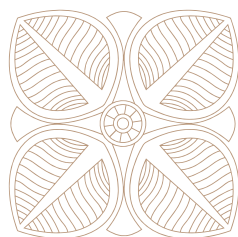


INTERIM FINANCIAL STATEMENTS

For The Six Month Period Ended
30th September 2023



LYNEAR

LYNEAR WEALTH DYNAMIC OPPORTUNITIES FUND

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Fund Manager's Review

Dear Investor,

We are pleased to present the Unaudited Interim Financial Statements of LYNEAR Wealth Dynamic Opportunities fund (the Fund) for the six months ended 30th September 2023.

The fund reported a Profit after Tax of Rs. 92.9Mn and yielded a return of 27% for the period. The Fund also outperformed the benchmark, the S&P SL20 Index, which returned 19% over the corresponding period. During the period the funds under management grew to Rs. 931.2Mn from Rs. 217.3Mn on 31st March 2023.

While the fund allows us to invest up to 90% of the AUM in fixed income or equities, we have been overweight equities since the beginning of the calendar year. Our belief was that executive board approval for the IMF Extended Fund Facility and clarity on the domestic debt restructure plan, will create a strong equity market run. However, the equity market declined in the first three months of the period despite the IMF executive board approval, which adversely impacted the returns of the fund. Our expectations began to materialize following the announcement of DDR plan, with market generating substantial returns in the period from end June to end August.

The period witnessed improvement of key macro-economic factors which bodes well for the economy. With the decline in lending rates, improving sentiments and gradual pick-up in economic activities, private sector credit began rebounding. Despite the relaxation of imports, the country's gross official reserves rose to USD 3.5 billion by September 2023 from an initial USD 2.1 billion. Positive factors such as a reduced trade deficit, heightened foreign inflows, improved remittances, and increased tourism contributed to a surplus in both the current account and balance of payments in the latter half of 2023. During the same period, inflation experienced a significant decline from 50.3% in March 2023 to 1.3% in September 2023. Overall, these indicators suggest a positive economic outlook and stability in the country's financial landscape.

