



First Capital

A Janashakthi Group Company

PROVISIONAL FINANCIAL STATEMENTS

Six Months ended
30th September 2023

FIRST CAPITAL MONEY MARKET FUND

Managed by

FIRST CAPITAL ASSET MANAGEMENT LIMITED

CONTENTS

| | Pages |
|--|--------------|
| Fund Manager's Report | 1-2 |
| <u>Financial Reports</u> | |
| Statement of Profit or Loss and Other Comprehensive Income | 3 |
| Statement of Financial Position | 4 |
| Statement of Changes in Unitholders' Funds | 5 |
| Statement of Cash Flows | 6 |
| Notes to the Financial Statements | 7-11 |
| Reconciliation on Net Assets | 12 |



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 2023.

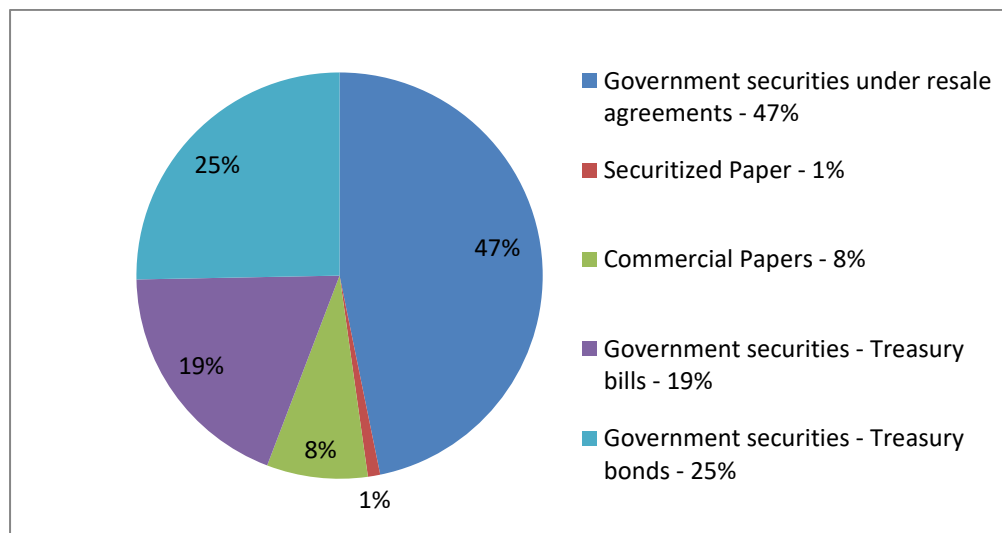
Fund Performance

First Capital Money Market Fund reported a Profit after Tax of Rs. 1,481Mn for the six months ended 30th September 2023 compared to Rs. 235Mn in the corresponding period of the previous year. The increase in Profit after Tax for the period under review is due to substantial growth in Funds under Management.

The Fund reported an Annualised Return of 29.12% (inclusive of the marked to market gain) for the six months ended 30th September 2023 compared to the Average Weighted Deposit Rate of 14.62% (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 (2022/23) was 9.88% 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 Funds under Management as at 30th September 2023 was Rs. 18.9Bn compared to Rs. 4.7Bn 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 2023

The Asset Allocation of the Fund as at 30th September 2023 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 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 | 2023 | 2022 |
|---|----------------------|--------------------|
| | Unaudited | Unaudited |
| | Rs. | Rs. |
| Income | 1,209,352,636 | 259,686,526 |
| Direct expenses | (378,082) | (41,449,199) |
| Net trading income | 1,208,974,554 | 218,237,327 |
| Gain on fair valuation of financial assets recognised through profit or loss - measured at fair value | 307,664,042 | 31,413,586 |
| | 1,516,638,596 | 249,650,913 |
| Administration and other operating expenses | (35,877,332) | (15,036,605) |
| Reversal for impairment of financial assets at amortised cost | - | 849,560 |
| Profit before taxation | 1,480,761,264 | 235,463,868 |
| Income tax expenses | - | - |
| Profit for the period | 1,480,761,264 | 235,463,868 |
| Increase in net assets attributable to unitholders | 1,480,761,264 | 235,463,868 |

Figures in brackets indicate deductions.

