

SENFIN ASSET MANAGEMENT (PVT) LTD

SENFIN GROWTH 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

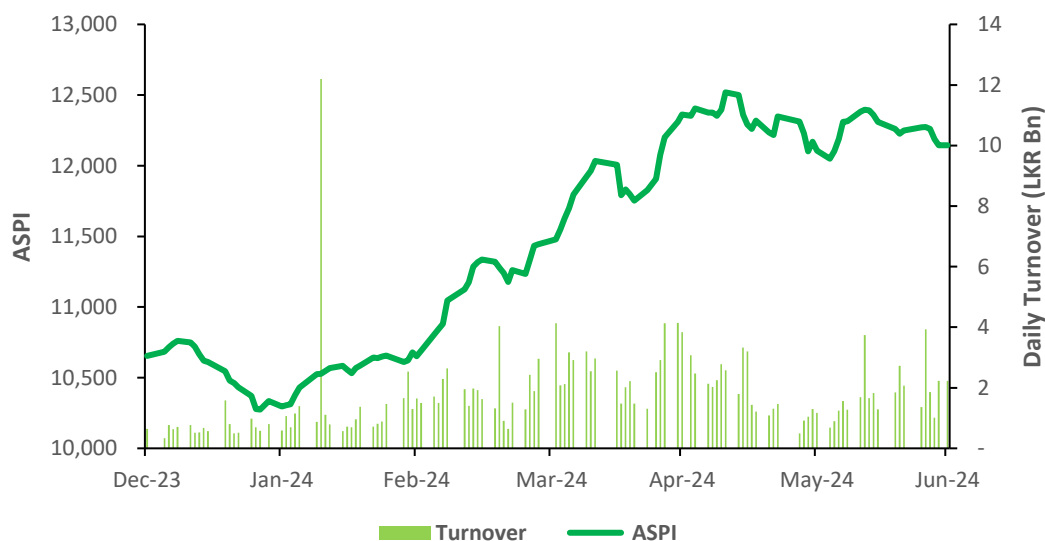
Dear Investor,

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

The performance of the equity market as measured by the All-Share Price Index (ASPI) increased by 13.99% during the first half of 2024 vs an increase of 11.23% in the first half of 2023. The S&P SL20 index increased by 16.95% during the six-month period under review, while it increased by 2.96% during the comparative period in 2023. Similarly, the Fund's benchmark, All Share Total Return Index (ASTRI) gained 18.13% during 1H2024 vs an increase of 11.76% in 1H2023. During the initial part of the subject 6 months, indices displayed a positive momentum due to the sharp drop in fixed income yields possibly shifting some fund inflows to equity from fixed income, better than anticipated quarterly earnings releases, above average dividend declarations by key listed corporates, positive expectations on External Debt Restructuring and largely improved macro-economic fundamentals. However, during the latter part of 1H2024, indices witnessed some weakness mainly due to major rights issues announced dragging the bourse low, profit taking and uncertainty over the upcoming elections.

The average daily turnover improved to LKR 1.78 Bn during 1H2024 against LKR 1.48 Bn in 1H2023. Foreigners were net seller during the subject period with a total net foreign outflow of LKR. 9.02 Bn, as opposed to a net foreign inflow of LKR. 1.07 Bn during 1H2023.

