

SENFIN ASSET MANAGEMENT (PVT) LTD

SENFIN CONSUMER STAPLES 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

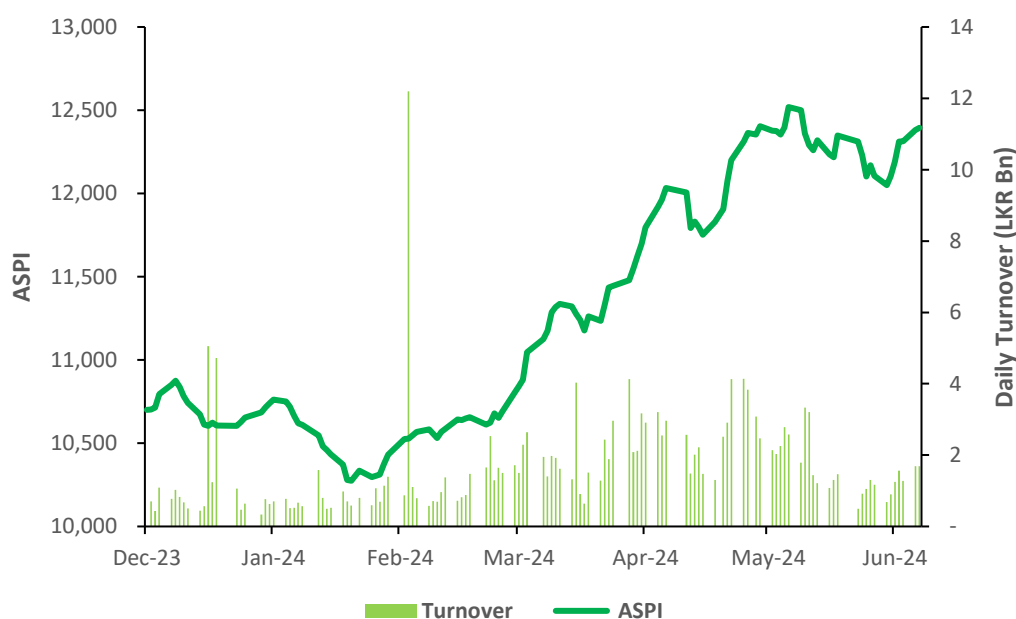
Dear Investor,

We are pleased to present the semi-annual report Senfin Consumer Staples Fund for the period ending 30 June 2024. The fund was launched on 5th Dec 2023.

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. During the initial part of the 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. Meanwhile the fund's benchmark recorded an increase of 11.65% during the same period. *(The benchmark for this fund is the aggregate market cap-based index of CSE sectors; Capital Goods, Food & Staples, Food, Beverages & Tobacco, Household & Personal Products, Materials, Retailing & Telecommunication)*

During the period from the fund launch to 30 Jun 2024, ASPI recorded an increase of 13.50% while the fund's benchmark recorded an increase of 10.62%.

All Share Price Index (ASPI) Performance and Turnover – 05 Dec 2023 to 30 Jun 2024

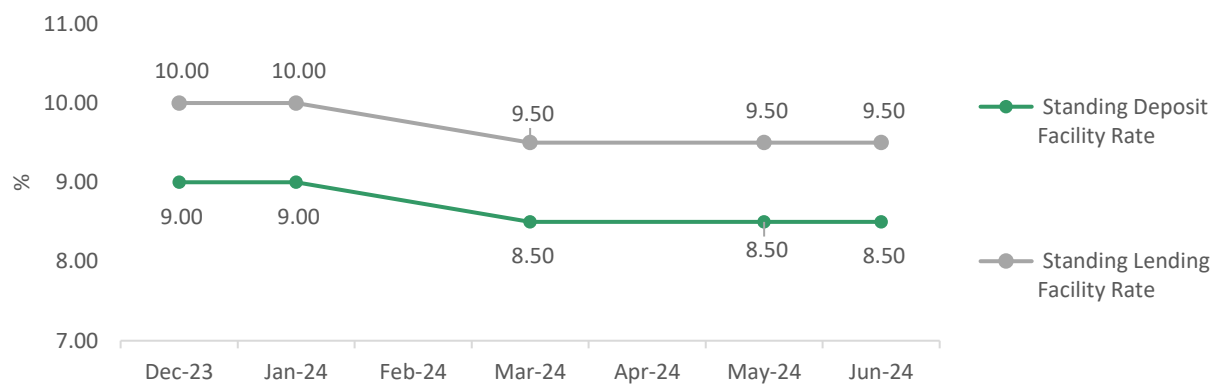


Source: Colombo Stock Exchange

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.