The notes form an integral part of these provisional financial statements.

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

| As at | 30.09.2023 | 31.03.2023 |
|---|-----------------------|----------------------|
| | Unaudited | Audited |
| | Rs. | Rs. |
| Assets | | |
| Cash at bank | 14,617,219 | 4,939,744 |
| Financial assets recognised through profit or loss - measured at fair value | 10,126,708,917 | 3,456,230,665 |
| Financial assets at amortised cost | 8,905,507,672 | 1,235,534,352 |
| Other receivables | 409,260 | 409,260 |
| Total assets | 19,047,243,068 | 4,697,114,021 |
| Unitholders' funds and liabilities | | |
| Liabilities | | |
| Accrued expenses and other Payables | 177,240,761 | 14,898,976 |
| Total liabilities | 177,240,761 | 14,898,976 |
| Unitholders' funds | | |
| Net assets attributable to unitholders | 18,870,002,307 | 4,682,215,045 |
| | 18,870,002,307 | 4,682,215,045 |
| Total unitholders' funds and liabilities | 19,047,243,068 | 4,697,114,021 |
| Net assets value per unit | 2,845.31 | 2,503.13 |

The notes form an integral part of these provisional financial statements.

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

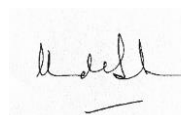
Approved by the Managing Company on 15th December 2023.



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



Dilshan Wirasekara
Managing Director/ CEO
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 UNITHOLDERS' FUNDS**

| For Six Months ended 30th September | Unitholders' Funds Rs. |
|---|-----------------------------------|
| Balance as at 1st April 2022 (Audited) | 15,431,165,215 |
| Increase due to unit creation during the period | 4,515,510,843 |
| Decrease due to unit redemption 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> |
| | |
| Balance as at 1st April 2023 (Audited) | 4,682,215,045 |
| Increase due to unit creation during the period | 34,999,007,038 |
| Decrease due to unit redemption during the period | (22,291,981,040) |
| Increase in net assets attributable to unitholders | 1,480,761,264 |
| Balance as at 30th September 2023 (Unaudited) | <u>18,870,002,307</u> |

Figures in brackets indicate deduction

The notes form an integral part of these provisional financial statements.

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

| For Six Months ended 30th September | 2023 | 2022 |
|--|-------------------------|-------------------------|
| | Unaudited | Unaudited |
| | Rs. | Rs. |
| Cash flows from/(used in) operating activities | | |
| Profit before taxation | 1,480,761,264 | 235,463,868 |
| Adjustment for : | | |
| (Gain)/ loss on fair valuation of financial assets recognised through profit or loss - measured at fair value | (307,664,042) | (31,413,586) |
| Provision/ (Reversal) for impairment of financial assets at amortised cost | - | (849,560) |
| Operating profit before working capital changes | 1,173,097,222 | 203,200,722 |
| (Increase)/ Decrease in financial assets recognised through profit or loss - measured at fair value | (6,362,814,210) | 8,030,864,321 |
| Decrease in financial investments - at amortised cost | (7,669,973,320) | 5,775,445,838 |
| (Increase)/ Decrease in other receivables | - | 20,530,133 |
| Decrease in accrued expenses and other liabilities | 162,341,785 | (11,898,397) |
| Cash flow generated from operations | (12,697,348,523) | 14,018,142,617 |
| Net cash flows generated from operating activities | (12,697,348,523) | 14,018,142,617 |
| Net cash flows from/ (used in) investing activities | - | - |
| Cash flows from/ (used in) financing activities | | |
| Period proceeds from units creations | 34,999,007,038 | 4,515,510,843 |
| Period payments for units redemptions | (22,291,981,040) | (18,540,285,130) |
| Net cash flows used in financing activities | 12,707,025,998 | (14,024,774,287) |
| Net decrease in cash and cash equivalents | 9,677,475 | (6,631,670) |
| Cash and cash equivalents at the beginning of the period | 4,939,744 | 7,688,208 |
| Cash and cash equivalents at the end of the period | 14,617,219 | 1,056,538 |

Figures in brackets indicate deductions.

