



CEYBANK CENTURY GROWTH FUND

Interim Report
30th September 2023

“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 and Trustee remains at all times responsible for the specific details set out in the Interim Report.”

Ceybank Century Growth Fund

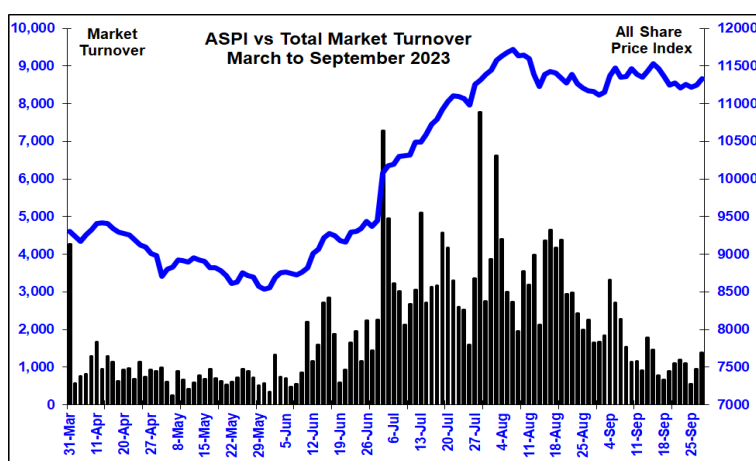
Manager's half yearly report for the period ended 30th September 2023

We have great pleasure in presenting the half yearly report of Ceybank Century Growth Fund for the six months ended 30th September 2023.

Amidst the uncertainties in the economy, the performance in the stock market displayed a mixed momentum during the six-month period ending 30th September 2023. The Net Asset Value per unit of your Fund appreciated by 9.49% during the period under review. During the same period the ASPI gained by 21.87% and the S&P Index increased by 19.19%. The net asset value per unit amounted to Rs 97.80 as at 30th September 2023.

Capital Market Performance

The Colombo Bourse which witnessed a sluggish performance during second quarter 2023, recovered with a bullish run in the market during the third quarter 2023 with the announcement of Domestic Debt Optimization (DDO) in June 2023. The market factored the minimal impact on the banking sector and primary dealer counters from the DDO and heavy weight was given to those counters during July-September 2023.



Source: Colombo Stock Exchange

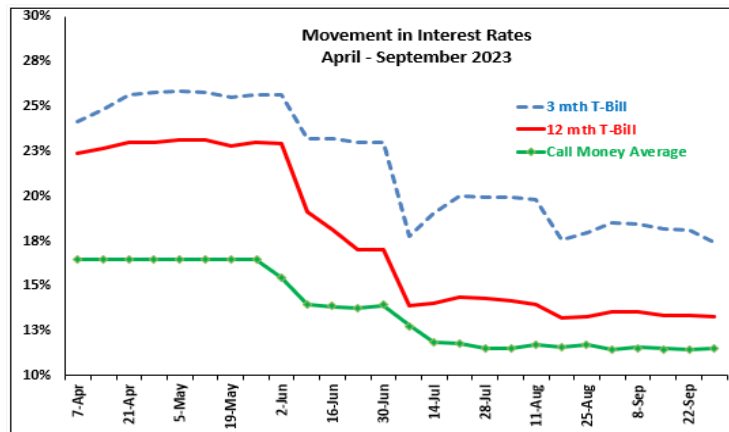
Foreign investors emerged as net buyers with net foreign inflows for the six months ending September 2023, being approximately Rs 3 billion.

The ASPI closed at 11,335.61 up by 2,035 points while the S&P Index was at 3,197.72 up by 515 points for the six-month period ended 30th September 2023.

The Sri Lankan economy witnessed a contraction of 7.9% (YoY) in the 1H2023 against the negative growth of 3.6% (YoY) in 1H2022 in the midst of uncertainties reflected across the sectors in the economy. Sector wise, both industry and services sectors slumped by 18.3%YoY and 3.2%YoY respectively while the agriculture sector accounted a marginal growth of 2.2%YoY during 1H2023.

