

NAMAL GROWTH FUND

Interim Report

For the six months ended 30th September 2024

National Asset Management Limited
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NAMAL GROWTH FUND
Interim Report 2024

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Dear Investor,

We take pleasure in presenting the interim report of the Namal Growth Fund (NGF) for the six months ended 30th September 2024.

Performance Review

The NAMAL Growth Fund (NGF) shows steady, conservative growth compared to its benchmarks, emphasizing stability. Over five years, NGF achieved 68.8% growth, trailing the ASPI and benchmark returns of 106.7% and 104.7%. Year-to-date, NGF's 1.75% gain lags the benchmark's 3.77%, while its three-year return of 28.9% aligns closely, and its two-year performance of 27.6% slightly surpasses the benchmark, showcasing resilience. In the past year, NGF returned 5.1%, near the benchmark's 5.5%.

Recent short-term metrics indicate some variability: NGF posted a modest 1.75% increase over six months, followed by a -3.78% dip in the last three months, but recently regained momentum with a 4.52% recovery in the past month. This suggests a capacity to rebound amidst shorter-term market fluctuations.

Overall, NGF remains a stable choice within National Asset Management's portfolio, delivering moderate growth and balanced risk.

Market Review

The Treasury bill auction yields exhibited a significant decline over the course of 12 months. Specifically, the 3-month Treasury bill yield experienced a noteworthy reduction of 693 basis points, reaching 10.49%. But Treasury yields experiencing both declines and subsequent rises over the last 6 months period. Accordingly, the 3-month Treasury bill yields increased by 42 basis points, settling at 10.49%. Similarly, the 6-month Treasury bill yields reach to 10.72% and 12-month yields witnessed a small decrease, concluding at 10.05%. (Source: CBSL Weekly Auction Data)

During the specified period, CBSL continued downward policy rates adjustment. Accordingly, there was reduction of 25 Bps in July. As of July, the Standing Deposit Facility (SDF) rate stood at 8.25%, while the Standing Lending Facility (SLF) rate was positioned at 9.25% with a total of 75 bps rate cuts since March. Additionally, with the Statutory Reserve Ratio (SRR) was at 2%. (Source: CBSL Policy Rates)

Economic Review

As of end of September 2024 the inflationary pressures witnessed a declining trend at the beginning of the year with CCPI (Headline) and CCPI(Core) inflation coming down to -0.50% and 3.30% respectively. (Source: CBSL Inflation Data) Gross Official Reserves amounted to USD 6.0 bn at end September 2024. (Source: CBSL Weekly Reports)

The merchandise trade deficit widened in September 2024 (y-o-y), recording the highest monthly trade deficit thus far in 2024. During last 6-month period, there was a deficit of Rs.3.356 billion, showing an improvement from the Rs.2.858 billion deficits observed in the corresponding period the previous year. (Source: CBSL Monthly External Sector Performance Reports) Earnings from tourism increase significantly to USD 2.34 billion which is a 61%(YoY) and the worker remittances increased by 11% (YoY) to USD 4.84 billion. (Source: CBSL Weekly Reports)

Portfolio Composition

The allocation of the Fund is 87% in equity, while the remaining portion is invested in T-bills and Repos. The Fund's most significant equity concentrations are in the Capital Goods, Food, Beverage & Tobacco, and Insurance sectors, with additional notable allocations in consumer services and Materials.

Sincerely,
The Fund Management Team
25th of October 2024

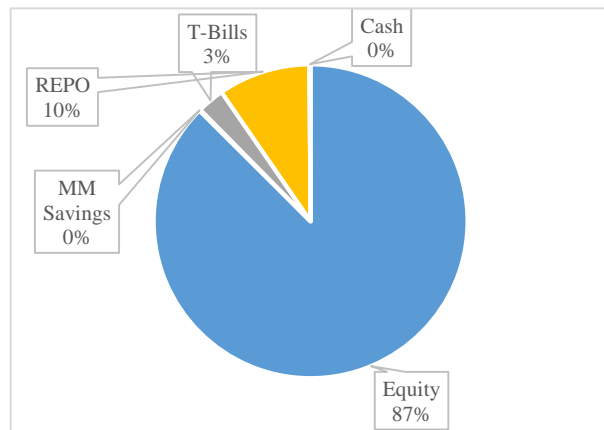
Performance Comparison

Percentage %	1 Month	3 Months	YTD	2 Years	5 Years
ASPI	9.00	-2.31	3.66	19.46	106.74
CRISIL INDEX	0.65	2.33	4.75	49.86	86.12
NGF	4.52	-3.78	1.75	27.59	68.83
Benchmark	8.17	-1.84	3.77	22.50	104.68

