

INTERIM REPORT

30 SEPTEMBER 2018

CEYBANK CENTURY GROWTH FUND



Managed By



Ceybank Century Growth Fund

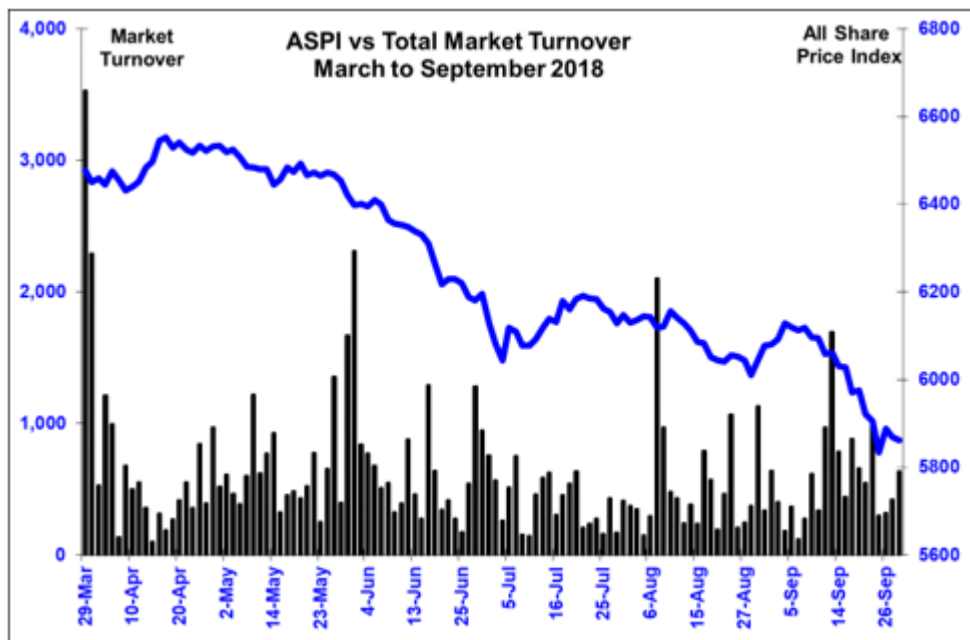
Manager's half yearly report for the period ended 30th September 2018

We have great pleasure in presenting the half yearly report of Ceybank Century Growth Fund for the 6 months ended 30th September 2018.

The stock market continued to fall during the six-month period ending 30th September 2018. The Net Asset Value per unit of your Fund depreciated by 16.41% during the period under review. During the same period the S&P Index decreased by 17.76% while the ASI depreciated 9.49%. The net asset value per unit amounted to Rs 57.66 as at 30th September 2018.

Capital Market Performance

The Colombo Bourse remained volatile during the period under review.

