

SENFIN ASSET MANAGEMENT (PVT) LTD

SENFIN MONEY MARKET FUND

INTERIM REPORT

FOR THE SIX MONTH PERIOD ENDED 30TH JUNE 2024



Fund Manager



Trustee and Custodian

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FUND MANAGER'S REPORT

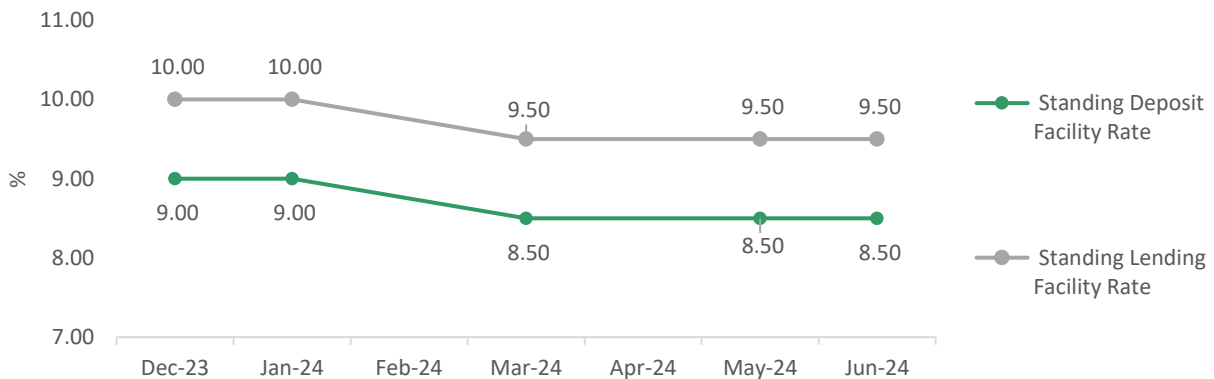
Dear Investor,

We are pleased to present the semi-annual report of Senfin Money Market Fund for the six months ending June 2024.

During 1H2024, the Monetary Board of the Central Bank of Sri Lanka (CBSL) held 3 policy meetings. During the 1st Monetary Policy Review, the CBSL decided to maintain the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) at the same level of 9.00% and 10.00% respectively. However, during the 2nd Monetary Policy Review in March 2024, the CBSL decided to reduce the SDFR and SLFR by 50 bps to 8.50% and 9.50% respectively, while keeping the SRR unchanged at 2.00%, mainly to maintain inflation at the desired level of 5% or below and to enable economic growth to reach its potential. Following that, during the 3rd Monetary Policy Review in May 2024, policy rates were maintained at same levels.

The period under review saw Treasury bill yields gradually easing. The benchmark 03, 06 and 12-month yields decreased from 14.51%, 14.16% and 12.93% respectively as at the end of December 2023 to 8.62%, 9.04% and 9.18% respectively as at the end of May 2024. Thereafter, the yields were seen moving up throughout the month of June 2024 and closed at 10.07%, 10.19% and 10.31% respectively as at 30 June 2024. During the 6 month period, the yield curve witnessed a correction and switched to a more upward sloping yield curve with the 3M and 6M yields dropping below 12M yield. Yields on long term government bonds too eased gradually, but remained volatile across the medium to long term maturities.

