –

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the company on terms that it would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization.

As of the statement of financial position date the fund has not observed any of the above thus no impairment provision has been recognized in the financial statements.





## SENFIN MONEY MARKET FUND

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

#### NOTE 2.3.5 - IMPAIRMENT (CONTD.)

##### **Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

##### **Write-offs**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

#### NOTE 2.3.6 - RECOGNITION OF INCOME

Income is recognized to the extent that it is probable that the economic benefits will flow to the fund and the revenue can be reliably measured. The following specific criteria must also be met before interest income is recognised.

##### **(i) Interest income**

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

#### NOTE 2.3.7 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise of cash at bank.

The cash flow statement has been prepared using the direct method.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.





## SENFIN MONEY MARKET FUND

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

#### NOTE 2.3.8 - INCOME TAX

The fund is not liable to pay income tax as at the reporting date in accordance with Inland Revenue Act No. 24 of 2017 as amended by the Inland Revenue (Amendment) Act No. 10 of 2021. The fund's income generated through investment business are treated as "pass through vehicles" under the provisions of Inland Revenue Act No. 24 of 2017 as amended by the Inland Revenue (Amendment) Act No. 10 of 2021.

#### NOTE 2.3.9 - EXPENSES

The management, trustee and custodian fees of the fund as per the trust deed is as follows,

Management fee	-	0.25% p.a. of net asset value of the fund calculated on a daily basis (reduced the management fee rate from 0.6% to 0.25% with effect from 15 <sup>th</sup> April 2021)
Trustee fee	-	0.15% p.a. of net asset value of the fund calculated on a daily basis
Custodian fee	-	Flat fee of Rs. 20,000/- per month

#### NOTE 2.3.10 - UNITHOLDERS' FUNDS

Unitholders' funds have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unit holders as at the reporting date.

#### 1. Financial risk management

Risks arising from holding financial instruments are inherent in the fund's activities, and are managed through a process of ongoing identification, measurement and monitoring. The fund is exposed to credit risk, market risk, and liquidity risk.

Financial instruments of the fund comprise investments in treasury bills/bonds under repurchase agreements, fixed deposits, commercial papers, trust certificates and money market deposits for the purpose of generating a return on the investment made by unit holders, in addition to cash at bank and other financial instruments such as receivables and payables, which arise directly from its operations.

The fund manager is responsible for identifying and controlling the risk that arise from these financial instruments. The fund manager agrees on policies for managing each of the risks identified below.

The risks are measured using a method that reflects the expected impact on the statement of profit or loss and other comprehensive income and statement of financial position of the fund from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below.

The fund manager also monitors information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the fund, as well as the level of risk that the fund is willing to accept, with additional emphasis on selected industries. This information is prepared and reported to relevant parties within the fund manager on a regular basis as deemed appropriate, including the fund manager, other key management, investment committee, and ultimately the trustee of the fund.



## SENFIN MONEY MARKET FUND

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

## NOTE 2.3.10 - UNITHOLDERS' FUNDS (CONTD.)

## 1. Financial risk management (CONTD.)

Concentration of risk arises when a number of financial instruments or contracts are entered in to with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions.

## a) Credit risk

Credit risk is the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the fund to incur a financial loss of interest and/or principal.

The fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the carrying amount of financial assets as at the reporting date. It is the fund's policy to enter into contracts with reputable counterparties.

The fund is also subject to credit risk on its bank balances and investment in commercial papers. The credit risk exposure on these instruments is not deemed to be significant.