All Share Price Index (ASPI) Performance and Turnover

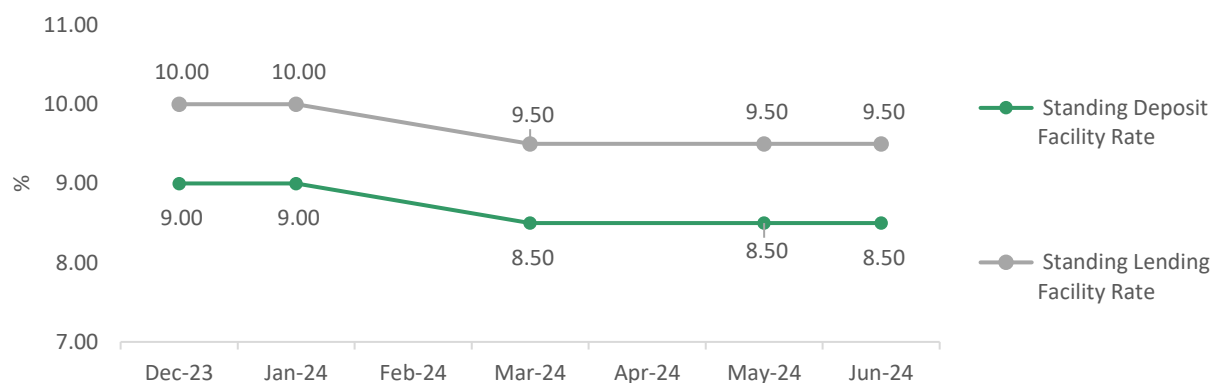


Source: Colombo Stock Exchange

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.

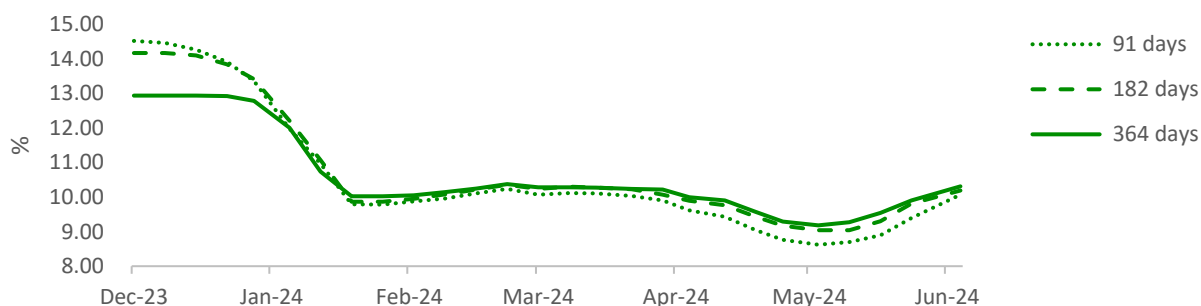
The period under review saw Treasury bill yields gradually easing. The benchmark 03, 06 and 12-month yields decreased from 14.51%, 14.16% and 12.93% respectively as at the end of December 2023 to 8.62%, 9.04% and 9.18% respectively as at the end of May 2024. Thereafter, the yields were seen moving up 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

