

PREMIER WEALTH FUNDS

PREMIER WEALTH FUNDS INTERIM REPORT 30th September 2020

Trustee & Custodian



Fund Manager



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Fund Manager's Review

Our Valued Investors,

It is with great pleasure that we present the Interim Annual Report for the six month ending 30th September 2020 to our valued investors.

During the last 6 months, Global economy took a major hit with COVID-19 which exasperated the pressure on the already ailing Sri Lankan economy with previous year's Easter Sunday Attack. Both domestic and international analysts expect the country to enter into a technical recession. Yet, despite the market conditions, we are pleased to inform that Premier Wealth Management Limited (PWML) has been able to perform reasonably well throughout the year under review.

With the two-unit trust funds "Premier Money Market Fund" and "Premier Growth Fund", we cater to the liquidity and long-term capital appreciation needs of our unit holders. The sheer force of Ceylinco Life brand behind PWML will propel it to win the trust of the common Sri Lankans while educating them on non-traditional investment avenues, which would bring win-win solutions to investors, shareholders and to the investment culture at large.

ECONOMIC REVIEW

Sri Lankan economy contracted by 1.6% in the first quarter of 2020 due to the impact of the COVID-19 pandemic. However, the Sri Lankan economy is expected to move along a faster recovery path, despite the latest surge in COVID-19 cases locally that could hamper near term growth prospects. Unemployment rate, which was estimated at 5.7% in the first quarter of 2020, has declined to 5.4% in the second quarter.

External sector remains resilient with improved liquidity in the foreign exchange market. Alongside the improvement in earnings from merchandise exports, restrictions imposed on the importation of non-essential goods and low crude oil prices helped narrow the trade deficit substantially during the nine months ending September 2020.

In 2020, Central Bank reduced Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) several times to support economic activities by providing monetary stimulus and liquidity. Meanwhile Sri Lankan Rupee remained broadly stable throughout the period limiting the depreciation to 1.5% thus far during the year.

Fund Performance

Premier Money Market fund continued to establish its reputation as a fund which aims to provide attractive, short-term, tax-adjusted investment opportunities for both corporate and retail clients. For the six months ended 30th September 2020, fund managed to achieve a 10.1% annualized yield, net of fees, compared to 11.1% annualized yield the fund achieved in the same period of 2019/20.

Premier Growth Fund, which focuses on investments in equity, was able to record a return of 18.6% (net of fees) for the period under review compared to the return of 4.6% in the same period of 2019/20, whereas All Share Price Index of Colombo Stock Exchange has recorded 30.91% growth during the six months ended 30th September 2019.

**PREMIER GROWTH FUND
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
30TH SEPTEMBER 2020**

**PREMIER GROWTH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH SEPTEMBER 2020**

	Note	Period ended 30.09.2020 Rs.	Year ended 31.03.2020 Rs.
Investment Income			
Dividend Income		34,335	6,306
Interest Income	1	1,300,613	1,271,888
Placement Fee income		-	63,000
Net Realized Gain/(Loss) on Financial Assets Held at Fair Value through Profit or Loss		333,085	(29,327)
Net Change in Unrealized Gain/(Loss) on Financial Assets Held at Fair Value Through Profit or Loss		680,574	157,869
Total Investment Income		<u>2,348,607</u>	<u>1,469,736</u>
Expenses			
Custodian Fee		(64,800)	(135,200)
Audit Fee		(49,899)	(112,860)
Brokerage for Equity Investment		(26,411)	(694)
Professional Fees		(21,599)	(52,996)
Other Expenses		(1,750)	(1,095)
Total Operating Expenses		<u>(164,459)</u>	<u>(302,845)</u>
Net Operating Profit/(Loss)		<u>2,184,148</u>	<u>1,166,891</u>
Finance Charges		(2,718)	(2,177)
Profit/(Loss) After Deductions and Before Tax		<u>2,181,430</u>	<u>1,164,714</u>
Income Tax Expense	2	-	-
Profit/(Loss) After Distributions and Tax		<u>2,181,430</u>	<u>1,164,714</u>
Increase/(Decrease) in Net Assets Attributable to Unit Holders		<u><u>2,181,430</u></u>	<u><u>1,164,714</u></u>

The Notes from 1 to 9 form an Integral Part of these Financial Statements.