The Country's foreign reserve position improved to USD 3.53 billion by end September 2023 from USD 2.69 billion at the end of March 2023. The Exchange rate (Rs/US\$) which was at Rs.327.50 on 3rd April 2023, appreciated marginally by 0.93% and was quoted at Rs 324.44 as at 27th September 2023.

Average Annual Inflation measured by the CCPI (2021=100) which was at 50.3% in end March 2023, witnessed a decelerated trend throughout the period and recorded as 1.3% at the end of September 2023.



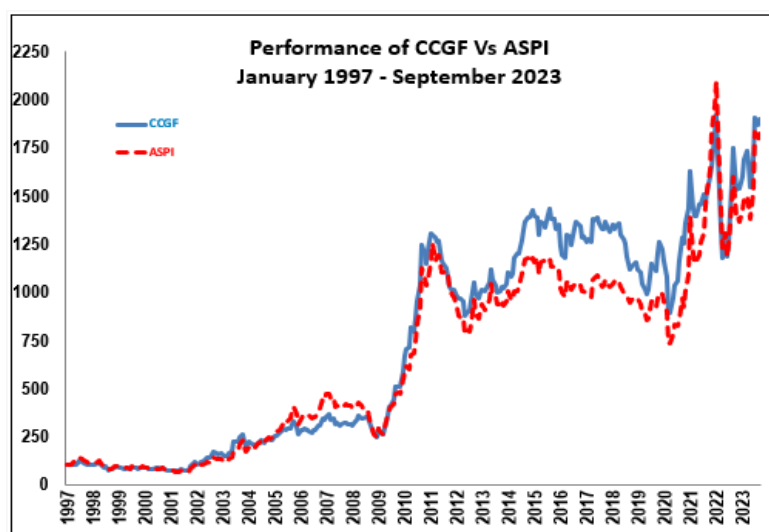
Source: Central Bank of Sri Lanka

Market Interest rates declined during the period. The 12-month Treasury bill yields plunged by 1,099 basis points, from 24.31% p.a. at the end of March to 13.32% p.a. by end September 2023 in order to reduce the risk premium on gilt edge securities.

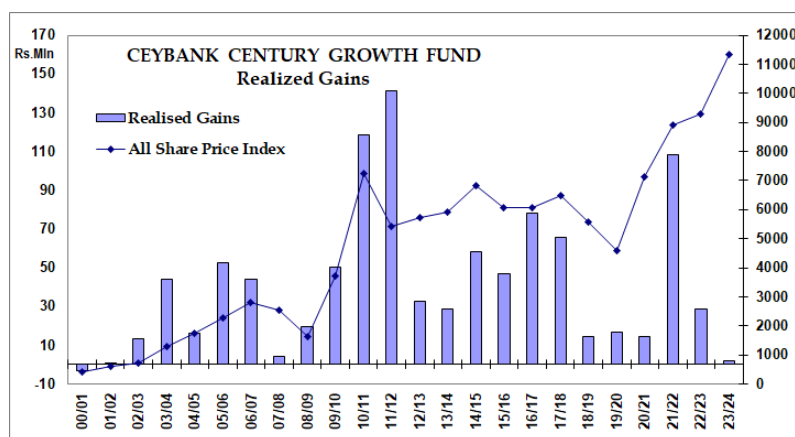
Overnight call money traded within a band of 11% and 16.50% p.a. Central Bank policy rates were reduced by 450 basis points (bps) during the period. Thus, the Standard Lending Facility Rate and the Standing Deposit Facility Rate were quoted at 11% and 12% respectively. The statutory reserve ratio (SRR) for Commercial Banks was decreased by 200bps to 2% as at end September 2023.

