

INTERIM REPORT

30 SEPTEMBER 2019

CEYBANK CENTURY GROWTH FUND



Managed By



Ceybank Century Growth Fund

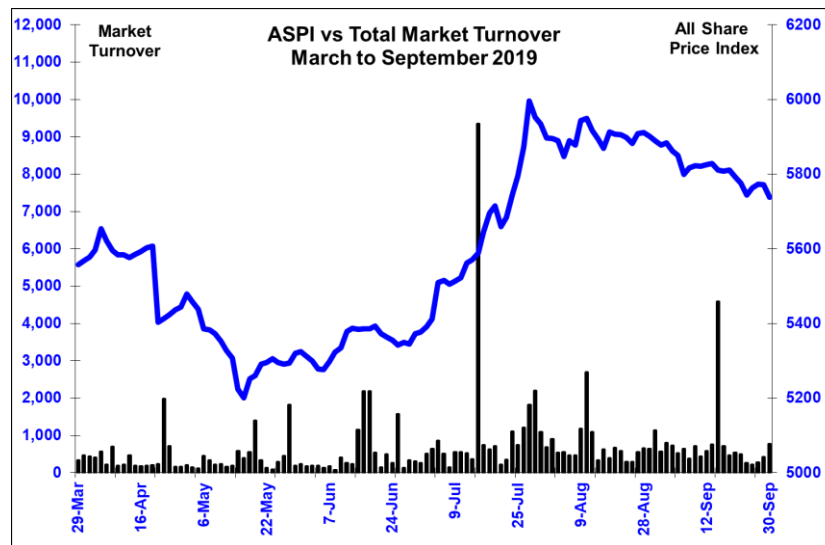
Manager's half yearly report for the period ended 30th September 2019

We have great pleasure in presenting the half yearly report of Ceybank Century Growth Fund for the 6 months ended 30th September 2019.

The stock market dropped initially, before recovering to close higher, during the six-month period ending 30th September 2019. The Net Asset Value per unit of your Fund appreciated by 6.66% during the period under review. During the same period the S&P Index increased by 0.76% while the ASI increased 3.26%. The net asset value per unit amounted to Rs 56.99 as at 30th September 2019.

Capital Market Performance

The Colombo Bourse remained volatile during the period under review.

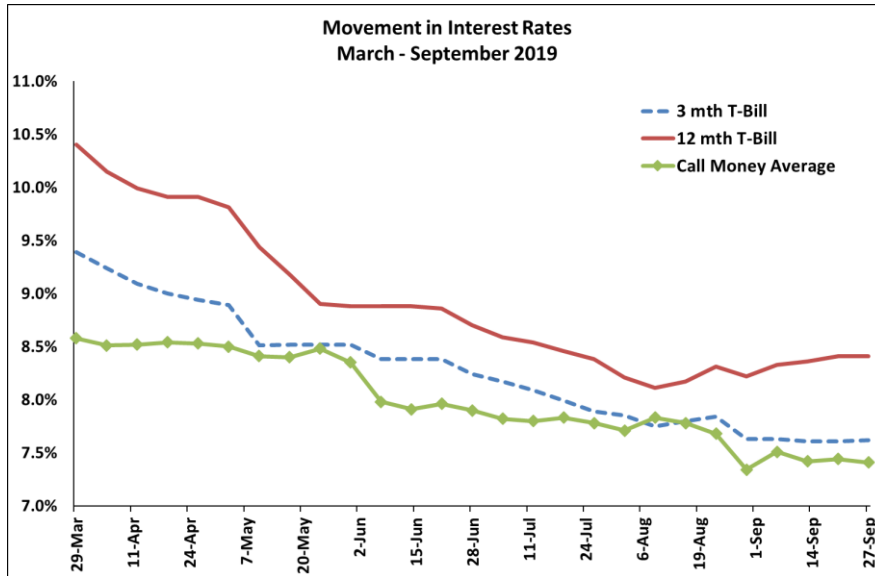


Foreign investors were net buyers with Net foreign inflows for the six months ending September 2019, being approximately Rs 3.53 billion.

The ASI closed at 5,738.24 up by 181 points while the S& P Index was at 2,759.72 up 21 points for the six-month period ended 30th September 2019.

