

# PREMIER WEALTH FUNDS

## PREMIER WEALTH FUNDS ANNUAL REPORT 2020-2021

Trustee & Custodian



HATTON NATIONAL BANK PLC, HEAD OFFICE

Fund Manager



PREMIER WEALTH MANAGEMENT LIMITED

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## Fund Manager's Review

### Our Valued Investors,

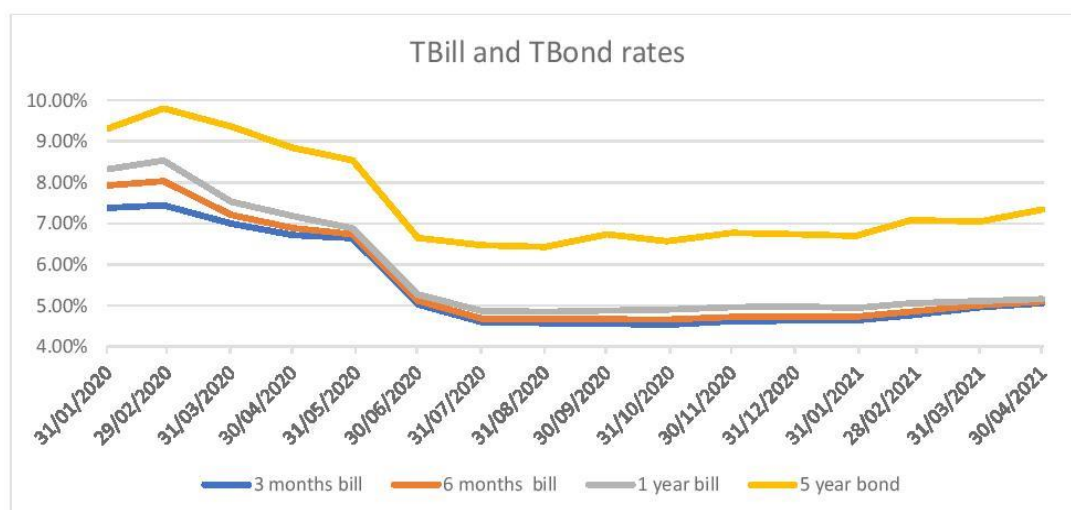
It is with great pleasure that we present the Annual Report for the financial year ending 31<sup>st</sup> March 2021 to our valued investors.

Both the global and domestic economy took a major hit with COVID-19 which exasperated the pressure on the already ailing Sri Lankan economy. Due to the impact of COVID-19 and corresponding restriction measures which were imposed nationwide the economy contracted by 3.6% during the year 2020. Yet, despite the market conditions, we are pleased to inform that Premier Wealth Management Limited (PWML) has been able to perform 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 recorded a contraction of 3.6% during 2020 (1), compared to the growth of 2.3% in 2019. The Central Bank of Sri Lanka (CBSL) took action to revive the economy by slashing policy rates and the reserve ratio was also reduced by 200 basis points to 2.00%. The Standing Deposit Facility Rate (SDFR) was reduced to 4.5% p.a. and the Standing Lending Facility Rate (SLFR) was slashed to 5.5% (2). This has caused the market interest rates to decline as presented in the table below. (Source: CBSL)



Net foreign selling amounting to LKR 97.1b (3) during the year 2020. This continued to be the trend during the 1<sup>st</sup> quarter of the year 2021 as well with net foreign selling of Sri Lanka Government securities amounting to LKR 677.1m (4). This was caused due to declining interest rates and downgrade in the credit

rating of Sri Lanka by international Credit Rating agencies (Fitch Ratings downgraded Sri Lankas Long Term Foreign Currency Issuer Default Rating (IDR) to 'CCC' from 'B- '). As of 31 March 2021, the percentage of foreign holding of government securities stood at 0.081% (5) compared to 0.71% (6) a year back.

Interest rates are expected to remain low during the first half of the financial year 2022 due to the monetary stance observed by the Central Bank of Sri Lanka, continued restrictions on imports, foreign currency outflows and low levels of credit growth. (Source: CBSL)

### **Fund Performance**

Premier Money Market fund continued to establish its reputation as a fund which aims to provides attractive, short-term, tax-adjusted investment opportunities for both corporate and retail clients. For the year ended 31<sup>st</sup> March 2021 fund managed to achieve a 9.33% annualized yield, net of fees, compared to the 12.28% annualized yield the fund achieved in 2019/20.

Premier Growth Fund, is a balanced fund which focuses on investments in acceptably rated debt instruments, government securities, deposits with financial institutions and investments in equity, was able to record a return of 11.94% (net of fees) for the period under review, whereas All Share Price Index of Colombo Stock Exchange has recorded 55.77% for the same period.

### **References:**

- (1) <https://www.cbsl.gov.lk/en/sri-lanka-economy-snapshot>
- (2) [https://www.cbsl.gov.lk/sites/default/files/cbslweb\\_documents/press/pr/press\\_20200709\\_Monetary\\_Policy\\_Review\\_july\\_2020\\_e\\_nG5d8.pdf](https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20200709_Monetary_Policy_Review_july_2020_e_nG5d8.pdf)

PREMIER GROWTH FUND  
COLOMBO 05

FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31ST MARCH 2021



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 Sri Lanka

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF PREMIER GROWTH FUND

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Premier Growth Fund ("the Fund"), which comprise the statement of financial position as at 31<sup>st</sup> March 2021 and the statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 05 to 17.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31<sup>st</sup> March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Manager and Trustee for the Financial Statements

Premier Wealth Management Limited ("the Manager") and the Trustee of the Unit Trust are responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as the Manager determines, is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Manager is responsible for overseeing the Fund's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

As required by the Unit Trust code of September, 2011 issued by the Securities and Exchange Commission of Sri Lanka under the Act No.36 of 1987 and the Trust Deed, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Fund.

*BDO Partners*

CHARTERED ACCOUNTANTS

Colombo 02

21<sup>st</sup> June 2021

HSR/dm

PREMIER GROWTH FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2021

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	Note	2020/2021 Rs.	2019/2020 Rs.
<b>Investment income</b>			
Dividend income		45,269	6,306
Interest income	4	2,104,906	1,271,888
Placement fee income		35,000	63,000
Net change in financial assets held at fair value through profit or loss		274,373	(29,327)
Net unrealized gain on financial assets held at amortized cost		738,701	157,869
<b>Total investment income</b>		<u>3,198,249</u>	<u>1,469,736</u>
<b>Expenses</b>			
Custodian fee		(129,451)	(135,200)
Audit fee		(133,354)	(112,860)
Transaction cost		(77,309)	(694)
Professional fees		(43,081)	(52,996)
Other expenses		(1,750)	(1,095)
<b>Total operating expenses</b>		<u>(384,945)</u>	<u>(302,845)</u>
<b>Net operating profit</b>		<u>2,813,304</u>	<u>1,166,891</u>
Finance expenses		(3,468)	(2,176)
<b>Profit before tax</b>		<u>2,809,836</u>	<u>1,164,715</u>
Income tax expense		-	-
<b>Increase in net assets attributable to unitholders</b>		<u>2,809,836</u>	<u>1,164,715</u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 17 form an integral part of this financial statement.

