

**FIRST CAPITAL MONEY MARKET FUND
INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED 30TH SEPTEMBER 2022**



REPORT OF THE MANAGER

We have pleasure in presenting the Unaudited Interim Financial Statements of First Capital Money Market Fund (the Fund) for the six months ended 30th September 2022.

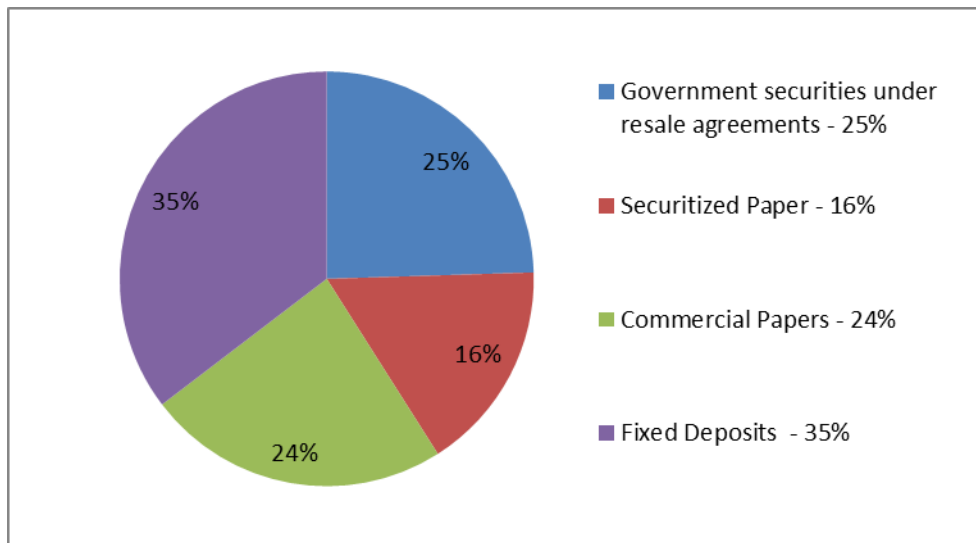
Fund Performance

First Capital Money Market Fund reported a Profit after Tax of Rs. 235Mn for the six months ended 30th September 2022 compared to Rs. 745Mn in the corresponding period of the previous year. The decrease in Profit after Tax for the period under review is as a result of the decline in Funds under Management.

The Fund reported an Annualised Return of 9.88% for the six months ended 30th September 2022 compared to the Average Weighted Deposit Rate of 8.53% (Source: The Central Bank of Sri Lanka - Weekly Economic Indicators; <https://www.cbsl.gov.lk/en/statistics/economic-indicators/weekly-indicators>). The Annualised Return reported in the corresponding period of the previous year (2021/22) was 6.89% compared to the Average Weighted Deposit Rate of 4.75% (Source: The Central Bank of Sri Lanka - Weekly Economic Indicators; <https://www.cbsl.gov.lk/en/statistics/economic-indicators/weekly-indicators>). The Funds under Management as at 30th September 2022 was Rs. 1.64Bn compared to Rs. 15.4Bn at the beginning of the year (The Fund's yield is variable and subject to change. Past performance is not an indicator of future performance).

Asset Allocation as at 30th September 2022

The Asset Allocation of the Fund as at 30th September 2022 is as follows.



FIRST CAPITAL ASSET MANAGEMENT LIMITED

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Company Reg. No: PB 187

Appreciations

We take this opportunity to thank our valued unitholders for the trust and confidence placed in us. We also place on record our appreciation for the support extended by the Securities and Exchange Commission of Sri Lanka and our Trustee, Bank of Ceylon.

We express our sincere thanks to the Board of Directors, Management Team and Staff of the First Capital Asset Management Limited for their contribution towards our performance.

