

INTERIM REPORT

30 SEPTEMBER 2015

CEYBANK UNIT TRUST FUND

(Income & Growth)

Managed By



Ceybank Unit Trust Fund

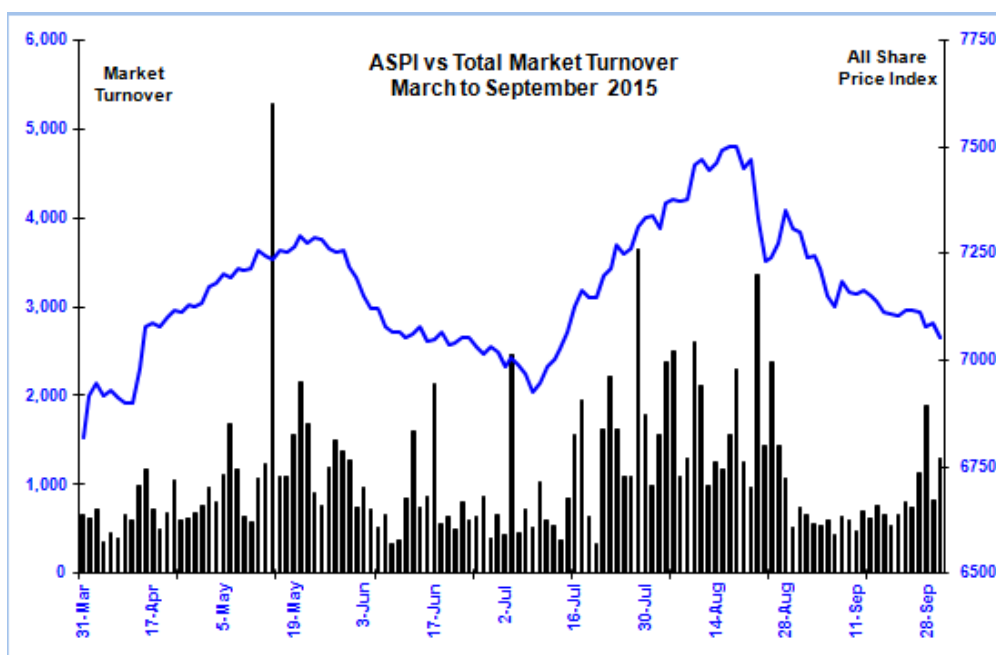
Manager's half yearly report for the period ended 30th September 2015

We have great pleasure in presenting the half yearly report of Ceybank Unit Trust Fund for the 6 months ended 30th September 2015.

The stock market remained volatile during the six month period ending 30th September 2015. The Net Asset Value per unit of your Fund appreciated by 4.89% during the period under review, outperforming both indexes. During the same period the S&P Index dropped by 0.68% while the ASI appreciated 3.38%. The net asset value per unit amounted to Rs 30.43 as at 30th September 2015.

Capital Market Performance

The Colombo Bourse remained volatile during the period under review.

