



ANNUAL REPORT
2022

“The SEC in granting approval does not extend to either endorsing or ratifying the accuracy of the specific details set out therein, and that the management company remains at all times responsible for the specific details set out in the Annual Report.”

CONTENTS

Corporate Information	1
Report of the Manager	2
Report of the Auditors	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Unit holders Funds	6
Statement of Cash Flow	7
Notes to the Financial Statements	8
Declaration by Trustee and Managing Company	9
Management Team	10

CEYBANK HIGH YIELD FUND
Annual Report & Accounts 2022
CORPORATE INFORMATION

TRUSTEE

National Savings Bank
Savings House, 255, Galle Road
Colombo 03

FUND MANAGERS & REGISTRAR

Ceybank Asset Management Ltd
Reg. No PV 3326
No 85, York Street, Colombo -1
Tel : 011- 760 2000-2, Fax : 011- 2327203
E.mail : info@ceybank.com
Web: www.ceybank.com

**DIRECTORS OF THE
MANAGEMENT COMPANY**

Mr. G. Wickramage
Chairman
(Appointed w.e.f. 13th January 2022)

Mr. I. Ferdinands
CEO/Executive Director

Mr. G.A. Jayashantha
(Nominee - Bank of Ceylon)

Mr. R. M. N. Jeewantha
(Nominee - Bank of Ceylon)

Ms.V. Govindan
(Nominee - Unit Trust of India)

Ms. S.Kulasinghe
(Nominee - Sri Lanka Insurance)

Mr. A.D. Perera
(Nominee - Sri Lanka Insurance)

**MEMBER OF
THE INVESTMENT ADVISORY PANEL**

Mr. S N P Palihena
Former General Manager
Bank of Ceylon

AUDITORS

SJMS Associates
Chartered Accountants

TAX CONSULTANTS

Ernst & Young
Chartered Accountants

BANKERS & CUSTODIAN

Bank of Ceylon

LAWYERS

F. J. & G. De Saram
Attorneys –at-Law

Nithya Partners
Attorneys –at-Law

CEYBANK HIGH YIELD FUND - Annual Report 2022

REPORT OF THE MANAGER

We have great pleasure in presenting the Manager's Report and Audited Accounts of the Ceybank High Yield Fund for the period 1st January 2022 to 31st December 2022.

The Net Asset Value per unit of your Fund appreciated by 14.69% during the period.

Economy

The Sri Lankan Economy witnessed a contraction of 7.8%YoY during the year 2022 against the expansion of 3.5%YoY for the year 2021 (base year=2015). This setback was recorded in all three sectors owing to economic crisis in the country driven by hyper-inflation and the severe scarcity of essential items including food, fuel, electricity, and medicine, etc. coupled with the deterioration of foreign reserves and currency. Sector wise, Industry slumped 16%, Services by 2% and Agriculture by 4.6% within 2022.

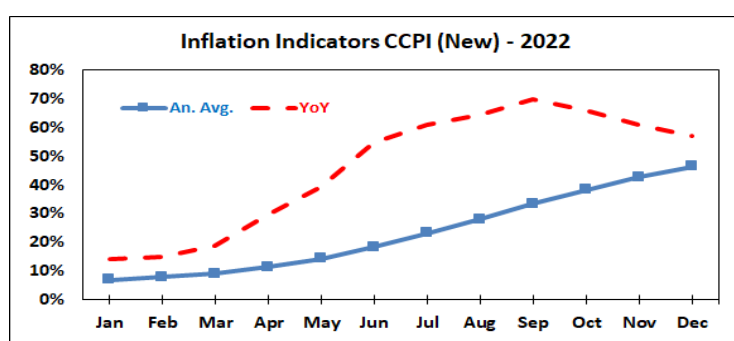


Figure: 1 - (Source: CBSL)

Annual Average Inflation (*Figure:1*) measured by the CCPI, which was at 6.9% at the beginning of the year accelerated to 46.4% at end December 2022 chiefly as a result of supply side interruptions, tax adjustments, currency depreciation and removal of price controls.

Market interest rates (*Figure:2*) surged up during the year. The benchmark 12-month Treasury bill rate which was at 8.39% p.a. at the beginning of the year was increased gradually in an effort to ease off the pressure on inflation and exchange rate. The rates elevated by 2088 basis points, to close at 29.27% p.a. at the end of the year. Long term Treasury bond yields also moved in tandem with the Treasury Bills during this period. Premiums on corporate paper yields, remained around 2-3% above Treasury yields.

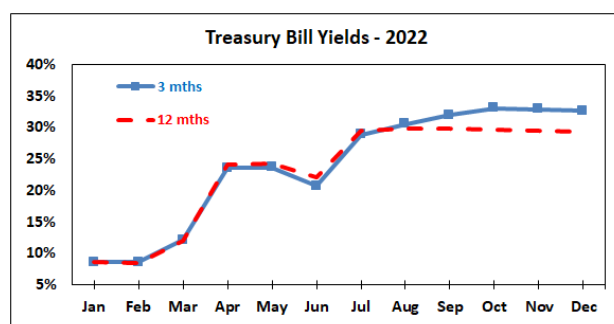


Figure: 2 - (Source: CBSL)

Overnight repo market rates recorded an upward trend and traded within a range of 5.9% and 15.5% p.a. The exchange rate which was at 200.43 (Rs/US\$) at the beginning of 2022, depreciated by 81.2% to 363.11 (Rs/US\$), as at end December 2022.