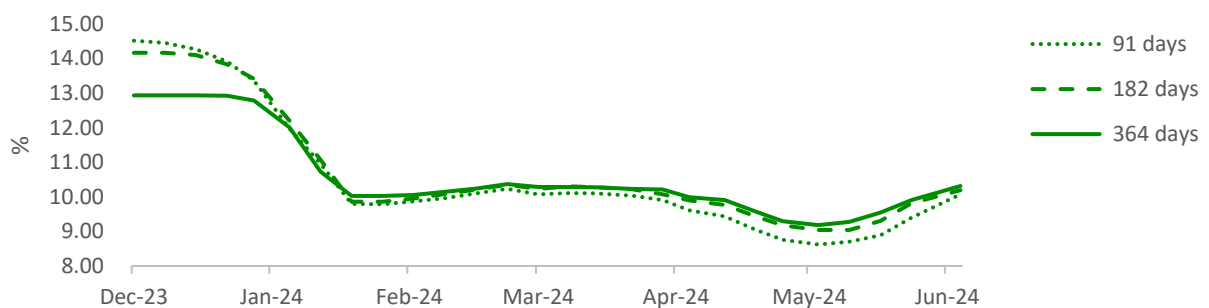
1H2024 saw Treasury bill yields gradually easing. The benchmark 03, 06 and 12-month yields decreased from 14.51%, 14.16% and 12.93% respectively as at the end of December 2023 to 8.62%, 9.04% and 9.18% respectively as at the end of May 2024. Thereafter, the yields were seen moving up throughout the month 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