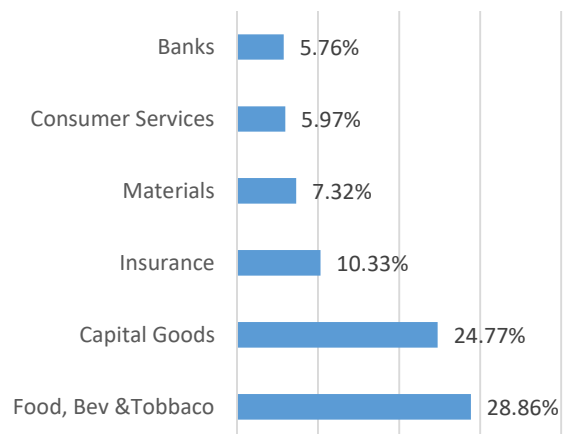
(Non-annualized returns)

* Six-month period ending 30th September 2024.

Asset Allocation



Sector Allocations



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STATEMENT OF COMPREHENSIVE INCOME
For the six month period ended 30 September 2024

	Notes	2024 Rs.	2023 Rs.
INVESTMENT INCOME			
Dividend income	9.1	2,770,933	1,731,691
Interest income	9.2	1,027,653	8,233,063
Realised (losses)/gains on financial assets held at fair value through profit or loss	5.1	9,863,719	5,226,376
Unrealised (losses)/gains on financial assets held at fair value through profit or loss	5.2	<u>(9,952,838)</u>	<u>19,244,876</u>
Total investment income		3,709,468	34,436,006
EXPENSES			
Management and Registrar fees		1,544,461	1,693,982
Trustee fees		266,858	285,433
Audit fee and expenses		536,683	218,894
Consultancy charges		72,699	72,699
Other expenses		40,410	2,630
Sundry Expenses		-	18,671
Brokerage Expenses		<u>1,070,062</u>	<u>1,476,765</u>
Total operating expenses		3,531,173	3,769,073
Net operating profit/(loss)		178,295	30,666,933
<hr/>			
PROFIT/(LOSS) AFTER DEDUCTIONS AND BEFORE TAX		178,295	30,666,933
<hr/>			
PROFIT/(LOSS) AFTER DISTRIBUTIONS AND TAX		178,295	30,666,933
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INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		178,295	30,666,933

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STATEMENT OF FINANCIAL POSITION
As at 30 September 2024

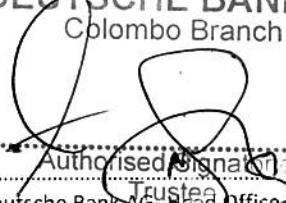
ASSETS	Notes	2024 Rs	2023 Rs
Cash and cash equivalents		1,280,865	5,994,466
Financial assets - Fair value through profit or loss	5	148,652,183	158,509,151
Financial assets - Debt instruments at amortised cost	6	20,861,652	9,916,742
Other receivables	7	11,295	611,620
Income tax recoverable		3,220,785	3,220,785
Total assets		174,026,779	178,252,763
UNIT HOLDERS' FUNDS & LIABILITIES			
LIABILITIES			
Accrued expenses and other payables	8	863,639	758,112
Total Liabilities (Excluding net assets attributable to Unit Holders)		863,639	758,112
UNIT HOLDERS' FUNDS			
Net assets attributable to Unit Holders		173,163,141	177,494,651
		174,026,779	178,252,763

Signed for and on behalf of the Fund Management Company and Trustee;


.....
Director
Fund Management Company


.....
Director
Fund Management Company

Colombo
10th December 2024

DEUTSCHE BANK AG
Colombo Branch

.....
Authorised Signatory
Deutsche Bank AG - Head Office
Trustee

NAMAL GROWTH FUND
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STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS
For the six month period ended 30 September 2024

	2023	2023
	Rs.	Rs.
UNIT HOLDERS' FUNDS AT THE BEGINNING OF THE PERIOD	251,453,576	222,974,513
Increase/ (decrease) in net assets attributable to Unit Holders	178,295	30,666,933
Unit creations during the period	687,006	670,771
Unit redemptions during the Period	(79,155,737)	(76,817,566)
UNIT HOLDERS' FUNDS AT THE END OF THE PERIOD	<u>173,163,141</u>	<u>177,494,651</u>

NAMAL GROWTH FUND
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NOTES TO THE FINANCIAL STATEMENTS

For the six month period ended 30 September 2024

- 1** All figures are provisional and unaudited. Where necessary comparative figures have been adjusted to confirm with the changes in presentation in the current period.
- 2** Income is recognised on accrual basis
- 3** There are no material Contingent Liabilities or contingent Assets which require disclosure in the financial statements.
- 4** No circumstances have arisen since the Balance Sheet date, which would require adjustments or disclosure in the Financial Statements.