Fund Performance

The Net Asset Value per unit of your Fund improved by 9.49% against the ASPI growth of 21.87% during the half year period under review. The Fund underperformed the ASPI mainly due to no investments in primary dealer counters in the equity portfolio of the Fund. During April-September 2023, the primary dealer shares of Capital Alliance PLC and First Capital Treasuries PLC appreciated by 139% and 70% respectively. The chart below depicts the performance of the Fund on the medium to long term. The total net assets stood at Rs. 1,040 million as at 30th September 2023.

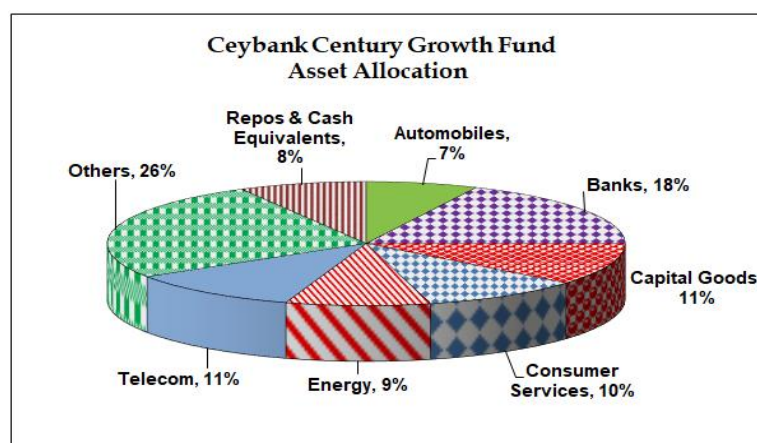


The Fund generated dividend income of Rs 15 million, down from Rs 22.95 million in the corresponding period. Expenses surged up from Rs 8.69 million to Rs 11.48 million. Interest Income declined to Rs 6.47 million from 20.37 million. The Fund realized Rs 1.72 million as capital gains from sale of equity during the period, increased from Rs 0.28 million recorded in the previous period.



The market value of the equity portfolio was Rs 961 million as at 30th September 2023 up from Rs 892 million in March 2023.

The Fund maintained a relatively high level of equity exposure as at 30th September 2023. We would expect to reduce the high equity exposure and to increase liquidity of the Fund and make changes in the Asset allocation in a manner that is compatible with our view and market expectations.



Your Fund investments are diversified across fundamentally strong companies with a medium to long term outlook, in Banks, Telecommunication, Capital Goods, Consumer Services and Energy sectors as depicted in the chart. We expect most of these stocks to perform well in the medium term adding further value to your investment.

Future Outlook

Despite the consecutive economic contractions accounted from 1Q2022 – 2Q2023, we would expect a slowdown in economic downturns, during the 2H2023 in the wake of regaining fundamentals in the economy. In the midst of systematic risk of downturns in world economies, owing to tight financial controls adopted by Central Banks around the world, due to inflationary pressures and the conflict between Israel and Gaza, the Sri Lankan economy could anticipate to record a negative growth of 3% - 4% YoY in 2023E against 7.8% economic plunge in 2022 with the gradual improvement in macro indicators in the country. In line with the implementation of structural reforms in IMF-EFF Agreement by the authorities in 2023, the signs of recovery in macro fundamentals can be witnessed in the economy with inflation moderating, the exchange rate stabilizing, reduction in elevated interest rates, improvement in workers' remittances and tourist arrivals, rebuilding of reserves by the Central Bank of Sri Lanka, rise in foreign holdings in treasury securities, etc.

Thus, the economy in the country is expected to witness a recovery and return to normalcy in 2024E despite the uncertainties in political front due to forthcoming presidential and general elections in the country and the intensified systematic risk of financial stress in world economies.

After announcing the domestic debt optimization (DDO) program in June 2023 with a view to restructure the domestic debt, the Sri Lankan government is anticipating to finalize the discussions with foreign parties including Paris Club members, non-Paris Club members and foreign bondholders, with the aim to secure an extended grace period or to reduce foreign debt obligations. In fact, it is crucial to conclude the debt restructuring process with all creditors in order to obtain the Executive Board approval to complete the first IMF's review and to obtain the second tranche of funds.