The Sri Lankan economy recorded a GDP growth of 1.6% (YOY) for the second quarter of 2019. The Services sector contributed 1.6%, Agriculture 1.0% and Industry 1.4%.

The Country's foreign reserve position remained stable. Gross official reserves stood at US\$ 7.63 billion as at end September 2019. The Exchange rate (Rs/US\$) which was at Rs. 176.13 on 29th March 2019, depreciated by 3.29% and was quoted at Rs 181.92 as at 30th September 2019.



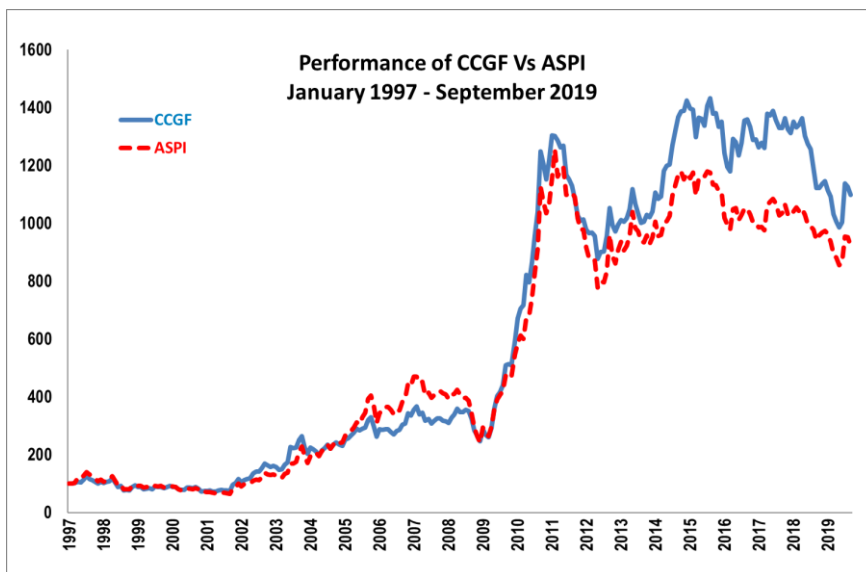
Average Annual Inflation measured by the CCPI declined from 4.1% in end March 2019 to 3.9% at the end of September 2019.

Market Interest rates moved down gradually. The 12-month Treasury bill yields moved down 199 basis points, from 10.40% p.a. at the end of March to 8.41% p.a. by end September 2019.

Overnight call money traded within a band of 7.10% and 8.65% p.a. Central Bank policy rates changed twice, in May and August during the period. The Standard Lending Facility was reduced by 1.0% to 8.00%. and the Standing Deposit Facility by 1% to 7.00%. The statutory reserve ratio (SRR) for Commercial Banks remained unchanged at 5.00%.