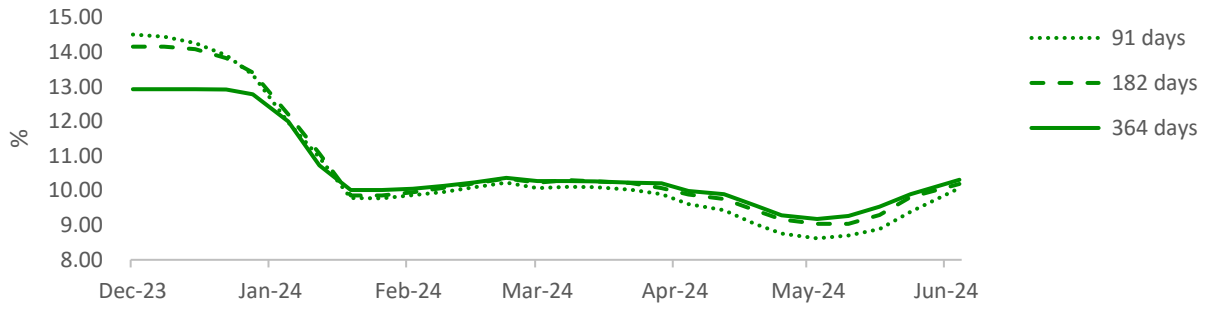
Movement in Policy Rates¹



Source: Central Bank of Sri Lanka

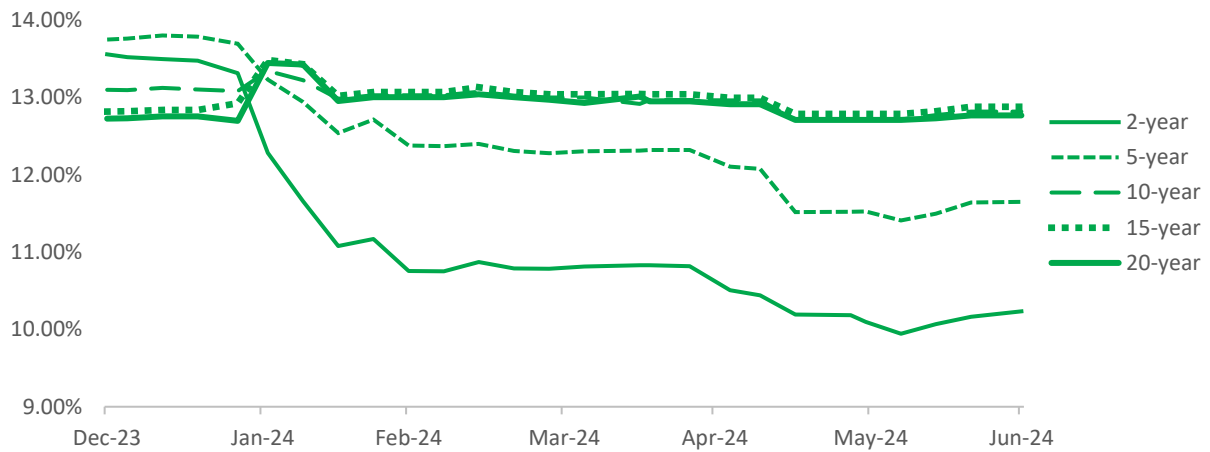
¹ Central Bank of Sri Lanka, Monetary Policy Review

Treasury Bill Rate Movement²



Source: Central Bank of Sri Lanka

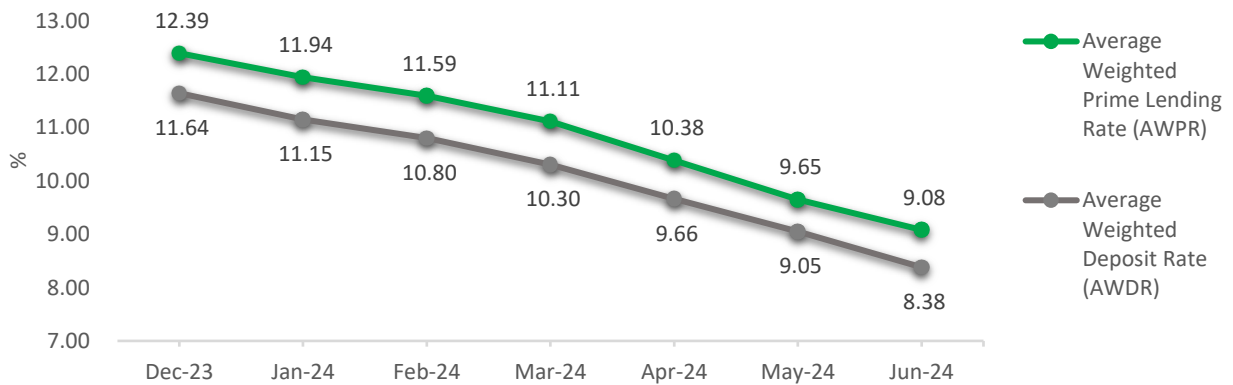
Treasury Bond Rate Movement



Source: Central Bank of Sri Lanka

Similarly, the Average Weighted Prime Lending Rate (AWPR) too adjusted downwards reaching 9.08% at the end of June 2024 compared to 12.39% at the end of December 2023.