FIRST CAPITAL MONEY MARKET FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For Six Months ended 30th September	2022	2021
	Unaudited	Unaudited
	Rs.	Rs.
Income	259,686,526	864,645,234
Direct expenses	(41,449,199)	(7,713,647)
Net trading income	218,237,327	856,931,587
Unrealised gain/ (loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	31,413,586	(40,334,770)
	249,650,913	816,596,817
Administration and other operating expenses	(15,036,605)	(74,326,322)
Reversal for impairment of financial assets at amortised cost	849,560	3,063,192
Profit before taxation	235,463,868	745,333,686
Income tax expenses	-	-
Profit for the period	235,463,868	745,333,687
Increase in net assets attributable to unitholders	235,463,868	745,333,687

Figures in brackets indicate deductions.
The notes form an integral part of these financial statements.

**FIRST CAPITAL MONEY MARKET FUND
STATEMENT OF FINANCIAL POSITION**

As at	30.09.2022 Unaudited Rs.	31.03.2022 Audited Rs.
Assets		
Cash at banks	1,056,538	7,688,208
Financial assets recognised through profit or loss - measured at fair value	658,351,548	8,657,802,283
Financial assets at amortised cost	982,014,162	6,756,610,440
Other receivables	6,939,074	27,469,207
Total assets	1,648,361,322	15,449,570,138
Unitholders' funds and liabilities		
Liabilities		
Accrued expenses and other liabilities	6,506,526	18,404,923
Total liabilities	6,506,526	18,404,923
Unitholders' funds		
Net assets attributable to unitholders	1,641,854,796	15,431,165,215
	1,641,854,796	15,431,165,215
Total unitholders' funds and liabilities	1,648,361,322	15,449,570,138
Net asset per unit	2,177.09	2,076.65

The notes form an integral part of these financial statements.

The Managing Company of First Capital Money Market Fund is responsible for the preparation and presentation of these Financial Statements in accordance with the Sri Lanka Accounting Standards.

Approved by the Managing Company on 22nd December 2022.



Mangala Jayashantha
Chief Financial Officer
First Capital Asset Management Limited
Fund Management Company



Dilshan Wirasekara
Director / Chief Executive Officer
First Capital Asset Management Limited
Fund Management Company



Chandana de Silva
Director
First Capital Asset Management Limited
Fund Management Company

**FIRST CAPITAL MONEY MARKET FUND
STATEMENT OF CHANGES IN UNIT HOLDERS' FUNDS**

For Six Months ended 30th September	Unitholders' Funds Rs.
Balance as at 1st April 2021 (Audited)	21,478,221,453
Capital infused during the period	15,950,808,392
Capital withdrawals made during the period	(16,881,209,823)
Increase in net assets attributable to unitholders	745,333,687
Balance as at 30th September 2021 (Unaudited)	<u>21,293,153,709</u>
Balance as at 1st April 2022 (Audited)	15,431,165,215
Capital infused during the period	4,515,510,843
Capital withdrawals made during the period	(18,540,285,130)
Increase in net assets attributable to unitholders	235,463,868
Balance as at 30th September 2022 (Unaudited)	<u>1,641,854,796</u>

Figures in brackets indicate deduction
The notes form an integral part of these financial statements.