Despite the improvement in tourism earnings, workers' remittances and higher inflows to gilt-edged securities, a surge in import expenses would be expected with the spike in crude oil and other commodity prices due to uncertainties in Israel-Hamas war situation. Thus, a moderate currency depreciation against USD in the medium to long-term would be anticipated owing to gradual lifting of import restrictions, building up of foreign reserves against the future external debt payment.

The decelerated trend in inflation would stabilize at a single digit level during the latter part of the period in 2023. However, the hike in taxes and duties on essential commodities, and increase in electricity charges would mitigate this downward pressure on inflation. The declining market interest rates would slowly stabilize at a moderate level by gradually accelerating the Private sector credit disbursement during the latter period.

Further, an upgrade in country rating would be anticipated in year 2024 with the compliance in IMF reforms and this would further have a positive multiple effect on macro fundamentals particularly on the net foreign activities in the Colombo Bourse. This would create opportunities for the potential and existing investors to invest and realize attractive gains in the equity market as equities are currently free from taxes. So, we will continue to search for value in specific sectors and counters in the equity market and make changes to the Fund portfolio based on the changing market environment.

Management

We would like to thank our valued unit holders for the confidence placed in us. We are confident of providing a consistent return to the unit holders who remain in the Fund in the medium to long term. We also place on record our appreciation for the support and co-operation received from the Securities and Exchange Commission of Sri Lanka, Colombo Stock Exchange, the Trustee National Savings Bank and Custodian Bank of Ceylon.

Our sincere appreciation is also due to the stakeholders, the Chairman and Board of Directors and for their guidance. Our achievements would not have been possible without the skills and commitment of the Management Team. We thank them for their contribution and dedication throughout the year and look forward to their support in the future.

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Kanchana Karannagoda

Fund Manager

November 2023

CEYBANK CENTURY GROWTH FUND

Statement of comprehensive income

(all amounts in Sri Lanka Rupees thousands)

	Notes	2023	Six months ended 30'th Sep 2022
Income			
Dividend		15,030	22,959
Interest income from financial assets	1	6,477	20,375
Net realized gain on financial assets held at fair value through profit or loss		1,727	283
Net change in unrealized Gain on financial assets held at fair value through profit or loss		75,968	270,322
Miscellaneous Income		2,481	55
Total investment income		101,683	313,994
Expenses			
Management fee		(7,984)	(7,089)
Trustee & custodian fee		(1,622)	(1,440)
Other expenses	2	(1,879)	(161)
		(11,485)	(8,690)
Profit / (Loss) after deductions and before tax		90,198	305,304
Income tax expense		-	-
Increase/ (Decrease) in net assets attributable to unitholders		90,198	305,304

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CEYBANK CENTURY GROWTH FUND

Statement of financial position

(all amounts in Sri Lanka Rupees thousands)

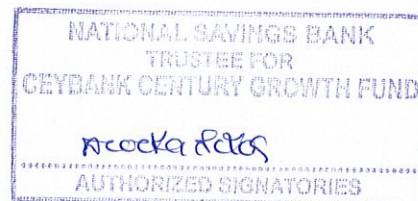
	Note	2023	2022
Assets			
Cash and cash equivalents		2,650	328,240
Other receivable		-	64
Financial assets held at fair valued through profit or loss	3	1,019,966	1,172,421
Financial assets measured at amortised cost	4	20,079	58,521
Total assets		1,042,695	1,559,247
Unit Holders' funds and Liabilities			
Liabilities			
Payables	5	2,081	5,040
Amount Payable on Unit redemption		-	576,258
Total liabilities (excluding net assets attributable to unitholders)		2,081	581,298
Net assets attributable to unitholders – liability		1,040,615	977,949
Total Unit Holders' funds and Liabilities		1,042,695	1,559,247