Treasury Bill Rate Movement²

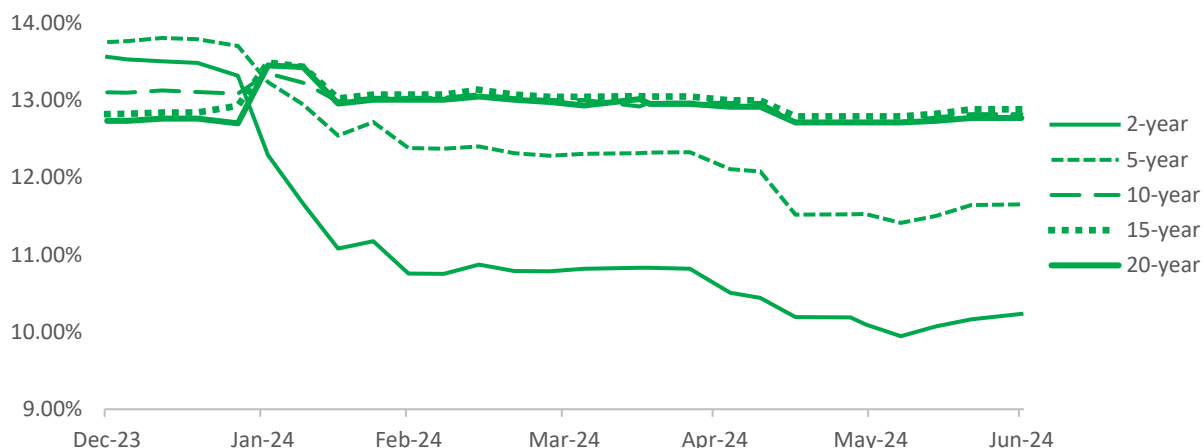


Source: Central Bank of Sri Lanka

¹ Central Bank of Sri Lanka, Monetary Policy Review

² Central Bank of Sri Lanka, Rates on Government Securities

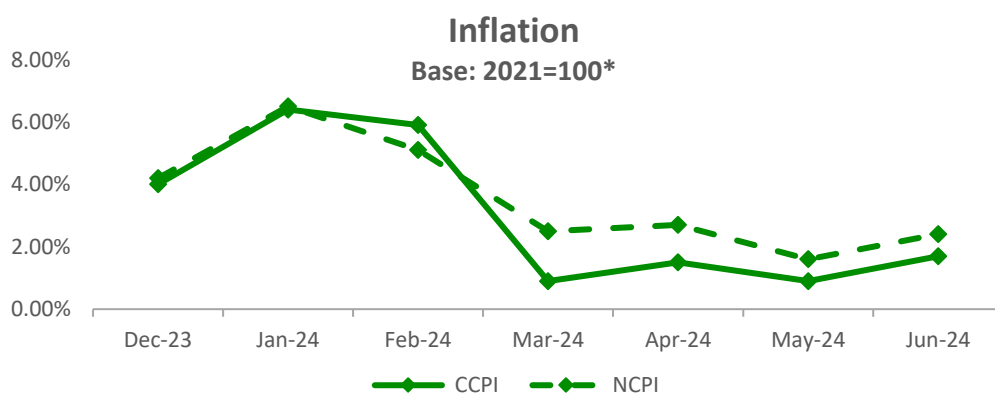
Treasury Bond Rate Movement



Source: Central Bank of Sri Lanka

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 NCPI³

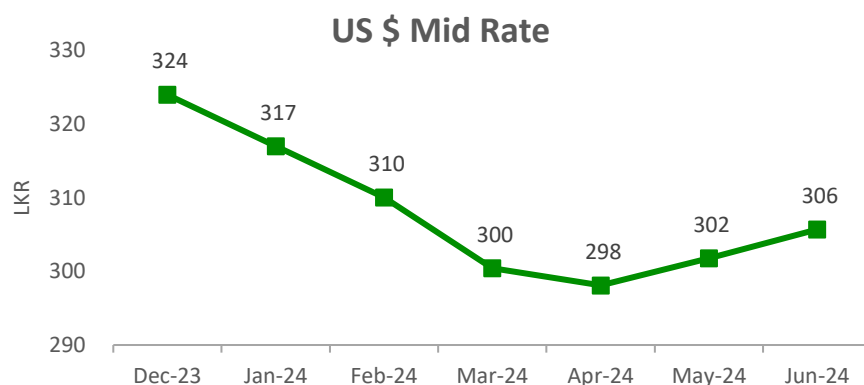


Source: Central Bank of Sri Lanka

³ 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.

Movement in the USD/LKR Rate⁴



Source: Central Bank of Sri Lanka

Fund Performance

During the period under review, Senfin Growth Fund posted a return of 15.88% against the benchmark return of 18.13%.

The Fund Performance as at 30th June 2024

| Periods | Six months to 30 June 2024 | One Year to 30 June 2024 | Since Inception (03 Feb 2012) | Since Inception (Annualized) |
|--------------------------------------|----------------------------|--------------------------|-------------------------------|------------------------------|
| Senfin Growth Fund | 15.88% | 39.19% | 48.10% | 3.21% |
| All Share Total Return Index (ASTRI) | 18.13% | 35.48% | 154.79% | 7.83% |