Changes in Central Bank key policy rates during the year, included an unexpected 700 bps rate hike in April. During the year both Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) were raised by a total of 950 bps. The SDFR and SLFR at the end of the year were 14.50% and 15.50% respectively, while the SRR was 4%.

Fund Performance

The Net Asset Value per unit of your Fund appreciated by 14.69% during the period under review. The Fund generated Rs 155.49 million as net operating profit before taxes during the period. The Fund was mainly invested in a mix of Treasury bills, Repurchase Agreements and Corporate papers with maturities less than 12 months.

Future Outlook

Amidst the rise in systematic risk of downturns in world economies owing to tight financial controls adopted by Central Banks around the world due to inflationary pressures and geopolitical tensions in Eastern Europe, the Sri Lankan economy is expected to record a contraction of 3%-4%YoY in 2023E due to the instability in macro fundamentals in the domestic economy, including deteriorating foreign reserves due to consecutive sovereign downgrades, contraction in private sector credit disbursements owing to elevated market interest rates, anomalous rise in inflation stemmed from domestic and global supply side disruptions, and twin deficits in fiscal account and external current account, etc. However, the economy in the country is anticipated to witness a recovery and return to normalcy in 2024E with the implementation of structural reforms in the country in 2023 as per the agreement on an Extended Fund Facility (EFF) Arrangement of about USD2.9Bn with the International Monetary Fund (IMF).

In line with the enacting of reforms in IMF-EFF Agreement, the CBSL raised policy rates on 03rd March 2023 in order to lower the spread between policy interest rates and high market interest rates. We expect interest rates to decline further to narrow the spread with a view to ease the debt restructuring process. Despite the lagged effect, we expect the lending and deposit rates to slowly stabilize at a moderate level in the medium term in line with the declining market interest rates to retrieve the economic activities in the country. Accordingly, the decelerated trend in Private sector credit disbursement due to high cost of borrowing and low disposable income would reverse with the stabilizing of lending rates.

Due to the execution of some measures including price controls, favourable supply side developments due to uninterrupted fuel supply on quota system and removal of import ban on some items we would expect a gradual decline in inflation during the latter part of the year. With the Flexible Exchange Rate strategy adopted by CBSL as per the reforms of IMF-EFF, the successful completion of IMF-EFF in March 2023 and building up a healthy foreign reserve position against the looming external debt repayments, a moderate currency depreciation can be anticipated during the year.

By considering these factors into account, the Fund is currently invested in short term Treasury bills and Repurchase Agreements. The objective of the Fund is to provide liquidity and maximize returns for the investor. The Managers will continue to monitor the changing environment to address any change required in the asset allocation in order to meet the Fund objective.

Management

We take this opportunity to thank our valued unit holders for the confidence placed in us, which has been a great source of encouragement. We believe we will be able to provide a consistent return to the unit holders. We also place on record our appreciation for the unstinted support and cooperation extended by the Securities and Exchange Commission of Sri Lanka, the Trustee, National Savings Bank and Custodian Bank of Ceylon.

Our sincere appreciation is also due to the stakeholders and the Board of Directors for their support. Our achievements would not have been possible without the skills and commitment of the Management Team. We take great pleasure in thanking them for their contribution and dedication throughout the year and look forward to their support in the coming year too.

SGD
Kanchana Karannagoda
Fund Manager
March 2023

CEYBANK HIGH YIELD FUND
FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT
FOR THE YEAR ENDED
31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF CEYBANK HIGH YIELD FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ceybank High Yield Fund ("the Fund") which comprise the statement of financial position as at 31 December 2022, 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.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2022, 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.

Other Information

Managers and Trustee are responsible for the other information. The other information comprises the information included in the Managers' annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Managers and Trustee 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 managers and trustee determine 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, managers and trustee 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 managers and trustee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are 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 and trustee.
- Conclude on the appropriateness of management's and trustee'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 a 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 those charged with governance 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

The financial statements are prepared and presented in accordance with and comply with the requirements of the Collective Investment Scheme code (CIS code) of The Securities and Exchange Commission of Sri Lanka.

SJMS Associates

SJMS ASSOCIATES

Chartered Accountants

Colombo

28 March 2023



CEYBANK HIGH YIELD FUND
Statement of comprehensive income
For the year ended 31 December 2022

Page 3

	Note	2022 Rs.	2021 Rs.
Investment income			
Investment income	4	172,620,473	155,274,266
Total investment income		<u>172,620,473</u>	<u>155,274,266</u>
Expenses			
Management fee		(11,890,160)	(14,532,808)
Trustee fee		(2,044,094)	(2,541,268)
Custodian fee		(436,515)	(484,430)
Audit fee		(106,387)	(129,908)
VAT expense		(54,017)	(38,754)
Bank charges		(167,328)	(61,598)
Other expenses		(96,400)	(399,405)
Social Security Contribution Levy		(17,871)	-
Finance expenses		(2,316,646)	-
Total operating expenses		<u>(17,129,418)</u>	<u>(18,188,172)</u>
Net operating profit after deductions and before tax		155,491,055	137,086,095
Income tax expense		-	-
Increase in net assets attributable to unitholders		<u>155,491,055</u>	<u>137,086,095</u>

The accounting policies and notes from 1 to 12 form an integral part of these financial statements.

