



CEYBANK SAVINGS PLUS FUND

Interim Report
30th June 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 SAVINGS PLUS MONEY MARKET FUND - Interim Report 2023

REPORT OF THE MANAGER

We have great pleasure in presenting the Interim Report and Accounts of the Ceybank Savings Plus Money Market Fund for the six-month period ended 30th June 2023.

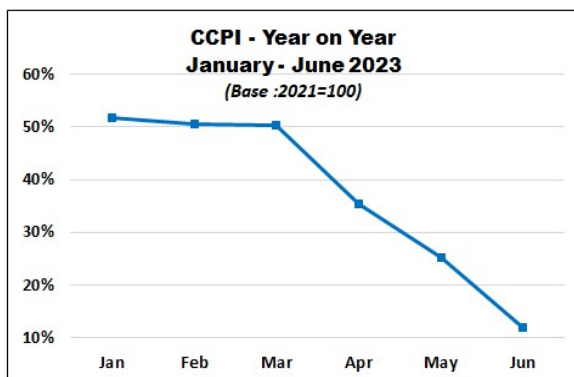
The Net Asset Value per unit of your Fund appreciated by 9.81% (AER 20.78%) during the period, 31st December 2022 to 30th June 2023.

Economy

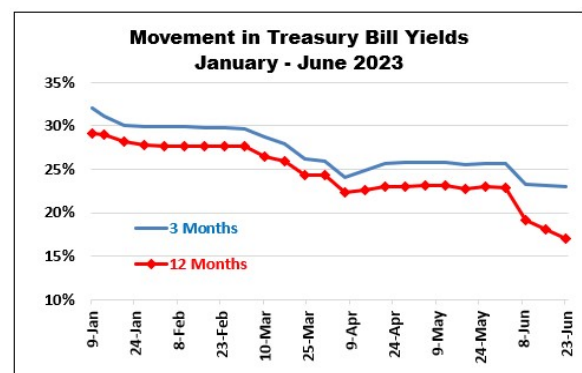
The Sri Lankan Economy witnessed a contraction in GDP by recording 11.5%YoY in first quarter 2023 against -0.5%YoY in 1Q2022 (base year=2015), amidst the heightened uncertainties witnessed across the sectors in the economy.

Year on Year Inflation measured by the CCPI which was at 51.7%YoY in January 2023 showed a decelerated trend by ending 12%YoY in June 2023 (Base: 2021).

Market interest rates declined gradually during the period. The benchmark 12-month Treasury bill rate which was at 29.16% in January closed lower at 16.99% by the end of June. The long-term Treasury bond market continued to be volatile.



Source: Department of Census and Statistics



Source: Central Bank of Sri Lanka

Overnight call money rates moved within a band of 13% and 16.50% p.a. The exchange rate which was at 363.11 (Rs/US\$) at the beginning of the year witnessed an appreciation of 14.95% during the period under review. The Rupee was quoted at 308.83 (Rs/ US\$) as at 28th June 2023.

During the period under review, the Central Bank key policy rates were changed twice. Effectively the Standing Deposit Facility Rate (SDFR) was reduced by 150bps (to 13%), Standing Lending Facility Rate (SLFR) was decreased by 150bps (to 14%) The Statutory Reserve Ratio (SRR) for Commercial Banks remained at 4% throughout the period.

Fund Performance

The Net Asset Value per unit of your Fund appreciated by 9.81% (AER 20.78%) during the period under review.

The Fund generated a net income of Rs 232.20 during the period under review. The Fund is invested in a mix of Treasury Bills and Repurchase Agreements with maturities less than a year.

Future Outlook

In the midst of a 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 affected by the instability in macro fundamentals in the domestic economy.

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 IMF.

Currently, the Sri Lankan Government is processing the Domestic Debt Optimization (DDO) programme for domestic creditors and the debt restructuring discussions are being held with foreign creditors as this is a crucial aspect in IMF-EFF Arrangement. This process must be completed by the IMF-EFF's first review due in September 2023 in order to restore the country's economy to a stable level.

At present, in line with the implementation of reforms in IMF Agreement by the authorities, 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, rebuilding of reserves by the Central Bank of Sri Lanka, rise in foreign holdings in treasury securities, etc. These vital reforms include surge in taxes to achieve a positive fiscal balance, hike in electricity tariff, restructuring of loss making SOEs, expecting to present an anti-corruption bill to the parliament to reduce corruption vulnerabilities through improving fiscal transparency and public financial management by introducing a strong anti-corruption legal framework and conducting an in-depth governance diagnostic, etc.