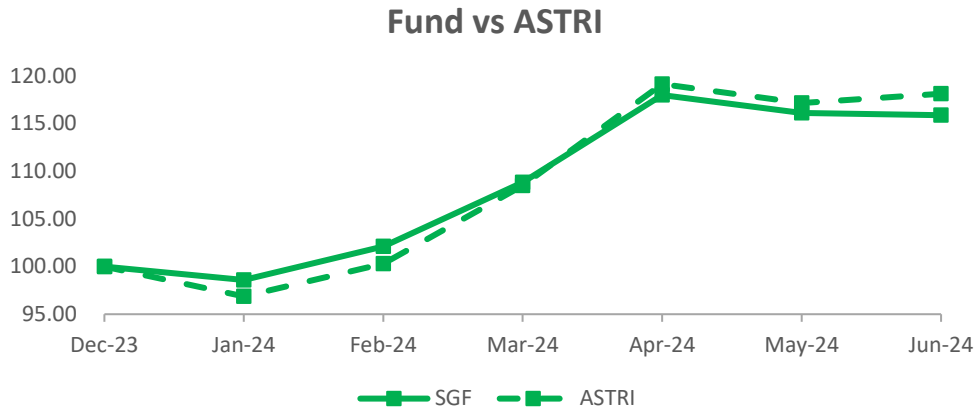
Source: Senfin Asset Management (Pvt) Ltd & Colombo Stock Exchange

Note:

- All returns in the table are non-annualized, except for the last column which shows the annualized return since inception.
- Performance data is net of management fees and taxes.

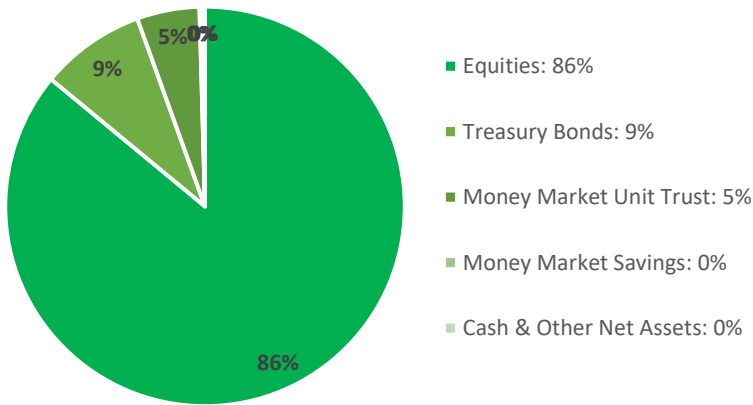
Fund performance Vs Benchmark

⁴ Central Bank of Sri Lanka



Source: Senfin Asset Management (Pvt) Ltd & Colombo Stock Exchange

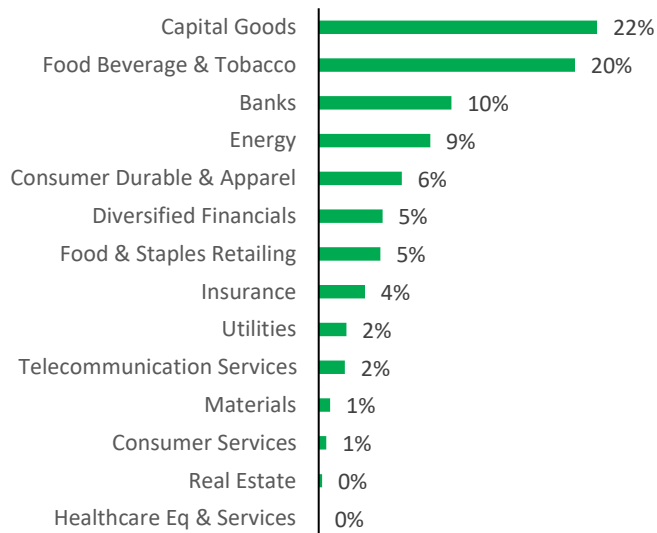
Asset Allocation as a percentage of NAV as at 30th June 2024 (Net of payables)



Source: Senfin Asset Management (Pvt)Ltd

Equity Holding by Sector as at 30th June 2024

The Net Asset Value (NAV) of the Fund was LKR 3.15 Bn as at 30th June 2024 while the equity portfolio was LKR 2.71 Bn accounting for 86% approximately of NAV.