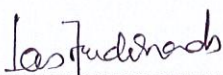



Statement of financial position

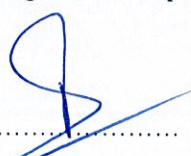
As at 31 December 2022

	Note	31.12.2022 Rs.	31.12.2021 Rs.
Assets			
Cash and cash equivalents	5	11,708,078	2,869,725
Financial assets measured at amortized cost	6	418,953,293	3,211,505,545
Income tax receivable	7	-	-
Total assets		430,661,371	3,214,375,270
Unitholders' funds and liabilities			
Liabilities			
Payables	8	648,140	2,720,546
Money payable on unit redemption		-	2,243,629
Total liabilities (excluding net assets attributable to unitholders)		648,140	4,964,175
Unitholders' funds			
Net asset attributable to unitholders	9	430,013,231	3,209,411,095
Total unitholders' funds and liabilities		430,661,371	3,214,375,270

The Fund Management Company and the Trustee are responsible for the preparation and presentation of these financial statements in accordance with Sri Lanka Accounting Standards. These financial statements were approved by the Fund Management Company on 21 March 2023 and by the Trustee on 27 March 2023.


 Director
 Ceybank Asset Management Ltd.
 Fund Management Company


 National Savings Bank
 Trustee


 Director
 Ceybank Asset Management Ltd.
 Fund Management Company

The accounting policies and notes from 1 to 12 form an integral part of these financial statements.



Statement of changes in unitholders' funds
For the year ended 31 December 2022

	Net Asset Value	Total
	Rs.	Rs.
Opening balance as at 01.01.2021	671,127,147	671,127,147
Issue of units during the year	5,184,147,259	5,184,147,259
Redemptions of units during the year	(2,782,949,406)	(2,782,949,406)
Increase in net assets attributable to unitholders	137,086,095	137,086,095
Unitholders' funds as at 31.12.2021	3,209,411,095	3,209,411,095
Issue of units during the year	629,229,914	629,229,914
Redemptions of units during the year	(3,564,118,833)	(3,564,118,833)
Increase in net assets attributable to unitholders	155,491,055	155,491,055
Unitholders' funds as at 31.12.2022	430,013,231	430,013,231

The accounting policies and notes from 1 to 12 form an integral part of these financial statements.



Statement of cash flows

For the year ended 31 December 2022

	Note	31.12.2022 Rs.	31.12.2021 Rs.
Cash flows from operating activities			
Interest received		231,735,777	96,687,325
Net realized gain on financial assets		161,302	-
Management fee and trustee fee paid		(16,014,242)	(15,275,344)
Custodian fee paid		(491,398)	(449,264)
Operating expenses paid		(33,400)	(338,318)
Taxes paid		(71,888)	(38,754)
Bank charges		(167,328)	(61,598)
Audit fee paid		(106,921)	(98,287)
Finance expenses paid		(2,316,646)	-
Net decrease / (increase) investment in repurchase agreement	6	68,800,000	(92,300,000)
Net decrease / (increase) investment in repurchase agreement	6	1,803,475,206	(1,469,101,281)
Net decrease / (increase) investment in repurchase agreement	6	1,105,145,414	(797,306,016)
Net investments in treasury bills	6	(244,144,975)	(122,429,000)
Net cash used in operating activities		2,945,970,901	(2,400,710,537)
Cash flows from financing activities			
Proceeds from issue of units	9	629,229,914	5,184,147,259
Payments on redemptions of units		(3,566,362,462)	(2,789,056,190)
Net cash inflows from/(used in) financing activities		(2,937,132,548)	2,395,091,069
Net increase / (decrease) in cash and cash equivalents		8,838,353	(5,619,469)
Cash and cash equivalents at the beginning of the year		2,869,725	8,489,194
Cash and cash equivalents at the end of the year	5	11,708,078	2,869,725
Cash and cash equivalents at the beginning of the year		2,869,725	8,489,194
Net increase / (decrease) in cash and cash equivalents		8,838,353	(5,619,469)
Cash and cash equivalents at the end of the year		11,708,078	2,869,725

The accounting policies and notes from 1 to 12 form an integral part of these financial statements.



1. General information

Ceybank High Yield fund is a unit trust fund, which was launched in November 2017 by Ceybank Asset Management Ltd. with the objective of maximizing the income by investing the funds in a portfolio of Corporate Debt & Money Market instruments with maturities less than one year. The registered office of the Management company is located at 85, York Street, Colombo 01.

1.2 Date of authorization for issue

The financial statements of the fund for the year ended 31 December 2022 were authorized for issue by the fund management company on 21 March 2023 and by the trustee on 27 March 2023.

2. Preparation of financial statements**2.1 Statement of compliance**

The financial statements which comprise the statement of financial position as at 31 December 2022, 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, have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS and LKAS), laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of Collective Investment Scheme Code (CIS Code) of The Securities and Exchange Commission of Sri Lanka.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally the fair value of the consideration given in exchange of assets. The financial statements are presented in Sri Lankan rupees (LKR/Rs.).

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 current and non-current.

Comparative information

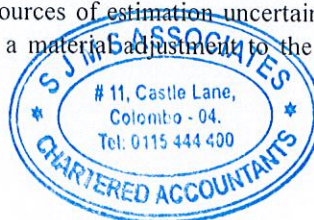
The accounting policies have been consistently applied by the company with those of the previous financial year in accordance with LKAS 01 - presentation of financial statements.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with SLFRSs 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 company'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.

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 statement of financial position date, that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.



2. Preparation of financial statements (Contd.)**2.4 Summary of significant accounting policies****2.4.1 Financial instruments****2.4.1.1 Recognition and derecognition**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

2.4.1.2 Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- * Amortized cost
- * Fair value through profit or loss (FVTPL)
- * Fair value through other comprehensive income (FVOCI).

In the periods presented the trust does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in statement of comprehensive income.