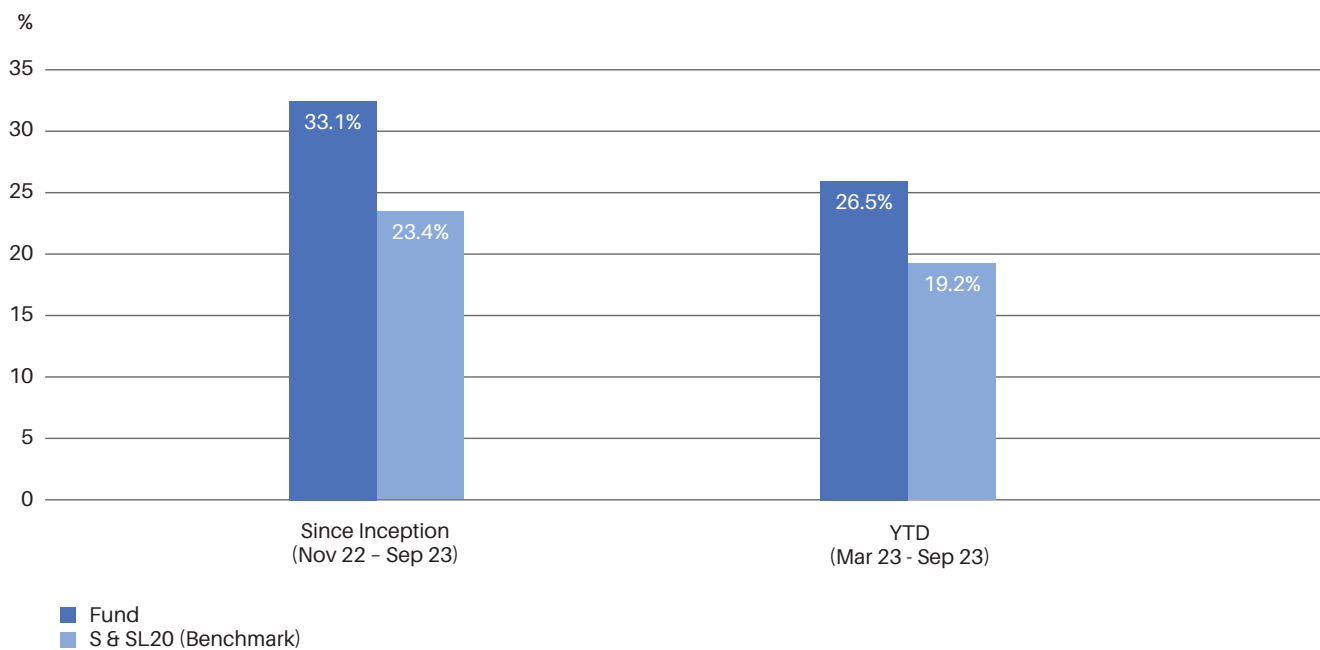
Outlook

Looking in to the end of 2023 and beyond, we expect the economy to continue to recover and stabilize. We believe that we will be able to achieve an in-principal agreement on external debt restructuring, which will be an important milestone for the country. We expect the lending rates to continue to come down, foreign reserves to gradually increase and the economy to begin to grow. Key risk for our thesis is the elections which are likely to happen during the second half. Deviation from the reform agenda and fiscal discipline can create significant downside for equities and fixed income.

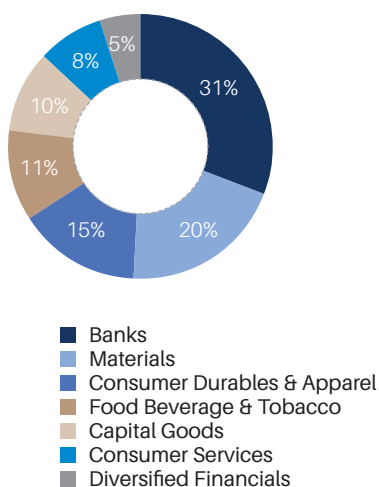
We believe valuation of listed equities are at multi-decade lows. Despite the misgivings in the media, corporate earnings seem to have turned a corner during the June to September quarters, in line with our expectations. We expect the earnings to gradually recover, making equities even more attractive. However, speculation around key events such as elections and reforms may result in speculation which may heighten uncertainty. Therefore, we will remain dynamic in our equity allocation, though we remain bullish on equities in our base case.

Fund Manager's Review

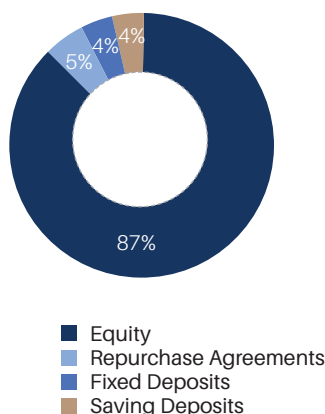
Fund Performance vs benchmark



Sector allocation within equity as a percentage of NAV as of 30th Sep 2023



Asset Allocation as a percentage of NAV as of 30st Sep 2023





UNAUDITED INTERIM FINANCIAL STATEMENTS

For The Six Month Period Ended
30th September 2023

Statement of Profit or loss and Other Comprehensive Income

For the six months period ended 30 September 2023

	Note	Unaudited 2023/2024 Six months period ended Rs.
Investment Income		
Dividend income	6.1	502,673
Interest income	6.2	7,056,788
Realised gain on sale of financial assets at fair value through profit and loss	8.2	(8,835,884)
Realised gain / (loss) on sale of financial assets at fair value through profit and loss - Treasury Bond	8.3	2,191,345
Unrealised gain on fair valuation of financial assets at fair value through profit and loss	8.4	130,056,081
Total investment income		130,971,004
Expenses		
Management fee		(3,563,885)
Trustee fee		(560,528)
Audit fee		(280,041)
Tax consultancy fee		(110,328)
Transaction costs		(24,520,695)
Performance fee		(8,633,368)
Printing cost		(200,000)
Bank charges		(196,173)
		(38,065,017)
Net Profit Before Taxation		92,905,987
Income tax expenses	7	-
Profit for the period		92,905,987
Increase in net assets attributable to unit holders		92,905,987

Figures in bracket indicate deductions.

The attached notes from 1 to 16 form an integral part of these financial statements.