Colombo  
21st June, 2021



PREMIER GROWTH FUND  
STATEMENTS OF FINANCIAL POSITION  
AS AT 31ST MARCH 2021

Page 2

	Note	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	378,257	11,649
Financial assets - fair value through profit or loss	6	281,296	125,928
Financial assets measured at amortised cost	7	26,742,334	23,323,787
Income tax receivable	8	74,056	62,423
Other receivables	9	4,775	-
<b>Total current assets</b>		<b>27,480,718</b>	<b>23,523,787</b>
<b>Total assets</b>		<b>27,480,718</b>	<b>23,523,787</b>
<b>UNITHOLDER'S FUNDS AND LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued expenses and other payables	10	197,239	176,833
<b>Total current liabilities</b>		<b>197,239</b>	<b>176,833</b>
<b>Unitholder's fund</b>			
Net assets attributable to unitholders	11	27,283,479	23,346,954
<b>Total unitholder's fund</b>		<b>27,283,479</b>	<b>23,346,954</b>
<b>Total unitholder's funds and liabilities</b>		<b>27,480,718</b>	<b>23,523,787</b>

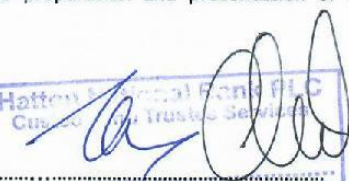
Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 17 form an integral part of this financial statement.

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

PREMIER WEALTH MANAGEMENT LIMITED

  
Director  
Premier Wealth Management Limited  
Fund Management Company

  
Hatton National Bank PLC  
Trustee

Colombo  
21st June, 2021  
HSR/dm



**PREMIER GROWTH FUND**  
**STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

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	Total Rs.
Unitholders' funds as at 01st April 2019	3,148,989
Increase in net assets attributable to unitholders	1,164,715
Received on unit creations	19,033,250
Unitholders' funds as at 01st April 2020	<u>23,346,954</u>
Increase in net assets attributable to unitholders	2,809,836
Received on unit creations	1,522,460
Paid on unit redemptions	(395,771)
Unitholders' funds as at 31st March 2021	<u><u>27,283,479</u></u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 17 form an integral part of this financial statement.

Colombo  
 21st June, 2021



PREMIER GROWTH FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2021

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	2020/2021 Rs.	2019/2020 Rs.
<b>Cash flows from operating activities</b>		
Interest received	2,257,290	333,161
Dividend received	40,593	6,306
Placement fees received	35,000	63,000
WHT paid	(15,875)	(4,242)
Operating expenses paid	(368,007)	(241,073)
Net investment in financial assets	(2,709,082)	(21,988,079)
<b>Net cash outflow from operating activities</b>	<b>(760,081)</b>	<b>(21,830,927)</b>
<b>Cash flows from financing activities</b>		
Cash received on creation of units	1,522,460	21,633,250
Cash paid on redemption of units	(395,771)	-
<b>Net cash inflow from financing activities</b>	<b>1,126,689</b>	<b>21,633,250</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>366,608</b>	<b>(197,677)</b>
Cash and cash equivalents at the beginning of the year (Note A)	11,649	209,326
Cash and cash equivalents at the end of the year (Note B)	378,257	11,649
<b>At the beginning</b>		<b>Note A</b>
Balance at bank	11,649	209,326
<b>At the end</b>		<b>Note B</b>
Balance at bank	378,257	11,649

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 17 form an integral part of this financial statement.

Colombo  
21st June, 2021



## PREMIER GROWTH FUND

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## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

## 1.1 General

Premier Growth Fund ("the Fund") is an open ended unit trust fund approved by the Securities and Exchange Commission of Sri Lanka. The Fund was launched in September 2012.

The Management Company of the Fund, "Premier Wealth Management Limited" is a fully owned subsidiary of Ceylinco Seraka Limited, which is incorporated and domiciled in Sri Lanka. The registered office of the Manager and its principal place of business is located at No.02, Gower Street, Colombo 05. The Trustee of the Fund is Hatton National Bank PLC having an established business place at Hatton National Bank PLC, Custodian & Trustee Services, HNB Towers (Level 15), No. 479, T B Jayah Mawatha, Colombo 10, and Sri Lanka.

**Date of authorization for issue**

The financial statements of the Fund for the year ended 31<sup>st</sup> March 2021 were authorized for issue by the Fund Management Company and the Trustee on 21<sup>st</sup> June 2021.

## 2. PREPARATION OF FINANCIAL STATEMENTS

## 2.1 Basis of preparation

The financial statements of the Fund have been prepared and presented in accordance with Sri Lanka Accounting Standards comprising SLFRS/LKAS (hereafter referred to as "SLFRS"), as issued by the Institute of Chartered Accountants of Sri Lanka.

The Fund did not adopt any inappropriate accounting treatments which are not in compliance with the requirements of the SLFRS and regulations governing the preparation and presentation of the financial statements.

## 2.2 Statement of compliance

These financial statements which comprise the statement of financial position as at 31<sup>st</sup> March 2021, statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the period ended and a summary of significant accounting policies and other explanatory information have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) laid down by The Institute of Chartered Accountants of Sri Lanka and the requirement of the unit trust code of the Securities and Exchange Commission of Sri Lanka.

## 2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with SLFRS requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. In the selection and application of the Fund's accounting policies, which are described below, the directors are required to make judgments and assumptions and use assumptions in measuring items reported in the financial statements. These estimates are based on management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods as well, if the revision affects both current and future periods.



## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value.

Management uses its judgment in determining the appropriate valuation technique for financial instruments that are not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Other financial instruments are valued using a discounted cash flow analysis based on the assumptions supported, where possible, by observable market prices or rates.

#### Determination of fair value and fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : Techniques which use inputs other than quoted prices included within level 1, that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 : Techniques which use inputs that are not based on observable market data.