The funds' maximum exposure to credit risk can be analysed as follows;

2023 Counterparty	Credit rating	Rating agency
Central Finance Company PLC	A-	Fitch Rating
Mahindra Ideal Finance Limited	AA-	Fitch Rating
Capital Alliance Ltd	BB	Fitch Rating
Cargills Bank	A	Fitch Rating
HNB Bank	A	Fitch Rating
Peoples Bank	A	Fitch Rating
Senkadagala Finance PLC	BBB	Fitch Rating
2022 Counterparty	Credit rating	Rating agency
NSB Fund Management Company Ltd	AAA	Fitch Rating
Richard Pieris Finance Ltd	AA-	Fitch Rating
Commercial Bank of Ceylon PLC	AA-	Fitch Rating
Peoples Leasing & Finance PLC	A+	Fitch Rating
Sierra Cables PLC	A+	Fitch Rating
Peoples Bank	AA-	Fitch Rating





## SENFIN MONEY MARKET FUND

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

#### NOTE 2.3.10 - UNITHOLDERS' FUNDS (CONTD.)

##### 1. Financial risk management (Contd.)

###### a) Credit risk (Contd.)

Cargills Bank	A+	Fitch Rating
Bank Of Ceylon	AA-	Fitch Rating
National Development Bank PLC	A	Fitch Rating
Singer Finance PLC	A-	Fitch Rating
HNB Finance PLC	A	Fitch Rating
Senkadagala Finance PLC	BBB+	Fitch Rating
CBC Finance Ltd	A	Fitch Rating
Siyapatha Finance PLC	A	Fitch Rating
Union Bank PLC	BBB-	Fitch Rating
National Savings Bank	AAA	ICRA
LOLC Holdings PLC	A	ICRA
First Capital Treasuries Ltd	A	ICRA
Vallible Finance PLC	BBB+	ICRA
Softlogic Capital PLC	BB	ICRA

###### b) Market risk

Market risk represents the risk that the value of the fund's investments portfolios will fluctuate as a result of changes in market prices. However, the fund's exposure to price risk and currency risk are deemed negligible as all its investments are short term fixed income securities denominated in Sri Lankan Rupees. While market risk cannot be eliminated the fund manager will attempt to reduce this risk by diversifying the fund's investment portfolio in line with investment objectives of the fund.

###### c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. Since the fund had not held financial instruments with variable interest rates as at 31 December 2022 and 31 December 2023, it was not exposed to interest rate risk. Hence a sensitivity analysis has not been presented. The table below summarises the fund's exposure to interest rate risks.





## SENFIN MONEY MARKET FUND

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

## NOTE 2.3.10 - UNITHOLDERS' FUNDS (CONTD.)

## 1. Financial risk management (Contd.)

## c) Interest rate risk

31 December 2023	Floating interest rate Rs.	Fixed interest rate Rs.	Non- interest bearing Rs.	Total Rs.
<b>Financial assets</b>				
Cash and cash equivalents	-	65,764,447	5,000	65,769,447
Financial assets - Amortised cost	-	4,068,316,150	-	4,068,316,150
Total exposure	-	4,134,080,597	5,000	4,134,085,597

31 December 2022	Floating interest rate Rs.	Fixed interest rate Rs.	Non- interest bearing Rs.	Total Rs.
<b>Financial assets</b>				
Cash and cash equivalents	-	92,179,692	5,000	92,184,692
Financial assets - Amortised cost	-	1,575,270,115	-	1,575,270,115
Total exposure	-	1,667,449,807	5,000	1,667,454,807

## d) Liquidity risk

Liquidity risk is the risk that the fund will encounter difficulty in raising funds to meet its obligation to pay unitholders. Exposure to liquidity risk arises because of the possibility that the fund could be required to pay its liabilities or redeem its units earlier than expected. Units are redeemable at the unitholder's options based on the fund's net asset value per unit at the time of redemption.

The fund manages its obligation when required to do so and its overall liquidity risk by:

- Investing primarily in financial instruments, which under normal market conditions are readily convertible to cash.
- Investing within established limits to ensure there is no concentration of risk.
- Maintaining sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. The Code requires a minimum of 3% of the deposited property to be maintained in cash or near cash. (near cash means investments such as bank/call deposits, repurchase agreements with maturities of less than 3 months, commercial paper endorsed or guaranteed by a Licensed Commercial Bank or Licensed Specialized Bank with maturities of less than 3 months and government securities including government bonds with maturities of less than one year which can be readily convertible into cash.)
- Requiring at least 14 days prior written notice for unitholder redemption equal to or greater than 3% of the net asset value of the fund
- Continually search for new investor:







## SENFIN MONEY MARKET FUND

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

#### NOTE 2.3.10 - UNITHOLDERS' FUNDS (CONTD.)

##### 1. Financial risk management (Contd.)

###### d) Liquidity risk

The maximum interval between the receipt of a valid request for redemption of units and the payment of the redemption money to the Unit Holder, shall not exceed ten (10) business days from the day on which the request was received. Where, for any exceptional reason, it is not feasible or desirable to make payment of the redemption money within ten (10) business days, the SEC shall be notified forthwith giving reasons as to why such payment should not be made within ten (10) business days.

The Fund will maintain following liquidity levels:

- 5% of its NAV maturing on an overnight basis.
- 10% of its NAV maturing on a weekly basis.
- 20% of its NAV maturing on a monthly basis.

Other financial liabilities have no contractual maturities. Due to the short-term nature of these financial instruments, carrying value approximates fair value.

The table below summarises the fund's non derivative financial assets and liabilities with contractual maturities into relevant maturity groupings based on the remaining period at the end of the reporting period.

31 December 2023	Less than 30 days	31 - 90 days	91 – 180 days	181 – 365 days	Total
Financial assets	2,191,057,304	1,230,575,330	530,013,457	182,439,506	4,134,085,597
Financial liabilities	1,467,001	320,873	-	-	1,787,874
31 December 2022					
Financial assets	329,571,252	434,239,650	534,036,842	369,607,063	1,667,454,807
Financial liabilities	610,981	345,117	-	-	956,098







## SENFIN MONEY MARKET FUND

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

#### NOTE 2.3.10 - UNITHOLDERS' FUNDS (CONTD.)

##### 1. Financial risk management (Contd.)

##### e) Capital risk management

Unitholders' funds have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities.

Disclosures relevant to unitholders' funds are as follows;

The movement in the unitholders' funds for the years 2023 and 2022.

##### I. In terms of value

	2023 Rs.	2022 Rs.
Unitholders' funds as at 01 January	1,666,498,709	1,913,192,196
Creations during the year	6,674,915,096	775,872,231
Redemptions during the year	(4,875,504,671)	(1,264,040,45)
Increase in net assets attributable to unitholders during the year	666,388,589	241,474,737
Unitholders' funds as at 31 December	<b>4,132,297,723</b>	<b>1,666,498,709</b>

##### II. In terms of number of units

Opening number of units as at 01 January	88,470,029	119,907,297
Unit creations during the year	314,414,987	44,725,566
Unit redemptions during the year	(225,748,726)	(76,162,834)
Closing number of units as at 31 December	<b>177,136,289</b>	<b>88,470,029</b>

As stipulated within the trust deed, each unit represents a right to an individual share in the fund and does not extend to a right to the underlying assets of the fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the fund.





## SENFIN MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 4 - CASH &amp; CASH EQUIVALENTS

	31.12.2023 Rs.	31.12.2022 Rs.
HNB Current Account	5,000	5,000
HNB Money Market Account	44,734,668	50,086,424
Cargills Bank Money Market Account	21,029,779	42,093,268
	<u>65,769,447</u>	<u>92,184,692</u>

## NOTE 5 - FINANCIAL ASSETS - AMORTISED COST

Fixed Deposits (Note 5.1)	182,439,507	82,805,696
Treasury Securities (Note 5.2)	3,885,876,643	1,492,416,474
Other Receivable	-	47,945
	<u>4,068,316,150</u>	<u>1,575,270,115</u>

	31.12.2023 Rs.	Holdings as a % of net asset value	31.12.2022 Rs.	Holdings as a % of net asset value
<b>NOTE 5.1 - FIXED DEPOSITS</b>				
Senkadagala Finance PLC	-	-	25,220,766	1.5%
Peoples Bank	-	-	57,584,930	3.5%
Central Finance Company PLC	107,161,339	2.59%	-	-
Mahindra Ideal Finance Limited	75,278,168	1.82%	-	-
	<u>182,439,507</u>	<u>4.4%</u>	<u>82,805,696</u>	<u>5.0%</u>