Statement of Financial Position

As at 30 September 2023	Note	Unaudited 30.09.2023 Rs.	Audited 31.03.2023 Rs.
Assets			
Cash at bank	7	18,362,663	33,081,333
Financial assets -at fair value through profit or loss	8	811,916,363	185,747,206
Financial assets - at amortised cost	9	85,536,132	37,351,285
Other receivables	10	42,816,083	2,613,144
Total assets		958,631,241	258,792,968
Unit holders' funds and liabilities			
Liabilities			
Accrued expenses and other liabilities	11	27,347,718	41,523,595
Total liabilities		27,347,718	41,523,595
Unit holders' funds			
Net assets attributable to unit holders		931,283,523	217,269,373
		931,283,523	217,269,373
Total unitholders' funds and liabilities		958,631,241	258,792,968
Net assets per unit (Rs.)	12	133.0290	105.1871

The attached notes from 1 to 16 form an integral part of these financial statements.

The Management Company of LYNEAR Wealth Dynamic Opportunities Fund is responsible for the preparation and presentation of these financial statements in accordance with the Sri Lanka Accounting Standards.

Approved by the Fund Management Company and the Trustee on 17 January 2024.



Director of LYNEAR Wealth
Management company



Director of LYNEAR Wealth
Management company

DEUTSCHE BANK AG
Colombo Branch



Authorized Signatory
Trustee

Deutsche Bank
Trustee

Statement of Changes in Unitholders Funds

For the six months period ended 30 September 2023	Unitholders' capital	Increase in net assets attribute to unitholders	Net assets attributable to unitholders
	Rs.	Rs.	Rs.
Balance as at 1 November 2022	-	-	-
Increase due to unit creation during the period	210,635,136	-	210,635,136
Decrease due to unit redemption during the period	(612,248)	-	(612,248)
Increase in net assets attributable to unit holders	-	7,246,485	7,246,485
Income distribution to unit holders	-	-	-
Balance as at 31 March 2023	210,022,888	7,246,485	217,269,373
Balance as at 01 April 2023	210,022,888	7,246,485	217,269,373
Increase due to unit creation during the period	623,847,979	-	623,847,979
Decrease due to unit redemption during the period	(2,739,816)	-	(2,739,816)
Increase in net assets attributable to unit holders	-	92,905,987	92,905,987
Income distribution to unit holders	-	-	-
Balance as at 30 September 2023	831,131,051	100,152,472	931,283,523

Figures in bracket indicate deductions.

The attached notes from 1 to 16 form an integral part of these financial statements.

Statement of Cash Flows

For the six months period ended 30 September 2023

	Unaudited 2023/2024 Six months period ended Rs.
Cash Flows from Operating Activities	
Interest received	3,802,848
Dividend received	708,245
Management fees and trustee fees paid	(3,115,230)
Other expenses paid	(13,545,914)
Investments in T-Bonds	21,336,775
Investments in T-Bills	-
Sale proceeds from redeemed of T-Bills	-
Investments in REPOs	(3,864,872,855)
Maturity Proceeds in REPO's	3,849,454,399
Investments in fixed deposits	(31,000,000)
Investments in shares	(1,403,022,437)
Sale proceeds from equity securities	804,083,219
Net Cash used in Operating Activities	(636,170,951)
Cash Flows from Financing Activities	
Cash received on creation of units	624,165,819
Cash paid on redemption of units	(2,713,539)
Net Cash Generated from Financing Activities	621,452,281
Net increase in cash and cash equivalents	(14,718,670)
Cash and cash equivalents at the beginning of the period	33,081,333
Cash and Cash Equivalents at the end of the period	18,362,663

Figures in bracket indicate deductions.

The attached notes from 1 to 16 form an integral part of these financial statements.

Notes to the Financial Statements

- 1** The number of units represented by unitholders' fund as at 30th September 2023 is 7,000,607.
- 2** The above figures are provisional. The same accounting policies as in the Audited Financial Statements for the year ended 31st March 2023 have been followed in the preparation of the above provisional financial statements.
- 3** There have been no material capital commitment and contingent liabilities as at the reporting date which require disclosures in the financial statements (No commitment and contingent liabilities as at 31st March 2023).
- 4** There have been no material events after the reporting period which require adjustment/disclosures in the above provisional financial statements.
- 5** Financial instruments - Please refer notes 13 and 14 for analysis of financial instruments at fair value and by level of fair value hierarchy.