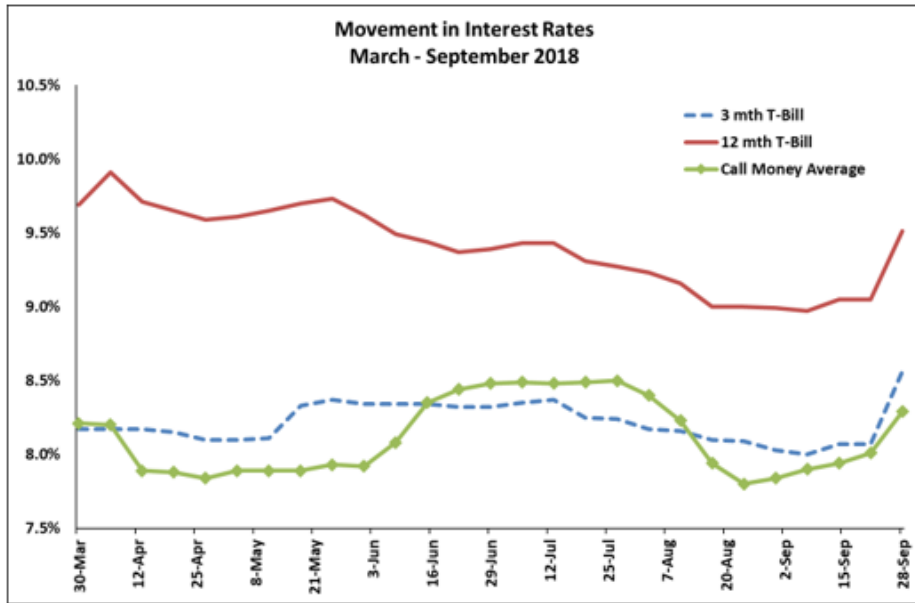


Foreign investors were net sellers with Net foreign outflows for the six months ending September 2018, being approximately Rs 3.21 billion.

The ASI closed at 5,862.18 down by 615 points while the S&P Index was at 3,002 down 648 points for the six-month period ended 30th September 2018.

The Sri Lankan economy recorded a GDP growth of 3.7% (YOY) for the second quarter of 2018. The services sector contributed 4.8%, Agriculture 4.5% and Industry 2.3%.

The Country's foreign reserve position remained stable. Gross official reserves stood at US\$ 7.16 billion as at end September 2018. The Exchange rate (Rs/US\$) which was at Rs. 155.97 on 29th March 2018, depreciated by 8.51% and was quoted at Rs 169.24 as at 28th September 2018.



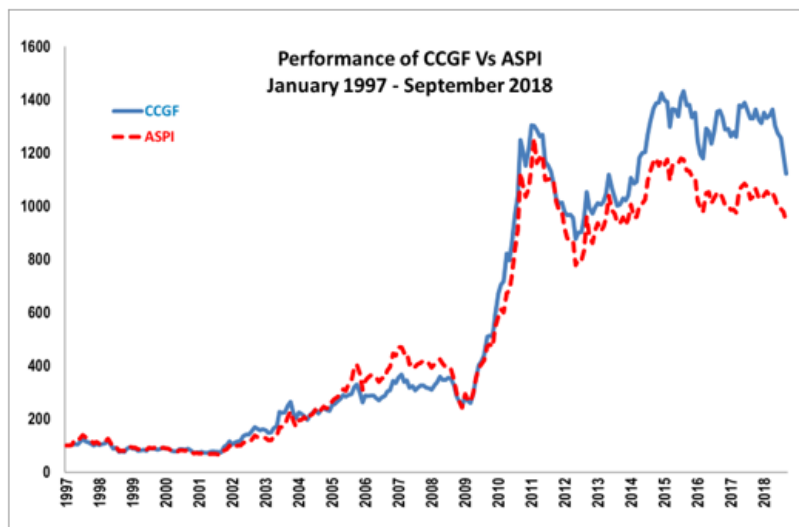
Average Annual Inflation measured by the CCPI declined from 6.1% in end March 2018 to 5.4% at the end of September 2018.

Market Interest rates ended mostly unchanged despite being volatile as market liquidity levels changed sharply. The 12-month Treasury bill yields moved down from 9.69% in end March to 9.51% by end September 2018.

Overnight call money traded within a band of 7.65% and 8.55% p.a. Central Bank policy rates changed once during the period on the 4th April 2018. The Standard Lending Facility was reduced by 0.25% to 8.50%. However, the Standing Deposit Facility remained unchanged at 7.25%, and the Commercial Banks statutory reserve ratio (SRR) also remained unchanged at 7.50%.