## SENFIN MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	31.12.2023 Rs.	Holdings as a % of net asset value	31.12.2022 Rs.	Holdings as a % of net asset value
<b>NOTE 5.2 - TREASURY SECURITIES</b>				
Treasury Bills	3,393,654,671	82.13%	1,332,223,597	79.9%
Repurchase Agreements (Note 5.2.1)	492,221,972	11.91%	160,192,877	9.6%
	<u>3,885,876,643</u>	<u>94.04%</u>	<u>1,492,416,474</u>	<u>89.6%</u>

**NOTE 5.2.1 - REPURCHASE AGREEMENTS**

First Capital Treasuries Ltd	305,350,685	7.4%	-	-
Capital Alliance Ltd	51,665,000	1.3%	-	-
Wealth Trust Securities Ltd	135,206,287	3.3%	160,192,877	9.6%
	<u>492,221,972</u>	<u>11.9%</u>	<u>160,192,877</u>	<u>9.6%</u>

**NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS****Financial assets and financial liabilities not carried at fair value**

Assets for which fair value approximates carrying value:

For financial assets and financial liabilities that have a short term maturity (original maturities less than a year), it is assumed that the carrying amounts approximate their fair values.

Accordingly, the following is a list of financial instruments whose carrying amount is a reasonable approximation of fair value.

**Assets****Liabilities**

Financial Assets - at amortized cost  
Cash and Cash Equivalents

Accrued Expenses

	31.12.2023 Rs.	31.12.2022 Rs.
<b>NOTE 7 - ACCRUED EXPENSES</b>		
Management Fees	844,976	340,693
Trustee Fees	597,983	245,740
Custodian Fees	24,042	24,548
Audit and Tax Consultancy Fees	320,873	345,117
	<u>1,787,874</u>	<u>956,099</u>

**NOTE 8 - INVESTMENT INCOME****NOTE 8.1 - INTEREST ON**

Fixed Deposits	14,803,518	46,687,268
Commercial Papers	-	11,739,816
Treasury Securities	638,518,992	175,016,441
Trust Certificates	-	2,977,878
Interest on Money Market Bank Accounts	26,114,802	11,573,044

**NOTE 8.2 - NET GAINS ON**

Treasury Bills	42,994	300,885
Treasury Bonds	3,913,897	-
	<u>683,394,203</u>	<u>248,295,332</u>





## SENFIN MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 9 - INCOME TAX EXPENSES

31.12.2023	31.12.2022
Rs.	Rs.

Tax expense for the period	-	-
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As per the Inland Revenue Act No. 24 of 2017 as amended by the Inland Revenue (Amendment) Act No. 10 of 2021, the fund is deemed as conducting eligible investment business and is treated as a tax pass through vehicle. Hence, no provision for the income tax was made in the financial statements.

31.12.2023	31.12.2022
Rs.	Rs.

## NOTE 9.1 - INCOME TAX RECEIVABLE

Income Tax Receivable	1,134,473	1,134,473
Impairment for Income Tax Receivable	(1,134,473)	(1,134,473)
	-	-

The net income tax receivable comprised of withholding tax (WHT) of Rs. 1,134,473. The Fund Manager intends to claim the WHT recoverable by means of a refund. Due to uncertainties in recoverability, an impairment provision is made against the income tax receivable balance amounting to Rs. 1,134,473.

## NOTE 10 - CAPITAL COMMITMENTS

There were no significant capital and financial commitments as at the reporting date.

## NOTE 11 - EVENTS OCCURRING AFTER REPORTING DATE

There have been no significant events occurring after the reporting date that required adjustments to or disclosures in the financial statements.

## NOTE 12 - CONTINGENCIES

There were no significant contingencies existing as at the reporting date that required adjustments to or disclosures in the financial statements.