		2023/2024	
		Six month	
		period	
		Rs.	
6.	Investment income		
6.1	Dividend income		502,673
6.2	Interest income on		
	Financial assets - at fair value through profit and loss		1,508,578
	Financial assets - at amortised cost		5,012,755
	Savings interest income		535,455
			7,056,788
7.	Cash at bank		
	Deutsche Bank - Savings A/C		18,102,759
	DFCC MM A/C		259,904
			18,362,663
7.1	Bank balances are maintained only to settle day to day operations. Excess cash balances are reviewed on a daily basis and transferred to the saving account. Remaining cash at bank represents the money market account with DFCC.		
		Unaudited	Audited
		30.09.2023	31.03.2023
		Rs.	Rs.
8.	Financial assets - at fair value through profit or loss		
	Listed shares (Note 8.1)	811,916,363	168,110,354
	Government securities - Treasury bonds	-	17,636,852
		811,916,363	185,747,206

Notes to the Financial Statements

8.1 Listed shares

Name of the Stock / Company	30.09.2023 Unaudited			31.03.2023 Audited		
	Number of shares	Market value of shares	Percentage holding of each investment against the net asset value of the fund	Number of shares	Market value of shares	Percentage holding of each investment against the net asset value of the fund
Access Engineering Plc	1,215,892	24,074,661.60	3%	608,342	8,638,456	4%
Aitken Spence Hotel Holdings PLC	-	-	-	196,155	11,749,685	5%
Allumex PLC	-	-	-	1,618,121	13,268,592	6%
Commercial Bank of Ceylon Plc	143,016	12,900,043.20	1%	-	-	-
Chevron Lubricants Lanka PLC	-	-	-	65,700	6,018,120	3%
DFCC Bank Plc	530,538	45,785,429.40	5%	-	-	-
Dialog Axiata PLC	-	-	-	735,200	7,646,080	4%
Distilleries Company of Sri Lanka Plc	1,558,500	43,638,000.00	5%	543,118	10,645,113	5%
Galadari Hotels (Lanka) PLC	-	-	-	286,857	4,159,427	2%
Hatton National Bank Plc	525,954	90,464,088.00	10%	177,658	23,006,711	11%
Hatton National Bank Plc - Non voting	303,032	45,303,284.00	5%	-	-	-
Hemas Holding PLC	-	-	-	233,497	15,177,305	7%
Hayleys Fabric Plc	2,620,086	125,764,128.00	14%	-	-	-
John Keells Holdings Plc	306,918	59,158,444.50	6%	-	-	-
John Keells Hotels Plc	2,661,496	62,545,156.00	7%	653,422	12,349,676	6%
Lanka IOC PLC	-	-	-	62,670	10,747,905	5%
National Development Bank Plc	668,790	45,945,873.00	5%	-	-	-
Pan Asia Banking Corporation Plc	413,825	8,359,265.00	1%	264,618	3,307,725	2%
People's Leasing & Finance Plc	3,668,581	40,354,391.00	4%	-	-	-
PGP Glass Ceylon Plc	1,096,530	29,715,963.00	3%	-	-	-
Prime Lands Residencies PLC	-	-	-	1,660,238	13,281,904	6%
Seylan Bank PLC	-	-	-	15,654	521,278	0%
Seylan Bank PLC - Non voting	-	-	-	197,412	4,441,770	2%
Singer (Sri Lanka) PLC	-	-	-	475,493	7,132,395	3%
Sunshine Holdings Plc	846,288	44,430,120.00	5%	234,317	10,544,264	5%
The Kingsbury PLC	-	-	-	552,924	5,473,948	3%
Tokyo Cement Company (Lanka) Plc	1,628,872	89,587,960.00	10%	-	-	-
Tokyo Cement Company (Lanka) Plc - Non voting	925,940	43,889,556.00	5%	-	-	-
		811,916,363			168,110,354	

8.2 Realised gain / (loss) on sale of financial assets at fair value through profit and loss - Equity Investments

	2023/2024 Six month period Rs.
Proceeds on sales of equity securities	853,601,891
Average cost of equity securities sold	(862,437,775)
Net realized gain on equity securities	(8,835,884)

8.3 Realised gain / (loss) on sale of financial assets at fair value through profit and loss - Treasury Bond

Proceeds on maturity of treasury bond	20,324,275
Cost of treasury bond sold	(18,132,930)
Net realized gain on treasury bond	2,191,345

8.4 Unrealised (loss) / gain on fair valuation of financial assets at fair value through profit and loss

Treasury bonds	-
Equity securities	130,056,081
	130,056,081

	Unaudited 30.09.2023 Rs.	Audited 31.03.2023 Rs.
09. Financial assets - at amortised cost		
Fixed deposits	39,504,164	6,842,908
Repurchase agreements	46,031,968	30,508,377
	85,536,132	37,351,285
10. Other receivables		
Dividend receivable	-	205,572
Cash receivables on equity sales	42,816,083	2,405,165
Interest receivable	-	2,407
	42,816,083	2,613,144