2.4.1.3 Subsequent measurement of financial assets**Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Fund's cash and cash equivalents, other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

During the year the Fund had not classified any financial assets as FVTPL



2. Preparation of financial statements (Contd.)

2.4.1.3 Subsequent measurement of financial assets (Contd.)

Financial assets at fair value through other comprehensive income (FVOCI)

The company accounts for financial assets at FVOCI if the assets meet the following conditions:

- They are held under a business model whose objective it is “hold to collect” the associated cash flows and sell and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

During the year the fund had not classified any financial assets at FVOCI.

2.4.2 Impairment of financial assets

The fund recognises 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 are measured as 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.

Credit - impaired financial assets at each reporting date, the fund assesses whether 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;
- 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.

2.4.3 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 insignificant risk of changes in values.

2.4.4 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.

Financial liabilities measured at amortised cost include accrued expenses and other payables.



2. Preparation of financial statements (Contd.)**2.4.4.1 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 service received, whether or not billed to the Trust, and subsequently at amortized 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.

2.4.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the 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 recognised.

Interest income

For all financial instruments measured at amortized 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, fixed deposits and corporate debt securities are recognized gross of withholding tax.

2.4.6 Expenses

The management participation fee of the fund is as follows:

Management fee -	0.75% p.a. of Net Asset Value of the Fund
Trustee fee -	0.15% p.a. up to Rs. 1.5 Billion of Net Asset Value of the Fund
	0.125% p.a. between Rs. 1.5 Billion & Rs. 3.5 Billion of Net Asset Value of the Fund
	0.1% p.a. above Rs. 3.5 Billion of Net Asset Value of the Fund
Custodian fee -	0.025% p.a. of Net Asset Value of the Fund
	Subject to a minimum of Rs. 15,000 per month

2.4.7 Income tax

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of Inland Revenue Act.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The fund was liable to pay income tax at the rate of 10% in accordance with the Inland Revenue Act No.10 of 2006 for the period up to 31 March 2018 and thereafter, Unit Trusts that conduct eligible investment business are treated as pass through vehicles and tax will be payable by unitholders in accordance with the Inland Revenue Act No. 24 of 2017 and the amendments thereto. Hence the taxation has not been recognised for the current and previous year.

2.4.8 Distributions

In accordance with the trust deed, the Fund distributes income, to Unitholders by cash or reinvestment in units. The distributions are recorded in the statement of movement in unitholders' Funds and the distribution is recognized when the unitholders are entitled to the distribution.

2.4.9 Unitholders funds

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.



Notes to the financial statements

For the year ended 31 December 2022

3. Financial instruments and risk management**3.1 Financial instruments**

The Fund's principal financial assets comprise investments in repurchase agreements, commercial papers, fixed deposits, treasury bills and cash at bank. The main purpose of these financial instruments is to generate a return on the investment made by unitholders. The Fund's principal financial liabilities comprise amounts attributable to unitholders, which are the amounts owed to unitholders of the Fund. 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 investments in repurchase agreements, commercial paper, fixed deposits and treasury bills are classified as debt instrument at amortised cost. Amounts attributable to unitholders are classified as 'other financial liabilities'.

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 credit risk, market risk, and liquidity risk.

Financial instruments of the Fund comprise investments in repurchase agreements, commercial papers, fixed deposits and treasury bills for the purpose of generating a return on the investment made by unitholders, in addition to cash at bank, and other financial instruments such as other receivables and other payables, which arise directly from its operations.

The manager is responsible for identifying and controlling the risk that arise from these financial instruments. The Manager agrees policies for managing each of the risks identified below.

The risks are measured using a method that reflects the expected impact on the statement of comprehensive income and statement of financial position of the fund from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below.

The manager also monitors information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept, with additional emphasis on selected industries. This information is prepared and reported to relevant parties within the Manager on a regular basis as deemed appropriate, including the Fund manager, other key management, Risk and Investment Committees, and ultimately the Trustee of the Fund.

Concentration of risk arises when a number of financial instruments or contracts are entered in to with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions.



3. Financial instruments and risk management (Contd.)**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 investments strategies. As such, unitholders can manage this risk through their choices of which investment portfolios to participate in.

The Fund uses a range of different Fund managers for investment assets. Where a unitholder is invested in more than one investment portfolio, this reduces the impact of a particular manager underperforming. Within the underlying investment portfolio, diversification is achieved at a number of levels. The diversified portfolios are invested across a range of investment sectors. Within each sector of the diversified portfolios, the Fund managers invest in a variety of securities.

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 changes in market interest rates.

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. However, due to the short term nature of the instruments of repurchase agreements and trust certificates it is reasonably expected that the fluctuation in interest rate will not materially impact the net assets value of the Fund. The table below summarises the Fund's exposure to interest rate risks.

	Floating interest rate	Fixed interest rate Rs.	Non- interest bearing Rs.	Total Rs.
As at 31.12.2022				
Financial assets				
Cash and cash equivalents	-	-	11,708,078	11,708,078
Financial assets valued at amortized cost	-	418,953,293	-	418,953,293
Total exposure	-	418,953,293	11,708,078	430,661,371

3.2.3 Credit risk

Credit risk is the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the fund to incur a financial loss of interest and/or principal.

The fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the carrying amount of financial assets as at the reporting date. It is the fund's policy to enter into contracts with reputable counterparties.

The fund is also subject to credit risk on its bank balance. The credit risk exposure on these instruments is not deemed to be significant.



