

NATIONAL EQUITY FUND

Interim Report

For the Six months ended 30th September 2025

National Asset Management Limited

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NATIONAL EQUITY FUND
Interim Report 2025

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Dear Investor,

We take pleasure in presenting the interim report of the National Equity Fund (NEF) for the six months ended.

Performance Review

The portfolio continued to deliver **exceptional results**, outperforming key benchmarks across most periods. Year-to-date returns of **41.07%** reflect strong market participation, closely aligning with the ASPI's impressive **37.71%** performance.

Long-term performance remained outstanding, with **172 %** growth over five years and **117.26%** over three years—demonstrating the portfolio's ability to consistently generate superior returns well above the CRISIL Index. Short-term momentum was equally strong, posting **41.07%** and **21.06%** returns over the last six and three months respectively, supported by proactive portfolio strategies and timely market insights.

These results reaffirm the portfolio's **resilience, strategic excellence, and consistent value creation**, positioning it as a **top-performing investment option** within the market.

Performance Comparison

Index	5 Years	YTD	3 Years	2 Years	1 Year	6 Months	3 Months	1 Month
ASPI	263.90%	37.71%	119.30%	92.13%	83.58%	37.71%	20.81%	3.72%
CRISIL INDEX	71.96%	-5.31%	48.80%	12.79%	-0.71%	-5.31%	-7.10%	-8.25%
NEF	172.00%	41.07%	117.26%	82.75%	69.64%	41.07%	21.06%	9.25%
Benchmark	225.51%	29.11%	105.20%	76.26%	66.72%	29.11%	15.23%	1.33%
Benchmark of 80% ASPI + 20% of CRISIL 91 days		**Non-Annualized reutns						

Market Review

The equity market maintained its strong momentum during the six months ended September 2025 with the ASPI rising by 37.71% alone to close at 21,778.60. points, capping a robust performance driven by renewed investor optimism, improving macroeconomic indicators, and healthy corporate results. Market capitalization reached LKR 7.75 trillion, while average daily turnover stood at LKR 7.08 billion across 21 trading days in September. Despite net foreign outflows of LKR 4.8 billion, domestic participation remained dominant. Sector-wise, Retailing (+20.2%), Utilities (+18.6%), and Transportation (+18.4%) outperformed, while Automobiles (-3.7%) and Consumer Durables (-5.0%) lagged.

In the fixed-income market, yields remained broadly stable during the period amid steady liquidity and contained inflation. By end-September 2025, Treasury bill yields stood at 7.57% (91-day), 7.89% (182-day), and 8.02% (364-day), while money market rates hovered around 7.86–7.92%. The Average Weighted Prime Lending Rate (AWPR) was 8.10%, and the Average Weighted Deposit Rate (AWDR) was 6.82%, indicating a relatively accommodative monetary environment.

Economic Review

Sri Lanka's economy showed strong signs of recovery in the six months ending September 2025, with GDP growth revised upward to 4.9% on the back of robust domestic performance and easing external risks. The rebound was supported by accommodative monetary policy, expanding private sector credit, and a revival in construction and tourism. Business confidence and industrial output improved notably, while inflation turned moderately positive, stimulating spending and investment. Additionally, all three major global rating agencies upgraded Sri Lanka's sovereign credit rating out of default, reflecting growing investor confidence. Overall, the quarter highlighted rising economic momentum driven by domestic recovery and policy support, positioning the economy on a steady path toward stabilization and growth.

Portfolio Composition

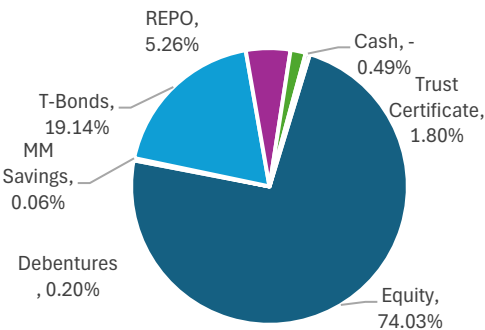
The allocation of the Fund is 74.03% in equity, while the remaining portion is invested in T-bills, T-bonds, Debentures, CP, Trust certificates and Repos. The Fund's most significant equity concentrations are in the Capital Goods, Food, Beverage & Tobacco, and Materials sectors, with additional notable allocations in consumer services and banks.