Source: Senfin Asset Management (Pvt)Ltd

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. We expect interest rates to bottom out in upcoming months and slightly increase closer to the end of CY2024. Considering largely improved macroeconomic fundamentals including positive developments in EDR front, we continue to remain bullish on equities in the medium term. We continue to analyze and invest in counters that are expected to perform well in the medium / long run, while remaining committed to the overall aim of capital appreciation.

Sincerely,

Investment Team

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six month period ended 30 June 2024

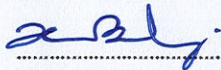
| | Notes | 6 month ended 30.06.2024 Rs. | 6 month ended 30.06.2023 Rs. |
|---|-------|------------------------------------|------------------------------------|
| INVESTMENT INCOME | | | |
| Interest Income | 3 | 24,637,628 | 32,790,254 |
| Dividend Income | | 76,099,011 | 36,655,845 |
| Net Change in Unrealised (Depreciation) / Appreciation on Financial Assets Held at Fair Value Through Profit and Loss | 4 | 359,912,669 | 141,679,401 |
| Net Change in Realised Gains on Financial Assets Held at Fair Value Through Profit and Loss | 5 | 2,542,954 | 24,100,005 |
| TOTAL INVESTMENT INCOME | | 463,192,262 | 235,225,505 |
| OPERATING EXPENSES | | | |
| Management Fees | | (30,590,881) | (16,296,133) |
| Trustee and Custodian Fees | | (2,771,575) | (1,787,802) |
| Audit Fees | | (198,392) | (145,905) |
| Brokerage Expenses on Equity Transactions | | (2,926,353) | (3,499,616) |
| Tax Consultation Fees | | (76,333) | (60,617) |
| With Holding Tax | | (6,233,501) | (1,848,388) |
| Other Expenses | | (36,005) | (45,520) |
| | | <u>(42,833,040)</u> | <u>(23,683,981)</u> |
| NET PROFIT BEFORE TAX | | 420,359,222 | 211,541,524 |
| Income Tax Expense | 6 | - | - |
| NET PROFIT FOR THE PERIOD | | 420,359,222 | 211,541,524 |
| INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | 420,359,222 | 211,541,524 |

STATEMENT OF FINANCIAL POSITION

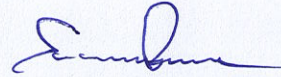
As at 30 June 2024

| | Notes | As at 30.06.2024 | | As at 31.12.2023 | |
|---|-------|----------------------|-------------|----------------------|-------------|
| | | Rs. | % NAV | Rs. | % NAV |
| ASSETS | | | | | |
| Cash and Cash Equivalents | 7 | 7,323,774 | 0.2% | 8,516,200 | 0.3% |
| Financial Assets - Held at Fair Value Through Profit and Loss | 8 | 2,869,382,608 | 91.1% | 2,519,500,396 | 94.8% |
| Financial Assets - Loans and Receivables | 9 | 275,368,875 | 8.7% | 135,141,473 | 5.1% |
| Other Receivable | 10 | 5,910,435 | 0.2% | - | - |
| | | <u>3,157,985,692</u> | <u>100%</u> | <u>2,663,158,069</u> | <u>100%</u> |
| LIABILITIES | | | | | |
| Accrued Expenses | 11 | 6,198,902 | 0.2% | 4,720,993 | 0.2% |
| CDS payable | | 694,998 | 0.0% | 802,751 | 0.0% |
| Total Liabilities | | <u>6,893,900</u> | <u>0.2%</u> | <u>5,523,744</u> | <u>0.2%</u> |
| NET ASSET | | <u>3,151,091,792</u> | <u>100%</u> | <u>2,657,634,325</u> | <u>100%</u> |
| UNIT HOLDERS' FUNDS | | | | | |
| Net Assets Attributable to Unit Holders | 17 | <u>3,151,091,792</u> | | <u>2,657,634,325</u> | |

