

NAMAL INCOME FUND

Interim Report

For the six months ended 30th September 2025

National Asset Management Limited

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Dear Investor,

We take pleasure in presenting the interim report of the Namal Income Fund (NIF) for the six months ended 30th September 2025.

Performance Review

The NIF Fund continued to deliver steady and consistent returns, reflecting the fund's disciplined investment approach and focus on capital preservation with growth. Over the past 12 months, the Fund recorded a 13.97% return, while maintaining a strong 13.66% gain over the 24-month period.

Year-to-date (YTD) performance stood at 10.69%, closely aligned with the benchmark, underscoring the Fund's ability to capture market opportunities while managing volatility effectively. Short-term results were also encouraging, with 10.69% over six months and 6.57% in the past month, supported by prudent asset allocation and active management.

The Fund's continued positive trajectory highlights its resilience, stability, and consistent performance, reinforcing its position as a reliable investment option for investors seeking balanced returns.

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 Portfolio is constructed as a well-diversified portfolio to maximize returns by investing in high yielding corporate debt, which could be invested up to a maximum of 99% of assets. As at 30th September 2025, 49% of assets were invested in Treasury Bonds, 30% in Commercial Papers, 17% in Fixed Deposits, 5% in Repo Investments with the remainder in savings and form of cash.

Sincerely,
The Fund Management Team
30th September 2025

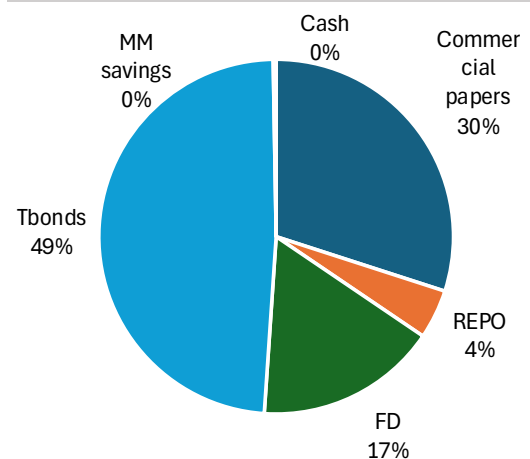
Performance Comparison

	1M* (%)	6M* (%)	CYTD* (%)
NIF**	6.57	10.69	10.53

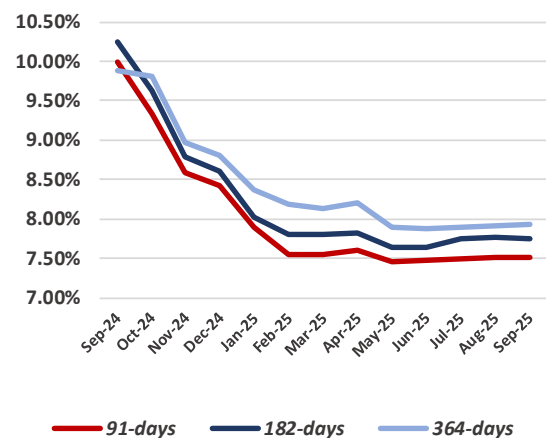
* Six-month period ending 30th September 2025

**Annualized Yield as at 30th September 2025

Asset Allocation



Treasury Bill Rates



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STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30th
September 2025

	Notes	2025 Rs.	2024 Rs.
INVESTMENT INCOME			
Interest income	10.1	32,147,700	41,687,537
Realised gain/(loss) on financial assets held at fair value through profit or loss	6	-	(9,812,882)
Unrealised gain/(loss) on financial assets held at fair value through profit or loss		6,446,018	3,691,327
Total investment income		38,593,717	35,565,982
EXPENSES			
Management and Registrar fees		(2,531,693)	(4,188,725)
Trustee and Custodian fees		(230,432)	(230,432)
Audit fee and expenses		(242,506)	(297,280)
Bank Charges		(56,345)	-
Other expenses		(73,270)	(131,179)
Total operating expenses		(3,134,245)	(4,847,615)
Net operating profit		35,459,472	30,718,367
PROFIT AFTER DEDUCTIONS AND BEFORE TAX			
		35,459,472	30,718,367
Income tax expense		-	-
PROFIT AFTER DISTRIBUTIONS AND TAX		35,459,472	30,718,367
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS			
		35,459,472	30,718,367

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STATEMENT OF FINANCIAL POSITION
As at 30th September 2025

	Notes	2025 Rs.	2024 Rs.
ASSETS			
Cash and cash equivalents		2,396,331	3,440,124
Financial assets - Debt instruments at amortised cost	7	596,037,341	530,054,962
Other Receivable	8	6,353	-
Total assets		<u>598,440,025</u>	<u>533,495,086</u>
UNIT HOLDERS' FUNDS & LIABILITIES			
LIABILITIES			
Accrued expenses	9	791,881	1,070,266
Total liabilities (Excluding net assets attributable to Unit Holders)		<u>791,881</u>	<u>1,070,266</u>
UNIT HOLDERS' FUNDS			
Net assets attributable to Unit Holders		597,648,144	532,424,820
		<u>598,440,025</u>	<u>533,495,086</u>

The Fund Management Company and the Trustee are responsible for the preparation and presentation of these financial statements in accordance with the Sri Lanka Accounting Standards.