## NOTE 13 - RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENTS AND THE PUBLISHED NET ASSET VALUE

	2023 Rs.	2022 Rs.
Net asset value as per financial statements	4,132,297,723	1,666,498,709
Adjustments - Audit fee under provision	-	45,110
Published net asset value	4,132,297,723	1,666,543,819
Published number of units as at 31 December	177,136,290	88,470,029
Net asset value per unit	23.3284	18.8374



## NOTE 14 - UNITS IN ISSUE AND UNIT PRICE

No. of units in issue and deemed to be in issue as at 31 December 2023 was 177,136,289.9 (2022 - 88,470,029) and net assets value per unit as at 31 December 2023 was Rs.23.3284 (2022 - Rs 18.8374.).

## SENFIN MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 15 - RELATED PARTY DISCLOSURE

## NOTE 15.1 - MANAGEMENT COMPANY AND TRUSTEE

The Management Company is Senfin Asset Management (Private) Limited.

The Trustee to the fund is Hatton National Bank (HNB) PLC.

## NOTE 15.2 - KEY MANAGEMENT PERSONNEL

Key management personnel includes persons who were directors of Senfin Asset Management (Private) Limited at any time during the financial year.

## i) Directors

Dr. Prathap Ramanujam  
Mr. Darshan Ravindra Abeysuriya (Up to 2nd November 2023)  
Mr. Sanath Bandaranayake  
Mr. Sonal Balasuriya  
Mr. Keshav Balasuriya  
Mr. Tilak Collure

## ii) Other key management personnel

Other persons with responsibility for planning, directing and controlling the activities of the fund, directly or indirectly during the financial year are given below;

Mr. Jeevan Sukumaran - Chief Executive Officer  
Ms. Monica Wanigasekara - Fund Manager (Up to 30th September 2023)  
Mr. Surath Perera - Chief Investment Officer  
Mr. Ravinath Weerakoon - Fund Manager (Up to 30th September 2023)  
Mr. Murugiah Rajendran - Head of Compliance  
Mr. Nilanka Gamaethige - Head of Client Services & Marketing  
Mr. Rajitha Elapatha - Senior Fund Manager (From 1st December 2023)

## NOTE 15.3 - KEY MANAGEMENT PERSONNEL COMPENSATION

There were no payments made to the directors of Senfin Asset Management (Private) Limited during the year by the fund.

Other Key management personnel are paid by Senfin Asset Management (Private) Limited. Payments made from the fund to Senfin Asset Management (Private) Limited do not include any amounts directly attributable to the compensation of key management personnel.

## NOTE 15.4 - OTHER TRANSACTIONS WITHIN THE FUND

Apart from those details disclosed in note 15.5 and 15.6, key management personnel have not entered in to any other transactions involving the Fund during the financial year.





## SENFIN MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 15 - RELATED PARTY DISCLOSURE (CONTD.)

## NOTE 15.5 - RELATED PARTY UNIT HOLDING

The following are the units held by related parties.