**PREMIER GROWTH FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2020**

	Note	Period Ended 30.09.2020 Rs.	Year Ended 30.09.2020 Rs.
Assets			
Cash and Cash Equivalents	3	45,660	11,649
Financial Assets - Fair value Through Profit or Loss	4	2,010,700	125,928
Financial Assets Measured at Amortised Cost	5	23,999,395	23,323,787
Income Tax Receivable	6	55,032	62,423
Other Receivables	7	31,917	-
Total Assets		<u>26,142,704</u>	<u>23,523,787</u>
Unit Holders' Funds and Liabilities			
Liabilities			
Accrued Expenses and Other Payables	8	196,045	176,833
Total Liabilities (Excluding Net Assets Attributable to Unit Holders)		<u>196,045</u>	<u>176,833</u>
Unit Holders' Funds			
Net Assets Attributable to Unit Holders		<u>25,946,659</u>	<u>23,346,954</u>
Total Unit Holders' Funds and Liabilities		<u>26,142,704</u>	<u>23,523,787</u>

These Financial Statements were approved by the Board of Directors of Management Company on 17th December 2020.



**Premier Wealth Management Limited
Fund Management Company**



**Premier Wealth Management Limited
Fund Management Company**

The Notes from 1 to 9 form an Integral Part of these Financial Statements.

**PREMIER GROWTH FUND
STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2020**

	Period Ended 30.09.2020 Rs.	Year Ended 30.09.2020 Rs.
Unit Holders' Funds at the Beginning of the Period	23,346,954	3,148,989
Increase/(Decrease) in Net Assets Attributable to Unit Holders	2,181,430	1,164,715
Received on Unit Creations	418,275	19,033,250
Payments on Unit Redemptions	-	-
Unit Holders' Funds at the End of the Period	<u>25,946,659</u>	<u>23,346,954</u>

The Notes from 1 to 9 form an Integral Part of these Financial Statements.

**PREMIER GROWTH FUND
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2020**

	Period Ended 30.09.2020	Year Ended 31.03.2020
Note	Rs.	Rs.
Cash Flows From/(Used in) Operating Activities		
Interest Received	664,166	333,161
Dividend Received	32,431	6,306
Net Realized Gain/(Loss) on Equity Investments	333,085	63,000
Tax Paid	7,391	(4,242)
Operating Expenses Paid	(147,965)	(241,073)
Net Investment in Financial Assets Measured at Amortised Cost	-	-
Net Investment in Financial Assets at Fair Value Through Profit or Loss	(1,273,373)	(19,388,079)
Net Cash Flows From Operating Activities	<u>(384,265)</u>	<u>(19,230,927)</u>
Cash Flows From/(Used in) Financing Activities		
Cash Received on Creation of Units	418,275	19,033,250
Net Cash Flows From/(Used in) Financing Activities	<u>418,275</u>	<u>19,033,250</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	34,011	(197,677)
Cash and Cash Equivalents at the Beginning of the Financial Period	11,649	209,326
Cash and Cash Equivalents at the End of the Financial Period	3 <u><u>45,660</u></u>	<u><u>11,649</u></u>

The Notes from 1 to 9 form an Integral Part of these Financial Statements.

	Period Ended 30.09.2020 Rs.	Year Ended 31.03.2020 Rs.
1 Interest income from financial assets not held at fair value through profit or loss		
Interest Received on Repos	14,149	112,158
Interest Received on T -Bonds	407,938	360,044
Interest Received on Deposits	392,978	450,958
Interest Received On Debenture	266,271	179,587
Interest Received On Commercial Papers	199,294	168,801
Interest on Savings Deposits	19,983	340
	<u>1,300,613</u>	<u>1,271,888</u>
2 Income tax expense		
Income Tax Recognized in Profit or Loss (Note 2.1)	-	-
2.1 A Reconciliation between Tax Expense and the Accounting Profit multiplied by the Statutory Tax Rate is as follows.		
Accounting Profit Chargeable for Current Tax	2,181,430	1,164,714
Tax effect on Chargeable Profits	-	-
Tax effect on Allowable Income	-	-
Tax effect on Disallowable Expenses	-	-
Tax effect on Trade Losses	-	-
Current Tax Expense	<u>-</u>	<u>-</u>

The fund has calculated the income tax liability up to 31st March 2018 in accordance with the previous Inland Revenue Act, No. 10 of 2006 and following the enactment of the new Inland Revenue Act, No. 24 of 2017 effective from 1st April 2018, the fund is deemed as conducting an eligible investment business and is treated as a tax pass through vehicle. Hence no provision for income tax was made in the financial statements for the current year.