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


Director
Fund Management Company


Deutsche Bank AG
Colombo Branch
Trustee


Director
Fund Management Company

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**Statement of Movements in
Unitholder's Fund
For the six month period ended 30th
September**

	2025	2024
	Rs.	Rs.
UNIT HOLDERS' FUNDS AT THE BEGINNING OF THE YEAR	706,704,999	27,875,796
Increase in net assets attributable to unit holders	35,459,472	30,718,367
Received on unit creations	121,583,015	1,997,761,207
Payments on unit redemptions	(266,099,342)	(1,523,930,550)
UNIT HOLDERS' FUNDS AT THE END OF THE YEAR	<u><u>597,648,144</u></u>	<u><u>532,424,820</u></u>

NAMAL Income Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the 06-month period ended 30th September 2025

- 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 an 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>2025</u>	<u>2024</u>
5 Net Asset Value per unit as at September 30th 2025	15.3517	13.47
No of Units as at 30 th September 2025	38,930,315	39,528,409

6 Realised gain/(loss) on financial assets held at fair value through profit or loss

	<u>2025</u>	<u>2024</u>
	Rs.	Rs.
Tbond Sale Gain		
/Loss	-	(9,976,726.71)
Tbill Sale Gain		
/Loss	-	163,844.72
	-	(9,812,881.99)

NAMAL Income Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the 06 month period ended 30th September 2025

7 FINANCIAL ASSETS - DEBT INSTRUMENTS AT AMORTISED COST

7.1 Investment in Fixed Deposits

Alliance Finance Company Limited

2025 Rs.	2024 Rs.
99,189,963	54,146,866.54
99,189,963	54,146,866.54

7.2 Investment in Treasury Bills

First Capital Treasuries PLC

-	46,665,438.98
-	46,665,438.98

7.3 Investment in Repo

HNB Securities Limited

Acuity Securities Limited

26,905,823	-
-	27,006,768.49
26,905,823	27,006,768.49

7.4 Investment in Commercial Papers

E.B.Creasy & Company PLC

Browns & Company PLC

Janashakthi PLC

LOLC Holdings PLC

-	32,812,394.59
83,160,075	
50,501,780	
45,489,329	106,982,255.24
179,151,184	139,794,649.83

7.5 Investment in Treasury Bonds

DFCC Bank

Wealthtrust Securities Ltd

126,167,886	14,763,083.48
164,622,485	247,678,154.20
290,790,371	262,441,237.68
596,037,341	530,054,961.52

	2025 Rs.	2024 Rs.
8 OTHER RECEIVABLES		
Unit Creations Money Receivables	6,353	
Placements fee receivable	-	-
	<u>6,353</u>	<u>-</u>

	2025 Rs.	2024 Rs.
9 ACCRUED EXPENSES		
Fund manager and Registrar fee payable	366,141	538,603
Trustee and Custodian fee payable	37,776	37,776
Audit fee payable	151,439	242,506
Other payable	410	(600)
consultancy fees payable	236,053	251,919
Payable on Unit Cancelled	62	62
	<u>791,881</u>	<u>1,070,266</u>

	2025 Rs.	2024 Rs.
10 INVESTMENT INCOME		
10.1 Interest Income on,		
Interest on Fixed Deposits	3,908,535.71	3,215,034
Interest on saving accounts	22,312	197,660
Interest on MM Savings	151,653	365,665
Interest Income on Repos	2,596,164	7,274,580
Interest Income on T-Bill	1,433,444	5,676,165

Interest Income on T-Bonds	15,241,589	13,130,825
Interest Income on Trust certificate	1,740,392	120
Interest Income on Commercial Papers	7,053,611	12,352,492
Discount on T-Bonds	-	(524,885)
	<u>32,147,700</u>	<u>41,687,537</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	<u>597,648,144</u>	<u>532,424,820</u>
Published Net Asset Value	<u>597,648,144</u>	<u>532,424,820</u>
No of Units Outstanding	38,930,315	39,528,409
Published net asset value per unit	15.3517	13.4694

NATIONAL INCOME FUND

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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 & Notaries 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 Pokheral	Director
Mr. Nassar Hanad	Director

Management Team

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