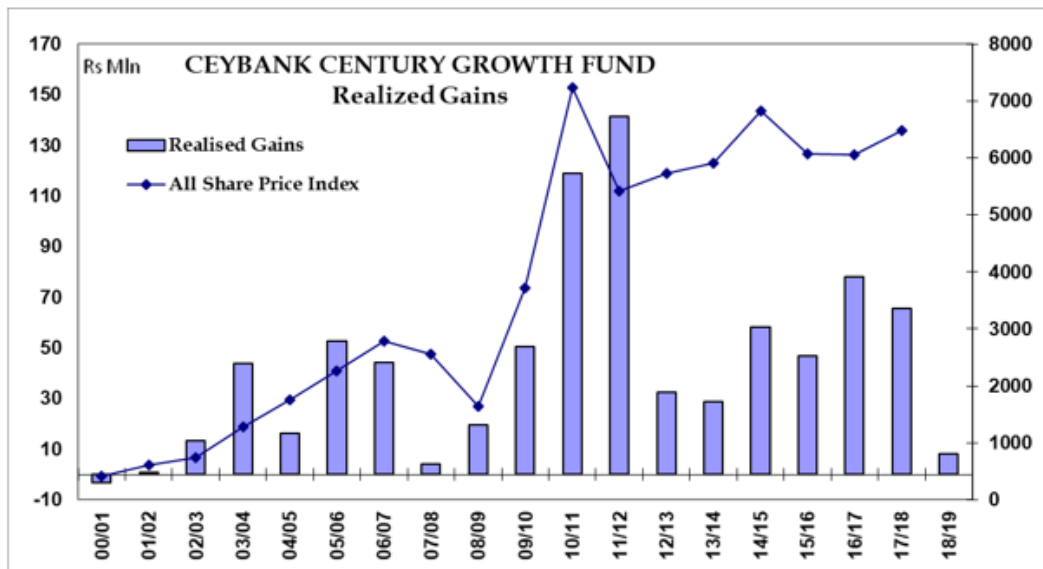
Fund Performance

The Net Asset Value per unit of your Fund decreased by 16.41% during the half year period under review. The performance was lower than expected due to the decline in market prices of some key stock holdings. We believe that this is temporary and expect these stocks to perform well in the medium term. The chart below depicts the performance of the Fund on the medium to long term. The total net assets stood at Rs. 763 million as at 30th September 2018.



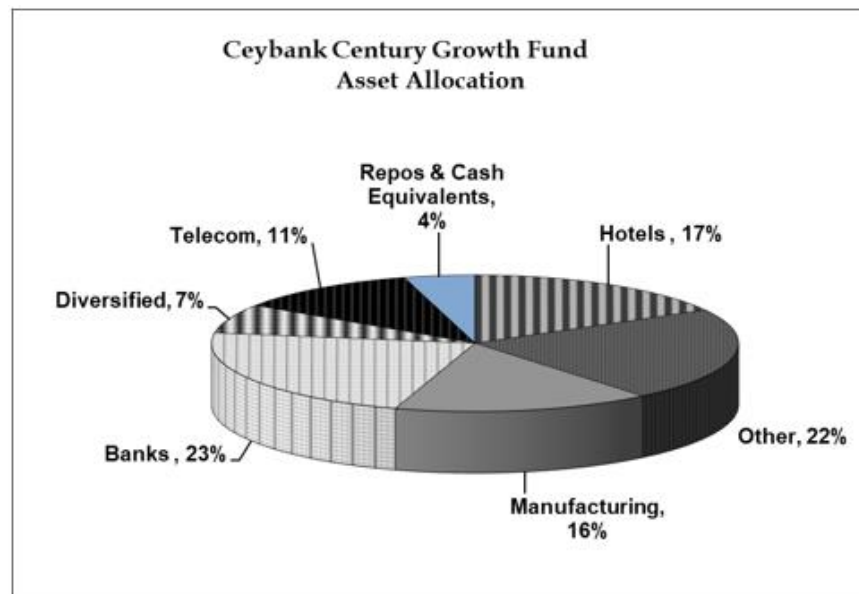
The Fund generated dividend income of Rs 18.16 million, down 15% from Rs 21.39 million in the previous year. Interest income was down 69% to Rs 1.23 million from Rs 3.99 million in the corresponding period. Expenses decreased 19% from Rs 11.24 million to Rs 9.10 million.