We expect the market interest rates to reduce further and declining yields on gilt edged securities to narrow the spread during the latter part of the year with a view to ease the debt restructuring process. Despite the lagged effect, the lending and deposit rates would slowly stabilize at a moderate level in the medium term to retrieve the economic activities in the country.

The Fund being a Money Market Fund is invested in a mix of Government securities and Corporate Debt within a one-year maturity period. The Managers will continue to monitor the interest rate environment and make changes to the investment profile, to fulfill the Fund objective of providing liquidity while maximizing returns for the investors.

SGD

Kanchana Karannagoda

Fund Manager

July 2023

CEYBANK SAVINGS PLUS FUND**Statement of comprehensive income****(All amounts in Sri Lanka Rupees)**

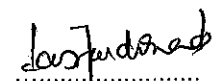
	Note	Period from 1 January to 30 June 2023	Period from 1 January to 30 June 2022
Income			
Net income on financial Assets	1	232,199,937	208,774
Total investment income		232,199,937	208,774
Operating Expenses	2	(449,409)	(1,887,036)
		(449,409)	(1,887,036)
Net operating profit/ (Loss) before tax		231,750,528	(1,678,262)
Income tax expense		-	-
Increase/ (Decrease) in net assets attributable to unitholders		231,750,528	(1,678,262)

CEYBANK SAVINGS PLUS FUND

Statement of financial position

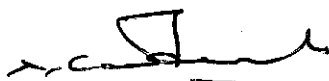
(All amounts in Sri Lanka Rupees)

	Note	30 June	
		2023	2022
<u>Assets</u>			
Cash and cash equivalents		91,456	457,587
Investment In Treasury Bill		12,664,706	
Investment In Reverse Repurchase Aggrement		1,501,236	2,500,893
Sundry Debtors		-	230,633,238
Total Assets		14,257,398	233,591,718
UNITHOLDERS' FUNDS AND LIABILITIES			
<u>Liabilities</u>			
Other payables	3	638,417	230,963,299
Unclaimed Redemption		10,888	10,888
Total Liabilities (excluding net assets attributable to unitholders)		649,305	230,974,187
Net assets attributable to unitholder's funds		13,608,093	2,617,531
Total Unitholders' funds and Liabilities		14,257,398	233,591,718



Director

Ceybank Asset Management LTD
Fund Management Company



Director

Ceybank Asset Management LTD
Fund Management Company



Trustee

National Savings Bank

Statement of changes in Unitholders' funds

(All amounts in Sri Lanka Rupees)

	30 June	
	2023	2022
Unitholders' funds at beginning of the year	3,700,517	4,295,793
Increase / (Decrease) in net assets attributable to unitholders	231,750,528	(1,678,262)
Paid on unit redemptions	(221,842,952)	-
Unitholders' funds as at 30th June	13,608,093	2,617,531

Statement of cash flows
For the 06 months period ended 30 June 2023
(All amounts in Sri Lanka Rupees)

Period from
1 January to
30 June 2023
Rs.

Net Profit Before Taxation 231,750,528

Cash flows from operating activities

Net investments in repurchase agreements 12,008,963

Net investment in treasury bills (12,664,706)

Miscellaneous receipts 221,585,334

Other Payable (231,453,173)

Net cash inflows / (outflows) from operating activities **221,226,946**

Cash flows from financing activities

Payments on redemption of units (221,842,952)

Net cash (outflows) / inflows from financing activities **(221,842,952)**

Net decrease in cash and cash equivalents (616,005)

Cash and cash equivalents at the beginning of the year 707,461

Net decrease in cash and cash equivalents (616,005)

Cash and cash equivalents at the end of the 06 month Period **91,456**

Notes**30th June****2023****2022****1 Net income on financial Assets**

	Rs.	Rs.
Interest on Reverse Repo Agreement	240,787	208,774
T.B.Discount Income -Primary	1,325,913	-
Miscellaneous	230,633,238	-
	232,199,937	208,774

2 Operating Expenses

Management Fee	48,847	-
VAT Expenses	10,227	-
Miscellaneous Expenses	291,000	1,883,736
Custodian Fees	75,000	-
Bank Chargers	21,800	3,300
Social Security Levy Fee	2,535	-
	449,409	1,887,036

3 Other payables

Payable To Management Company	613,432	330,061
Management & Trustee Fee	9,985	-
Custodian Fee	15,000	-
Provision for Commercial Paper	-	230,633,238
	638,417	230,963,299