**FIRST CAPITAL MONEY MARKET FUND
STATEMENT OF CASH FLOWS**

For Six Months ended 30th September	2022 Unaudited Rs.	2021 Unaudited Rs.
Cash flows from/(used in) operating activities		
Profit before taxation	235,463,868	745,333,687
Adjustment for :		
Unrealised (gain)/ loss on fair valuation of financial assets recognised through profit or loss - measured at fair value	(31,413,586)	40,334,770
Provision/ (Reversal) for impairment of financial assets at amortised cost	(849,560)	(3,063,192)
Operating profit before working capital changes	203,200,722	782,605,265
 (Increase)/ Decrease in financial assets recognised through profit or loss - measured at fair value	 8,030,864,321	 (268,854,538)
Decrease in financial investments - at amortised cost	5,775,445,838	438,257,978
(Increase)/ Decrease in other receivables	20,530,133	(16,291,301)
Decrease in accrued expenses and other liabilities	(11,898,397)	(13,165,579)
Cash flow generated from operations	14,018,142,617	922,551,825
 Net cash flows generated from operating activities	14,018,142,617	922,551,825
 Net cash flows from/(used in) investing activities	-	-
 Cash flows from/ (used in) financing activities		
Capital infused during the period	4,515,510,843	15,950,808,392
Capital redeemed during the period	(18,540,285,130)	(16,881,209,823)
Net cash flows used in financing activities	(14,024,774,287)	(930,401,431)
 Net decrease in cash and cash equivalents	(6,631,670)	(7,849,606)
Cash and cash equivalents at the beginning of the period	7,688,208	18,775,444
Cash and cash equivalents at the end of the period	1,056,538	10,925,838

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

**FIRST CAPITAL MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS**

1. The number of Units represented by unitholders' funds as at 30th September 2022 is 754,150.
2. The above figures are subject to audit. The same accounting policies as in the Audited Financial Statements for the above year ended 31st March 2022 have been followed in the preparation of the above interim financial statements.
3. There have been no material capital commitment and contingent liabilities as at the reporting date which require disclosures in the financial statements (No commitment and contingent liabilities as at 31st March 2022).
4. There have been no material events after the reporting period which require adjustments/ disclosures in these financial statements.

**FIRST CAPITAL MONEY MARKET FUND
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30TH SEPTEMBER 2022**

NOTES TO THE FINANCIAL STATEMENTS

5 Financial instruments- Fair Value Measurement

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements in accordance with SLFRS 13.

Level - 1

Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level - 2

Financial instruments that are measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities.

Level - 3

Financial Instruments that are not supported by observable market prices information.

Due to the nature of the short term maturity, carrying value of the financial asset at amortised cost are approximated to their fair value.

5.1 Fair values versus the Carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position are as follows;

	As at 30.09.2022		As at 31.03.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value	658,351,548	658,351,548	8,657,802,283	8,657,802,283
Financial assets not measured at fair value				
Cash at banks	1,056,538	1,056,538	7,688,208	7,688,208
Financial assets at amortised cost	982,014,162	982,014,162	6,756,610,440	6,756,610,440
Other receivables	6,939,074	6,939,074	27,469,207	27,469,207
	990,009,774	990,009,774	6,791,767,855	6,791,767,855
Total financial assets	1,648,361,322	1,648,361,322	15,449,570,138	15,449,570,138
Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Accrued expenses and other liabilities	6,506,526	6,506,526	18,404,923	18,404,923
Total financial liabilities	6,506,526	6,506,526	18,404,923	18,404,923

FIRST CAPITAL MONEY MARKET FUND
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30TH SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

5.2 Financial instruments- Fair Value

The following tables show an analysis of financial instruments at fair value and by level of fair value hierarchy.

As at 30th September 2022

	Level 1	Level 2	Level 3	Total Fair Value
	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value				
Investment in securitised paper	-	270,339,475	-	270,339,475
Investment in commercial paper	-	388,012,073	-	388,012,073
	-	658,351,548	-	658,351,548
Financial assets not measured at fair value				
Cash at banks	-	-	1,056,538	1,056,538
Financial assets at amortised cost	-	-	982,014,162	982,014,162
Other receivables	-	-	6,939,074	6,939,074
	-	-	990,009,774	990,009,774
Total financial assets	-	658,351,548	990,009,774	1,648,361,322
Financial liabilities measured at fair value				
	-	-	-	-
Financial liabilities not measured at fair value				
Accrued expenses and other liabilities	-	-	6,506,526	6,506,526
Total financial liabilities	-	-	6,506,526	6,506,526