Sincerely,

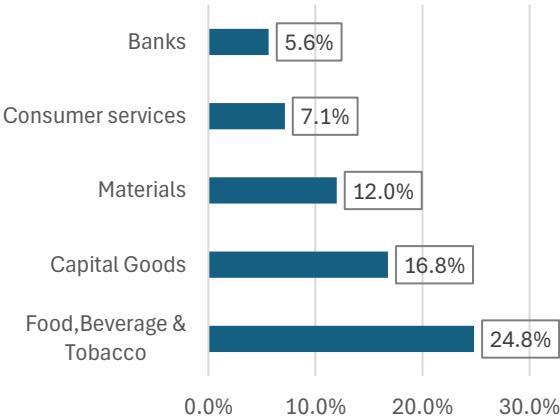
The Fund Management Team

31st September 2025

Asset Allocation



Sector Allocations




	Notes	2025 Rs.	2024 Rs.
INVESTMENT INCOME			
Dividend income	10.1	30,507,094	43,591,005
Interest income	10.2	40,155,748	41,888,047
Realised (losses)/gains on financial assets held at fair value through profit or loss	6.4	264,657,848	26,821,681
Unrealised (losses) /gains on financial assets held at fair value through profit or loss	6.5	707,764,977	13,001,672
Total investment income		<u>1,043,085,666</u>	<u>125,302,405</u>
EXPENSES			
Management and Registrar fees		(25,372,182)	(18,777,118)
Trustee fees		(3,409,703)	(2,523,409)
Audit fee and expenses		(593,278)	(705,064)
Bank charges		(52,254)	(56,686)
Sundry expenses		(56,179)	-
Brokerage Expense		(22,079,286)	(9,060,279)
Consultancy fees		(72,699)	(72,699)
Total operating expenses		<u>(51,635,580)</u>	<u>(31,195,255)</u>
Net operating profit/(loss)		<u>991,450,085</u>	<u>94,107,150</u>
PROFIT/(LOSS) AFTER DEDUCTIONS AND BEFORE TAX			
		991,450,085	94,107,150
Income tax expense		-	-
PROFIT/(LOSS) AFTER DISTRIBUTIONS AND TAX		<u>991,450,085</u>	<u>94,107,150</u>
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		991,450,085	94,107,150

National Equity Fund
STATEMENT OF FINANCIAL POSITION
As at 30 September 2025

	Notes	2025 Rs.	2024 Rs.
ASSETS			
Cash and cash equivalents		9,187,403	1,688,118
Financial assets - Fair value through profit or loss	6	2,593,217,236	1,367,710,151
Financial assets - Debt instruments at amortised cost	7	763,140,300	704,383,446
Accrued income and other receivables	8	1,639,145	39,907,067
Income tax recoverable		28,733,032	28,733,032
Total assets		3,395,917,116	2,142,421,814
UNIT HOLDERS' FUNDS & LIABILITIES			
LIABILITIES			
Accrued expenses	9	16,477,914	21,561,153
Total Liabilities (Excluding net assets attributable to Unit Holders)		16,477,914	21,561,153
UNIT HOLDERS' FUNDS			
Net assets attributable to Unit Holders		3,379,439,203	2,120,860,661
		3,395,917,117	2,142,421,814

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


.....
Director
Fund Management Company


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


.....
Director
Fund Management Company

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

For the Six month period ended 30 September 2025

	2025 Rs.	2024 Rs.
UNIT HOLDERS' FUNDS AT THE BEGINNING OF THE PERIOD	2,463,041,250	2,198,962,231
Increase/ (decrease) in net assets attributable to Unit Holders	991,450,085	94,107,150
Received on unit creations	738,813	2,512,944
Payments on unit redemptions	(75,790,946)	(174,721,665)
Income distribution to unit holders	-	-
UNIT HOLDERS' FUNDS AT THE END OF THE PERIOD	<u>3,379,439,203</u>	<u>2,120,860,661</u>

**National Equity Fund
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Notes To the Accounts

For the period ended 30th September 2025

NOTES TO THE ACCOUNTS

1

All figures are 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.