Notes to the financial statements

For the year ended 31 December 2022

3. Financial instruments and risk management (Contd.)

3.2.3 Credit risk (Contd.)

The fund's maximum exposure to credit risk can be analysed as follows;

	31.12.2022 Rs.	31.12.2021 Rs.
Conservative - reverse repurchase agreement and treasury bills	418,953,293	231,414,467
Balanced - commercial papers and fixed deposits	-	2,980,091,080
The fund invests in debt securities which have an investment grade categorization as rated by Fitch Ratings Inc. (Fitch) and Investment Information and Credit Rating Agency (ICRA). An analysis of debt by rating is set out in the table below.		
	31.12.2022 Rs.	31.12.2021 Rs.
Repurchase agreements		
Risk free	3,502,548	7,301,083
A	35,046,027	100,017,808
	<u>38,548,575</u>	<u>107,318,891</u>
Commercial papers		
A-	-	58,497,003
A	-	615,415,274
A+	-	80,697,863
AA-	-	102,476,713
BBB	-	455,479,452
BBB-	-	534,088,267
	<u>-</u>	<u>1,846,654,572</u>
Fixed deposits		
A+ (ICRA / Fitch)	-	83,324,747
AA- (Fitch)	-	482,118,172
BBB+ (ICRA)	-	-
BBB- (ICRA / Fitch)	-	567,993,589
BBB (ICRA)	-	-
	<u>-</u>	<u>1,133,436,508</u>
Treasury Bills		
AAA (ICRA)	380,404,718	124,095,576
	<u>380,404,718</u>	<u>124,095,576</u>
Total	418,953,293	3,211,505,546



3. Financial instruments and risk management (Contd.)**3.2.4 Liquidity risk**

Liquidity risk is the risk that the fund will encounter in raising funds to meet its obligation to pay the unitholders. Exposure to liquidity risk that arises because of the possibility that the fund could be required to pay its liabilities or redeem its units earlier than expected. Units are redeemable at the unitholders' option based on the fund's net asset value per unit at the time of redemption.

The fund manages its obligation when required to do so and its overall liquidity risk by:

Investing primarily in financial instruments, which under normal market conditions are readily convertible to cash.

Investing within established limits to ensure there is no concentration of risk.

Maintaining sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. The unit trust code requires a minimum of 3% of the deposited property to be maintained in cash or near cash. (near cash means investments such as bank/call deposits, repurchase agreements with maturities of less than 3 months, commercial paper endorsed or guaranteed by a Licensed Commercial Bank or Licensed Specialized Bank with maturities of less than 3 months and government securities including government bonds with maturities of less than one year which can be readily convertible into cash.)

The table below analyses the fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month Rs.	1-6 months Rs.	6-12 months Rs.	Total Rs.
As at 31.12.2022				
Payables	238,819	358,461	-	597,280
Amount payable on unit redemption	-	-	-	-
Contractual cash flows	238,819	358,461	-	597,280
As at 31.12.2021				
Payables	2,088,555	295,995	-	2,384,550
Amount payable on unit redemption	2,243,629	-	-	2,243,629
Contractual cash flows	4,332,184	295,995	-	4,628,179

3.2.5 Capital risk management

The fund considers its net assets attributable to unitholders as capital. 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.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Management Company. Under the terms of the Collective Investment Scheme Code (CIS) code of The Securities and Exchange Commission of Sri Lanka, the Management Company has the discretion to reject an application for units and to defer redemption of units if the exercise of such discretion is in the best interests of unitholders.



Notes to the financial statements

For the year ended 31 December 2022

3.2.5 Capital risk management - (Contd..)

Following being the disclosures of unitholders' funds;

The movement in the unitholders' Funds as at 31 December 2022.

	Rs.
i In terms of value	
Unitholders' funds at the beginning of the year	3,209,411,095
Increase in net assets attributable to unitholders	155,491,055
Received on unit creations	629,229,914
Payments on unit redemptions	(3,564,118,833)
Unitholders' funds at the end of the year	430,013,231
ii In terms of no of units	
Opening no of units as at 01 January 2022	218,047,435
Closing no of units as at 31 December 2022	25,473,836



	2022 Rs.	2021 Rs.
4. Investment income		
Interest income from financial assets (Note 4.1)	172,459,171	155,274,266
Net realized gain on financial assets	161,302	-
	<u>172,620,473</u>	<u>155,274,266</u>
4.1 Interest income from financial assets		
Interest on repurchase agreements	11,879,909	10,534,163
Interest on fixed deposits	34,595,375	52,292,981
Interest on commercial papers	68,519,454	90,780,547
Interest on Treasury Bills	57,464,433	1,666,576
	<u>172,459,171</u>	<u>155,274,266</u>

	31.12.2022 Rs.	31.12.2021 Rs.	% on Net Assets
5. Cash and cash equivalents			
Cash at bank - Bank of Ceylon	11,708,078	2,869,725	2.72%
	<u>11,708,078</u>	<u>2,869,725</u>	
6. Financial assets measured at amortised cost			
Repurchase agreements (note 6 (a))	38,548,575	107,318,891	8.96%
Fixed deposits (note 6 (b))	-	1,133,436,508	-
Commercial papers (note 6 (c))	-	1,846,654,570	-
Treasury Bills (note 6 (d))	380,404,718	124,095,576	88.46%
	<u>418,953,293</u>	<u>3,211,505,545</u>	

Carrying value of the investments at the year end are approximate to fair value of the investments.