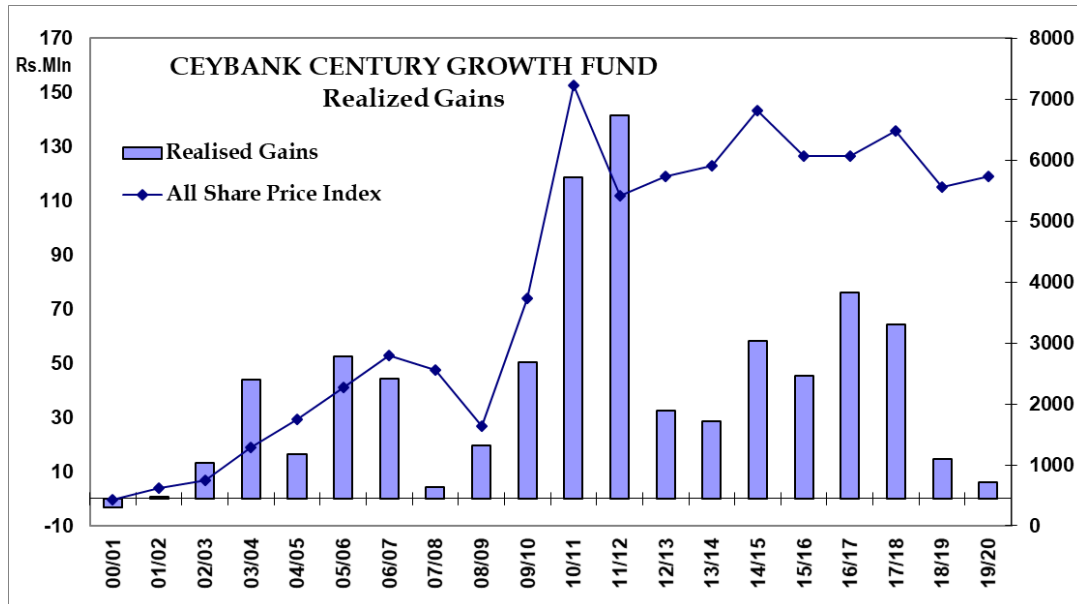
Fund Performance

The Net Asset Value per unit of your Fund increased by 6.66% during the half year period under review. The performance was a result of the increase in market prices of some key stock holdings. The chart below depicts the performance of the Fund on the medium to long term. The total net assets stood at Rs. 744 million as at 30th September 2019.



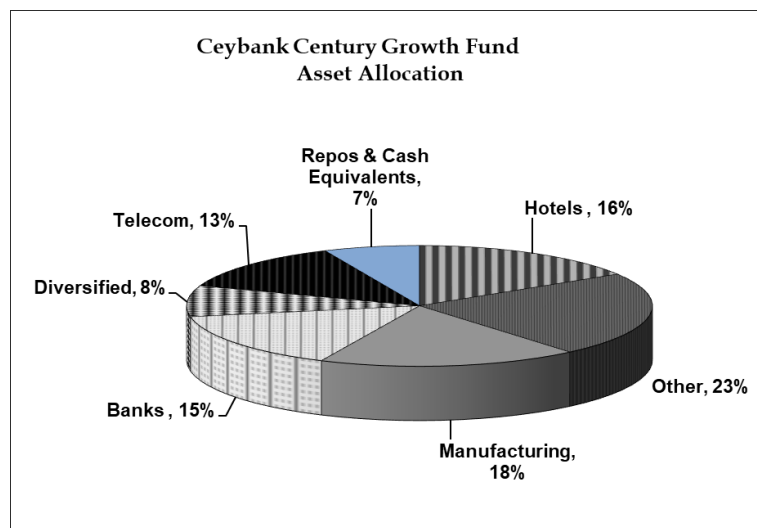
The Fund generated dividend income of Rs 16.43 million, down 9% from Rs 18.16 million in the corresponding period. Expenses decreased 20% from Rs 9.10 million to Rs 7.26 million. Interest Income increased 123% to Rs 2.75 million up from 1.23 million.

The Fund realized Rs 5.99 million as capital gains from sale of equity during the period, 26% down from the Rs 8.19 million recorded in the previous period.



The market value of the portfolio was Rs 744 million as at 30th September 2019 up from Rs 703 million in March 2019.

The Fund maintains a relatively high level of equity exposure as at 30th September 2019. 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 and Telecommunication 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 Easter bombings and ongoing political uncertainty has already taken its toll on growth prospects of the country. The future direction will be shaped based on the result of the Presidential poll set for November 2019.

In the absence of a National budget ahead of the elections, it is expected that part of the allocation of the interim vote on account will be focused on offerings to woo the voter. However, for sustenance the country will need to continue on development of infrastructure, tourism, retail and service sectors, with emphasis on the Small & Medium Enterprises and their increased contribution to the economy. We expect the economy to grow by around 3.0% for 2019. The Agriculture and Power sectors have performed reasonably well given the favorable weather patterns. Volatile crude oil prices continue to be a concern. The need for large foreign investments, continues to be a challenge. The pressure of large debt repayments appeared to have diminished with Central Bank managing the payments successfully in 2019.

Inflation could be expected to remain at current levels or nudging up towards the end of the year. Central Bank however, will have added challenges if government policies keep changing. Interest rates are currently managed by the Central Bank through the imposition of deposit and lending caps.