## 2.4 Financial instruments

### 2.4.1 Recognition and initial measurement

All financial assets are initially recognized on the date the Fund becomes a party to the contractual provisions of the instrument. This includes purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

### 2.4.2 Classification

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely the payments of principal and interest on the principal amount outstanding  
Or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell.  
Or
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.



## PREMIER GROWTH FUND

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## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

## 2.4.3 Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

## 2.4.4 Impairment

The Fund recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Fund measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which is measured as a 12-month ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

## 2.4.4.1 Credit impaired financial assets

At each reporting date, the Fund assesses whether the financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:-

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Fund on terms that the Fund would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization.

As of the date of the statement of financial position the Fund has not observed any of the above, thus, no impairment provision has been recognized in the financial statements.

## 2.4.4.2 Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

## 2.4.4.3 Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.



## PREMIER GROWTH FUND

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## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

**2.4.5 Financial liabilities - classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognized in profit or loss. Financial liabilities measured at amortised cost include accrued expenses and other payables.

**2.4.6 Recognition/de-recognition****2.4.6.1 Financial assets**

All financial assets are recognized on the date the Fund becomes a party to the contractual provisions of the instrument. This includes purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Fund enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

**2.4.6.2 Financial liabilities**

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

**2.4.7 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if;

- There is a currently enforceable legal right to offset the recognized amounts and
- There is an intention to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

**2.4.8 Cash and cash equivalents**

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to an insignificant risk of changes in values.

**2.4.9 Payables and provisions**

Payables are initially recognized at fair value, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trust, and subsequently at amortised cost.





## PREMIER GROWTH FUND

## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

**2.4.10 Recognition of income**

Income is recognized to the extent that it is probable that the future economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific criteria must also be met before interest income is recognized.

**2.4.10.1 Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income of treasury securities and fixed income securities are recognized gross of withholding tax or notional tax as applicable up to 31 March 2018 and thereafter net of withholding tax or notional tax due to the changes in the new inland Revenue Act No. 24 of 2017.

**2.4.10.2 Dividend income**

Income is recognized when the right to receive the dividend is established, normally being the ex-dividend date. Dividend income is recognized net of withholding tax, if any.

**2.4.10.3 Realized gains/(losses) on financial assets held at fair value through profit or loss**

Realized gains/(losses) on financial assets held at fair value through profit or loss include results of buying and selling of quoted equity securities.

**2.4.10.4 Unrealized gains/(losses) on financial assets held at fair value through profit or loss**

Unrealized gains/(losses) on financial assets held at fair value through profit or loss include all gains and losses arising from changes in fair value of financial assets held at fair value through profit or loss as at the reporting date.

**2.4.11 Expenditure recognition**

All expenses, including management fees and trustee fees, are recognized in profit or loss on an accruals basis.

The management participation fees, the trustee fees and custodian fees of the Fund are as follows.

- Management and registration fee - 1.15% p.a of net assets value of the Fund
- Trustee fee - 0.20% p.a of net assets value of the Fund
- Custody fee - Rs. 20,000 per month

Management fee and trustee fee had not been charged on the Fund considering the size of the Fund, but custodian fee commenced to be charged from 16 February 2019 onwards.

**2.4.12 Taxation**

The charge for taxation is based on the results for the year as adjusted for disallowable items. With the enactment of the new Inland Revenue Act No 24 of 2017, effective 01 April 2018, an eligible unit trust would not be liable for income tax on any income which is a pass-through to its unitholders. Accordingly, post 31<sup>st</sup> March 2018, the Fund has considered all income as being a pass-through to its unitholders.

## PREMIER GROWTH FUND

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## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

**2.4.13 Unitholder's funds and net assets attributable to unitholders**

Unitholders' funds have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unitholders, as at the reporting date.

Units can be issued and redeemed based on the Fund's net asset value per unit, calculated by dividing the net assets of the Fund calculated in accordance with the valuation guidelines issued by the Unit Trust Association of Sri Lanka and directive issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

**3. FINANCIAL INSTRUMENTS AND RISK MANGEMENT****3.1 Financial Instruments**

The Fund's principal financial assets comprise investment in fixed income securities and cash at bank. The main purpose of these financial instruments is to generate a return on the investment made by unitholders. The Fund also has other financial instruments such as receivables and payables which arise directly from its operations.

In accordance with SLFRS 09 Financial Instruments: recognition and measurement, the Fund's investments and receivables are classified as 'Financial instruments at amortised cost'. Payables are designated as 'Financial liabilities' at amortized cost.

**3.2 Financial risk management objectives, policies and processes**

Risks arising from holding financial instruments are inherent in the Fund's activities, and are managed through a process of ongoing identification, measurement and monitoring. The Fund is exposed to market risk, credit risk and liquidity risk.

**3.2.1 Market risk**

Market risk represents the risk that the value of the Fund's investment portfolios will fluctuate as a result of changes in market prices.

This risk is managed by ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies. As such, unitholders can manage this risk through their choices of which investment portfolios to participate in.

**3.2.2 Price risk**

Movements in share prices directly affect the value of investments in the Premier Growth Fund because the volatility in future prices of investments held by the Fund are uncertain. To minimize the impact of price movements in individual shares, the Fund holds a portfolio of stocks at the maximum limit of 95% of the net assets attributable to unitholders which is diversified across multiple industry sectors covering growth stocks, and value stocks. The balance 5% is invested in short term investment less than three months as repurchase agreements and bank deposits. Further, the investment team carries out detailed investment research to pick investments from its working list of stocks.

The following sensitivity analysis summarizes the Fund's sensitivity to the movements of the prices. This has been evaluated based on management's best estimates including historical correlation of the Fund. However, the actual movements in the risk variables may be different from the expected performance due to market and economic factors.



## PREMIER GROWTH FUND

Page 11

## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

## Impact on operating profit/net assets attributable to unitholders

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
Change in price of the Fund's investment in financial instruments		
+10%	28,130	12,593
-10%	(28,130)	(12,593)

## 3.2.3 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of the changes in market interest rates.

The Fund's exposure to interest rate risk primarily arises from changes in interest rates applicable to the investments.

The following sensitivity analysis demonstrates the Fund's sensitivity in the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

## Impact on operating profit/net assets attributable to unitholders

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
Change in interest rates of the Fund's investment in financial instruments		
+1%	21,049	12,719
-1%	(21,049)	(12,719)

## 3.2.4 Credit risk

Credit risk is the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

The Fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the amortised cost of these instruments as detailed below. It's the Fund's policy to enter into financial instruments with reputable counterparties.

## 3.2.4.1 Risk concentration of credit risk exposure

To reduce the likelihood of this risk, the Fund adheres to the maximum permissible single issuer exposure of 15% as per the Unit Trust code, and the investment team would reduce this limit further for selected issuers based on in-house credit research and due diligence.