Las Judas

Director
Ceybank Asset Management Ltd
Fund Management Company

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Director
Ceybank Asset Management Ltd
Fund Management Company



Trustee
National Savings Bank

CEYBANK CENTURY GROWTH FUND

Statement of changes in Unitholders' funds
(all amounts in Sri Lanka Rupees thousands)

	Note	2023	2022
Unit holders' funds at beginning of the year		945,583	765,855
Increase / (Decrease) in net assets attributable to unit holders		90,198	305,304
Received on unit creations		12,746	670,304
Paid on unit redemptions		(7,912)	(763,515)
Unitholders' funds at end of the year		1,040,615	977,948

Statement of cash flows

For the 06 months period ended 30 September 2023

(All amounts in Sri Lanka Rupees Thousands)

Period from
1 April to
30 September 2023
Rs.

<i>Net Profit Before Taxation</i>	90,198
<i>Cash flows from operating activities</i>	
Investment in equity shares	(68,080)
Proceeds from sale of equity shares	2,280
Payable on Unit Redemption	(1,142)
Net investments in repurchase agreements	12,940
Net investment in treasury bills - Primary	(43,677)
Other Receivable	4,185
Other Payable	2,081
<i>Net cash inflows / (outflows) from operating activities</i>	<u>(1,215)</u>
<i>Cash flows from financing activities</i>	
Proceeds from issue of units	12,746
Payments on redemption of units	(7,912)
<i>Net cash (outflows) / inflows from financing activities</i>	<u>4,834</u>
<i>Net decrease in cash and cash equivalents</i>	<u>3,619</u>
Cash and cash equivalents at the beginning of the period as at 01/04/2023	3,629
Net decrease in cash and cash equivalents	(978)
<i>Cash and cash equivalents at the end of the 06 month Period</i>	<u>2,650</u>

Notes

(All amounts in Sri Lanka Rupees Thousands)

	2023	2022
1 Interest Income From Financial Assets		
Interest on T Bill Primary	5,122	12,513
Interest on Reverse Repo Agreements	1,355	7,862
	6,477	20,375
2 Other Expenses		
NBT/VAT Expenses	247	34
Bank Charges	49	15
Miscellaneous Expenses	311	112
WHT on Dividends	1,027	-
Interest Expenses	1	-
Social Security Levy Fee	244	-
	1,879	161
3 Financial Assets Held at Fair Valued Through Profit or Loss		
Treasury Bills- Primary	58,791	196,447
Investment in Equity shares	961,176	975,974
	1,019,967	1,172,421

As at 30th September 2023

Company	Share Qty	Market Value	Holding as at % NAV
AUTOMOBILES & COMPONENTS			
KELANI TYRES PLC	1,011,585	67,776	6.51%
BANKS			
COMMERCIAL BANK OF CEYLON PLC - NON VOTING	232,808	18,345	1.76%
NATIONS TRUST BANK PLC	41,954	4,604	0.44%
PAN ASIA BANKING CORPORATION PLC	5,605	113	0.01%
COMMERCIAL BANK OF CEYLON PLC	208,495	18,806	1.81%
SAMPATH BANK PLC	1,197,131	83,799	8.05%
HATTON NATIONAL BANK PLC	114,976	19,776	1.90%
HATTON NATIONAL BANK PLC - NON VOTING	289,467	43,275	4.16%
CAPITAL GOODS			
ROYAL CERAMICS LANKA PLC	288,214	8,819	0.85%
JOHN KEELLS HOLDINGS PLC	301,001	58,018	5.58%
LANKA WALLTILES PLC	501,539	24,325	2.34%
SOFTLOGIC HOLDINGS PLC	23,200	369	0.04%
ACCESS ENGINEERING PLC	1,376,094	27,247	2.62%
COMMERCIAL & PROFESSIONAL SERVICES			
EXTERMINATORS PLC	166,884	1,335	0.13%
CONSUMER DURABLES & APPAREL			
TEEJAY LANKA PLC	216,245	7,720	0.74%
HELA APPAREL HOLDINGS PLC	1,472,600	9,425	0.91%
CONSUMER SERVICES			
TRANS ASIA HOTELS PLC	563,367	27,042	2.60%
HAYLEYS LEISURE PLC	316,448	8,228	0.79%
ASIAN HOTELS & PROPERTIES PLC	1,097,272	68,250	6.56%
DIVERSIFIED FINANCIALS			
PEOPLES LEASING & FINANCE PLC	827,267	9,100	0.87%
ENERGY			
LANKA IOC PLC	831,264	96,634	9.29%
FOOD BEVERAGE & TOBACCO			
KELANI VALLEY PLANTATIONS PLC	25,591	2,011	0.19%
SUNSHINE HOLDINGS PLC	124,145	6,518	0.63%
CEYLON GRAIN ELEVATORS PLC	114,356	18,926	1.82%
MELSTACORP PLC	210,000	18,081	1.74%