a) Investments in repurchase agreements

31.12.2022	Yield	Investment date	Maturity date	Cost Rs.	Carrying value Rs.
Bank of Ceylon	13.25%	30-Dec-22	2-Jan-23	3,500,000	3,502,548
Acuity Securities Ltd	24.00%	30-Dec-22	9-Jan-23	35,000,000	35,046,027
				38,500,000	38,548,575
31.12.2021	Yield	Investment date	Maturity date	Cost Rs.	Carrying value Rs.
Bank of Ceylon	5.40%	31-Dec-21	3-Jan-22	7,300,000	7,301,083
Wealth Trust Securities Ltd	6.50%	31-Dec-21	7-Jan-22	100,000,000	100,017,808
				107,300,000	107,318,891



6. Financial assets measured at amortised cost (Contd.)

b) Investment in fixed deposits

31.12.2022	Yield (%)	Investment date	Maturity date	Cost Rs.	Carrying value Rs.
				-	-
				-	-

31.12.2021	Yield (%)	Investment date	Maturity date	Cost Rs.	Carrying value Rs.
National Development Bank	7.20%	12/22/2021	1/22/2022	50,000,000	50,098,630
National Development Bank	7.20%	12/30/2021	1/30/2022	25,000,000	25,009,863
Mercantile Investments & Fin. PLC	7.01%	1/29/2021	1/29/2022	25,000,000	26,618,062
Mercantile Investments & Fin. PLC	7.01%	2/18/2021	2/18/2022	25,000,000	26,522,034
Mercantile Investments & Fin. PLC	7.01%	2/24/2021	2/24/2022	20,703,000	21,939,570
Mercantile Investments & Fin. PLC	7.01%	3/1/2021	3/1/2022	10,569,917	11,191,097
Mercantile Investments & Fin. PLC	7.21%	7/15/2021	7/15/2022	75,000,000	77,518,562
Mercantile Investments & Fin. PLC	7.88%	12/22/2021	1/22/2022	50,000,000	50,107,945
Sanasa Development Bank	6.40%	1/13/2021	1/13/2022	25,000,000	26,547,397
Richard Pieris Finance Ltd	7.01%	2/11/2021	2/11/2022	25,000,000	26,555,644
Richard Pieris Finance Ltd	7.01%	2/17/2021	2/17/2022	25,000,000	26,526,836
Richard Pieris Finance Ltd	7.01%	2/21/2021	2/21/2022	7,227,510	7,663,368
Richard Pieris Finance Ltd	7.01%	2/28/2021	2/28/2022	12,418,333	13,150,528
Richard Pieris Finance Ltd	7.21%	7/15/2021	7/15/2022	75,000,000	77,518,562
Richard Pieris Finance Ltd	7.21%	8/5/2021	8/5/2022	100,000,000	102,943,260
Richard Pieris Finance Ltd	8.13%	11/12/2021	2/12/2022	75,000,000	75,835,274
Richard Pieris Finance Ltd	8.13%	12/8/2021	3/8/2022	101,361,260	101,903,113
Richard Pieris Finance Ltd	7.88%	12/30/2021	1/30/2022	50,000,000	50,021,589
Singer Finance PLC	7.11%	5/17/2021	5/17/2022	7,865,394	8,216,254
Prime Finance PLC	7.11%	5/28/2021	5/28/2022	25,000,000	26,061,629
Prime Finance PLC	7.11%	6/23/2021	6/23/2022	50,000,000	51,870,028
Prime Finance PLC	7.21%	7/14/2021	7/14/2022	60,000,000	62,026,701
Prime Finance PLC	7.21%	8/6/2021	8/6/2022	50,000,000	51,461,753
Prime Finance PLC	8.13%	11/12/2021	2/12/2022	100,000,000	101,113,699
Prime Finance PLC	7.88%	12/30/2021	1/30/2022	35,000,000	35,015,112
				1,105,145,414	1,133,436,508