Concentration of credit risk is managed by the counterparty and by market sector. The Fund is also subject to credit risk on its bank balances and receivables. The credit risk exposure on these instruments is not deemed to be significant.



**PREMIER GROWTH FUND**  
**SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS**



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The Fund's exposure to credit risk can be analysed as follows:

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>Credit rating of counterparties</b>		
A-	1,019,220	459,906
A	4,409,455	3,168,801
A+	403,863	-
AA+	3,300,805	-
AA-	-	1,610,280
BBB+	3,890,836	6,746,237
BBB	5,649,405	-
BBB-	-	3,464,036
	<u>18,673,585</u>	<u>15,449,260</u>

### 3.2.5 Liquidity risk

The risk is that the Fund will encounter difficulty in raising funds to meet its obligation to pay unitholders. To enhance the liquidity, the Fund invests in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund invests within established limits to ensure that there is no concentration of risk.

The following table analyses the Fund's maturity groupings based on the remaining period at the end of the reporting period.

	As at 31.03.2021				
<b>Assets</b>	Up to 3 months	3-12 months	1-3 Years	Un- classified	Total Rs.
Cash and cash equivalents	378,257	-	-	-	378,257
Financial assets at fair value through profit or loss	281,296	-	-	-	281,296
Financial assets measured at amortised cost	3,300,805	7,511,124	15,930,405	-	26,742,334
Income tax receivable	-	-	-	74,056	74,056
Other receivable	4,775	-	-	-	4,775
	<u>3,965,133</u>	<u>7,511,123</u>	<u>15,930,405</u>	<u>74,056</u>	<u>27,480,718</u>
<b>Liabilities</b>	As at 31.03.2021				
	Up to 3 months	3-12 months	1-3 years	Un- classified	Total Rs.
Accrued expenses	197,239	-	-	-	197,239
	<u>197,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,239</u>

## PREMIER GROWTH FUND

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## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Assets	As at 31.03.2020				Total Rs.
	Up to 3 months	3-12 months	1-3 years	Un- classified	
Cash and cash equivalents	11,649	-	-	-	11,649
Financial assets at fair value through profit or loss	125,928	-	-	-	125,928
Financial assets measured at amortised cost	1,610,280	9,781,057	11,932,450	-	23,323,787
Income tax receivable	-	-	-	62,423	62,423
	<u>1,747,857</u>	<u>9,781,057</u>	<u>11,932,450</u>	<u>62,423</u>	<u>23,523,787</u>
Liabilities	As at 31.03.2020				Total Rs.
	Up to 3 months	3-12 months	1-3 years	Un- classified	
Accrued expenses	176,833	-	-	-	176,833
	<u>176,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,833</u>





PREMIER GROWTH FUND  
NOTES TO THE FINANCIAL STATEMENTS

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	2020/2021 Rs.	2019/2020 Rs.
<b>4. INTEREST INCOME</b>		
Interest received on repos	73,942	112,158
Interest received on treasury bonds	466,898	360,044
Interest received on deposits	633,321	450,958
Interest received on commercial papers	229,788	168,801
Interest received on debenture	615,100	179,587
Interest on savings deposits	85,857	340
	<u>2,104,906</u>	<u>1,271,888</u>
	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>5. CASH AND CASH EQUIVALENT</b>		
Cash at bank		
- Hatton National Bank PLC - current account	5,000	5,000
- Hatton National Bank PLC - savings account	373,257	6,649
	<u>378,257</u>	<u>11,649</u>
<b>6. FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS</b>		

	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	Market Value	No. of Shares	Market Value
<b>Banking</b>				
Commercial Bank of Ceylon PLC	1,062	90,801	-	-
	<u>1,062</u>	<u>90,801</u>	<u>-</u>	<u>-</u>
<b>Telecommunication Services</b>				
Dialog Axiata PLC	10,000	130,000	-	-
	<u>10,000</u>	<u>130,000</u>	<u>-</u>	<u>-</u>
<b>Telecommunication Services</b>				
Sri Lanka Telecom PLC	1,850	60,495	-	-
	<u>1,850</u>	<u>60,495</u>	<u>-</u>	<u>-</u>
<b>Materials</b>				
Chevron Lubricants	-	-	900	48,150
	<u>-</u>	<u>-</u>	<u>900</u>	<u>48,150</u>
<b>Manufacturing</b>				
Textured Jersey Lanka PLC	-	-	695	16,193
	<u>-</u>	<u>-</u>	<u>695</u>	<u>16,193</u>
<b>Power and Energy</b>				
Vallible Power Erathna PLC	-	-	1,392	7,517
	<u>-</u>	<u>-</u>	<u>1,392</u>	<u>7,517</u>
<b>Capital Goods</b>				
Renuka Holdings PLC	-	-	1,965	26,528
	<u>-</u>	<u>-</u>	<u>1,965</u>	<u>26,528</u>
<b>Land and Property</b>				
Overseas Realty (Ceylon) PLC	-	-	2,295	27,540
	<u>-</u>	<u>-</u>	<u>2,295</u>	<u>27,540</u>
	<u>12,912</u>	<u>281,296</u>	<u>7,247</u>	<u>125,928</u>

PREMIER GROWTH FUND  
NOTES TO THE FINANCIAL STATEMENTS

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	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>7. FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>		
Investments in treasury bonds	8,068,749	7,874,527
Investments in deposits	6,148,493	7,055,127
Investments in repos	3,300,805	1,610,280
Investments in commercial papers	-	3,168,801
Investments in debentures - listed	9,224,287	3,615,052
	<u>26,742,334</u>	<u>23,323,787</u>
<b>8. INCOME TAX RECEIVABLE</b>		
Balance as at the beginning of the year	58,181	58,181
Withholding taxes deducted during the year	15,875	4,242
Balance as at the end of the year	<u>74,056</u>	<u>62,423</u>
<b>9. OTHER RECEIVABLES</b>		
Dividend receivables	4,676	-
Interest receivable on savings account	99	-
	<u>4,775</u>	<u>-</u>
<b>10. ACCRUED EXPENSES AND OTHER PAYABLES</b>		
Custodian fees	11,007	10,977
Tax consultation fees payable	52,877	52,996
Audit fees payable	133,355	112,860
	<u>197,239</u>	<u>176,833</u>
<b>11. RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENTS AND THE PUBLISHED NET ASSET VALUE</b>		

The Fund considers its net assets attributable to unitholders as capital, notwithstanding that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders. Movement in the number of units and net assets attributable to unitholders during the year was as follows;