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HEALTH CARE EQUIPMENT & SERVICES			
THE LANKA HOSPITALS CORPORATION PLC	524,721	54,309	5.22%
INSURANCE			
HASUN0000HNB ASSURANCE PLC	252,000	14,137	1.36%
LOLC GENERAL INSURANCE PLC	713,800	4,497	0.43%
MATERIALS			
DIPPED PRODUCTS PLC	360,000	11,700	1.12%
Chevron Lubricants Lanka PLC	100,883	9,221	0.89%
TOKYO CEMENT COMPANY (LANKA) PLC - NON VOTING	510,695	24,207	2.33%
JAT HOLDINGS PLC	500,000	9,200	0.88%
EX-PACK CORRUGATED CARTONS PLC	2,000,000	26,600	2.56%
REAL ESTATE			
C T LAND DEVELOPMENT PLC	188,354	4,370	0.42%
SEYLAN DEVELOPMENTS PLC	388,303	5,164	0.50%
COLOMBO LAND & DEVELOPMENT COMPANY PLC	363,318	7,266	0.70%
MILLENNIUM HOUSING DEVELOPERS PLC	95,440	324	0.03%
PRIME LANDS RESIDENCIES PLC	250,000	1,975	0.19%
RETAILING			
KAPRUKA HOLDINGS PLC	958,400	8,051	0.77%
SOFTWARE & SERVICES			
HSENIID BUSINESS SOLUTIONS PLC	319,200	3,926	0.38%
TELECOMMUNICATION SERVICES			
SRI LANKA TELECOM PLC	780,032	66,147	6.36%
DIALOG AXIATA PLC	4,782,054	52,124	5.01%
TRANSPOTATION			
CHRISSWORLD PLC	362,896	3,992	0.38%
UTILITIES			
LVL ENERGY FUND PLC	595,415	3,572	0.34%
WINDFORCE PLC	100,000	1,850	0.18%
		<u>961,176</u>	