Notes to the financial statements

For the year ended 31 December 2022

6. Financial assets measured at amortised cost (Contd.)

c) Investment in commercial papers

31.12.2022	Yield	Investment date	Maturity date	Cost Rs.	Carrying value Rs.
				-	-
				-	-
31.12.2021	Yield	Investment date	Maturity date	Cost Rs.	Carrying value Rs.
LOLC (Lanka Orix Leasing Company LTD)	8.75%	2/17/2021	2/17/2022	50,000,000	53,811,643
LOLC (Lanka Orix Leasing Company LTD)	8.50%	6/3/2021	6/3/2022	50,000,000	52,468,494
LOLC (Lanka Orix Leasing Company LTD)	8.50%	7/12/2021	7/12/2022	51,932,192	54,024,419
LOLC (Lanka Orix Leasing Company LTD)	8.50%	8/2/2021	8/2/2022	75,000,000	77,654,794
LOLC (Lanka Orix Leasing Company LTD)	10.00%	10/4/2021	10/4/2022	100,000,000	102,438,356
LOLC (Lanka Orix Leasing Company LTD)	8.75%	11/12/2021	2/14/2022	85,000,000	86,018,836
Janashakthi Limited	9.30%	6/4/2021	6/3/2022	22,000,000	23,182,756
Janashakthi Limited	9.50%	7/14/2021	7/13/2022	100,000,000	104,450,685
Janashakthi Limited	9.00%	9/24/2021	3/24/2022	16,645,479	17,051,811
First Capital Holdings PLC	7.25%	3/1/2021	3/1/2022	20,897,534	22,167,704
First Capital Holdings PLC	7.50%	6/1/2021	6/1/2022	40,000,000	41,758,905
First Capital Holdings PLC	9.00%	12/31/2021	3/31/2022	50,000,000	50,012,329
Sierra Cables PLC	8.00%	9/10/2021	3/11/2022	100,000,000	102,476,713
Singer Finance PLC	9.90%	11/30/2021	10/1/2022	40,000,000	40,347,178
Singer Finance PLC	10.00%	11/30/2021	11/1/2022	40,000,000	40,350,685
Softlogic Holdings PLC	10.00%	3/1/2021	2/28/2022	50,000,000	54,191,781
Softlogic Holdings PLC	10.00%	12/15/2021	1/18/2022	100,000,000	100,465,753
Softlogic Holdings PLC	10.00%	12/21/2021	1/21/2022	150,000,000	150,452,055
Softlogic Holdings PLC	10.00%	12/23/2021	1/24/2022	150,000,000	150,369,863
Commercial Leasing & Finance PLC	9.70%	12/29/2021	11/1/2022	75,000,000	75,059,795
Nawaloka Hospitals PLC	9.00%	2/2/2021	2/2/2022	30,000,000	32,463,288
Nawaloka Hospitals PLC	7.75%	7/8/2021	7/8/2022	50,000,000	51,879,110
Nawaloka Hospitals PLC	8.25%	9/22/2021	9/22/2022	150,000,000	153,424,315
Nawaloka Hospitals PLC	10.75%	11/12/2021	11/12/2022	50,000,000	50,736,302
Nawaloka Hospitals PLC	10.50%	11/24/2021	11/24/2022	50,000,000	50,546,575
Nawaloka Hospitals PLC	10.75%	12/8/2021	12/8/2022	50,000,000	50,353,425
Asia Asset Finance PLC	7.00%	7/29/2021	1/5/2022	15,000,000	15,448,767
Asia Asset Finance PLC	7.20%	7/29/2021	2/5/2022	17,000,000	17,523,134
Asia Asset Finance PLC	8.00%	7/28/2021	4/1/2022	10,000,000	10,208,219
Asia Asset Finance PLC	8.05%	9/28/2021	5/1/2022	5,000,000	5,104,760
Asia Asset Finance PLC	8.15%	9/28/2021	6/1/2022	10,000,000	10,212,124
				1,803,475,206	1,846,654,570

Notes to the financial statements

For the year ended 31 December 2022

6. Financial assets measured at amortised cost (Contd.)

d) Investment in treasury bills - Primary

31.12.2022	Yield	Investment date	Maturity date	Cost Rs.	Carrying value Rs.
Wealth Trust Securities Ltd	32.18%	10/7/2022	1/6/2023	23,138,500	24,897,719
Wealth Trust Securities Ltd	32.38%	10/7/2022	1/6/2023	23,127,800	24,897,132
Wealth Trust Securities Ltd	33.18%	10/21/2022	1/20/2023	23,085,100	24,600,186
Wealth Trust Securities Ltd	33.24%	10/28/2022	1/27/2023	23,081,900	24,451,971
Wealth Trust Securities Ltd	32.98%	11/4/2022	2/3/2023	46,191,500	48,618,896
Wealth Trust Securities Ltd	33.09%	11/11/2022	2/10/2023	23,089,900	24,160,396
Wealth Trust Securities Ltd	33.28%	11/11/2022	2/10/2023	23,079,775	24,155,945
Wealth Trust Securities Ltd	33.05%	11/18/2022	2/17/2023	23,092,025	24,014,562
Wealth Trust Securities Ltd	33.13%	11/18/2022	2/17/2023	23,087,750	24,012,355
Wealth Trust Securities Ltd	32.89%	12/16/2022	3/17/2023	23,100,550	23,434,519
Wealth Trust Securities Ltd	32.58%	12/23/2022	3/24/2023	23,117,100	23,303,321
Wealth Trust Securities Ltd	32.68%	12/23/2022	3/24/2023	23,111,775	23,298,523
Wealth Trust Securities Ltd	32.68%	12/30/2022	3/31/2023	23,111,775	23,153,274
Wealth Trust Securities Ltd	32.29%	12/30/2022	6/30/2023	21,524,825	21,563,014
Wealth Trust Securities Ltd	32.00%	12/21/2022	6/16/2023	21,633,700	21,842,905
				366,573,975	380,404,718

31.12.2021	Yield	Investment date	Maturity date	Cost Rs.	Carrying value Rs.
NSB Fund Management	8.45%	10/22/2021	1/21/2022	48,965,600	49,772,659
NSB Fund Management	8.55%	10/22/2021	1/21/2022	48,953,600	49,770,022
NSB Fund Management	8.00%	12/24/2021	3/25/2022	24,509,800	24,552,894
				122,429,000	124,095,576

7. Income tax receivable

Withholding tax recoverable	1,164	1,164
Provision for notional tax and WHT	(1,164)	(1,164)
	-	-

8. Payables

Management fee payable to Asset Management Ltd	221,126	2,015,979
Trustee fee payable to NSB Bank	50,860	335,996
Custodian fee payable	17,693	72,576
Other payables to UTMCL	229,087	166,087
Audit fee payable	129,374	129,908
	648,140	2,720,546



Notes to the financial statements

For the year ended 31 December 2022

9. Net asset attributable to unitholders

Movements in the number of units and net asset attributable to unitholders during the year were as follows:

	31.12.2022		31.12.2021	
	Units	Rs.	Units	Rs.
Opening capital balance	218,047,435	3,209,411,095	48,940,847	671,127,147
Applications	40,604,483	629,229,914	362,050,744	5,184,147,259
Redemptions	(233,178,081)	(3,564,118,833)	(192,944,157)	(2,782,949,406)
Increase in net assets attributable to unitholders	-	155,491,055	-	137,086,095
Closing balance	25,473,836	430,013,231	218,047,435	3,209,411,095

	31.12.2022 Rs.	31.12.2021 Rs.
Net asset attributable to unitholders	430,013,231	3,209,411,095
	430,013,231	3,209,411,095

Distributions to unitholders

There were no distributions during the year.

