



First Capital

A Janashakthi Group Company

PROVISIONAL FINANCIAL STATEMENTS

Six Months ended
30th September 2023

FIRST CAPITAL WEALTH 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



First Capital

REPORT OF THE MANAGER

We have pleasure in presenting the Unaudited Interim Financial Statements of First Capital Wealth Fund (the Fund) for the six months ended 30th September 2023.

Fund Performance

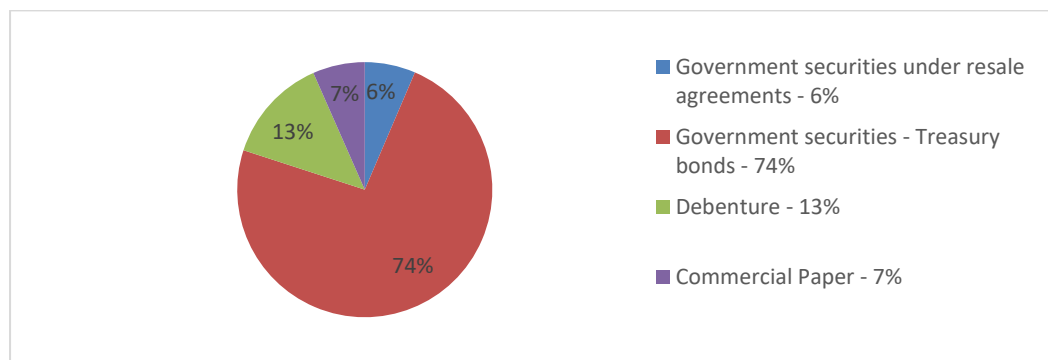
First Capital Wealth Fund reported a Profit after Tax of Rs. 27.3Mn for the six months ended 30th September 2023 compared to a Loss after Tax of Rs. 4.8Mn in the correspondence period of the previous year. The Profit reported for the period under review is mainly as a result of the fair valuation gain on fixed income securities portfolio amounting to Rs. 19.6Mn (2022/23 – Fair valuation loss of Rs. 10.7Mn).

The Fund reported an Annualised Return of 97.61% (inclusive of the marked to market gain) for the six months ended 30th September 2023 compared to 5-year treasury bond yield (base yield) of 18.42% (source: Central Bank of Sri Lanka - *Daily Reports*; <https://www.cbsl.gov.lk/en/pd-daily-report>). The 5-year treasury bond (risk free return) is used to evaluate the performance of the Fund, since there is no appropriate benchmark index for the Fund.

The Annualised Negative Return reported in the corresponding period of the previous year (2022/23) was 5.38% compared to 5-year treasury bond yield of 21.11% (source: Central Bank of Sri Lanka - *Daily Reports*; <https://www.cbsl.gov.lk/en/pd-daily-report>). The Funds under Management as at 30th September 2023 was Rs. 110Mn compared to Rs. 63Mn 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 WEALTH FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For Six Months ended 30 th September	2023 Unaudited Rs.	2022 Unaudited Rs.
Income	8,514,099	7,103,138
Direct expenses	-	(2,412)
Net trading income	8,514,099	7,100,726
Gain / (Loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	19,564,288	(10,677,745)
	28,078,387	(3,577,019)
Administration and other operating expenses	(749,637)	(1,183,969)
Profit/ (Loss) before taxation	27,328,750	(4,760,988)
Income tax expenses	-	-
Profit/ (Loss) for the period	27,328,750	(4,760,988)
Increase/ (Decrease) in net assets attributable to unitholders	27,328,750	(4,760,988)

Figures in brackets indicate deductions.

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

**FIRST CAPITAL WEALTH FUND
STATEMENT OF FINANCIAL POSITION**

As at	30.09.2023 Unaudited Rs.	31.03.2023 Audited Rs.
Assets		
Cash at bank	450,059	221,056
Financial assets recognised through profit or loss - measured at fair value	103,426,767	43,737,437
Financial assets at amortised cost	7,115,756	20,433,534
	110,992,582	64,392,027
Total Assets		
Unitholders' funds and liabilities		
Liabilities		
Accrued expenses and other liabilities	930,684	985,379
Total Liabilities	930,684	985,379
Unitholders' funds		
Net assets attributable to unitholders	110,061,898	63,406,648
	110,061,898	63,406,648
Total unitholders' funds and liabilities	110,992,582	64,392,027
Net asset per unit (Rs.)	1,539.26	1,093.96

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

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

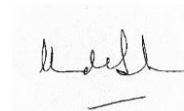
Approved by the Managing Company on 15th December 2023.



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 WEALTH FUND
STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS**

For Six Months ended 30th September 2023	Unitholders' Funds Rs.
Balance as at 1st April 2022 (Audited)	256,773,980
Increase due to unit creation during the period	1,382,699
Decrease due to unit redemption during the period	(159,512,819)
Decrease in net assets attributable to unitholders	(4,760,988)
Balance as at 30th September 2022 (Unaudited)	<u>93,882,872</u>
Balance as at 1st April 2023 (Audited)	63,406,648
Increase due to unit creation during the period	21,871,000
Decrease due to unit redemption during the period	(2,544,500)
Increase in net assets attributable to unitholders	27,328,750
Balance as at 30th September 2023 (Unaudited)	<u>110,061,898</u>

Figures in brackets indicate deduction.