Movement of Average Weighted Prime Lending Rate (AWPR) and Average Weighted Deposit Rate (AWDR) of Commercial Banks (% p.a.) at the month end³



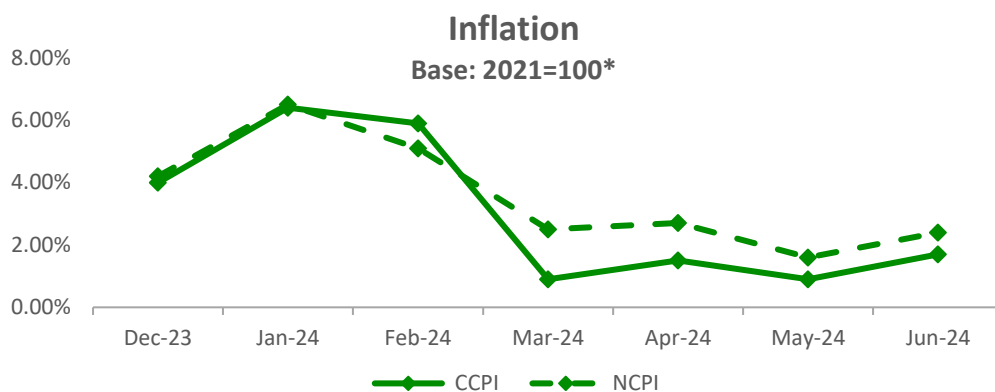
Source: Central Bank of Sri Lanka

² Central Bank of Sri Lanka, Rates on Government Securities

³ Central Bank of Sri Lanka, Commercial Bank Lending and Deposit Rates

Inflation measured by the year-on-year change in the Colombo Consumer Price Index (CCPI) accelerated to 6.4% in Jan 2024 from 4.0% in Dec 2023, mainly due to tax adjustments implemented at the beginning of the month and weather-related disruptions to food supply. Similarly, inflation measured by the year-on-year change in the National Consumer Price Index (NCPI) too increased to 6.5% in Jan 2024 from 4.2% in Dec 2023. However, during subsequent months, inflation witnessed a decline and during March – June 2024 months, it remained well below the targeted of 5.0% level. Notable slowdown of Food Inflation was witnessed during the subject period while the decline of Non-Food Inflation was mainly driven by the drop in prices of fuel, gas etc. In addition, the higher base effect coming from the previous year assisted the overall slowdown of inflation.

Movement in the CCPI and NCPI⁴

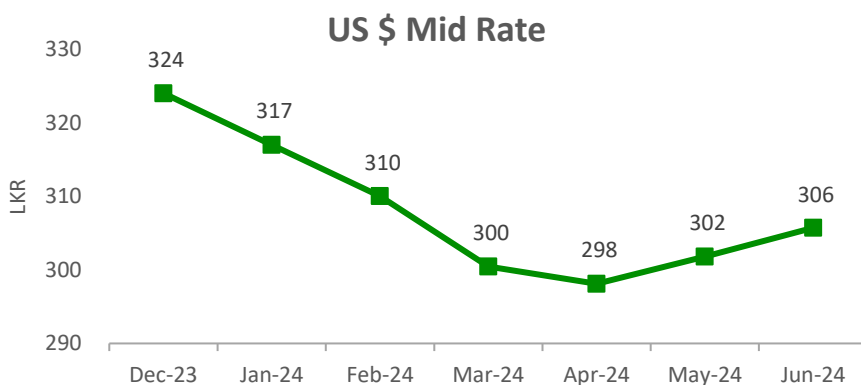


Source: Central Bank of Sri Lanka

The exchange rate experienced a gradual appreciation during Jan-Apr 2024, driven by several positive factors including increase in worker remittances, rise in tourism earnings and improvement in the country's Gross Official Reserves. However, the exchange rate recorded a slight depreciation during May-Jun 2024.

Sri Lanka reached External Debt Restructuring (EDR) agreement by the end of the 1H2024 with the Official Creditor Committee and Export-Import Bank of China. The agreement resulted in a maturity extension, principal moratorium and a coupon reduction.