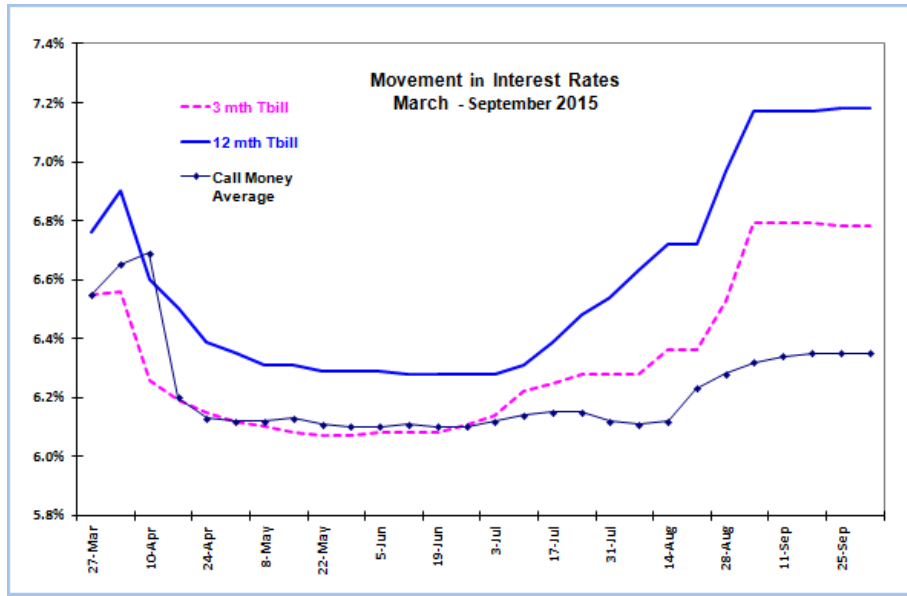


Despite the Stock market remaining in positive territory, foreign investment mirrored the volatility displayed by the indices. Foreign investors were net sellers with Net foreign outflows for the six months ending September 2015, being approximately Rs 6.08 billion.

The ASI closed at 7,050.87 up by 230 points while the S&P Index was at 3,826.15 down 26 points for the six month period ended 30th September 2015.

The Sri Lankan economy recorded a GDP growth of 6.71% (YOY) for the second quarter of 2015. Contributions coming from the Agriculture sector (5.03%), Industry sector (2.05%) and Services (7.92%).

The Country's foreign reserve position declined. Gross official reserves stood at US\$ 6.8 billion as at end September 2015. The Exchange rate (Rs/US\$) which was at Rs. 133.32 on 31st March 2015, depreciated by 5.84% and was quoted at Rs 141.11 as at 30th September 2015.

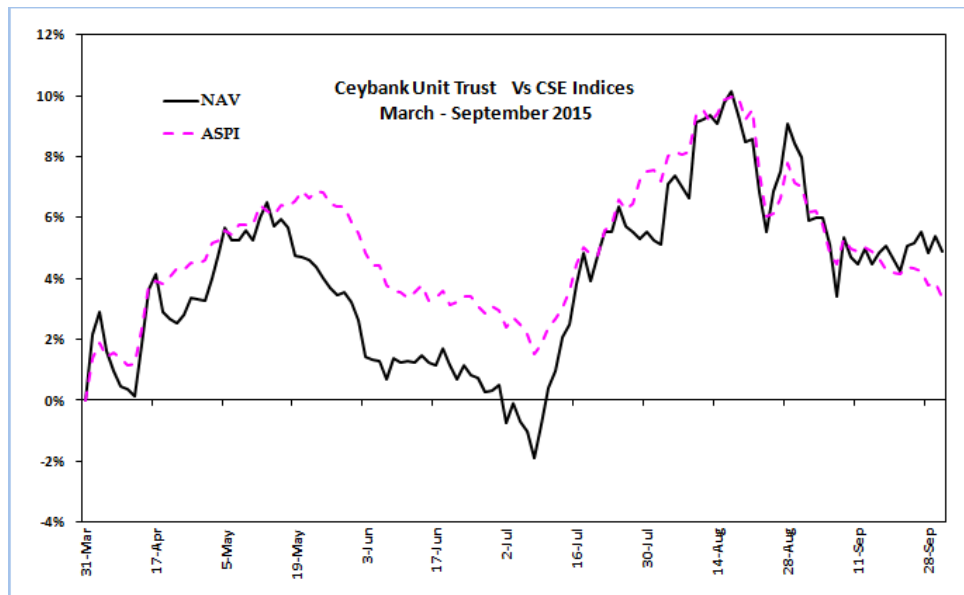


Average Annual Inflation measured by the CCPI declined from 2.5% in March 2015 to 0.7% in September 2015. Market Interest rates moved down in April and remained flat until July before rising again as market liquidity levels changed sharply. The 12 month Treasury bill yields moved up from 6.80% to 7.18% by end September 2015.