	From 01st April, 2020 to 31st March, 2021		From 01st April, 2019 to 31st March, 2020	
	Units	Rs.	Units	Rs.
Units as at beginning of the year	3,885,722	23,346,954	558,133	3,148,989
Units issued during the year	232,225	1,522,460	3,327,589	19,033,250
Units redeemed during the year	(60,420)	(395,771)	-	-
Increase in net assets attributable to unitholders	-	2,809,836	-	1,164,715
Units as at end of the year	<u>4,057,528</u>	<u>27,283,479</u>	<u>3,885,722</u>	<u>23,346,954</u>
Adj: Income tax receivables	-	(74,056)	-	(62,423)
Other audit adjustments	-	19,000	-	8,695
Net assets as per valuation	<u>4,057,528</u>	<u>27,228,423</u>	<u>3,885,722</u>	<u>23,293,226</u>

The creation price was Rs.6.72 per unit as at 31.03.2021 (31st March, 2020 - Rs. 6.00) and the redemption price was Rs.6.70 as at 31.03.2021 (31st March, 2020 - Rs. 5.99).



PREMIER GROWTH FUND  
NOTES TO THE FINANCIAL STATEMENTS

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12. UNRECOGNISED CONTRACTUAL COMMITMENTS

There were no unrecognized contractual commitments as at the reporting date to be disclosed.

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

13.1 Contingent liabilities

There were no contingent liabilities as at the reporting date.

13.2 Contingent assets

There were no contingent assets as at the reporting date.

14. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material transactions since the reporting date which would require adjustments to, or disclosures in, the financial statements.

15. RELATED PARTY TRANSACTIONS

15.1 Responsible entity

The Fund Management Company, Premier Wealth Management Limited is a subsidiary of Ceylinco Seraka Limited. The company's ultimate parent entity and controlling party is Inventure (Private) Limited which is incorporated and domiciled in Sri Lanka.

15.2 Key management personnel

a) Directors

Key management personnel includes persons who were directors of Premier Wealth Management Limited at any time during the financial year.

- Mr. H G A Sirisena
- Mr. S Kumarapperuma
- Mr. G A H Chandana

b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial period.

15.3 Key management personnel unitholding

The key management personnel of Premier Wealth Management Limited have not held any units in the Fund.

15.4 Other transactions within the Fund

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial period and there were no material contracts involving key management personnel's interest existing at year end.



PREMIER GROWTH FUND  
NOTES TO THE FINANCIAL STATEMENTS

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15. RELATED PARTY TRANSACTIONS (CONTD..)

15.5 Related party unitholding

The Management Company held units in the Fund as follows:

Unitholder	Nature of relationship	Transactions during the period		Unitholding as at 31.03.2021	
		Investments Rs.	Redemptions Rs.	No. of units	Fair Value Rs.
Premier Wealth Management Limited	Management Company	-	-	465,950	3,061,290

15.6 Key management personnel compensation

Payments made from the Fund to Premier wealth Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

Name of Related Company	Relationship	Transaction type	2020/2021 Rs.	2019/2020 Rs.
Hatton National Bank	Trustee	Trustee fee	129,451	135,200

The Fund maintains a current account with the Trustee, Hatton National Bank PLC through which all settlements of transactions of the Fund were made.

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
Bank balance held at Hatton National Bank PLC	5,000	5,000

16. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (KMP) OF THE COMPANY

Payments made from the Fund to Premier Wealth Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

17. COMPARATIVE INFORMATION

Comparative information of the Fund has been reclassified wherever necessary to conform with the current year's presentation/classification.

18. IMPACT OF COVID-19

As a result of the COVID-19 pandemic, volatility in the financial markets has increased. There has been a sharp decline in market yields, greater illiquidity of financial assets due to low trading, and a temporary surge in withdrawals and fewer deposits made by customers. However, the situation has been managed well due to the well-informed decisions and prudent financial management by Premier Wealth Management Limited.



PREMIER MONEY MARKET FUND  
COLOMBO 05

FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31ST MARCH 2021



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 Colombo 02  
 Sri Lanka

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF PREMIER MONEY MARKET FUND

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Premier Money Market Fund ("the Fund"), which comprise the statement of financial position as at 31<sup>st</sup> March 2021 and the statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 05 to 15.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31<sup>st</sup> March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Manager and Trustee's for the Financial Statements

Premier Wealth Management Limited ("the Manager") and the Trustee of the Unit Trust are responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as the Manager determines, is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Manager is responsible for overseeing the Fund's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

As required by the Unit Trust code of September 2011 issued by the Securities and Exchange Commission of Sri Lanka under the Act No.36 of 1987 and the Trust Deed, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Fund.

*BDO Partners*  
**CHARTERED ACCOUNTANTS**  
 Colombo 02  
 21<sup>st</sup> June 2021  
 HSR/cc

PREMIER MONEY MARKET FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2021

Page 1

	Note	2020/2021 Rs.	2019/2020 Rs.
Investment income			
Interest income	4	52,162,782	21,344,710
Placement fee income		1,063,603	969,150
Net realized gain on financial assets measured at amortized cost		168,324	22,989
<b>Total investment income</b>		<b>53,394,709</b>	<b>22,336,849</b>
Expenses			
Management fees		(1,982,339)	(619,258)
Trustee and custodian fees		(1,482,078)	(666,163)
Brokerage for debentures		-	(4,648)
Audit fees		(226,594)	(175,230)
Professional fees		(43,081)	(52,996)
Other expenses		(14,825)	-
<b>Total operating expenses</b>		<b>(3,748,917)</b>	<b>(1,518,295)</b>
<b>Net operating profit</b>		<b>49,645,792</b>	<b>20,818,554</b>
Finance expenses	5	(34,595)	(23,394)
<b>Profit before tax</b>		<b>49,611,197</b>	<b>20,795,160</b>
Income tax expense		-	-
<b>Increase in net assets attributable to unitholders</b>		<b>49,611,197</b>	<b>20,795,160</b>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 15 form an integral part of these financial statements.