	2025	2024
5 Net Assets Value per Unit	74.5872	43.9668
No. of units as at 30th September	44,923,327.6	47,584,262.0

6 FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	Rs.	Rs.
Quoted equity securities (6.1)	2,573,303,520	1,341,584,931
Unquoted equity securities (Note 6.2)	13,650,345	19,741,127
Debt securities - quoted debentures (6.3)	6,263,372	6,384,093
	<u>2,593,217,236</u>	<u>1,367,710,151</u>

6.1 Quoted equity securities

Cost as at 30 September	1,627,880,217	1,391,622,057
Appreciation/(depreciation) of market value quoted equity securities	945,423,303	(50,037,126)
Market Value as at 30 September	<u>2,573,303,520</u>	<u>1,341,584,931</u>

6.1.1 Company	2025	2023
	Number of Shares	Number of Shares
	Market Value	Market Value
	Rs.	Rs.
	Holdings as a % of Net Asset Value	Holdings as a % of Net Asset Value
Banks		
Hatton National Bank PLC	72,000	204,629
Sampath Bank PLC	232,509	155,713
Pan Asia Banking Corporation Limited	938,958	-
Commercial Bank of Ceylon PLC	270,006	22,522,860
	<u>174,129,005.0</u>	<u>76,519,548</u>
	5%	4%
Capital Goods		
Access Engineering PLC	1,000,000	1,002,762
ACI Cables PLC	1,043,114	1,168,585
Hemas Holdings PLC	1,000,000	465,000
John keels holdings PLC	4,077,150	825,050
John keels holdings PLC - Right Issues	-	82,505
Royal Ceramics Lanka Limited	-	422,204
Hayleys Limited	307,275	444,750
Central Industries Limited	-	100,000
Colombo Fort Land & Building Company Limited	282,998	333,747
Valibel One PLC	-	81,000
Colombo Dockyard PLC	-	272,374
	<u>482,221,563.20</u>	<u>402,671,311</u>
	14%	19%
Consumer Durables & Apparels		
Hayleys -MGT Knitting Mills PLC	795,354	-
	<u>35,154,647</u>	<u>-</u>
	1%	0%
Consumer Services		
Hayleys Leisure PLC	1,582,094.00	400,000
Aitken Spence Hotel Holdings PLC	400,000.00	439,443
Beruwala Resorts PLC	1,600,000.00	4,812,017
Serendib Hotels PLC	1,542,149.00	409,899
Marawala Resorts PLC	6,225,978.00	4,652,637
Galadari Hotels (Lanka) PLC	-	685,002
John keels Hotels Limited	500,000	-
Citrus Leisure PLC	379,258	-
Trans Asia Hotels PLC	300,000	-
Asian Hotels & Properties PLC	250,000	-
	<u>267,124,676.40</u>	<u>88,601,271.00</u>
	6%	4%
Food Beverage & Tobacco		
Kelani Valley Plantations Limited	-	400,000
Ceylon Cold Stores PLC	-	350,000
Bairaha Farms Limited	625,382	607,890
Sunshine Holdings PLC	750,000	-
Three Acre Farms Limited	223,149	156,458
Ceylon Grain Elevators Limited	541,218	514,954
Agarapataka Plantations PLC	-	700,000
Lanka Milk Foods (CWE) Limited	878,542	878,542
Distilleries Company of Sri Lanka PLC	1,217,648	-
Maskeliya Plantations PLC	255,647	-
Lankem Developments PLC	1,464,109	-
Horana Plantations PLC	399,971	-
Agalawatte Plantations PLC	1,072,485	-
Balangoda Plantations PLC	883,331	-
Hatton Plantations PLC	714,205	-
	<u>991,194,794</u>	<u>314,193,045</u>
	19%	15%
Energy		
Lanka IOC Limited	-	715,000
	<u>-</u>	<u>82,225,000</u>
	0%	4%
Insurance		
Janashakthi Insurance Company PLC	-	19,415
People's Insurance PLC	872,438	-
	<u>34,286,813</u>	<u>757,185</u>
	0%	0%
Diversified Financials		
Capital Alliance PLC	-	632,981
First Capital Treasuries PLC	-	1,100,931
First Capital Holdings PLC	-	1,235,463
LB Finance PLC	-	100,000
Valibel Finance PLC	317,190	650,000
	<u>38,300,693</u>	<u>26,195,000</u>
	2%	12%
Materials		
Alumex PLC	1,923,000	4,416,949
Dipped Products PLC	1,400,401	500,000
CIC Holdings PLC	485,000	663,101
Tokyo Cement Company (Lanka) PLC - Non Voting	-	1,320,301
Tokyo Cement Company (Lanka) PLC - Voting	1,000,000	211,000
PGP Glass Ceylon PLC	-	739,600
Lanka Aluminium Industries PLC	2,000,000	335,249
Swisstek (Ceylon) PLC	-	19,340
	<u>405,991,807</u>	<u>218,468,071</u>
	12%	10%
Retailing		
Singer (Sri Lanka) Limited	599,997	304
	<u>50,279,749</u>	<u>5,229</u>
	1%	0%
Real Estate		
Colombo Land & Development Company Limited	968,933	-
	<u>40,598,293</u>	<u>-</u>
	4%	0%
Telecommunication Services		
Dialog Axiata PLC	-	700,000
	<u>-</u>	<u>6,510,000</u>
	0%	0%
Utilities		
Resus Energy PLC	1,174,380	1,149,360
	<u>54,021,480</u>	<u>26,090,472</u>
	2%	1%
Total value of quoted equity securities in (At Market Value)	<u>2,573,303,520</u>	<u>1,341,584,931</u>
	76%	63%