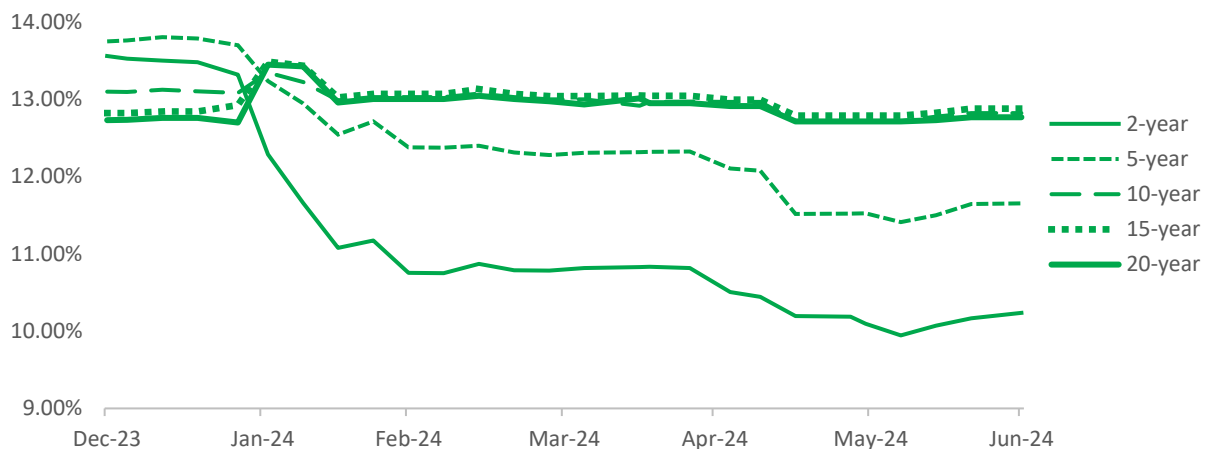


Source: Central Bank of Sri Lanka

¹ Central Bank of Sri Lanka, Monetary Policy Review

² Central Bank of Sri Lanka, Rates on Government Securities

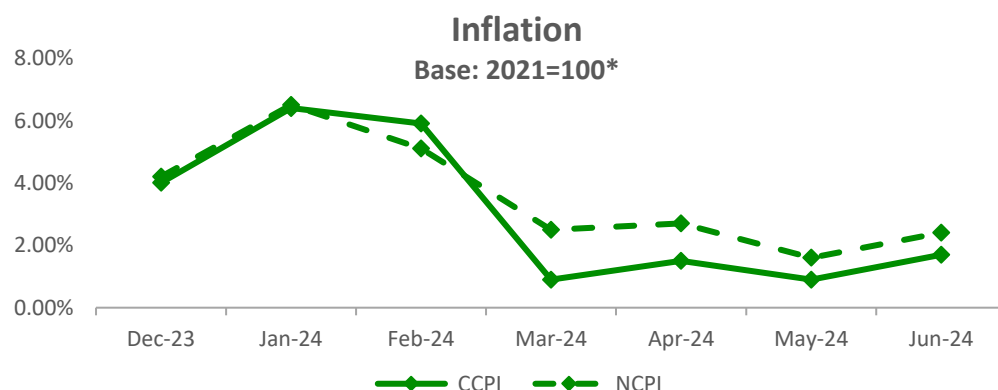
Treasury Bond Rate Movement



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

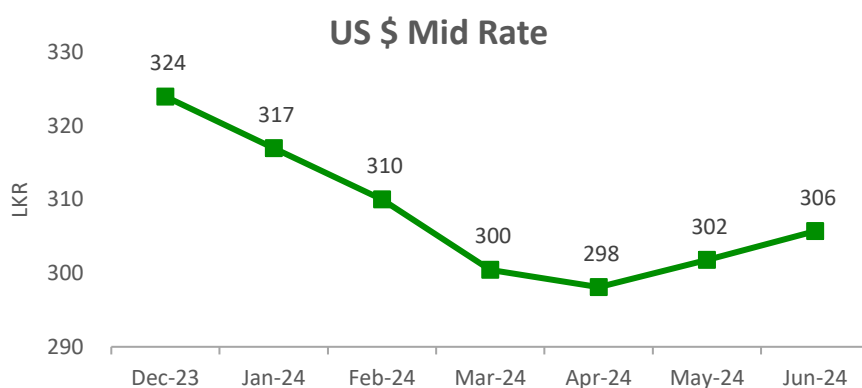


Source: Central Bank of Sri Lanka

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 1H2024, Senfin Consumer Staples Fund posted a return of 18.15% against the benchmark return of 11.65%, thereby outperforming the benchmark by 6.50%.

The Fund Performance as at 30th June 2024

Periods	Six months to 30 June 2024	Since Inception (05 Dec 2023)
Senfin Consumer Staples Fund	18.15%	17.80%
Benchmark	11.65%	10.62%

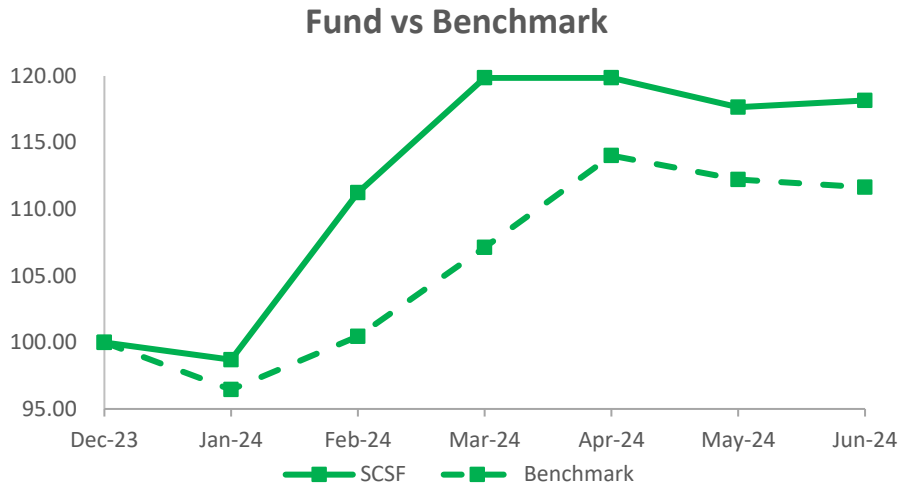
Source: Senfin Asset Management (Pvt) Ltd & Colombo Stock Exchange