We expect the stock market to be volatile ahead of the Presidential and General elections as foreign investors remain on the sidelines awaiting clarity in policy direction. We will continue to monitor the ongoing developments and make changes accordingly.



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Chitra Sathkumara
Executive Director/ CEO

31st October 2019

CEYBANK CENTURY GROWTH FUND

Statement of comprehensive income

(all amounts in Sri Lanka Rupees thousands)

| | Notes | Six months ended 30'th Sep | |
|---|-------|----------------------------|------------------|
| | | 2019 | 2018 |
| Income | | | |
| Dividend | | 16,432 | 18,164 |
| Interest income from financial assets | 1 | 2,754 | 1,230 |
| Net realized gain on financial assets held at fair value through profit or loss | | 5,995 | 8,192 |
| Net change in unrealized Gain on financial assets held at fair value through profit or loss | | 28,039 | (172,076) |
| Total investment income | | 53,220 | (144,490) |
| Expenses | | | |
| Management fee | | (5,851) | (7,382) |
| Trustee & custodian fee | | (1,188) | (1,499) |
| Other expenses | 2 | (222) | (228) |
| | | (7,261) | (9,109) |
| Profit / (Loss) after deductions and before tax | | 45,959 | (153,599) |
| Income tax expense | | - | - |
| Increase/ (Decrease) in net assets attributable to unitholders | | 45,959 | (153,599) |

CEYBANK CENTURY GROWTH FUND

Statement of financial position

(all amounts in Sri Lanka Rupees thousands)

| | Note | Six months ended 30 th Sep | |
|---|------|---------------------------------------|----------------|
| | | 2019 | 2018 |
| Assets | | | |
| Cash and cash equivalents | | 1,396 | 1,971 |
| Other receivable | | 1,861 | 152 |
| Financial assets held at fair valued through profit or loss | 3 | 696,396 | 732,190 |
| Financial assets measured at amortised cost | 4 | 39,701 | 24,289 |
| Income tax receivable | | 9,013 | 9,013 |
| Total assets | | 748,367 | 767,615 |
| Unit Holders' funds and Liabilities | | | |
| Liabilities | | | |
| Payables | 5 | 3,813 | 4,231 |
| Amount Payable on Unit redemption | | 150 | - |
| Total liabilities (excluding net assets attributable to unitholders) | | 3,963 | 4,231 |
| Net assets attributable to unitholders – liability | | 744,404 | 763,384 |
| Total Unit Holders' funds and Liabilities | | 748,367 | 767,615 |

CEYBANK CENTURY GROWTH FUND

Statement of changes in Unitholders' funds

(all amounts in Sri Lanka Rupees thousands)

| | Note | Six months ended 30 th Sep | |
|--|------|---------------------------------------|----------------|
| | | 2019 | 2018 |
| Unit holders' funds at beginning of the year | | 703,555 | 966,647 |
| Increase / (Decrease) in net assets attributable to unit holders | | 45,959 | (153,599) |
| Received on unit creations | | 11,004 | 1,289 |
| Paid on unit redemptions | | (16,114) | (50,953) |
| Unitholders' funds at end of the year | | 744,404 | 763,384 |

Notes

In Rs. '000

1 Interest Income From Financial Assets

| | |
|-------------------------------------|--------------|
| Interest on Bank Deposit | 2,262 |
| Interest on Reverse Repo Agreements | 601 |
| | <u>2,863</u> |
| WHT Expenses on interest | (109) |
| | <u>2,754</u> |

2 Other Expenses

| | |
|------------------|------------|
| NBT/VAT Expenses | 171 |
| Bank Charges | 51 |
| | <u>222</u> |