Colombo  
21st June 2021



PREMIER MONEY MARKET FUND  
STATEMENTS OF FINANCIAL POSITION  
AS AT 31ST MARCH 2021

Page 2

	Note	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	298,163	7,916
Financial assets measured at amortised cost	7	682,335,329	378,256,204
Income tax receivable	8	3,371,946	3,400,799
Other receivables	9	354	201
<b>Total current assets</b>		<b>686,005,792</b>	<b>381,665,120</b>
<b>Total assets</b>		<b>686,005,792</b>	<b>381,665,120</b>
<b>UNITHOLDERS' FUNDS AND LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued expenses and other payables	10	625,778	384,518
Other financial liabilities	11	677,397	114,450
<b>Total current liabilities</b>		<b>1,303,175</b>	<b>498,968</b>
<b>Unitholders' fund</b>			
Net assets attributable to unitholders	12	684,702,617	381,166,152
<b>Total unitholders' fund</b>		<b>684,702,617</b>	<b>381,166,152</b>
<b>Total unitholders' funds and liabilities</b>		<b>686,005,792</b>	<b>381,665,120</b>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 15 form an integral part of these financial statements.

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

PREMIER WEALTH MANAGEMENT LIMITED

   
Director Director

Premier Wealth Management Limited  
Fund Management Company

  
Hatton National Bank PLC  
Custody and Trustee Services  
Authorized Signatory  
Hatton National Bank PLC  
Trustee

Colombo  
21st June 2021  
HSR/cc



PREMIER MONEY MARKET FUND  
STATEMENT OF CHANGES IN UNITHOLDER'S FUNDS  
FOR THE YEAR ENDED 31ST MARCH 2021

Page 3

	Rs.
Unitholders' funds as at 01st April 2019	150,258,230
Increase in net assets attributable to unitholders	20,795,160
Received on unit creations	326,977,281
Paid on unit redemptions	(116,864,519)
Unitholders' funds as at 01st April 2020	381,166,152
Increase in net assets attributable to unitholders	49,611,197
Received on unit creations	651,040,547
Paid on unit redemptions	(397,115,279)
Unitholders' funds as at 31st March 2021	684,702,617

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 15 form an integral part of these financial statements.

Colombo  
21st June 2021



PREMIER MONEY MARKET FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2021

Page 4

	2020/2021 Rs.	2019/2020 Rs.
Cash flows from operating activities		
Interest received	54,782,544	12,252,292
Net investment in securities	(306,530,563)	(211,814,546)
Net increase in financial liabilities	562,947	(9,985,550)
WHT paid	28,853	(190,928)
Operating expenses paid	(3,507,657)	(1,422,048)
Placement fee income received	1,063,603	969,150
Net cash outflow from operating activities	(253,600,273)	(210,191,630)
Cash flows from financing activities		
Cash received on creation of units	651,040,394	327,002,278
Cash paid on redemption of units	(397,115,279)	(116,864,519)
Bank charges	(34,595)	(23,394)
Net cash inflow from financing activities	253,890,520	210,114,365
Net increase/ (decrease) in cash and cash equivalents	290,247	(77,265)
Cash and cash equivalents at the beginning of the year (Note A)	7,916	85,181
Cash and cash equivalents at the end of the year (Note B)	298,163	7,916
At the beginning		Note A
Balance at bank	7,916	85,181
At the end		Note B
Balance at bank	298,163	7,916

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 15 form an integral part of these financial statements.

Colombo  
21st June 2021



## PREMIER MONEY MARKET FUND

Page 5

## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

## 1.1 General

Premier Money Market Fund ("the Fund") is an open ended unit trust fund approved by the Securities and Exchange Commission of Sri Lanka. The fund was launched on 15<sup>th</sup> July 2014.

The Management Company of the Fund, "Premier Wealth Management Limited" is a fully owned subsidiary of Ceylinco Seraka Limited, which is incorporated and domiciled in Sri Lanka. The registered office of the Manager and its principal place of business is located at No.02, Gower Street, Colombo 05. The Trustee of the Fund is Hatton National Bank PLC having an established business place at Hatton National Bank PLC, Custodian & Trustee Services, HNB Towers (Level 15), No. 479, T B Jayah Mawatha, Colombo 10, Sri Lanka.

**Date of authorization for issue**

The financial statements of the Fund for the year ended 31<sup>st</sup> March 2021 were authorized for issue by the Fund Management Company and the Trustee on 21<sup>st</sup> June 2021.

## 2. PREPARATION OF FINANCIAL STATEMENTS

## 2.1 Basis of preparation

The financial statements are prepared and presented in accordance with and comply with the relevant Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. The statement of financial position is presented on a liquidity basis and assets and liabilities are presented in decreasing order of liquidity and are not distinguished between the current and non-current. The financial statements have been prepared on the historical cost basis, except as noted in the following accounting policies. Historical cost is generally the fair value of the consideration given in exchange of assets. The financial statements are presented in Sri Lankan rupees (Rs).

## 2.2 Statement of compliance

These financial statements which comprise the statement of financial position as at 31<sup>st</sup> March 2021, statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the period ended and a summary of significant accounting policies and other explanatory information have been prepared in accordance with, Sri Lanka Accounting Standards (SLFRS/LKAS) laid down by The Institute of Chartered Accountants of Sri Lanka and the requirement of the Unit Trust code of the Securities and Exchange Commission of Sri Lanka.

## 2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with SLFRS requires management to make judgments, estimates and assumptions that influence the application of Accounting Policies and the reported amounts of assets, liabilities, income and expenses. In the selection and application of the Fund's accounting policies, which are described below, the directors are required to make judgments and assumptions and use assumptions in measuring items reported in the financial statements. These estimates are based on management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods as well, if the revision affects both the current and future periods.



## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value. Following are the key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management uses its judgment in determining the appropriate valuation technique for financial instruments that are not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Other financial instruments are valued using a discounted cash flow analysis based on the assumptions supported, where possible, by observable market prices or rates.

## 2.4 Financial instruments

### 2.4.1 Recognition and initial measurement

All financial assets are initially recognized on the date the Fund becomes a party to the contractual provisions of the instrument. This includes purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

### 2.4.2 Classification

On initial recognition, a financial asset is classified as measured at: amortised cost. Financial assets are not re-classified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets, in which case, all affected financial assets are re-classified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding.

### 2.4.3 Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
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### 2.4.4 Impairment of financial assets

At each reporting date, the Fund assesses to ascertain whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.



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## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

**2.4.5 Financial liabilities - classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on de-recognition is also recognized in profit or loss. Financial liabilities measured at amortised cost include accrued expenses and other payables.

**2.4.6 Recognition/de-recognition****2.4.6.1 Financial assets**

All financial assets are recognized on the date the Fund becomes a party to the contractual provisions of the instrument. This includes purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The Fund de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The fund enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognized.

**2.4.6.2 Financial liabilities**

The Fund de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Fund also de-recognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value.

On recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

**2.4.7 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if;

- There is a currently enforceable legal right to offset the recognized amounts and
- There is an intention to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

**2.4.8 Cash and cash equivalents**

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to an insignificant risk of changes in values.