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As at 30th September 2022

Company	Share Qty	Market Value	Holding as at % NAV
AUTOMOBILES & COMPONENTS			
KELANI TYRES PLC	1,011,585	68,687	7.02%
BANKS			
COMMERCIAL BANK OF CEYLON PLC - NON-VOTING	217,645	9,163	0.94%
NATIONS TRUST BANK PLC	39,552	1,993	0.20%
PAN ASIA BANKING CORPORATION PLC	5,605	63	0.01%
COMMERCIAL BANK OF CEYLON PLC	196,908	10,830	1.11%
SAMPATH BANK PLC	1,168,215	48,481	4.96%
HATTON NATIONAL BANK PLC	110,289	9,297	0.95%
HATTON NATIONAL BANK PLC - NON VOTING	274,176	20,316	2.08%
CAPITAL GOODS			
ROYAL CERAMICS LANKA PLC	288,214	11,961	1.22%
JOHN KEELLS HOLDINGS PLC	301,001	41,312	4.22%
LANKA WALLTILES PLC	501,539	42,079	4.30%
SOFTLOGIC HOLDINGS PLC	23,200	573	0.06%
ACCESS ENGINEERING PLC	1,376,094	16,376	1.67%
COMMERCIAL & PROFESSIONAL SERVICES			
EXTERMINATORS LIMITED	166,884	1,302	0.13%
CONSUMER DURABLES & APPAREL			
TEEJAY LANKA PLC	216,245	8,023	0.82%
HELA APPAREL HOLDINGS LIMITED	1,472,600	17,671	1.81%
CONSUMER SERVICES			
TRANS ASIA HOTELS PLC	569,596	26,201	2.68%
HAYLEYS LEISURE PLC	316,448	6,835	0.70%
ASIAN HOTELS & PROPERTIES PLC	1,260,052	52,922	5.41%
DIVERSIFIED FINANCIALS			
PEOPLES LEASING & FINANCE PLC	764,596	4,893	0.50%
ENERGY			
LANKA IOC PLC	831,264	240,027	24.54%
FOOD BEVERAGE & TOBACCO			
KELANI VALLEY PLANTATIONS PLC	25,591	2,885	0.30%
SUNSHINE HOLDINGS PLC	124,145	5,760	0.59%
CEYLON GRAIN ELEVATORS PLC	156,250	15,500	1.58%
LUCKY LANKA MILK PROCESSING COMPANY PLC	200,000	160	0.02%
MELSTACORP PLC	210,000	11,487	1.17%
HEALTH CARE EQUIPMENT & SERVICES			
THE LANKA HOSPITALS CORPORATION PLC	524,721	45,493	4.65%
INSURANCE			
HNB ASSURANCE PLC	252,000	9,979	1.02%
LOLC GENERAL INSURANCE LIMITED	713,800	6,067	0.62%
MATERIALS			
DIPPED PRODUCTS LIMITED	360,000	15,480	1.58%
CHEVRON LUBRICANTS LANKA PLC	53,191	5,691	0.58%
TOKYO CEMENT COMPANY (LANKA) PLC - NON VOTING	510,695	16,495	1.69%
JAT HOLDINGS LIMITED	500,000	7,450	0.76%
EX-PACK CORRUGATED CARTONS LIMITED	2,000,000	34,200	3.50%
REAL ESTATE			
C T LAND DEVELOPMENT PLC	188,354	4,558	0.47%
SEYLAN DEVELOPMENTS PLC	388,303	5,242	0.54%
COLOMBO LAND & DEVELOPMENT COMPANY PLC	363,318	7,484	0.77%
MILLENNIUM HOUSING DEVELOPERS PLC	95,440	353	0.04%
PRIME LANDS RESIDENCIES LIMITED	250,000	1,825	0.19%
RETAILING			
KAPRUKA HOLDINGS LIMITED	958,400	9,584	0.98%
SOFTWARE & SERVICES			
HSENIID BUSINESS SOLUTIONS LIMITED	319,200	6,863	0.70%
TELECOMMUNICATION SERVICES			
SRI LANKA TELECOM PLC	1,620,369	71,782	7.34%
DIALOG AXIATA PLC	4,782,054	41,126	4.21%
TRANSPOTATION			
CHRISSWORLD LIMITED	362,896	5,335	0.55%
UTILITIES			
LVL ENERGY FUND PLC	595,415	4,466	0.46%
WINDFORCE LIMITED	100,000	1,700	0.17%
		975,974	

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4 Financial Assets Measured at Amortised Cost

	2023	2022
Reverse Repurchase Agreements	20,079	58,521
	<u>20,079</u>	<u>58,521</u>

5 Payables

Payables to Management Company	291	2,716
Management Fees	1,414	1,818
Trustee Fees	214	276
Custodian Fees	162	230
	<u>2,081</u>	<u>5,040</u>

10/11/23



Managers of the Ceybank Unit Trust Fund's

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