Signed on behalf of the Management Company



Director
Management Company



Director
Management Company

30.09.2024

Date

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

for the six month period ended 30 June 2024

| | 6 month ended 30.06.2024 Rs. | 6 month ended 30.06.2023 Rs. |
|---|------------------------------------|------------------------------------|
| Unit Holders' Fund as at the Beginning of the Period | 2,657,634,325 | 1,751,859,436 |
| Total Comprehensive Income for the Period | 420,359,222 | 211,541,524 |
| Received on Creation of Units | 293,440,626 | 49,280 |
| Paid on Redemption of Units | (220,342,382) | (1,676,627) |
| Net Decrease due to Unit holders' Transactions | 73,098,245 | (1,627,347) |
| Unit Holders' Fund as at the End of the Period | <u>3,151,091,792</u> | <u>1,961,773,613</u> |

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 | 16,986,026 | 29,257,781 |
| Dividend Received | 70,188,576 | 36,503,124 |
| Management Fees and Trustee Fees Paid | (31,758,789) | (17,987,211) |
| Brokerage Paid on Equity Transactions | (2,926,353) | (3,499,616) |
| Audit Fees Paid | (272,428) | (236,750) |
| Professional fees Paid | (128,056) | - |
| Other Expenses Paid | (36,005) | (45,520) |
| Investment in Equity Shares | (244,174,101) | (180,467,411) |
| Investment in Units | (276,000,000) | |
| Proceeds from Sale of Equity Shares | 24,867,050 | 100,385,383 |
| Proceeds from Sale of Units | 286,000,009 | - |
| Refunds received from Initial Public Offer | - | - |
| Net Investment in Treasury Bill/Bond and Repurchase Agreements | 82,963,401 | 9,266,432 |
| Net Investment in Fixed Deposits | - | - |
| Net Cash Flow (Used in) / Generated from Operating Activities | <u>(74,290,671)</u> | <u>(26,823,789)</u> |
| Cash Flows from Financing Activities | | |
| Cash Received on Creation of Units | 293,440,626 | 49,280 |
| Cash Paid on Redemption of Units | (220,342,381) | (1,676,626) |
| Net Cash Generated from / (Used in) Financing Activities | <u>73,098,246</u> | <u>(1,627,347)</u> |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (1,192,426) | (28,451,135) |
| Cash and Cash Equivalents at the Beginning of the Period | 8,516,201 | 59,972,093 |
| Cash and Cash Equivalents at the End of the Period | <u>7,323,775</u> | <u>31,520,958</u> |

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 | 6 month ended 30.06.2023 |
|--|-----------------------------|-----------------------------|
| | Rs. | Rs. |
| Interest on Treasury Securities | 23,522,114 | 29,135,012 |
| Interest on Bank Money Market Bank account | 1,115,514 | 3,655,241 |
| | <u>24,637,628</u> | <u>32,790,254</u> |

4. NET CHANGE IN UNREALISED (DEPRECIATION) / APPRECIATION ON FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

| | | |
|--|--------------------|--------------------|
| Unrealised (Depreciation) / Appreciation of Quoted Equity Securities | 348,739,149 | 129,394,669 |
| Unrealised appreciation of investment Treasury Securities | 9,426,645 | 12,284,732 |
| Unrealised appreciation of investment in Unit Trust | 1,746,876 | - |
| | <u>359,912,669</u> | <u>141,679,401</u> |

5. NET CHANGE IN REALISED GAINS ON FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

REALIZED GAIN ON EQUITY SHARES

| | | |
|---|----------------|-------------------|
| Proceeds on Sale of Quoted Equity Securities | 24,867,050 | 115,632,679 |
| Average Cost of Quoted Equity Securities Sold | (24,243,131) | (91,532,673) |
| | <u>623,919</u> | <u>24,100,005</u> |

REALIZED GAIN ON UNITS

| | | |
|----------------------------|------------------|----------|
| Proceeds on Sale of Units | 286,000,009 | - |
| Average Cost of Units Sold | (284,080,973) | - |
| | <u>1,919,036</u> | <u>-</u> |

| | | |
|--|------------------|-------------------|
| | <u>2,542,954</u> | <u>24,100,005</u> |
|--|------------------|-------------------|

6. INCOME TAX

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.