Movement in the USD/LKR Rate⁵



Source: Central Bank of Sri Lanka

⁴ Central Bank of Sri Lanka

⁵ Central Bank of Sri Lanka

Fund Performance

As of 30th June 2024, the fund has continued to deliver consistent and stable returns, in line with our investment objective of capital preservation and steady income generation. We are pleased to state that the fund generated an annualized return of 13.07% compared to the benchmark return of 12.62% in 1H2024. With the significant drop in T-bill yields during the period under review, few NBFi FD rates turn out to be attractive even net of WHT and the fund invested some of its maturity proceeds in high yielding FDs in rated NBFis.

Despite that, at the end of the reporting period, the fund had 72.4% 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 investment grade, as shown in the credit profile chart below.

During 1H2024, the fund also obtained BBBf(lka) Credit Rating from Fitch Ratings, becoming the only Fitch rated Money Market Fund in Sri Lanka as at the end of 1H2024.

Fund Performance as at 30th June 2024

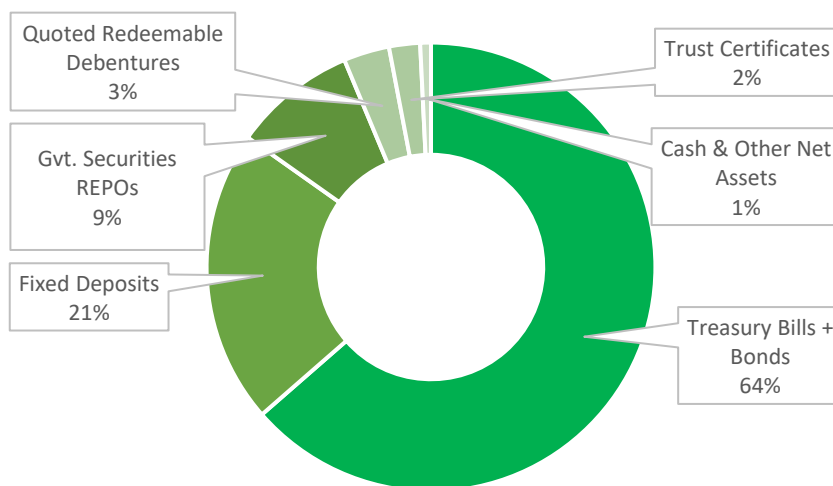
Period	Year to Date	3-months	1-month
Fund Return	13.07%	11.32%	10.85%
Benchmark Return	12.62%	9.46%	5.50%

Source: Senfin Asset Management (Pvt) Ltd

Note:

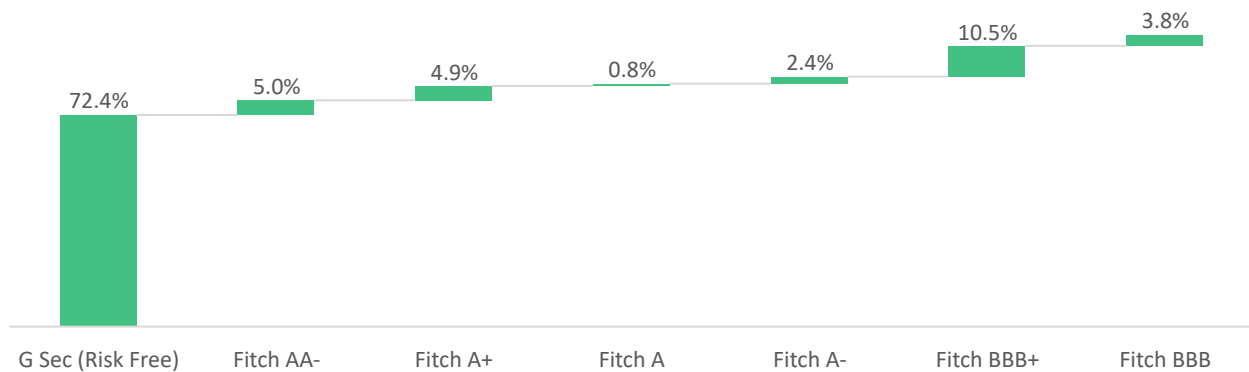
- Benchmark is NDBIB-CRISIL 91 Day T-Bill Index.
- Performance data is net of management fees and taxes. Returns are annualized.