		Period Ended 30.09.2020	Year Ended 31.03.2020
		Rs.	Rs.
3	Cash and cash equivalents		
	Cash at Current Account	5,000	5,000
	Cash at Savings Account	40,660	6,649
		<u>45,660</u>	<u>11,649</u>
4	Financial Assets - Fair Value Through Profit or Loss		
		Period Ended 30.09.2020	Year Ended 31.03.2020
		No. of Shares	Market Value
		No. of Shares	Market Value
	Banks		
	Commercial Bank of Ceylon PLC	1,039	83,016
	Hatton National Bank PLC	1,740	220,980
	Union Bank Colombo PLC	6,000	66,000
	DFCC Bank PLC	1,000	69,900
	Sanasa Development Bank PLC	1,000	56,100
	Nations Trust Bank PLC	800	49,600
		<u>11,579</u>	<u>545,596</u>
	Food Beverages & Tobacco		
	Keells Food Product PLC	957	108,332
	Melstacorp PLC	3,300	113,850
	Lanka Milk Foods (CWE) PLC	500	55,950
		<u>4,757</u>	<u>278,132</u>
	Diversified Financials		
	LB Finance PLC	380	54,606
	Central Finance Company PLC	609	48,781
	People's Leasing & Finance PLC	7,500	98,250
		<u>8,489</u>	<u>201,637</u>
	Capital Goods		
	Renuka Holdings PLC	7,615	137,070
	Richard Pieris and Company PLC	10,000	152,000
	John Keells Holdings PLC	1,000	134,600
	Hemas Holdings PLC	1,000	74,700
		<u>19,615</u>	<u>498,370</u>
	Telecommunication		
	Dialog Axiata PLC	17,000	190,400
	Sri Lanka Telecom PLC	3,276	107,125
		<u>20,276</u>	<u>297,525</u>
	Materials		
	Chevron Lubricant Lanka PLC	1,700	147,560
		<u>1,700</u>	<u>147,560</u>
	Consumer Durables and Apparel		
	Textured Jersey Lanka PLC	1,200	41,880
		<u>1,200</u>	<u>41,880</u>
	Power and Energy		
	Vallible Power Erathna PLC	-	-
		<u>-</u>	<u>-</u>
	Land & Property		
	Overseas Realty (Ceylon) PLC	-	-
		<u>-</u>	<u>-</u>
		<u>67,616</u>	<u>2,010,700</u>
5	Financial assets measured at amortised cost		
	Investment in Treasury Bond	8,265,993	7,874,527
	Investment in Deposit	7,448,161	7,055,127
	Investment in Repo	-	1,610,280
	Investment in Debenture - Listed	4,917,145	3,615,052
	Investment in Commercial Papers	3,368,096	3,168,801
		<u>23,999,395</u>	<u>23,323,787</u>

	Period Ended 30.09.2020 Rs.	Year Ended 31.03.2020 Rs.
6 Income Tax Receivable		
Balance at the Beginning of the Period	62,423	58,181
Income Tax Expense for the Period	-	-
Withholding Taxes Deducted During the Period	(7,391)	4,242
Notional Tax Recoverable	-	-
Write-off of Tax Receivable	-	-
Balance at the end of the Period	55,032	62,423
7 Other Receivables		
Account receivables	30,000	-
Dividend Receivable	1,904	-
Interest Receivable on Saving Account	13	-
	31,917	-
8 Accrued Expenses and Other Payables		
Custodian Fees	10,623	10,977
Payable to Premier Wealth Management Ltd	15	-
Tax Consultation Fees Payable	31,397	52,996
Audit Fees	154,009	112,860
	196,044	176,833

9 Capital Management

The fund's capital is represented by redeemable units with no par value and is reflected in the statement of financial position as amount attributable to unit holders. Movement in number of units and net assets attributable to unitholders during the period were as follows:

	Period Ended 30.09.2020		Year Ended 31.03.2020	
	Units	Rs.	Units	Rs.
Units as at beginning of the period	3,885,722	23,293,226	558,133	3,148,989
Units issued during the period	65,381	418,275	3,327,589	19,033,250
Increase in net assets attributable to unit holders	-	2,235,158	-	1,164,715
Units as at end of the period	3,951,103	25,946,659	3,885,722	23,346,954
Adj: Income Tax Receivables	-	(55,032)	-	(62,423)
Other Adjustments	-	(1,292)	-	8,695
Net Assets as per Valuation	3,951,103	25,890,335	3,885,722	23,293,226

The creation price was at Rs. 6.56 per unit (31.03.2020 - Rs. 6.00) and the redemption price was at Rs. 5.54 (31.03.2020 - Rs. 5.99) as at 30th September 2020.