6 FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS (Contd...)

6.2 Unquoted equity securities

	2025 Rs.	2024 Rs.
Cost as at 30 th September	17,493,838	17,493,837
Depreciation of market value unquoted equity securities	(3,843,493)	2,247,289.56
Market Value as at 30 th September	<u>13,650,345</u>	<u>19,741,127</u>

6.2.1 Company

	2025			2024		
	Number of Shares	Market Value Rs.	Holdings as a % of Net Asset Value	Number of Shares	Market Value Rs.	Holdings as a % of Net Asset Value
Laughs Leisure Limited	1,318,182	4,336,819	0.1%	1,318,182	10,624,547	1%
Laughs Leisure Limited - NV	663,000	2,181,270	0.1%	663,000	3,321,630	0.2%
Laughs Eco Limited	1,318,182	4,745,455	0.1%	1,318,182	4,415,910	0.2%
Laughs Eco Limited - NV	663,000	2,386,800	0.1%	663,000	1,379,040	0.1%
		<u>13,650,344</u>	<u>0.4%</u>		<u>19,741,127</u>	<u>0.9%</u>

6.3 Quoted debentures

	2025			2024		
	Cost Rs.	Market Value Rs.	Holding as a % of Net Asset Value	Cost Rs.	Market Value Rs.	Holding as a % of Net Asset Value
Commercial Bank	4,430,000	6,263,372	0%	4,430,000	6,384,093	0%
	<u>4,430,000</u>	<u>6,263,372</u>	<u>0%</u>	<u>4,430,000</u>	<u>6,384,093</u>	<u>0%</u>

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

	2025 Rs.	2024 Rs.
Equity securities		
Proceeds on sale of equity shares	1,014,817,666	356,461,618
Average cost of equity shares sold	(747,270,634)	(334,805,583)
Tbill Sale Gain /Loss	-	4,077,446
Tbond Sale Gain /Loss	(2,889,185)	1,088,200
	<u>264,657,848</u>	<u>26,821,681</u>

6.5 Unrealised (losses)/gains on financial assets held at fair value through profit or loss

	2025 Rs.	2024 Rs.
Equity securities	705,290,519	12,959,360
Debt securities	2,474,458	42,313
	<u>707,764,977</u>	<u>13,001,672</u>