Notes to the Financial Statements

	Unaudited 30.09.2023 Rs.	Audited 31.03.2023 Rs.
11. Accrued expenses and other liabilities		
Management fee payable	1,110,890	238,849
Performance fee payable	8,936,989	303,621
Audit fee payable	236,360	251,667
Trustee fee payable	174,704	37,562
Tax consultancy fee payable	206,139	95,811
Payable on equity purchases	15,919,056	40,179,356
Front end fee accrual	733,687	415,846
Exit fee accrual	26,277	-
WHT payable	2,437	823
Printing charges payable	1,000	-
Accrued bank charges	180	60
	27,347,718	41,523,595
12. Net assets per unit		
Net assets (Rs.)	931,283,523	217,269,373
Total number of units	7,000,607	2,065,551
Net assets per unit (Rs.)	133.0290	105.1871
12.1 Net assets attributable to unitholders		
Movements in the number of units and net assets attributable to unitholders during the period were as follows:		
	No. of Units	Rs.
Balance as at 01 April 2023	2,065,551	217,269,373
Increase due to unit creation during the period	4,956,195.65	623,847,979
Decrease due to unit redemption during the period	(21,139)	(2,739,816)
Increase in net assets attributable to unitholders	-	92,905,987
Income distribution to unit holders	-	-
Balance as at 30 September 2023	7,000,607	931,283,523

Published NAV of the unit trust is Rs 931,283,523 Hence there is no difference between the published NAV and FS NAV.

13. Analysis of financial instrument by measurement basis

The following tables compare the fair values of the financial instruments with their carrying values.

	Measured at fairvalue Rs.	Amortized cost Rs.	Carried at cost Rs.	Total Rs.
As at 31 March 2023 - Audited				
Assets				
Financial assets				
Cash at bank	-	33,081,333	-	33,081,333
Financial assets recognised through profit or loss - measured at fair value	185,747,206	-	-	185,747,206
Financial assets - at amortised cost	-	37,351,285	-	37,351,285
Total	185,747,206	70,432,618	-	256,179,824
Liabilities				
Accruals and other payables	-	-	41,523,595	41,523,595
Total	-	-	41,523,595	41,523,595
As at 30 September 2023 - Unaudited				
Assets				
Financial assets				
Cash at bank	-	18,362,663	-	18,362,663
Financial assets recognised through profit or loss - measured at fair value	811,916,363	-	-	811,916,363
Financial assets - at amortised cost	-	85,536,132	-	85,536,132
Total	811,916,363	103,898,795	-	915,815,158
Liabilities				
Accruals and other payables	-	-	27,347,718	27,347,718
Total	-	-	27,347,718	27,347,718

Notes to the Financial Statements

14. Determining of fair value and hierarchy of fair value

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

	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total fair value Rs.
As at 31 March 2023 - Audited				
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value				
- Investment in listed shares	168,110,354	-	-	168,110,354
- Government securities	-	17,636,852	-	17,636,852
Total financial assets measured at fair value	168,110,354	17,636,852	-	185,747,206
As at 30 September 2023 - Unaudited				
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value				
- Investment in listed shares	811,916,363	-	-	811,916,363
- Government securities	-	-	-	-
Total financial assets measured at fair value	811,916,363	-	-	811,916,363

Level 1 - Financial instruments that are measured in whole or partly 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 regular 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 the 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 is approximated to its fair value.

15. Related party disclosures

The Fund carries out transactions with parties who are defined as related parties as per Sri Lanka Accounting Standard (LKAS 24), "Related Party Disclosure", in the ordinary course of its business. The details of such transactions are reported below. The pricing applicable to such transactions is comparable with what is applied to transactions between the Fund and its unrelated customers. Related party transactions were made on terms equivalent to those that prevail at arm's length transactions.

15.1 Transaction with managing company

Company Name and Nature of Relationship	Nature of Transaction	Transaction Value 2023/2024 Six months period ended Rs.	Outstanding Balance 30.09.2023 Rs.	Outstanding Balance 31.03.2023 Rs.
LYNEAR Wealth Management Company (Managing Company)	Investment in unit trust (No of units as of 30 September 2023 is 884,110.30)	42,300,000	(115,419,021)	(54,799,221)
	Management fee	3,563,885	(1,110,890)	(238,849)
	Performance fee	8,633,368	(8,936,989)	(303,621)
	Front end fee payable	-	(733,687)	(415,846)

15.2 Transaction with related funds

LYNEAR Wealth Management Company manages another licensed unit trust namely LYNEAR Wealth Income Fund, which is also treated as related parties of the fund.