As stipulated within the trust-deed, each unit represents a right to an individual share in the trust and does not extend to a right to the underlying assets of the trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the trust.

The creation price per unit and the redemption price per unit were Rs. 16.8687 as at 31 December 2022.

9.1 Reconciliation between the net asset value as per financial statements and the published net assets value.

	31.12.2022 Rs.
Published net asset value	430,053,567
Being recoding of Social Security Contribution Levy adjustments entry	(7,019)
Being recoding of VAT adjustments entry	(8,942)
Being recording of audit fee adjustments entry for the year	(24,375)
Net asset value as per financial statements	<u>430,013,231</u>



10. Related party transactions

The following have been identified as related parties to Ceybank High Yield Fund in accordance with LKAS 24 - Related Party Disclosures.

a) Management entity

The management entity of Ceybank High Yield Fund is Ceybank Asset Management Ltd..

b) Key management personnel**i) Directors**

Key management personnel includes persons who are directors of Ceybank Asset Management Ltd. at any time during the financial year.

- Mr. G. Wickramage (Chairman)
- Mr. I.C.C. Ferdinands - (CEO / Executive Director)
- Mr. G.A. Jayashantha
- Mr. R.M.N. Jeewantha
- Mr. A.D. Perera
- Ms. V. Govindan
- Ms. S. Kulasinghe

ii) 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 year.

c) Key management personnel unit holdings

The key management personnel of Ceybank Asset Management Ltd. hold following number of units in Ceybank High Yield fund as of 31 December 2022.

Name of the KMP	Designation	No. of Units held as at 31/12/2022	Fair Value of Investment
			Rs.
I.C.C. Ferdinands	CEO	196	3,301
K.D.K.R. Kekirideniya	Marketing Manager	29,191	492,421
K.K. Prabodanie	Fund Manager	100	1,687
P.V. Kariyavasam	Registrar	15,381	259,464

d) Key management personnel compensation

Key management personnel are paid by Ceybank Asset Management Ltd. Payments made from the fund to Ceybank Asset Management Ltd.do not include any amounts directly attributable to the compensation of key management personnel.

e) Other transactions within the Trust

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



10. Related party transactions (Contd.)

f) *Related party unit holding*

The management company of Ceybank High Yield held units in the fund as follows:

31 December 2022	No of units held opening	No of units held closing	Fair value of investment Rs.	Distribution paid by the fund
Ceybank Asset Management Ltd	7,216,101	6,716,503	113,298,678	-

31 December 2022

	Amount of the investment during the year Rs.	Amount of the redemption during the year Rs.
Ceybank Asset Management Ltd.	-	7,438,356

g) *Transactions with and amounts due to related parties*

The fees charged by the management company and trustee for services provided during the year and the balances outstanding from such dues as at year end are as disclosed below:

	Charge for the year 2022 Rs.	Charge for the year 2022 Rs.	Balance outstanding 31.12.2022 Rs.
Management fees- Ceybank Asset Management Ltd.	14,532,808	11,890,160	228,866
Trustee fees- NSB Bank	2,541,268	2,044,094	43,120
Total	17,074,077	11,890,160	271,986

11. Contingent assets and liabilities and commitments

There were no material capital commitments, contingent liabilities and contingent assets at the end of the reporting date.

12. Events occurred after the reporting period

There were no significant events after the reporting period that would require adjustments to or disclosures in the financial statements.



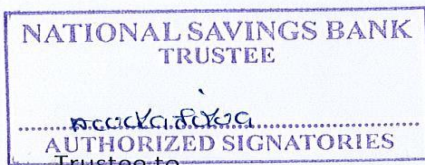
CEYBANK HIGH YIELD FUND Annual Report & Accounts 2022

DECLARATION BY TRUSTEES AND MANAGING COMPANY

Declaration by Trustees and Management Company as per SEC circular No 02/2009 on Guidelines for Trustees and Management Companies of Unit Trust Funds.

National Savings Bank the Trustee and Ceybank Asset Management Ltd the Managers of Ceybank Unit Trust Funds hereby declare that;

1. The requirements of the Guidelines for Trustees and Managing Companies of Unit Trust Funds set by the Securities and Exchange Commission of Sri Lanka have been complied with during the year.
2. The transactions were and will be carried out at arm's length basis and on terms which are best available for the Fund, as well as act, at all times, in the best interest of the fund's unit holders.



Ceybank Unit Trust Funds

A handwritten signature in black ink.

General Manager/Compliance Officer
Ceybank Asset Management Ltd



CEYBANK HIGH YIELD FUND
Annual Report & Accounts 2022
MANAGEMENT TEAM

CEYBANK ASSET MANAGEMENT LTD

MANAGEMENT TEAM

CEO / EXECUTIVE DIRECTOR

Ian Ferdinands
Chartered Marketer
Certified e Marketer
MBA(Finance)

General Manager

Ravindra Hettiarachchi
Chartered Finalist (ICASL)
B.Sc (Mgt) Sp. Hons
MBA

Accountant

Sanjaya Bandara
Chartered Accountancy (Strategic Level)
B.Sc. Mgt. Accounting (Sp.)

Fund Manager

Kanchana Karannagoda
B.Sc. B. Admin. Sp. (Finance) Hons
CIMA, CGMA

Marketing Manager

Kumudu Kekirideniya
Dip.in Marketing (UK),
MICM (UK)

Registrar

Pamudi Kariyawasam

IT Manager

Sameera Fernanndo