	<u>2024</u>	<u>2023</u>
5 Net Assets Value per Unit	185.6072	176.50
No. of units as at 30th of September 2024	915,602.20	987,381.80

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NOTES TO THE FINANCIAL STATEMENTS

For the six month period ended 30 September 2024

5 FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	Rs.	Rs.
Quoted equity securities (5.1)	134,282,043	144,139,010
Unquoted equity securities (5.2)	14,370,141	14,370,141
Debt securities - quoted debentures (5.3)	<u>0</u>	<u>0</u>
	<u><u>148,652,183</u></u>	<u><u>158,509,151</u></u>

5.1 Quoted equity securities

Cost as at 30 September	130,555,283	139,115,338
Appreciation/(depreciation) of market value quoted equity securities	<u>3,726,760</u>	<u>5,023,672</u>
Market Value as at 30 September	<u><u>134,282,043</u></u>	<u><u>144,139,010</u></u>

	2024		2023	
5.1.1 Company	Number of Shares	Market Value Rs.	Number of Shares	Market Value Rs.
Banks				
Hatton National Bank PLC	20,417	4,180,381	20,000	3,440,000
Sampath Bank plc	<u>70,000</u>	<u>5,439,000</u>	<u>70,000</u>	<u>4,900,000</u>
	<u>90,417</u>	<u>9,619,381</u>	<u>90,000</u>	<u>8,340,000</u>
Capital Goods				
Hemas HoldingsPLC	286,489	22,374,791	151,489	12,088,822
John keels holdingsPLC	110,000	19,717,500	110,000	21,202,500
John Keels Holdings PLC -Right Issues	11,000	178,200	-	-
Lanka Tiles PLC	-	-	90,780	4,266,660
ACL Cables	-	-	<u>242,550</u>	<u>19,040,175</u>
	<u>407,489</u>	<u>42,270,491</u>	<u>594,819</u>	<u>56,598,157</u>
Consumer Durables & Apparels				
REGNIS (LANKA) LIMITED	-	-	250,000	11,375,000
Textured Jersey Lanka PLC	-	-	-	-
	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>11,375,000</u>
Food Beverage & Tobacco				
Ceylon Cold Stores PLC	-	-	70,000	3,437,000
The Lion Brewery Ceylon PLC	11,656	11,554,010	-	-
Kelani Valley Plantations Limited	-	-	68,000	5,344,800
Bairaha Farms Limited	110,000	18,012,500	110,000	21,505,000
Three Acre Farms Limited	17,024	4,941,216	17,024	3,847,424
Ceylon Grain Elevators Limited	<u>85,000</u>	<u>14,535,000</u>	<u>70,000</u>	<u>11,585,000</u>
	<u>223,680</u>	<u>49,042,726</u>	<u>138,000</u>	<u>45,719,224</u>
Diversified Financials				
First Capital Treasuries PLC	50,000	1,220,000	50,000	1,910,000
First Capital Holdings PLC	69,890	2,131,645	69,890	3,431,599
Softlogic Capital PLC	-	-	617,336	7,037,630
	<u>119,890</u>	<u>3,351,645</u>	<u>737,226</u>	<u>12,379,229</u>

Insurance

Janashakthi Insurance Company PLC

450,000	17,550,000	-	-
450,000	17,550,000	-	-

Energy

Windforce Limited

-	-	10,000	185,000
-	-	10,000	185,000

Materials

Alumex Limited PLC

600,000 7,140,000 600,000 5,760,000

Tokyo Cement Company (Lanka) PLC - Non Voting

66,000 2,857,800 66,000 3,128,400

Tokyo Cement Company (Lanka) PLC - Voting

50,000 2,450,000

716,000	12,447,800	666,000	8,888,400
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Telecommunication Services

Dialog Axiata PLC

-	-	60,000	654,000
-	-	60,000	654,000

**Total value of quoted equity securities
(At Market Value)**

2,007,476	134,282,043	2,546,045	144,139,010
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5.2 Unquoted equity securities

Cost as at 30th September

2024

11,446,303

2023

11,446,303

Depreciation of market value unquoted equity securities

2,923,838

2,923,838

Market Value as at 30th september

14,370,141

14,370,141

5.2.1 Company**Power and Energy****2024****Number of
Shares
Rs.****Market
Value
Rs.****2023****Number of
Shares
Rs.****Market
Value
Rs.****Consumer Services**

Laugfs Leisure Limited

1,198,934 9,663,408 1,198,934 9,663,408

Laugfs Leisure Limited - NV

97,363 487,789 97,363 487,789

1,296,297	10,151,197	1,296,297	10,151,197
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Commercial & Professional Services