7 FINANCIAL ASSETS - DEBT INSTRUMENTS AT AMORTISED COST

	2025		2024	
	Carrying Value Rs.	Holding as a % of Net Asset Value	Carrying Value Rs.	Holding as a % of Net Asset Value
7.1 Investments in commercial papers				
LOLC Holdings	-	0%	126,449,839	6%
	<u>-</u>	<u>0%</u>	<u>126,449,839</u>	<u>6%</u>
7.2 Investments in Treasury Bonds				
Wealth Trust Securities Limited	484,479,888	14%	466,841,583	22%
HNB Securities Limited	110,517,836			
	<u>594,997,724</u>	<u>14%</u>	<u>466,841,583</u>	<u>22%</u>
7.3 Investment in Treasury bills				
Wealth Securities Limited	-	0%	49,571,182	0
	<u>-</u>	<u>0%</u>	<u>49,571,182</u>	<u>2%</u>
7.4 Investment in Repurchase Agreements				
HNB Securities Limited	118,125,563	3%	11,502,883	1%
	<u>118,125,563</u>	<u>3%</u>	<u>11,502,883</u>	<u>5%</u>
7.5 Investment in Trust Certificates				
Alliance Finance PLC	50,017,014	1%	50,017,959	2%
	<u>50,017,014</u>	<u>1%</u>	<u>50,017,959</u>	<u>2%</u>
	<u>763,140,300</u>	<u>19%</u>	<u>704,383,446</u>	<u>38%</u>

8 ACCRUED INCOME AND OTHER RECEIVABLES

	2025	2024
	Rs.	Rs.
Dividend receivable	1,635,421	335,249
Receivable on unit creations	3,723	19,818
CDS receivable	0	39,552,000
	<u>1,639,145</u>	<u>39,907,067</u>

9 ACCRUED EXPENSES AND OTHER PAYABLES

	2025	2024
	Rs.	Rs.
Fund management and registrar fee payable	13,935,203	9,220,784
Trustee fee payable	1,872,716	1,239,158
Audit fee	270,331	270,331
Payable on unit redemptions	167,878	148,465
Other payable	(4,269)	(5,089)
CDS Payable	-	10,435,584
Consultancy fees payable	236,053	251,919
	<u>16,477,914</u>	<u>21,561,153</u>

10 INVESTMENT INCOME

	2025	2024
	Rs.	Rs.
10.1 Dividend income	<u>30,507,094</u>	<u>43,591,005</u>
10.2 Interest income		
Interest on fixed deposits	-	-
Interest on commercial papers	1,057,747	8,281,994
Interest on debentures	582,480	590,805
Interest on savings account	129,315	337,631
Interest on money market savings -HNB	7,387	1,973
Interest on money market savings-NDB	51,412	61,418
Interest on Tbills	-	2,525,846
Interest on Tbonds	31,913,901	26,545,084
NATIONAL EQUITY FUND DISCOUNT ON T BONDS	-	-
Interest on Repos	3,472,970	3,525,341
Interest on Trust Certificates	2,940,535	17,958
	<u>40,155,748</u>	<u>41,888,047</u>

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

	2025	2024
	Rs.	Rs.
Net Asset Value as per Financial Statement	3,379,439,203	2,120,860,661
Income Tax receivable	(28,733,032)	(28,733,032)
Published Net Asset Value	<u>3,350,706,171</u>	<u>2,092,127,629</u>
 Number of units outstanding	 44,923,328	 47,584,262
 Published Net Asset Value per Unit	 <u>74.5872</u>	 <u>43.9668</u>

NATIONAL EQUITY FUND
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CORPORATE INFORMATION

Trustee & Custodian	Deutsche Bank AG One Galleface Tower, 01A Centre Road Colombo 02
Auditors	Deloitte Associates No 11, Castle Lane Colombo 04
Bankers	Deutsche Bank AG One Galleface Tower, 01A Centre Road Colombo 02
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 2025)

Mr. Malay Mukherjee	Chairman
Mr. Dilshan Rodrigo	Director
Mr. Wijenanada Dambawinne	Director
Mr.Ravi Dasanayake	Director
Mr. Prins Perera	Director
Mr. Brian Joseph	Director
Mr.Sanjay Pokhrel	Director
Mr.Nassar Hanad	Director

Management Team

Mr.Nirupan Wijeyanadan	Chief Executive Officer
Ms. Nadeera Karunarathna	Finance Manager
Ms.Amali Perera	Manager Compliance
Mr.Kevin Gosset	Manager Operation
Mr. Akila Alwis	Head of Sales
Mr.Chinthana	Manager - IT