The notes form an integral part of these provisional financial statements.

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

1. The number of Units represented by unitholders' funds as at 30th September 2023 is 6,631,972.
2. The above figures are provisional. The same accounting policies as in the Audited Financial Statements for the year ended 31st March 2023 have been followed in the preparation of the above provisional 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 2023).
4. There have been no material events after the reporting period which require adjustments/ disclosures in these provisional financial statements.

**FIRST CAPITAL MONEY MARKET FUND
NOTES TO THE PROVISIONAL 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 30.09.2023 | | As at 31.03.2023 | |
|---|-----------------------|-----------------------|------------------|---------------|
| | 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 | 10,126,708,917 | 10,126,708,917 | 3,456,230,665 | 3,456,230,665 |
| | 10,126,708,917 | 10,126,708,917 | 3,456,230,665 | 3,456,230,665 |
| Financial assets not measured at fair value | | | | |
| Cash at banks | 14,617,219 | 14,617,219 | 4,939,744 | 4,939,744 |
| Financial assets at amortised cost | 8,905,507,672 | 8,905,507,672 | 1,235,534,352 | 1,235,534,352 |
| Other receivables | 409,260 | 409,260 | 409,260 | 409,260 |
| | 8,920,534,151 | 8,920,534,151 | 1,240,883,356 | 1,240,883,356 |
| Total financial assets | 19,047,243,068 | 19,047,243,068 | 4,697,114,021 | 4,697,114,021 |
| Financial liabilities measured at fair value | | | | |
| | - | - | - | - |
| Financial liabilities not measured at fair value | | | | |
| Accrued expenses and other Payables | 177,240,761 | 177,240,761 | 14,898,976 | 14,898,976 |
| Total financial liabilities | 177,240,761 | 177,240,761 | 14,898,976 | 14,898,976 |

FIRST CAPITAL MONEY MARKET FUND
NOTES TO THE PROVISIONAL 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 2023

| | Carrying Amount | Level 1 | Level 2 | Level 3 | Total Fair Value |
|--|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| | Rs. | 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 | 186,077,226 | - | 186,077,226 | - | 186,077,226 |
| - Investment in commercial paper | 1,528,600,441 | - | 1,528,600,441 | - | 1,528,600,441 |
| - Investment in government securities - Treasury bills | 3,596,577,250 | 3,596,577,250 | - | - | 3,596,577,250 |
| - Investment in government securities - Treasury bonds | 4,815,454,000 | 4,815,454,000 | - | - | 4,815,454,000 |
| | 10,126,708,917 | 8,412,031,250 | 1,714,677,667 | - | 10,126,708,917 |
| Financial assets not measured at fair value | | | | | |
| Cash at bank | 14,617,219 | - | - | 14,617,219 | 14,617,219 |
| Financial assets at amortised cost | 8,905,507,672 | - | - | 8,905,507,672 | 8,905,507,672 |
| Other receivables | 409,260 | - | - | 409,260 | 409,260 |
| | 8,920,534,151 | - | - | 8,920,534,151 | 8,920,534,151 |
| Total financial assets | 19,047,243,068 | 8,412,031,250 | 1,714,677,667 | 8,920,534,151 | 19,047,243,068 |
| Financial liabilities measured at fair value | | | | | |
| | - | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | |
| Accrued expenses and other Payables | 177,240,761 | - | - | 177,240,761 | 177,240,761 |
| Total financial liabilities | 177,240,761 | - | - | 177,240,761 | 177,240,761 |