Laugfs Eco Limited

1,198,934 202,515 1,198,934 202,515

Laugfs Eco Limited - NV

97,363 4,016,429 97,363 4,016,429

1,296,297	4,218,944	1,296,297	4,218,944
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2,592,594	14,370,141	2,592,594	14,370,141
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NOTES TO THE FINANCIAL STATEMENTS

For the six month period ended 30 September 2024

5 FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS (contd..)

5.1 Realised (losses)/gains on financial assets at fair value through profit or loss

	2024	2023
	Rs.	Rs.
Equity securities		
Proceeds on sale of equity shares	56,020,309	46,548,902
Average cost of equity shares sold	(46,471,745)	(41,637,681)
Tbill Sale Gain /Loss	315,155	315,155
	<u>9,863,719</u>	<u>5,226,376</u>

5.2 Unrealised losses on financial assets held at fair value through profit or loss

Equity securities	(9,938,447)	19,227,524
Debt securities - quoted debentures	(14,391)	17,351
	<u>(9,952,838)</u>	<u>19,244,876</u>

6 FINANCIAL ASSETS - DEBT INSTRUMENTS AT AMORTISED COST

	2024	2023
	Market Value	Market Value
	Rs.	Rs.
6.1 Investments in commercial papers		
Softlogic Holdings PLC	(1)	(1)
	<u>(1)</u>	<u>(1)</u>
6.2 Investment in Treasury Bills		
Wealth Trust Securities Limited	4,757,617	9,916,743
	<u>4,757,617</u>	<u>9,916,743</u>
6.3 Investment in Repurchase Agreements		
Acuity Securities Ltd	16,104,036	-
	<u>16,104,036</u>	<u>-</u>
	<u>20,861,652</u>	<u>9,916,742</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the six month period ended 30 September 2024

7 OTHER RECEIVABLES

	2024	2023
	Rs.	Rs.
Dividend receivable	-	598,000
Receivable on unit creations	11,295	8,524
Placement fee Receivable	-	5,096
	<u>11,295</u>	<u>611,620</u>
	<u>11,295</u>	<u>611,620</u>

8 ACCRUED EXPENSES AND OTHER PAYABLES

	2024	2023
	Rs.	Rs.
Fund management and Registrar fee payable	233,579	259,452
Trustee fee payable	40,359	43,717
Audit fee payable	218,893	83,791
CDS Payable	-	-
Other Payable	3,859	3,889
Consultancy Fees Payable	366,858	367,173
	<u>863,639</u>	<u>758,112</u>
	<u>863,639</u>	<u>758,112</u>

9 INVESTMENT INCOME

	2024	2023
	Rs.	Rs.
9.1 Dividend income	<u>2,770,933</u>	<u>1,731,691</u>
9.2 Interest income		
Interest on fixed deposits	-	-
Interest on Repo	722,884	3,616
Interest on Tbills	234,394	7,094,180
Interest on savings account	65,163	206,634
Interest income on MM Saving	5,212	928,634
Placement fee income	-	-
	<u>1,027,653</u>	<u>8,233,063</u>
	<u>1,027,653</u>	<u>8,233,063</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the six month period ended 30 September 2024

10 RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENT AND THE PUBLISHED NET ASSET VALUE

	2024	2023
	Rs.	Rs.
Net Asset Value as per Financial Statement	173,163,141	177,494,651
Income Tax receivable	(3,220,785)	(3,220,785)
Published Net Asset Value	<u>169,942,356</u>	<u>174,273,866</u>
No of Units Outstanding	915,602.20	987,381.80
Published net asset value per unit	185.6072	176.5010

NAMAL GROWTH FUND

Interim Report 2024

CORPORATE INFORMATION

Trustee & Custodian	Deutsche Bank AG 86 ,Galle Road Colombo 03
Auditors	Deloitte Associates No 11, Castle Lane Colombo 04
Bankers	Deutsche Bank AG 86, Galle Road Colombo 03
Lawyers	F J & G De Saram Attorneys-at-Law & Notries Public 216, De Saram Place Colombo 10
Managers & Registrars	National Asset Management Limited (NAMAL) No. 07 , Glen Aber Place, Colombo 03

National Asset Management Limited

Board of Directors (As of 30th September 2024)

Mr. Malay Mukherjee	Chairman
Mr. Wijenanada Dambawinne	Director
Mr.Ravi Dasanayake	Director
Mr. Prins Perera	Director
Mr. Kandeepan Ishan	Director
Mr. Sanjay Pokhrel	Director
Mr.Nasser Hamad	Director

Management Team

Mr.Nirupan Wijeyanathan	Chief Executive Officer
Mr. Sidath Thilakarathne	Head of Fixed Income - Fund Manager
Ms. Subashini Jeganathan	Head of Finance and Operations
Mr. Akila Alwis	Head of Sales
Mr. Kevin Gosset	Manager - Operation
Mr.Chinthana Jayalath	Manager - IT