Overnight call money traded within a band of 5.90% and 6.70% p.a. The Central Bank reduced policy rates by 0.5% in April 2015, resulting in a reduction of the Standing deposit facility to 6.0% and the Standard lending facility to 7.50% Commercial Banks statutory reserve ratio (SRR) remained unchanged at 6.00%.

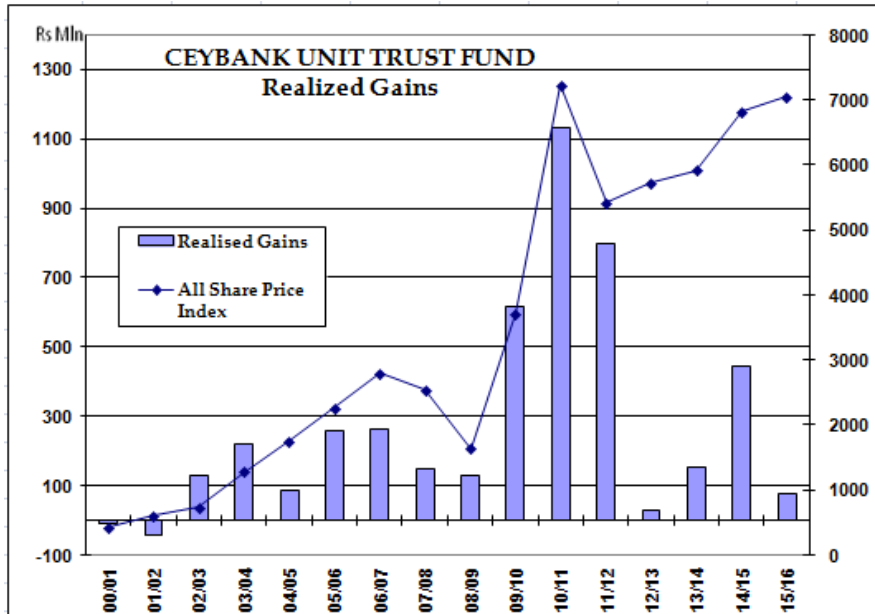
Fund Performance

The Net Asset Value per unit of your Fund appreciated by 4.89% during the half year period under review. The total net assets stood at Rs. 5,743 million as at 30th September 2015.



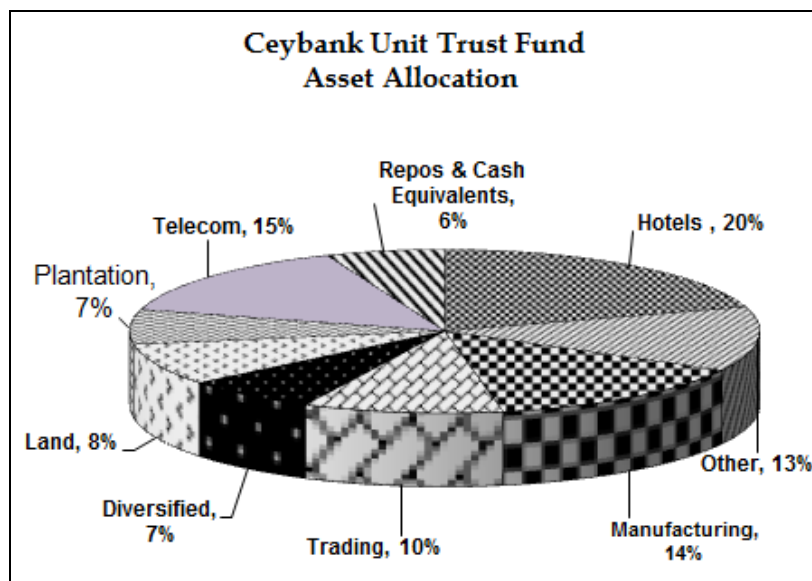
The Fund generated dividend income of Rs 94.02 million, down 11% from Rs 105.64 million in the previous year. Interest income was down 8% to Rs 8.64 million from 9.39 million in the corresponding period. Expenses decreased from Rs 59.82 million to Rs 56.66 million, due to a decrease in the Net asset Value of the Fund.