3 Financial Assets Held at Fair Valued Through Profit or Loss696,396

| Company Name | Share QTY | Market value'000 | Holding as at % NAV |
|---|-----------|------------------|---------------------|
| Banks Finance & Insurance | | | |
| COMMERCIAL BANK OF CEYLON PLC - Non Voting | 126,677 | 10,730 | 1.44% |
| HNB ASSURANCE PLC | 231,714 | 31,166 | 4.19% |
| HNB N000HATTON NATIONAL BANK PLC | 611 | 94 | 0.01% |
| HATTON NATIONAL BANK PLC - NON VOTING | 86,361 | 11,659 | 1.57% |
| NATIONS TRUST BANK PLC | 17,230 | 1,334 | 0.18% |
| PAN ASIA BANKING CORPORATION PLC | 270,605 | 3,356 | 0.45% |
| PEOPLES LEASING & FINANCE PLC | 480,129 | 7,106 | 0.95% |
| SAMPATH BANK PLC | 303,529 | 46,440 | 6.24% |
| Beverages Food & Tobacco 1100 | | | |
| LUCKY LANKA MILK PROCESSING COMPANY PLC | 200,000 | 140 | 0.02% |
| Chemicals & Pharmaceuticals | | | |
| CIC HOLDINGS PLC | 287,704 | 16,543 | 2.22% |
| Construction & Engineering | | | |
| ACCESS ENGINEERING PLC | 1,180,508 | 21,249 | 2.85% |
| DIVERSIFIED HOLDINGS | | | |
| JOHN KEELLS HOLDINGS PLC | 356,001 | 54,753 | 7.36% |
| SOFTLOGIC HOLDINGS PLC | 23,200 | 346 | 0.05% |
| SUNSHINE HOLDINGS PLC | 26,404 | 1,188 | 0.16% |
| VALLIBEL ONE PLC | 403,676 | 6,055 | 0.81% |
| HEALTH CARE | | | |
| THE LANKA HOSPITALS CORPORATION PLC | 847,768 | 34,674 | 4.66% |
| Hotels & Travels | | | |
| ASIAN HOTELS & PROPERTIES PLC | 1,220,761 | 50,051 | 6.72% |
| AITKEN SPENCE HOTEL HOLDINGS PLC | 1,061,430 | 26,536 | 3.56% |
| AMAYA LEISURE PLC | 158,224 | 5,063 | 0.68% |
| TRANN000TRANS ASIA HOTELS PLC | 563,583 | 39,451 | 5.30% |
| Land & Property | | | |
| COLOMBO LAND & DEVELOPMENT COMPANY PLC | 306,820 | 7,026 | 0.94% |
| SEYLAN DEVELOPMENTS PLC | 348,926 | 3,629 | 0.49% |
| C T LAND DEVELOPMENT PLC | 177,354 | 5,321 | 0.71% |
| MILLENNIUM HOUSING DEVELOPERS PLC | 95,440 | 706 | 0.09% |
| Manufacturing | | | |
| LANKA WALLTILES PLC | 236,921 | 13,978 | 1.88% |
| ROYAL CERAMICS LANKA PLC | 116,204 | 7,274 | 0.98% |
| TEEJAY LANKA PLC | 525,129 | 18,642 | 2.50% |
| TOKYO CEMENT COMPANY (LANKA) PLC - NON VOTING | 956,918 | 27,081 | 3.64% |
| KELANI TYRES PLC | 1,698,930 | 67,957 | 9.13% |
| Plantations | | | |
| KVALN000KELANI VALLEY PLANTATIONS PLC | 529,826 | 42,916 | 5.77% |
| Power and Energy | | | |
| RESUS ENERGY PLC | 37,097 | 864 | 0.12% |
| LANKA IOC PLC | 2,027,884 | 31,838 | 4.28% |
| LVL ENERGY FUND PLC | 595,415 | 4,525 | 0.61% |
| TELECOMMUNICATIONS | | | |
| DIALOG AXIATA PLC | 4,776,054 | 50,626 | 6.80% |
| SRI LANKA TELECOM PLC | 1,588,983 | 46,081 | 6.19% |
| | | <u>696,396</u> | |

4 **Financial Assets Measured at Amortised Cost**

| | |
|-------------------------|----------------------|
| Reverse Repo Agreements | 5,001 |
| Bank Deposits | <u>34,700</u> |
| | <u><u>39,701</u></u> |

5 **Payables**

| | |
|--------------------------------|---------------------|
| Trade Creditors | 43 |
| Payables to Management Company | 2,550 |
| Management Fees | 1,014 |
| Trustee Fees | 154 |
| Custodian Fees | <u>52</u> |
| | <u><u>3,813</u></u> |



Managers of the Ceybank Unit Trust Fund's

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