Note:

1. Performance data is net of management fees and taxes.

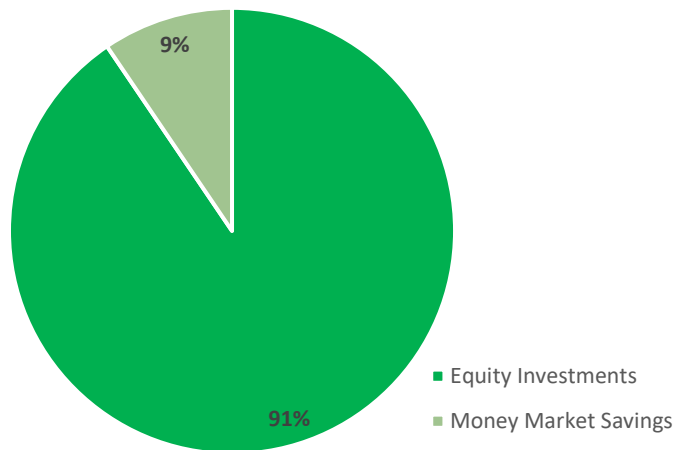
Fund performance Vs Benchmark

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

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 long term capital appreciation and income generation.

Sincerely,

Investment Team

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six month period ended 30 June 2024

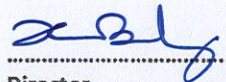
	Notes	6 month ended 30.06.2024 Rs.
INVESTMENT INCOME		
Interest Income	3	306,748
Dividend Income		1,161,573
Net Change in Unrealised (Depreciation) / Appreciation on Financial Assets Held at Fair Value Through Profit and Loss	4	4,030,485
Net Change in Realised Gains on Financial Assets Held at Fair Value Through Profit and Loss	5	1,703,103
TOTAL INVESTMENT INCOME		7,201,909
OPERATING EXPENSES		
Management Fees		(227,940)
Trustee and Custodian Fees		(190,043)
Audit Fees		(63,190)
Brokerage Expenses on Equity Transactions		(814,102)
Tax Consultation Fees		(33,846)
With Holding Tax Expense		(87,835)
Other Expenses		(3,607)
		<u>(1,420,564)</u>
NET PROFIT BEFORE TAX		5,781,345
Income Tax Expense	6	-
NET PROFIT FOR THE PERIOD		5,781,345
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		5,781,345

STATEMENT OF FINANCIAL POSITION

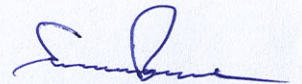
As at 30 June 2024

		As at 30.06.2024	
	Notes	Rs.	% NAV
ASSETS			
Cash and Cash Equivalents	7	5,412,859	9.5%
Financial Assets - Held at Fair Value Through Profit and Loss	8	51,459,857	90.5%
Financial Assets - Loans and Receivables	9	-	0.0%
Other Receivable	10	295,593	0.5%
Income Tax Receivable		-	0.0%
		<u>57,168,309</u>	<u>100.5%</u>
LIABILITIES			
Accrued Expenses	11	299,618	0.5%
Total Liabilities		<u>299,618</u>	<u>0.5%</u>
NET ASSET			
		<u>56,868,691</u>	<u>100.0%</u>
UNIT HOLDERS' FUNDS			
Net Assets Attributable to Unit Holders	17	<u>56,868,692</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.
Unit Holders' Fund as at the Beginning of the Period	6,359,976
Total Comprehensive Income for the Period	5,781,345
Received on Creation of Units	46,859,514
Paid on Redemption of Units	(2,132,143)
Net Decrease due to Unit holders' Transactions	44,727,370
Dividend paid	-
Unit Holders' Fund as at the End of the Period	56,868,692