**PREMIER MONEY MARKET FUND
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
30TH SEPTEMBER 2020**

**PREMIER MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH SEPTEMBER 2020**

	Note	Period Ended 30.09.2020 Rs.	Year Ended 31.03.2020 Rs.
Investment Income			
Interest Income	1	24,173,770	21,344,710
Other Income		694,699	969,150
Net Realized Gain on Financial Assets measured at amortized cost		123,735	22,989
Total Investment Income		<u>24,992,204</u>	<u>22,336,849</u>
Expenses			
Management Fees		(837,228)	(619,258)
Trustee and Custodian Fees		(646,239)	(666,163)
Brokerage for Debentures		-	(4,648)
Audit Fees		(68,043)	(175,230)
Professional Fees		(21,599)	(52,996)
Other Expenses		(11,678)	-
Total Operating Expenses		<u>(1,584,787)</u>	<u>(1,518,295)</u>
Net Operating Profit		<u>23,407,417</u>	<u>20,818,554</u>
Finance Cost	2	(22,488)	(23,394)
Net Operating Profit after Deductions and Before Tax		<u>23,384,929</u>	<u>20,795,160</u>
Income Tax Expense	3	-	-
Increase in Net Assets Attributable to Unit Holders		<u><u>23,384,929</u></u>	<u><u>20,795,160</u></u>

The Notes from 1 to 10 form an Integral Part of these Financial Statements.

**PREMIER MONEY MARKET FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2020**

	Note	Period ended 30.09.2020 Rs.	Year Ended 31.03.2020 Rs.
Assets			
Cash and Cash Equivalents	4	40,585,503	7,916
Income Tax Receivable	5	3,371,946	3,400,799
Financial Assets Measured at Amortised Cost	6	569,837,241	378,256,204
Other Assets	7	17,555	201
Total Assets		613,812,245	381,665,120
Unit Holders' Funds and Liabilities			
Liabilities			
Accrued Expenses	8	548,778	384,518
Other Financial Liabilities	9	6,092,953	114,450
Total Liabilities (Excluding Net Assets Attributable to Unit Holders)		6,641,731	498,968
Unit Holders' Funds			
Net Assets Attributable to Unit Holders		607,170,514	381,166,152
Total Unit Holders' Funds and Liabilities		613,812,245	381,665,120

These financial statements were approved by the Board of Directors of Management Company on 18th December 2020.



Premier Wealth Management Limited
Fund Management Company



Premier Wealth Management Limited
Fund Management Company

The Notes from 1 to 10 form an Integral Part of these Financial Statements.

**PREMIER MONEY MARKET FUND
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2020**

	Period Ended 30.09.2020 Rs.	Year Ended 31.03.2020 Rs.
Cash Flows From/ (Used in) Operating Activities		
Interest Received	16,249,749	12,252,292
Net Investment in Securities	(183,532,879)	(211,814,546)
Net Increase in Financial Liabilities	5,978,503	(9,985,550)
Tax Paid / Refunded	28,853	(165,730)
Operating Expenses Paid	(1,420,527)	(1,422,048)
Placement Fee Income Received	694,699	969,150
Net Cash Flows Used in Operating Activities	<u>(162,001,602)</u>	<u>(210,166,432)</u>
Cash Flows From/(Used in) Financing Activities		
Cash Received on Creation of Units	301,432,786	326,977,281
Cash Paid on Redemption of Units	(98,813,353)	(116,864,519)
Finance Charge	(22,488)	(23,394)
Accounts Receivable	(17,756)	(201)
Net Cash Flows from Financing Activities	<u>202,579,189</u>	<u>210,089,167</u>
Net Increase in Cash and Cash Equivalents	40,577,587	(77,265)
Cash and Cash Equivalents at the Beginning of the Period	7,916	85,181
Cash and Cash Equivalents at the End of the Period <i>(Note 4)</i>	<u><u>40,585,503</u></u>	<u><u>7,916</u></u>

The Notes from 1 to 10 form an Integral Part of these Financial Statements.

**PREMIER MONEY MARKET FUND
STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2020**

	Period Ended 30.09.2020 Rs.	Year Ended 31.03.2020 Rs.
Unit holders' Funds at the Beginning of the Period	381,166,152	150,258,230
Increase in Net Assets Attributable to Unit Holders	23,384,929	20,795,160
Received on Unit Creations	301,432,786	326,977,281
Payments on Unit Redemptions	(98,813,353)	(116,864,519)
Unit Holders' Funds at the end of Period	<u><u>607,170,514</u></u> ✓	<u><u>381,166,152</u></u>

The Notes from 1 to 10 form an Integral Part of these Financial Statements.