The Fund realized Rs 77.17 million as capital gains from sale of equity during the period, 43% down from the Rs 137.19 million recorded in the previous period.



The market value of the portfolio was Rs 5,743 million as at 30th September 2015 up from Rs 5,369 million in March 2015.

The Fund remains fully invested as at 30th September 2015, maintaining a relatively high level of equity exposure. We will continue to 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, Trading, Plantations, Telecommunication and Diversified 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 Sri Lankan economy is expected to react positively to the recent budget proposals that offer a platform for growth. Focus appears to be on development of infrastructure, tourism, and retail sectors. We expect the economy to grow by around 5.5% for 2015 and around 6% for 2016. The need for large foreign investments is almost a pre-requisite to successfully implement the budget proposals. This continues to be a challenge. While measures have been taken to contain the trade gap, increased consumption resulting in increased imports is a matter of concern. Low crude oil prices however, is a positive factor.

Inflation could be expected to remain at the current levels. Market liquidity would keep market interest rates unchanged in the short term. However rates could increase if there is a substantial demand for credit to the private sector. We expect the stock market growth to come gradually as investors currently on the sideline, begin to see proper policy direction of the national government and as policy implementation begins. Some sectors are expected to perform better than their counterparts. We intend identifying the growth sectors and companies, in order to invest in these areas of growth to add value to your investment.



C A Kamaladasa
Chairman

30th October 2015

CEYBANK UNIT TRUST

Statement of comprehensive income

(all amounts in Sri Lanka Rupees thousands)

	Six months ended 30'th September	
	2015	2014
Income		
Dividend	94,028	105,643
Interest income from financial assets not held at fair value through profit or loss	8,650	9,395
Net realized gain on financial assets held at fair value through profit or loss	77,168	137,192
Net change in unrealized gain on financial assets held at fair value through profit or loss	140,836	1,072,322
Total investment gain	320,682	1,324,552
Expenses		
Management fee	(46,670)	(49,294)
Trustee fee & Custodian fee	(9,475)	(10,008)
Other expenses	(515)	(526)
	(56,660)	(59,828)
Net operating profit	264,022	1,264,724
Finance costs		
Distributions to unitholders	-	(383,265)
Profit after deductions and before tax	264,022	881,459
Income tax expense	-	-
Increase in net assets attributable to unitholders	264,022	881,459

CEYBANK UNIT TRUST

Statement of financial position

(all amounts in Sri Lanka Rupees thousands)

	30'th September	
	2015	2014
Assets		
Cash and cash equivalents	2,395	(591)
Receivable on equity share sales	-	9,140
Dividend receivables	9,341	25,099
Financial assets held at fair value through profit or loss	5,435,481	6,046,241
Loans and receivables	318,296	367,227
Income tax receivable	20,366	18,832
Total assets	5,785,879	6,465,948
Unit Holders' funds and Liabilities		
Liabilities		
Payables	41,008	48,601
Amount payable on unit redemption	997	15,277
Total liabilities (excluding net assets attributable to unitholders)	42,005	63,878
Net assets attributable to unitholders – liability	5,743,874	6,402,070
Total Unit Holders' Funds and Liabilities	5,785,879	6,465,948

CEYBANK UNIT TRUST

Statement of changes in Unitholders' funds

(all amounts in Sri Lanka Rupees thousands)

	Six months ended 30 th September	
	2015	2014
Unit holders' funds at beginning of year	5,369,991	5,241,440
Increase in net assets attributable to unit holders	264,022	881,459
Received on unit creations	121,115	345,920
Paid on unit redemptions	(11,254)	(66,749)
Unitholders' funds at end of year	5,743,874	6,402,070

“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.”



Managers of the Ceybank Unit Trust Fund's

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