Asset Allocation as a percentage of Net Asset Value as at 30th June 2024



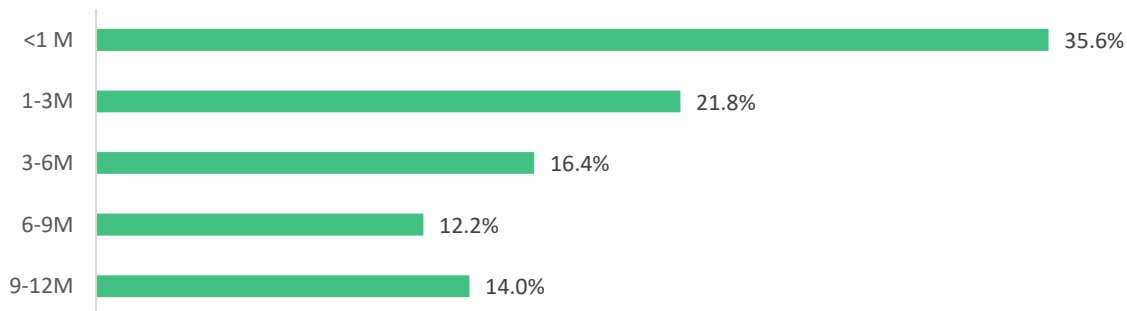
Source: Senfin Asset Management (Pvt) Ltd

Credit Profile of Fund as at 30th June 2024



Source: Senfin Asset Management (Pvt) Ltd

Maturity Profile of the Fund as at 30th June 2024



Source: Senfin Asset Management (Pvt) Ltd

Treasury bill rates in May 2024 recorded their lowest yields since Jun 2022. Following this, a slight upward trend was observed during Jun 2024. Meanwhile, yields on long-term treasury bonds in the secondary market continued to decline gradually, with early Jun 2024 marking the lowest yields for the period. However, moving towards the end of June 2024, treasury bond yields experienced a marginal increase.

We expect interest rates to bottom out in upcoming months and slightly increase closer to the end of CY2024. Given the prevailing market volatility, our conservative approach and maturity management has served our investors well, as we prioritize safeguarding capital while generating competitive yields. Looking ahead, we anticipate that the economic landscape will continue to present challenges, and we are steadfast in our dedication to managing risks while seeking prudent opportunities to enhance returns.

Sincerely,

Investment Team

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six month period ended 30 June 2024

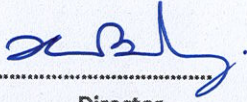
	Notes	6 month ended 30.06.2024	6 month ended 30.06.2023
INCOME			
Interest Income	3	307,400,069	299,081,933
EXPENSES			
Management Fees		(4,999,362)	(3,052,357)
Trustee & Custodian Fees		(4,364,590)	(2,300,504)
Audit Fees		(198,392)	(145,905)
Other Expenses		(3,984,141)	(1,597,570)
		<u>(13,546,485)</u>	<u>(7,096,336)</u>
NET PROFIT BEFORE INCOME TAX		293,853,584	291,985,597
Income Tax Expense	4	-	-
NET PROFIT AFTER INCOME TAX FOR THE PERIOD		<u>293,853,584</u>	<u>291,985,597</u>
INCREASE IN NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>293,853,584</u>	<u>291,985,597</u>

STATEMENT OF FINANCIAL POSITION

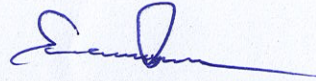
As at 30 June 2024

	Notes	As at 30.06.2024 Rs.	% NAV	As at 31.12.2023 Rs. (Audited)	% NAV
ASSETS					
Cash and cash equivalents	5	39,595,155	0.84%	65,769,447	1.59%
Financial assets - at Amortized Cost	6	4,692,244,520	99.23%	4,068,316,150	98.45%
		<u>4,731,839,675</u>	<u>100.07%</u>	<u>4,134,085,597</u>	<u>100.04%</u>
LIABILITIES					
Accrued Expenses	7	3,081,951	0.07%	1,787,874	0.04%
Total Liabilities		<u>3,081,951</u>	<u>0.07%</u>	<u>1,787,874</u>	<u>0.04%</u>
NET ASSETS					
		<u>4,728,757,724</u>	<u>100.00%</u>	<u>4,132,297,723</u>	<u>100.00%</u>
UNIT HOLDERS' FUNDS					
Net Assets Attributable to Unit holders		<u>4,728,757,724</u>		<u>4,132,297,723</u>	