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

**FIRST CAPITAL WEALTH FUND
STATEMENT OF CASH FLOWS**

For Six Months ended 30th September

	2023	2022
	Unaudited	Unaudited
	Rs.	Rs.
Cash flows from operating activities		
Profit / (Loss) before taxation	27,328,750	(4,760,988)
Adjustment for :		
(Gain) / Loss on fair valuation of financial assets - at fair value through profit and loss	(19,564,288)	10,677,745
Operating profit before working capital changes	7,764,462	5,916,757
(Increase) / Decrease in financial assets - at fair value through profit or loss	(40,125,043)	162,350,038
(Increase) / Decrease in financial investments at amortised cost	13,317,778	(9,852,620)
Increase in other receivables	-	(1,640)
Decrease in accrued expenses and other liabilities	(54,694)	(293,705)
Cash flows generated flows from / (used in) operations	(19,097,497)	158,118,830
Net cash flows from / (used in) operating activities	(19,097,497)	158,118,830
Net cash flows from investing activities	-	-
Cash flows from/ (used in) financing activities		
Capital infused during the period proceeds from units creations	21,871,000	1,382,699
Capital redeemed during the period payments for units redemptions	(2,544,500)	(159,512,819)
Net cash flows from / (used in) financing activities	19,326,500	(158,130,120)
Net cash inflows/ (outflows) for the period	229,003	(11,290)
Cash and cash equivalents at the beginning of the period	221,056	820,478
Cash and cash equivalents at the end of the period	450,059	809,188

Figures in brackets indicate deductions.

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

FIRST CAPITAL WEALTH FUND
NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS

1. The number of Units represented by unitholders' funds as at 30th September 2023 is 71,503.
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 subsequent to the reporting date which require disclosures/ adjustments in the above provisional financial statements.

FIRST CAPITAL WEALTH 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 values.

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.
Asset				
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value	103,426,767	103,426,767	43,737,437	43,737,437
	103,426,767	103,426,767	43,737,437	43,737,437
Financial assets not measured at fair value				
Cash at bank	450,059	450,059	221,056	221,056
Financial assets at amortised cost	7,115,756	7,115,756	20,433,534	20,433,534
	7,565,815	7,565,815	20,654,590	20,654,590
Total financial assets	110,992,582	110,992,582	64,392,027	64,392,027
Financial Liabilities measured at fair value				
	-	-	-	-
Financial liabilities not measured at fair value				
Accrued expenses and other liabilities	930,684	930,684	985,379	985,379
Total financial liabilities	930,684	930,684	985,379	985,379

FIRST CAPITAL WEALTH 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

Financial assets measured at fair value

Financial assets recognised through profit or loss - measured at fair value

- Investment in debentures
- Investment in commercial papers
- Investment in government securities - Treasury bonds

Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Rs.	Rs.	Rs.	Rs.	Rs.
14,804,640	-	14,804,640	-	14,804,640
7,299,046	-	7,299,046	-	7,299,046
81,323,081	81,323,081	-	-	81,323,081
103,426,767	81,323,081	22,103,686	-	103,426,767

Financial assets not measured at fair value

Cash at bank

Financial assets - at amortised cost

450,059	-	-	450,059	450,059
7,115,756	-	-	7,115,756	7,115,756
7,565,815	-	-	7,565,815	7,565,815

Total financial assets

110,992,582	81,323,081	22,103,686	7,565,815	110,992,582
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Financial liabilities measured at fair value

-	-	-	-	-
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Financial liabilities not measured at fair value

Accrued expenses and other liabilities

Total financial liabilities

930,684	-	-	930,684	930,684
930,684	-	-	930,684	930,684

As at 31st March 2023

Financial assets measured at fair value

Financial assets recognised through profit or loss - measured at fair value

- Investment in debentures
- Investment in commercial papers
- Investment in government securities - Treasury bills

Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Rs.	Rs.	Rs.	Rs.	Rs.
12,460,545	-	12,460,545	-	12,460,545
6,128,402	-	6,128,402	-	6,128,402
25,148,490	25,148,490	-	-	25,148,490
43,737,437	25,148,490	18,588,947	-	43,737,437

Financial assets not measured at fair value

Cash at bank

Financial assets at amortised cost

221,056	-	-	221,056	221,056
20,433,534	-	-	20,433,534	20,433,534
20,654,590	-	-	20,654,590	20,654,590

Total financial assets

64,392,027	25,148,490	18,588,947	20,654,590	64,392,027
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Financial liabilities measured at fair value

-	-	-	-	-
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Financial liabilities not measured at fair value

Accrued expenses and other liabilities

Total financial liabilities

985,379	-	-	985,379	985,379
985,379	-	-	985,379	985,379

FIRST CAPITAL WEALTH 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
Debentures	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 debenture 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 (5.20%)
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 company (5.40%)

FIRST CAPITAL WEALTH FUND
NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS

5.4 Financial instruments - Accounting classifications

As at 30th September 2023

	Financial assets/ 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	103,426,767	-	103,426,767	103,426,767
	103,426,767	-	103,426,767	103,426,767
Financial assets not measured at fair value				
Cash at bank	-	450,059	450,059	450,059
Financial assets at amortised cost	-	7,115,756	7,115,756	7,115,756
	-	7,565,815	7,565,815	7,565,815
Total financial assets	103,426,767	7,565,815	110,992,582	110,992,582
Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Accrued expenses and other liabilities	-	930,684	930,684	930,684
Total financial liabilities	-	930,684	930,684	930,684

As at 31st March 2023

	Financial assets/ 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	43,737,437	-	43,737,437	43,737,437
	43,737,437	-	43,737,437	43,737,437
Financial assets not measured at fair value				
Cash at bank	-	221,056	221,056	221,056
Financial assets - at amortised cost	-	20,433,534	20,433,534	20,433,534
	-	20,654,590	20,654,590	20,654,590
Total financial assets	43,737,437	20,654,590	64,392,027	64,392,027
Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Accrued expenses and other liabilities	-	985,379	985,379	985,379
Total financial liabilities	-	985,379	985,379	985,379