CASH FLOW STATEMENT

for the six month period ended 30 June 2024

	6 month ended 30.06.2024 Rs.
Cash Flows from Operating Activities	
Interest Received	218,913
Dividend Received	865,980
Placement fee Income	-
Management Fees and Trustee Fees Paid	(258,614)
Brokerage Paid on Equity Transactions	(814,102)
Audit Fees Paid	-
Other Expenses Paid	(3,607)
Investment in Equity Shares	(59,127,902)
Investment in Units	(2,000,000)
Proceeds from Sale of Equity Shares	14,085,067
Proceeds from Sale of Units	2,005,266
Net Investment in Treasury Bill/Bond and Repurchase Agreements	-
Net Cash Flow (Used in) / Generated from Operating Activities	<u>(45,029,000)</u>
Cash Flows from Financing Activities	
Cash Received on Creation of Units	46,859,514
Cash Paid on Redemption of Units	(2,132,143)
Dividend Distribution	-
Net Cash Generated from / (Used in) Financing Activities	<u>44,727,370</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	(301,630)
Cash and Cash Equivalents at the Beginning of the Period	5,714,489
Cash and Cash Equivalents at the End of the Period	<u>5,412,859</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 30 June 2024

- All figures for the six month period ended 30 June 2024 are provisional and unaudited.
- There have been no changes to the accounting policies or methods of computation since the inception of the fund.

3. INTEREST INCOME

6 month ended
30.06.2024
Rs.

Interest on Bank Deposits	-
Interest on Treasury Securities	-
Placement Fees Income	-
Interest on Bank Money Market Bank account	306,748
	<u>306,748</u>

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

Unrealised (Depreciation) / Appreciation of Quoted Equity Securities	4,030,485
Unrealised appreciation of investment Treasury Securities	-
	<u>4,030,485</u>

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

Quoted Equity Securities

Proceeds on Sale of Quoted Equity Securities	14,085,067
Average Cost of Quoted Equity Securities Sold	(12,387,230)
	<u>1,697,837</u>

Investment in Units

Proceeds on Sale of Units	2,005,266
Average Cost of Units	(2,000,000)
	<u>5,266</u>

1,703,103

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
Rs.

HNB Money Market Account	5,387,859
HNB Current Account	25,000
	<u>5,412,859</u>

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

Cost of Purchases	47,434,797
Unrealised Appreciation of Quoted Equity Securities	4,025,060
Market Value as at End of the Period	<u>51,459,857</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 30 June 2024

9. FINANCIAL ASSETS - LOANS AND RECEIVABLES

Investment in Treasury Securities

As at
30.06.2024
Rs.

-

-

10. OTHER RECEIVABLES

Dividend receivable

295,593

CDS Receivables

-

295,593

11. ACCRUED EXPENSES

Fund Manager Fee Payable

116,970

Trustee Fee and Custodian Fee Payable

71,808

Audit Fee and Tax Consultation Fee Payable

110,840

CDS Payable

-

299,618

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.)
Senkadagala Finance PLC	Parent Company of the Management Company	1,819,911.5	21,220,168.09
Senfin Asset Management (Pvt) Ltd	Management Company	631,251.2	7,360,388.99
Mr. Sanath Bandaranayake	Director of Management Company	504.0	5,876.64
Mr. Murugiah Rajendran	Head of Compliance	650.0	7,579.00
Mr. Jeevan Sukumaran	Chief Executive Officer	1,250.00	14,575.00
Mr. Nilanka Gamaethige	Head of Client Service & Marketing	200.00	2,332.00
Mr. Rajitha Elapata	Senior Fund Manager	92.30	1,076.22
Mr. Surath Perera	Chief Investment Officer	1,250.0	14,575.00

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

13. Units in issue as at 30 June 2024 is 4,829,234.30

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.
Net Asset Value (Net Assets Attributable to Unit Holders) as per the Financial Statements	56,868,691
Other Adjustments	-
Published Net Asset Value	56,868,691
Number of Units Outstanding	4,829,234.3
Published Net Asset Value per Unit	11.78

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

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Chartered Accountants
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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, Darmapala Mw, Colombo-07 T: +94 11 232 3571 F: +94 11 243 3388
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