The Fund realized Rs 8.19 million as capital gains from sale of equity during the period, 29% down from the Rs 11.54 million recorded in the previous period.



The market value of the portfolio was Rs 763 million as at 30th September 2018 down from Rs 966 million in March 2018.

The Fund maintains a relatively high level of equity exposure as at 30th September 2018. We will continue to have a high equity exposure with a positive outlook in the medium term 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 Hotel, Manufacturing, Bank, Telecommunication and Power & Energy sectors as depicted in the chart. We expect these stocks to perform well in the medium term adding further value to your investment.

Future Outlook

The lengthening political crisis will have an impact on the growth prospects and direction the country is headed for, based on the policies that will prevail or emerge.

In the absence of a National budget, an interim vote on account could be focused to an election platform, as political camps will attempt to take power by wooing the voter. For sustenance the country will need to continue on development of infrastructure, tourism, retail and service sectors, with emphasis on the Small & Medium Enterprises. We expect the economy to grow by around 4.0% for 2018. Weather patterns have been reasonably favorable to the agriculture and the power sector. Crude oil prices internationally, remain volatile but lower. The need for large foreign investments, for large projects continues to be a challenge. The large debt repayments due from 2019 also remains a matter of concern.

Inflation could be expected to remain at the current levels given the fair-weather patterns that are expected to increase agriculture production. Central Bank however, will have added challenges if government policies keep changing. Interest rates could be under pressure in the interim period.

We expect the stock market to be volatile as foreign investors exit or remain on the sidelines on continued uncertainty. We will continue to monitor the ongoing developments and make changes accordingly.



Chitra Sathkumara
Executive Director/ CEO
30th November 2018

CEYBANK CENTURY GROWTH FUND

Statement of comprehensive income

(all amounts in Sri Lanka Rupees thousands)

	Six months ended 30'th September	
	2018	2017
Income		
Dividend	18,164	21,391
Interest income from financial assets not held at fair value through profit or loss	1,230	3,992
Net realized gain on financial assets held at fair value through profit or loss	8,192	11,544
Net change in unrealized Gain on financial assets held at fair value through profit or loss	(172,076)	32,477
Total investment income	(144,490)	69,404
Expenses		
Management fee	(7,382)	(9,164)
Trustee & custodian fee	(1,499)	(1,861)
Other expenses	(228)	(224)
	(9,109)	(11,249)
(Loss)/Profit after deductions and before tax	(153,599)	58,155
Income tax expense	-	-
(Decrease)/Increase in net assets attributable to unitholders	(153,599)	58,155

CEYBANK CENTURY GROWTH FUND

Statement of financial position

(all amounts in Sri Lanka Rupees thousands)

	Six months ended 30 th September	
	2018	2017
Assets		
Cash and cash equivalents	1,971	1,260
Other receivable	152	196
Financial assets held at fair valued through profit or loss	732,190	1,009,290
Loans and receivables	24,289	54,935
Income tax receivable	9,013	8,488
Total assets	767,615	1,074,169
Unit Holders' funds and Liabilities		
Liabilities		
Payables	4,231	4,859
Amount Payable on Unit redemption	-	93
Total liabilities (excluding net assets attributable to unitholders)	4,231	4,952
Net assets attributable to unitholders – liability	763,384	1,069,217
Total Unit Holders' funds and Liabilities	767,615	1,074,169

CEYBANK CENTURY GROWTH FUND

Statement of changes in Unitholders' funds

(all amounts in Sri Lanka Rupees thousands)

	Six months ended 30'th September	
	2018	2017
Unit holders' funds at beginning of the year	966,647	1,047,446
(Decrease)/Increase in net assets attributable to unit holders	(153,599)	58,155
Received on unit creations	1,289	5,599
Paid on unit redemptions	(50,953)	(41,983)
Unitholders' funds at end of the year	763,384	1,069,217



Managers of the Ceybank Unit Trust Fund's

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