Signed on behalf of the Management Company



Director
Management Company



Director
Management Company

30.09.2024

Date

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

for the six month period ended 30 June 2024

	6 month ended 30.06.2024 Rs.	6 month ended 30.06.2024 Rs.
UNITHOLDERS' FUNDS AS AT BEGINNING OF THE PERIOD	4,132,276,389	1,666,542,751
Total Comprehensive Income for the Period	293,877,564	291,985,597
Received on Creation of Units	3,848,856,257	2,225,162,808
Paid on Redemption of Units	(3,546,252,486)	(1,415,261,133)
Net Increase due to Unit holders' Transactions	302,603,771	809,901,675
UNITHOLDERS' FUNDS AS AT PERIOD END	4,728,757,724	2,768,430,023

CASH FLOW STATEMENT

for the six month period ended 30 June 2024

	6 month ended 30.06.2024 Rs.	6 month ended 30.06.2023 Rs.
Cash Flows from Operating Activities		
Interest Received	247,796,340	205,292,150
Other Income Received	-	-
Management Fees and Trustee Fees Paid	(7,953,157)	(4,993,936)
Audit Fees Paid	(272,428)	(236,750)
Other Expenses Paid	(228,023)	(103,656)
Net Investment in Commercial Papers	-	-
Net Investment in Trust Certificates	(100,000,000)	-
Net Investment in Reverse Repurchase Agreements	64,721,961	8,875,986
Net Investment in Fixed deposits	(775,000,000)	75,047,945
Net Investment in Treasury Bonds	(59,794,975)	(947,951,904)
Net Investment in Treasury Bills	451,689,665	(47,897,490)
Net Investment in Debenture	(149,737,447)	-
Net Cash (Used in) / Generated from Operating Activities	(328,778,063)	(711,967,655)
Cash Flows from Financing Activities		
Cash Received on Creation of Units	3,848,856,257	2,225,162,731
Cash Paid on Redemption of Units	(3,546,252,486)	(1,415,261,056)
Net Cash Generated from / (Used in) Financing Activities	302,603,771	809,901,675
Net Increase / (Decrease) in Cash and Cash Equivalents	(26,174,292)	97,934,020
Cash and Cash Equivalents at the beginning of the period	65,769,447	92,184,692
Cash and Cash Equivalents at the end of the period	39,595,155	190,118,712

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 30 June 2024

1. All figures for the six month period ended 30 June 2024 are provisional and unaudited. Previous year figures have been re-arranged wherever necessary for better presentation and to be comparable with those of the current period.

2. There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2023.

3. INTEREST INCOME	6 month ended 30.06.2024 Rs.	6 month ended 30.06.2023 Rs.
Interest on Treasury Securities	239,226,053	278,541,767
Discount on T Bonds	(213,284)	268,845
Interest on Fixed Deposits	49,382,479	6,972,457
Interest on Trust Certificate	6,012,329	-
Interest on Money Market Bank Account	2,326,741	14,007,273
Irrecoverable Interest Write Off	-	(47,945)
Net Gain on - Treasury Securities	3,455,115	(660,465)
Interest on Quoted debenture	7,210,636	-
	<u>307,400,069</u>	<u>299,081,933</u>

4. INCOME TAX EXPENSE

After the enactment of the new Inland Revenue Act No. 24 of 2017 effective from 1 April 2018, 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.

5. CASH AND CASH EQUIVALENTS	As at 30.06.2024 Rs.	As at 31.12.2023 Rs.
HNB Money Market Account	38,130,252	44,734,668
HNB Current Account	5,000	5,000
Cargills Bank Money Market Account	1,459,903	21,029,779
	<u>39,595,155</u>	<u>65,769,447</u>

6. FINANCIAL ASSETS - AT AMORTISED COST	As at 30.06.2024 Rs.	As at 31.12.2023 Rs.
Investment in Fixed Deposits	1,003,123,067	182,439,507
Investment in Trust Certificates	105,711,714	-
Investment in Treasury Securities	3,427,537,266	3,885,876,643
Investment in Quoted Debenture	155,872,473	-
	<u>4,692,244,520</u>	<u>4,068,316,150</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 30 June 2024

7. ACCRUED EXPENSES	As at 30.06.2024	As at 31.12.2023
	Rs.	Rs.
Fund Manager Fee Payable	1,414,650	844,976
Trustee & Custodian Fee Payable	1,463,148	622,025
Audit and Tax consultancy Fee Payable	204,153	320,873
	3,081,951	1,787,874