## PREMIER MONEY MARKET FUND

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## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

**2.4.9 Payables and provisions**

Payables are initially recognized at fair value, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trust, and subsequently at amortised cost.

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

**2.4.10 Recognition of income**

Income is recognized to the extent that it is probable that the future economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific criteria must also be met before interest income is recognized.

**2.4.10.1 Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income of treasury securities, and fixed income securities are recognized gross of withholding tax or notional tax as applicable up to 31<sup>st</sup> March 2018 and thereafter net of withholding tax or notional tax due to the changes in the new inland Revenue Act No. 24 of 2017.

**2.4.11 Expenditure recognition**

All expenses, including management fees and trustee fees, are recognized in profit or loss on accrual basis.

The management participation fees, the trustee fees and custodian fees of the Fund are as follows.

- Management and registration fee - 0.35% of Net asset value of the Fund
- Trustee fee - 0.20% of Net asset value of the Fund
- Custody fee - Flat fee of Rs. 20,000 per month

**2.4.12 Taxation**

The charge for taxation is based on the results for the year as adjusted for disallowable items. With the enactment of the new Inland Revenue Act No 24 of 2017, effective 01 April 2018, an eligible unit trust would not be liable for income tax on any income which is a pass-through to its unitholders. Accordingly, post 31<sup>st</sup> March 2018, the Fund has considered all income as being a pass-through to its unitholders.

**2.4.13 Unitholders' funds and net assets attributable to unitholders**

Unitholders' funds have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unitholders, as at the reporting date.

Units can be issued and redeemed based on the Fund's net asset value per unit, calculated by dividing the net assets of the Fund calculated in accordance with the valuation guidelines issued by the Unit Trust Association of Sri Lanka and directive issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.



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## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

## 3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

## 3.1 Financial instruments

The Fund's principal financial assets comprise investment in fixed income securities and cash at bank. The main purpose of these financial instruments is to generate a return on the investment made by unitholders. The Fund also has other financial instruments such as receivables and payables which arise directly from its operations.

In accordance with SLFRS 09 Financial Instruments: recognition and measurement, the Fund's investments and receivables are classified as 'Financial instruments at amortised cost'. Payables are designated as 'Financial liabilities' at amortized cost.

## 3.2 Financial risk management objectives, policies and processes

Risk arising from holding financial instruments are inherent in the Fund's activities, and are managed through a process of ongoing identification, measurement and monitoring. The Fund is exposed to market risk, credit risk and liquidity risk.

## 3.2.1 Market risk

Market risk represents the risk that the value of the Fund's investments portfolios will fluctuate as a result of changes in market prices.

This risk is managed by ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies. As such, unitholders can manage this risk through their choices of which investment portfolios to participate in.

## 3.2.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of the changes in market interest rates.

The Fund's exposure to interest rate risk primarily arises from changes in interest rates applicable to the investments.

The following sensitivity analysis demonstrate the Fund's sensitivity in the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

## Impact on operating profit/net assets attributable to unitholders

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
Change in interest rates of the Fund's investment in financial instruments		
+1%	521,628	213,447
-1%	(521,628)	(213,447)



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## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

## 3.2.3 Credit risk

Credit risk is the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

The Fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the amortised cost of these instruments as detailed below. It's the Fund's policy to enter into financial instruments with reputable counterparties.

## 3.2.3.1 Risk concentration of credit risk exposure

Concentration of credit risk is managed by counterparty and by market sector. The Fund is also subject to credit risk on its bank balances and receivables. The credit risk exposure on these instruments is not deemed to be significant.

The Fund's exposure to credit risk can be analysed as follows:

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
Credit rating of counterparties		
AAA	-	83,910,123
AA	-	-
A+	129,106,767	-
A	104,645,719	40,337,958
A-	72,516,512	76,501,573
AA-	129,114,888	-
BBB	179,380,747	58,825,120
BBB+	67,570,696	64,358,053
BBB-	-	43,670,548
	<u>682,335,329</u>	<u>367,603,375</u>



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## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

## 3.2.4 Liquidity risk

The risk that the Fund will encounter difficulty in raising funds to meet its obligation to pay unit-holders. To enhance the liquidity, the Fund invests in financial instruments which, under normal market conditions, are readily convertible to cash. In addition, the Fund invests within established limits to ensure that there is no concentration of risk.

The following table analyses the Fund's maturity groupings based on the remaining period at the end of reporting period.

Assets	As at 31.03.2021			
	Up to 3 months	3-12 months	Un- classified	Total Rs.
Cash and cash equivalents	298,163	-	-	298,163
Financial assets measured at amortised cost	178,800,791	503,534,538	-	682,335,329
Income tax receivable	-	-	3,371,946	3,371,946
Other receivables	354	-	-	354
	<u>179,099,308</u>	<u>503,534,538</u>	<u>3,371,946</u>	<u>686,005,792</u>

Liabilities	As at 31.03.2021			
	Up to 3 months	3-12 Months	Un- classified	Total Rs.
Accrued expenses	625,778	-	-	625,778
Other financial liabilities	677,397	-	-	677,397
	<u>1,303,175</u>	<u>-</u>	<u>-</u>	<u>1,303,175</u>

Assets	As at 31.03.2020			
	Up to 3 months	3-12 months	Un- classified	Total Rs.
Cash and cash equivalents	7,916	-	-	7,916
Financial assets measured at amortised cost	123,641,469	254,614,734	-	378,256,204
Income tax receivable	-	-	3,400,799	3,400,799
Other receivables	201	-	-	201
	<u>123,649,586</u>	<u>254,614,734</u>	<u>3,400,799</u>	<u>381,665,120</u>

Liabilities	As at 31.03.2020			
	Up to 3 months	3-12 Months	Un- classified	Total Rs.
Accrued expenses	427,718	-	-	427,718
Other financial liabilities	71,250	-	-	71,250
	<u>498,968</u>	<u>-</u>	<u>-</u>	<u>498,968</u>



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	2020/2021 Rs.	2019/2020 Rs.
<b>4. INTEREST INCOME</b>		
Interest received on repos	1,090,687	1,232,114
Interest on trust certificate	2,685,131	6,431,847
Interest received on deposits	40,400,605	6,964,774
Interest received on commercial papers	6,238,593	6,561,521
Interest on treasury bills	377,637	51,260
Interest on debentures	685,739	92,917
Interest on savings accounts	684,390	10,277
	<u>52,162,782</u>	<u>21,344,710</u>
<b>5. FINANCE EXPENSES</b>		
Bank charges	34,595	23,394
	<u>34,595</u>	<u>23,394</u>
	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash at bank	293,163	2,916
- Savings account - HNB bank	5,000	5,000
- Cash at bank - HNB bank	<u>298,163</u>	<u>7,916</u>
<b>7. FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>		
Investment in repos	26,503,231	83,910,123
Investment in trust certificate	-	60,170,422
Investment in treasury bills	-	10,652,829
Investment in debentures	-	9,668,367
Investment in deposits	561,195,437	178,884,655
Investment in commercial papers	94,636,661	34,969,808
	<u>682,335,329</u>	<u>378,256,204</u>