As at 31st March 2023

| | Carrying Amount | Level 1 | Level 2 | Level 3 | Total Fair Value |
|--|----------------------|----------------------|--------------------|----------------------|----------------------|
| | Rs. | 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 | 2,720,938,742 | 2,720,938,742 | - | - | 2,720,938,742 |
| - Investment in securitised paper | 273,300,432 | - | 273,300,432 | - | 273,300,432 |
| - Investment in commercial paper | 461,991,491 | - | 461,991,491 | - | 461,991,491 |
| | 3,456,230,665 | 2,720,938,742 | 735,291,923 | - | 3,456,230,665 |
| Financial assets not measured at fair value | | | | | |
| Cash at bank | 4,939,744 | - | - | 4,939,744 | 4,939,744 |
| Financial assets at amortised cost | 1,235,534,352 | - | - | 1,235,534,352 | 1,235,534,352 |
| Other receivables | 409,260 | - | - | 409,260 | 409,260 |
| | 1,240,883,356 | - | - | 1,240,883,356 | 1,240,883,356 |
| Total financial assets | 4,697,114,021 | 2,720,938,742 | 735,291,923 | 1,240,883,356 | 4,697,114,021 |
| Financial liabilities measured at fair value | | | | | |
| | - | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | |
| Accrued expenses and other Payables | 14,898,976 | - | - | 14,898,976 | 14,898,976 |
| Total financial liabilities | 14,898,976 | - | - | 14,898,976 | 14,898,976 |

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

5.3 Measurement of fair values

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 (5.61% - 10.38%) |
| 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 (4.11% - 5.33%) |

FIRST CAPITAL MONEY MARKET FUND
NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS

5.4 Financial instruments - Accounting classifications

As at 30th September 2023

| | 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 | 10,126,708,917 | - | 10,126,708,917 | 10,126,708,917 |
| | 10,126,708,917 | - | 10,126,708,917 | 10,126,708,917 |
| Financial assets not measured at fair value | | | | |
| Cash at banks | - | 14,617,219 | 14,617,219 | 14,617,219 |
| Financial assets at amortised cost | - | 8,905,507,672 | 8,905,507,672 | 8,905,507,672 |
| Other receivables | - | 409,260 | 409,260 | 409,260 |
| | - | 8,920,534,151 | 8,920,534,151 | 8,920,534,151 |
| Total financial assets | 10,126,708,917 | 8,920,534,151 | 19,047,243,068 | 19,047,243,068 |
| Financial liabilities measured at fair value | - | - | - | - |
| Financial liabilities not measured at fair value | | | | |
| Accrued expenses and other Payables | - | 177,240,761 | 177,240,761 | 177,240,761 |
| Total financial liabilities | - | 177,240,761 | 177,240,761 | 177,240,761 |

As at 31st March 2023

| | 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 | 3,456,230,665 | - | 3,456,230,665 | 3,456,230,665 |
| | 3,456,230,665 | - | 3,456,230,665 | 3,456,230,665 |
| Financial assets not measured at fair value | | | | |
| Cash at banks | - | 4,939,744 | 4,939,744 | 4,939,744 |
| Financial assets at amortised cost | - | 1,235,534,352 | 1,235,534,352 | 1,235,534,352 |
| Other receivables | - | 409,260 | 409,260 | 409,260 |
| | - | 1,240,883,356 | 1,240,883,356 | 1,240,883,356 |
| Total financial assets | 3,456,230,665 | 1,240,883,356 | 4,697,114,021 | 4,697,114,021 |
| Financial liabilities measured at fair value | - | - | - | - |
| Financial liabilities not measured at fair value | | | | |
| Accrued expenses and other Payables | - | 14,898,976 | 14,898,976 | 14,898,976 |
| Total financial liabilities | - | 14,898,976 | 14,898,976 | 14,898,976 |

**FIRST CAPITAL MONEY MARKET FUND
RECONCILIATION FOR THE NET ASSET VALUE REPORTED AS AT 30TH SEPTEMBER 2023**

| | Rs. |
|---|-----------------------|
| Net Asset Value of the Fund as per Monthly Return | 18,524,683,397 |
| | |
| Add : Gain on fair valuation of financial asset - at fair value through profit or loss | 345,318,910 |
| | |
| | |
| Net Asset Value of the Fund as per Unaudited Financial Statements | 18,870,002,307 |