	Period Ended 30.09.2020 Rs.	Year Ended 31.03.2020 Rs.
1 Interest Income		
Interest on Repos	158,692	1,232,114
Interest on Received on Treasury Bills	347,173	51,260
Interest on Trust Certificate	2,627,801	6,431,847
Interest on Savings account	251,526	10,277
Interest on Received on Debentures	499,499	92,917
Interest on Deposits	17,832,591	6,964,774
Interest on Commercial Papers	2,456,488	6,561,521
	<u>24,173,770</u>	<u>21,344,710</u>
2 Finance Cost		
Bank Charges	22,488	23,394
	<u>22,488</u>	<u>23,394</u>
3 Income Tax Expense		
Income Tax Recognized in Profit or Loss (Note 3.1)	-	-
3.1 The Tax Charges for the Period Reconciled to the Accounting Profit as follows:		
Accounting Profit Chargeable for Current Tax	23,384,929	20,795,160
Tax Effect on Chargeable Profits	-	-
<i>Adjusted for the Tax Effect of:</i>	-	-
Tax Effect on Allowable Credits	-	-
Tax Effect on Non Deductible Expenses	-	-
Interest Received Relevant to Prior Period	-	-
Interest Receivable on Fixed deposits	-	-
Current Tax Expense	<u>-</u>	<u>-</u>
Effective Tax Rate	0.00%	0.00%

	Period Ended 30.09.2020 Rs.	Year Ended 31.03.2020 Rs.
4 Cash at Bank		
Savings Cash Book	40,580,503	2,916
Cash at Bank	5,000	5,000
	<u>40,585,503</u>	<u>7,916</u>
5 Income Tax Receivable		
Balance at the Beginning of the Period	3,400,799	3,209,871
<i>Current Tax Assets</i>		
Withholding Tax Receivable	(28,853)	190,928
	<u>3,371,946</u>	<u>3,400,799</u>
<i>Current Tax Liabilities</i>		
Income Tax Payable	-	-
Balance at the End of the Period	<u>3,371,946</u>	<u>3,400,799</u>
6 Financial Assets Measured at Amortised Cost		
Investment in Treasury Bills Repos	-	83,910,123
Investment in Treasury Bills	-	10,652,829
Investment in Debentures	9,781,180	9,668,367
Investment in Trust Certificate	5,582,534	60,170,422
Investment in Deposits	482,977,834	178,884,655
Investment in Commercial Papers	71,495,693	34,969,808
	<u>569,837,241</u>	<u>378,256,204</u>
7 Other Assets		
Interest Receivable on Saving Account	17,144	-
Other Receivables	-	201
Placement Fee Receivable	411	-
	<u>17,555</u>	<u>201</u>
8 Accrued Expenses		
Management Fees	176,982	109,789
Trustee Fees	109,143	67,748
Payable to Ameresekera & Co - Income Tax Computation	31,396	9,796
Custodian Fees	21,247	21,955
Auditor's Remuneration	210,010	175,230
	<u>548,778</u>	<u>384,518</u>
9 Other Financial Liabilities		
Accounts Payable	-	114,450
Other Receivables	42,962	-
Units to be Creation	6,050,000	-
Payable on Unit Cancelled	(9)	-
	<u>6,092,953</u>	<u>114,450</u>

10 Capital Management

The fund's capital is represented by redeemable units with no par value and is reflected in the statement of financial position as amount attributable to unit holders. Movement in number of units and net assets attributable to unitholders during the period were as follows;

	Period Ended 30.09.2020		Year Ended 31.03.2020	
	Units	Rs.	Units	Rs.
Units at the Beginning of the Period	21,881,185	377,907,523	9,559,389	150,258,230
Units Issued During the Period	16,935,702	301,432,786	19,493,693	326,977,281
Units Redeemed/ Cancelled during the Period	(5,535,091)	(98,813,354)	(7,171,897)	(116,864,519)
Increase in Net Assets Attributable to unit holders	-	26,643,559	-	20,795,160
Units at the end of the period	<u>33,281,796</u>	<u>607,170,514</u>	<u>21,881,185</u>	<u>381,166,152</u>
Adj: Income Tax receivables	-	(3,371,914)	-	(3,400,799)
Other audit entries adjustments	-	-	-	142,170
	<u>33,281,796</u>	<u>603,798,600</u>	<u>21,881,185</u>	<u>377,907,523</u>

The creation price and the redemption price was at Rs. 18.1420 per unit (31.03.2020 - Rs. 17.2709) as at 30th September 2020.

Corporate Information

Fund Manager/ Registrar

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