**PREMIER MONEY MARKET FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**



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	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>8. INCOME TAX RECEIVABLE</b>		
Balance at the beginning of the year	3,400,799	3,209,871
Withholding tax receivable	(28,853)	190,928
Balance at the end of the year	<u>3,371,946</u>	<u>3,400,799</u>
<b>9. OTHER RECEIVABLES</b>		
Other receivables	354	201
	<u>354</u>	<u>201</u>
<b>10. ACCRUED EXPENSES AND OTHER PAYABLES</b>		
Management fees	200,572	109,789
Trustee fees	123,781	67,748
Tax consultation fees payable	52,877	9,796
Custodian fees	21,955	21,955
Auditor's remuneration	226,593	175,230
	<u>625,778</u>	<u>384,518</u>
<b>11. OTHER FINANCIAL LIABILITIES</b>		
Accounts payable	-	114,450
Other payables	46,712	-
Placement fee received	630,685	-
	<u>677,397</u>	<u>114,450</u>
<b>12. RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENTS AND THE PUBLISHED NET ASSET VALUE</b>		

The Fund considers its net assets attributable to unitholders as capital, not with standing that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders. The movement in number of units and net assets attributable to unitholders during the period were as follows;

	From 01st April 2020 to 31st March 2021		From 01st April 2019 to 31st March 2020	
	Units	Rs.	Units	Rs.
Units at beginning of the year	21,881,185	381,166,152	9,559,389	150,258,230
Units issued during the year	35,893,344	651,040,547	19,493,693	326,977,281
Units redeemed during the year	(21,688,798)	(397,115,279)	(7,171,897)	(116,864,519)
Increase in net assets attributable to unit-holders	-	49,611,197	-	20,795,160
Units at end of the year	<u>36,085,731</u>	<u>684,702,617</u>	<u>21,881,185</u>	<u>381,166,152</u>
Adj: Income tax receivables	-	(3,371,946)	-	(3,400,799)
Other audit entries adjustments	-	33,263	-	142,170
Net assets as per valuation	<u>36,085,731</u>	<u>681,363,934</u>	<u>21,881,185</u>	<u>377,907,523</u>

The creation price was at Rs. 18.8818 per unit as at 31.03.2021 (31.03.2020 - Rs. 17.2709) and the redemption price was at Rs. 18.8818 (31.03.2019 - Rs. 17.2709).

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13. UNRECOGNISED CONTRACTUAL COMMITMENTS

There were no unrecognized contractual commitments as at the reporting date to be disclosed.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

14.1 Contingent liabilities

There were no contingent liabilities as at the reporting date.

14.2 Contingent assets

There were no contingent assets as at the reporting date.

15. EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen, since the reporting date which would require adjustments to, or disclosure in, the financial statements.

16. RELATED PARTY TRANSACTIONS

16.1 Responsible entity

The Fund Management Company, Premier Wealth Management Limited is a subsidiary of Ceylinco Seraka Limited. The company's ultimate parent entity and controlling party is Inventure (Private) Limited which is incorporated and domiciled in Sri Lanka.

16.2 Key management personnel

a) Directors

Key management personnel includes persons who were directors of Premier wealth Management Limited at any time during the financial year.

- Mr. H G A Sirisena
- Mr. S Kumarapperuma
- Mr. G A H Chandana

b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial period.

16.3 Key management personnel unitholding

The key management personnel of Premier Wealth Management Limited have not held any units in the Fund.

16.4 Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial period and there were no material contracts involving key management personnel's interests existing at year end.



PREMIER MONEY MARKET FUND  
NOTES TO THE FINANCIAL STATEMENTS

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16. RELATED PARTY TRANSACTIONS (CONTD...)

16.5 Related party unitholding

Unitholder	Nature of relationship	Transactions during the period		Unit holding as at 31.03.2021	
		Investments Rs.	Redemptions Rs.	No. of units	Fair Value Rs.
Premier Wealth Management Limited	Management company	825,000	2,783,000	97,371	1,838,544
Serene Resorts Ltd	Member of same group	-	21,735,000	5,278,069	99,659,451

16.6 Key Management Personnel Compensation

Payments made from the fund to Premier Wealth Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

Name of Related Company	Relationship	Transaction type	Amount (Rs.) 2020/2021	Amount (Rs.) 2019/2020
Premier Wealth Management Limited	Managing company	Management fee	1,982,339	619,258
Hatton National Bank	Custodian	Custodian fee	258,491	270,402
	Trustee	Trustee fee	1,223,587	395,761

The fund was invested in treasury bills repos through Hatton National Bank PLC.

	Interest income 2020/2021 Rs.	As at 31.03.2021 Rs.	Interest income 2019/2020 Rs.	As at 31.03.2020 Rs.
Hatton National Bank PLC	3,231	26,503,231	2,392	13,752,392

The Fund maintains a current account with the Trustee, Hatton National Bank PLC through which all settlements of transactions of the fund were made.

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
Bank balance held at Hatton National Bank PLC	5,000	5,000

17. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (KMP) OF THE COMPANY

Payments made from the fund to Premier Wealth Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

18. COMPARATIVE INFORMATION

Comparative information of the Fund has been re-classified wherever necessary to conform to the current year's presentation/classification.

19. IMPACT OF COVID-19

As a result of the COVID-19 pandemic, volatility in the financial markets has increased. There has been a sharp decline in market yields, greater illiquidity of financial assets due to low trading, and a temporary surge in withdrawals and fewer deposits made by customers. However, the situation has been managed well due to the well-informed decisions and prudent financial management by Premier Wealth Management Limited.

**Corporate information****Fund Manager/ Registrar**

Premier Wealth Management Limited  
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 Tel : +94 11 255 4110  
 Fax : +94 11 250 4138  
 E-mail : [info@premierwealth.lk](mailto:info@premierwealth.lk)  
 Web : [www.premierwealth.lk](http://www.premierwealth.lk)

**Trustee and Custodian**

Hatton National Bank PLC, Head Office  
 HNB Towers, No. 479, T B Jayah Mawatha,  
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**Fund Auditors**

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