	Relationship	No. of Units	Value of units held Rs.	Total interest held as a % of NAV
<b>As at 31 December 2023</b>				
<b>Unit holders</b>				
Senkadagala Finance PLC	Parent Company of the Management Company	50,208,760.5	1,171,290,048	28.34%
Senfin Asset Management (Pvt) Ltd	Management Company	1,917,874.4	44,740,941	1.08%
Mr. Nilanka Gamaethige	Head of Client Services & Marketing	415.5	9,693	0.00%
Mr. Murugiah Rajendran	Head of Compliance	127,636.6	2,977,558	0.07%
Mr. Isuru Adamsz	Fund Manager	568.0	13,251	0.00%
Mr. Jeevan Sukumaran	CEO of the Management Company	137,162.0	3,199,770	0.08%
Dr. Asoka Balasuriya	Director's Father	281,606.9	6,569,438	0.16%
Ms. Dellani Collure	Director's Wife	369,008.0	8,608,366	0.21%
Ms. Amina Rehana Mohamed	CEO's Wife	88,895.7	2,073,794	0.05%
Mr. Don Tilak Collure	Director	284,193.1	6,629,770	0.16%
Mr. Sanath Bandaranayake	Executive Director	1,934,193.0	45,121,628	1.09%
Mr. Surath Perera	Chief Investment Officer	61,506.5	1,434,848	0.03%
Senfin Securities Limited	Subsidiary of Ultimate Parent Company	89,629.5	2,090,913	0.05%
Venture Tea (Pvt) Ltd	Part of The Ultimate Parent Company	21,589,331.5	503,644,561	12.19%
Senfin Growth Fund	Related Fund	7,103,560.6	165,714,703	4.01%
<b>As at 31 December 2022</b>				
<b>Unit holders</b>				
Senkadagala Finance PLC	Parent Company of the Management Company	13,587,749.6	255,957,874	15.36%
Senfin Asset Management (Pvt) Ltd	Management Company	946,985.4	17,838,743	1.07%
Mr. Sanath Bandaranayake	Director of Management Company	630.2	11,871	0.00%
Mr. Tilak Collure	Director of Management Company	31,895.0	600,819	0.04%
Ms. Ineka Dunuwille	Former Chief Executive Officer	40,838.5	769,291	0.05%
	Management Company			
Ms. Monica Wanigasekara	Fund Manager	861.9	16,236	0.00%
Mr. Surath Perera	Fund Manager	6,630.6	124,903	0.01%
Mr. Ravinath Weerakoon	Fund Manager	398.1	7,499	0.00%
Mr. Nilanka Gamaethige	Head of Client Services & Marketing	1,354.9	25,523	0.00%





## SENFIN MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 15 - RELATED PARTY DISCLOSURE (CONTD.)

## NOTE 15.6 - TRANSACTIONS WITH AND AMOUNTS DUE TO/ FROM RELATED PARTIES

Transactions with related parties are disclosed below :

	Transactions during the year		Payables as at 31 December	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Management fees to Senfin Asset Management (Pvt) Ltd	8,014,510	3,756,723	844,976	340,693
Trustee fees to HNB PLC	5,671,807	2,517,828	597,983	245,740
Custodian fee with HNB PLC	283,076	268,416	24,042	24,548
Interest income on HNB PLC Money Market Account	15,647,803	5,734,368	-	-
			31.12.2023 Rs.	31.12.2022 Rs.
Bank balance held at HNB PLC			5,000	5,000
Money Market Account balance held at HNB PLC			44,734,668	50,086,424
Fixed deposit held with Senkadagala Finance PLC			-	25,220,766





*Declaration by Trustees and Management Company as per SEC Circular No: 02/2009 on Guidelines for Trustees and Managing Companies of Unit Trusts Funds.*

Hatton National Bank PLC, the Trustee and Senfin Asset Management (Private) Limited, the Managers of the **Senfin Money Market Fund** hereby declare that

1. the requirements of the Guidelines for Trustees and Managing Companies of Unit Trust Funds set by the Securities and Exchange Commission of Sri Lanka have been complied with during the year.
2. the transactions were and will be carried out 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.

Director  
Management Company

Director  
Management Company

Trustee of the Fund





## Management Company and Fund Information

### Managing Company

Senfin Asset Management (Pvt) Ltd  
267, Galle Road  
Colombo 03. Sri Lanka  
T: +94 11 2102000  
F: +94 11 231 4831  
Web: [www.senfinassetmanagement.com](http://www.senfinassetmanagement.com)

### Bankers

Commercial Bank of Ceylon PLC  
Kollupitiya Branch  
285, Galle Road,  
Colombo- 03.

Hatton National Bank PLC  
Head Office Branch, HNB Towers  
No 479, T B Jayah Mawatha  
P O Box 837  
Colombo 10.

Nations Trusts Bank PLC  
No 242, Union Place  
Colombo 02.

### Auditors

KPMG Sri Lanka  
Chartered Accountants  
32A Sir Mohomad Macan Markar Mawatha,  
Colombo 03.

### Lawyers

Nithya Partners  
Attorneys-at-Law  
No. 97A, Galle Road  
Colombo 03.

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## Senfin Asset Management (Pvt) Ltd

(A fully owned subsidiary of Senkadagala Finance PLC)

### Correspondence Address

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### Registered Address

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