8. The following are the related party holdings of Senfin Money Market Fund as at 30.06.2024

Unit holder	Relationship	No. of Units held	Value of the Units held (Rs.)
Senkadagala Finance PLC	Immediate Parent Company of the Fund Management Company	34,828,602.5	865,452,460.66
Senfin Securities Limited	Subsidiary of the Ultimate Parent Company	5,262,770.1	130,774,047.94
Senfin Asset Management (Private) Limited	Management Company	2,170,987.5	53,946,651.29
Mr. Jeevan Sukumaran	Chief Executive Officer	153,114.0	3,804,714.47
Mr. Sanath Bandaranayake	Director of Management Company	2,269,368.4	56,391,308.43
MR: Don Tilak Padmanabha Collure	Director of Management Company	284,193	7,061,885.92
Mr. Surath Perera	Chief Investment Officer	102,952.3	2,558,251.41
Mr. Nilanka Gamaethige	Head of Client Services & Marketing	368.5	9,156.82
Mr. Murugiah Rajendran	Head of Compliance	612,493.8	15,219,797.19
Venture Tea (Pvt) Ltd	Part of the Ultimate Parent Company	18,529,092.4	460,427,564.14
Senfin Growth Fund	Related Fund	6,413,990.4	159,380,606.05
Senfin Dividend Fund	Related Fund	288,627.8	7,172,083.34
Senfin Dynamic Income Fund	Related Fund	5,989,604.4	148,835,080.78

9. Units in issue as at 30 June 2024 is 190,300,385.60

10. There are no material contingencies existing as at the 30 June 2024 that require adjustments to, or disclosure in the Interim Report.

11. There have no material events occurring after the 30 June 2024 that require adjustments or disclosure in the Interim Report.

12. The Fund does not have significant Capital Commitments as at the 30 June 2024.

13. RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER THE INTERIM REPORT AND THE PUBLISHED NET ASSET

	As at 30.06.2024	As at 31.12.2023
	Rs.	Rs. (Audited)
Net Asset Value (Net Assets Attributable to Unit Holders) as per the Financial Statement	4,728,757,724	4,132,297,723
Other Adjustment	-	-
Published Net Asset Value	4,728,757,724	4,132,297,723
Published number of units	190,300,385.6	177,136,290.0
Net Asset Value per unit	24.8489	23.3284

MANAGEMENT COMPANY INFORMATION

Managing Company (Registered Address)

Senfin Asset Management (Pvt) Ltd
267, Galle Road,
Colombo 03.
Sri Lanka
T: +94 11 230 1301
F: +94 11 230 1937
Web: senfinassetmanagement.com

Managing Company (Correspondence Address)

Senfin Asset Management (Pvt) Ltd
3rd Floor, No. 180,
Bauddaloka Mawatha, Colombo 04.
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T: +94 11 210 2000
F: +94 11 230 1937
Web: senfinassetmanagement.com
Email: sfam.info@senfin.com

Bankers

Commercial Bank PLC,
No.285, Galle Road,
Colombo 03
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Auditors

KPMG
Chartered Accountants
32A, Sir Mohamed Macan MarkarMawatha
Colombo 03
Sri Lanka

Lawyers

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Attorneys-at-Law
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F: +94 11 2335908
Web: <http://www.nithyapartners.com>

FUND INFORMATION

Registrar	Senfin Asset Management (Pvt) Ltd 267, Galle Road, Colombo 03. Sri Lanka T: +94 11 230 1301 F: +94 11 230 1937 Web: senfinassetmanagement.com
Trustee and Custodian	Hatton National Bank PLC HNB Towers No 479, T B Jayah Mawatha P O Box 837 Colombo 10 Sri Lanka T: +94 11 2664664 T: +94 11 4764764 F: +94 11 2662832 Web: www.hnb.lk
Auditors	Kreston MNS & Co Chartered Accountants Level 1 & 2, Advantage Building, 74A, Dharmapala Mawatha, Colombo 07 T: +94 11 2323571 F: +94 11 2433388
Lawyers	Nithya Partners Attorneys-at-Law No. 97A, Galle Road Colombo 03 T: +94 11 4712625 F: +94 11 2335908 Web: http://www.nithyapartners.com