The Fund sold treasury bonds to Lynear Wealth Income Fund and the details of transaction are as follows:

ISIN	Settlement Date	Face Value	Coupon	Selling Yield	Settlement Value
LKB00325A156	10-Jul-23	5,000,000	22.50%	15.75%	5,985,820
LKB00426E154	10-Jul-23	5,000,000	22.50%	15.50%	5,948,795

Notes to the Financial Statements

15. Related party disclosures (contd.)

15.3 Transactions with key management personnel (KMP) and their close family members (CFM)

According to Sri Lanka Accounting Standard LKAS 24 - "Related Party Disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Accordingly, the Board of Directors of Managing company has been classified as key management personnel of the entity.

Close Family Members of a Key Management Person are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Entity. They may include;

- The individual's domestic partner and children;
- Children of the individual's domestic partner; and
- Dependents of the Individual or the individual's domestic partner

Close family members are related parties to the Entity.

Name of KMP/ CFM	Relationship	Nature of the transaction	2023/2024	As of 30.09.2023	
			Six month period	No of Unit Holdings	Value of Unit Holdings
			Value of Unit Investments Rs.		Rs.
Dr N J W Gunawardane	Director of the Managing Company	Individual unit investments	-	1,000	131,730
Mr S Kulatunga	Director of the Managing Company	Individual unit investments	-	1,000	131,730
Mr Z S Jeevunjee & Mrs N Jeevunjee	Director of the Managing Company & His Mother	Joint unit investments	100,000	1,000	131,730
Mr Z S Jeevunjee & Mrs S M G Jeevunjee	Director of the Managing Company & His Spouse	Joint unit investments	23,000,000	266,025	34,342,658
Mrs Maria Tasneem Moosajee	Spouse of Mr S S Kulatunga (Director)	Individual unit investments	-	1,000	131,730

15.4 Directorships in other companies

The Directors of LYNEAR Wealth Management Company (Managing Company of the Unit Trust) are also Directors of the following companies (as of 30 September 2023).

Name of the company	Relationship	Dr Indrajit Coomaraswamy	Mr Sanjay Kulatunga	Dr Naveen Gunawardane	Dr Kemal De Soysa	Mr Zaffar Jeevunjee	Mr Shamindra Perera
LYNEAR Partners Pvt Ltd	Related party through KMP	-	Director	Director	Director	Director	-
Expolanka Holdings PLC	Related party through KMP	-	Director	-	-	-	-
Tasz Holding Pvt Ltd	Related party through KMP	-	Director	-	-	-	-
Mayna Holding Pvt Ltd	Related party through KMP	-	Director	-	-	-	-
International Distillers Ltd	Related party through KMP	-	-	-	Director	-	-
East India Holdings Pvt Ltd	Related party through KMP	-	-	-	Director	-	-
Sun Tan Beach Resorts Pvt Ltd	Related party through KMP	-	-	-	Director	-	-
Jaywise Construction Pvt Ltd	Related party through KMP	-	-	-	-	Director	-
Jaywise Investments Pvt Ltd	Related party through KMP	-	-	-	-	Director	-
Adplast Pvt Ltd	Related party through KMP	-	-	-	-	Director	-
Mazaa Property Pvt Ltd	Related party through KMP	-	-	-	-	Director	-
Switz Lanka (Pvt) Ltd	Related party through KMP	-	-	-	-	CEO	-
Tokyo Cement PLC	Related party through KMP	Director	-	-	-	-	-
Dialog Axiata PLC	Related party through KMP	Director	-	-	-	-	-
Gamini Corea Foundation	Related party through KMP	Director	-	-	-	-	-
South Asia Policy Research Institute	Related party through KMP	Director	-	-	-	-	-

Notes to the Financial Statements

16. Transaction with Trustee

Company Name and Nature of Relationship	Nature of Transaction	Transaction Value 2023/2024 Six months period ended Rs.	Outstanding Balance 30.09.2023 Rs.	Outstanding Balance 31.03.2023
Deutsche Bank AG, Colombo Branch (Trustee and Custodian has not invested in the Fund)	Trustee fee	560,528	(174,704)	(37,562)