As at 31st March 2022

	Level 1	Level 2	Level 3	Total Fair Value
	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value				
Investment in government securities - treasury bills	4,740,225,594	-	-	4,740,225,594
Investment in securitised paper	-	952,340,492	-	952,340,492
Investment in commercial paper	-	2,965,236,197	-	2,965,236,197
	4,740,225,594	3,917,576,689	-	8,657,802,283
Financial assets not measured at fair value				
Cash at banks	-	-	7,688,208	7,688,208
Financial assets at amortised cost	-	-	6,756,610,440	6,756,610,440
Other receivables	-	-	27,469,207	27,469,207
	-	-	6,791,767,855	6,791,767,855
Total financial assets	4,740,225,594	3,917,576,689	6,791,767,855	15,449,570,138
Financial liabilities measured at fair value				
	-	-	-	-
Financial liabilities not measured at fair value				
Accrued expenses and other liabilities	-	-	18,404,923	18,404,923
Total financial liabilities	-	-	18,404,923	18,404,923

FIRST CAPITAL MONEY MARKET FUND**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30TH SEPTEMBER 2022****NOTES TO THE FINANCIAL STATEMENTS****5.3 Measurement of fair values****5.3 (a) Valuation techniques and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation Technique	Significant Unobservable Inputs
Commercial papers	The valuation model is based on Yield Curve of the Government Securities. Yields relating to Government Securities based on the remaining maturities of the respective commercial paper is interpolated in the valuation considering the initial risk premiums (at the time of issue) of the investee companies are constant as at the reporting date.	Risk premium of the investee companies (6.90% - 8.36%)
Investment in Securitised papers	The valuation model is based on Yield Curve of the Government Securities. Yields relating to Government Securities based on the remaining maturities of the respective Securitised paper is interpolated in the valuation considering the initial risk premiums (at the time of issue) of the investee companies are constant as at the reporting date.	Risk premium of the investee companies (2.63% - 2.64%)

FIRST CAPITAL MONEY MARKET FUND
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30TH SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

5.4 Financial instruments - Accounting classifications

As at 30th September 2022

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Total carrying amount	Fair value
	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value				
Financial assets - FVTPL	658,351,548	-	658,351,548	658,351,548
	658,351,548	-	658,351,548	658,351,548
Financial assets not measured at fair value				
Cash at banks	-	1,056,538	1,056,538	1,056,538
Financial assets at amortised cost	-	982,014,162	982,014,162	982,014,162
Other receivables	-	6,939,074	6,939,074	6,939,074
	-	990,009,774	990,009,774	990,009,774
Total financial assets	658,351,548	990,009,774	1,648,361,322	1,648,361,322
Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Accrued expenses and other liabilities	-	6,506,526	6,506,526	6,506,526
Total financial liabilities	-	6,506,526	6,506,526	6,506,526

As at 31st March 2022

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Total carrying amount	Fair value
	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value				
Financial assets - FVTPL	8,657,802,283	-	8,657,802,283	8,657,802,283
	8,657,802,283	-	8,657,802,283	8,657,802,283
Financial assets not measured at fair value				
Cash at banks	-	7,688,208	7,688,208	7,688,208
Financial assets at amortised cost	-	6,756,610,440	6,756,610,440	6,756,610,440
Other receivables	-	27,469,207	27,469,207	27,469,207
	-	6,791,767,855	6,791,767,855	6,791,767,855
Total financial assets	8,657,802,283	6,791,767,855	15,449,570,138	15,449,570,138
Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Accrued expenses and other liabilities	-	18,404,923	18,404,923	18,404,923
Total financial liabilities	-	18,404,923	18,404,923	18,404,923

FIRST CAPITAL MONEY MARKET FUND**RECONCILIATION FOR THE NET ASSET VALUE REPORTED AS AT 30TH SEPTEMBER 2022**

	RS
Net Asset Value of the Fund as per Monthly Return	1,648,696,865
Adjustment on provision for financial asset - at amortised cost as per SLFRS 9	(66,726)
Adjustment on fair valuation of financial asset - at fair value through profit or loss	(6,775,343)
Net Asset Value of the Fund as per Unaudited Financial Statements	1,641,854,796