7. CASH AND CASH EQUIVALENTS

| | As at 30.06.2024 | As at 31.12.2023 |
|--------------------------|------------------|-------------------|
| | Rs. | Rs. |
| HNB Money Market Account | 7,318,774 | 31,515,958 |
| HNB Current Account | 5,000 | 5,000 |
| | <u>7,323,774</u> | <u>31,520,958</u> |

8. FINANCIAL ASSETS - HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

QUOTED EQUITY SECURITIES

| | | |
|---|----------------------|----------------------|
| Cost of Purchases | 1,994,314,943 | 1,615,461,496 |
| Unrealised Appreciation of Quoted Equity Securities | 715,687,059 | 89,433,840 |
| Market Value as at End of the Period | <u>2,710,002,002</u> | <u>1,704,895,336</u> |

INVESTMENT IN UNIT TRUST FUNDS

| | | |
|--|--------------------|----------|
| Cost of Purchases | 156,919,027 | - |
| Unrealised Appreciation of Investment in units | 2,461,579 | - |
| Market Value as at End of the Period | <u>159,380,606</u> | <u>-</u> |

| | | |
|--|----------------------|----------------------|
| | <u>2,869,382,608</u> | <u>1,704,895,336</u> |
|--|----------------------|----------------------|

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 30 June 2024

9. FINANCIAL ASSETS - LOANS AND RECEIVABLES

| | As at 30.06.2024 Rs. | As at 31.12.2023 Rs. |
|-----------------------------------|-------------------------|-------------------------|
| Investment in Treasury Securities | 275,368,875 | - |
| | 275,368,875 | - |

10. OTHER RECEIVABLES

| | | |
|---------------------|------------------|----------|
| Dividend receivable | 5,910,435 | - |
| CDS Receivable | - | - |
| | 5,910,435 | - |

11. ACCRUED EXPENSES

| | | |
|--|------------------|------------------|
| Fund Manager Fee Payable | 5,486,334 | 2,751,948 |
| Trustee Fee and Custodian Fee Payable | 496,088 | 298,349 |
| Audit Fee and Tax Consultation Fee Payable | 216,480 | 291,731 |
| | 6,198,902 | 3,342,028 |

12. Related party unit holding as at 30 June 2024 are as follows

| Unit holder | Relationship | No. of units held | Value of the Unit held (Rs.) |
|--|---|-------------------|------------------------------|
| E. W. Balasuriya and Company (Pvt) Ltd | Ultimate Parent Company of the Management Company | 34,469,192 | 505,663,047 |
| Senkadagala Finance PLC | Parent Company of the Management Company | 25,682,822.2 | 376,767,002 |
| Senfin Asset Management (Pvt) Ltd | Management Company | 2,602,541.1 | 38,179,278 |
| Mr. Jeevan Sukumaran | Chief Executive Officer | 5,144 | 75,462 |

Net Assets Value per unit is used to value the units held.

13. Units in issue as at 30 June 2024 is 212,491,748.40

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

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

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

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

| | As at 30.06.2024 Rs. | As at 31.12.2023 Rs. (Audited) |
|---|-------------------------|--------------------------------------|
| Net Asset Value (Net Assets Attributable to Unit Holders) as per the Financial Statements | 3,151,091,792 | 2,657,634,325 |
| Other Adjustments | - | - |
| Published Net Asset Value | 3,151,091,792 | 2,657,634,325 |
| Number of Units Outstanding | 212,491,748.4 | 207,937,553.8 |
| Published Net Asset Value per Unit | 14.83 | 12.78 |

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.
Sri Lanka
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
Sri Lanka

Auditors

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

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>

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>