

INTERIM REPORT

30 SEPTEMBER 2017

CEYBANK CENTURY GROWTH FUND



Managed By



Ceybank Century Growth Fund

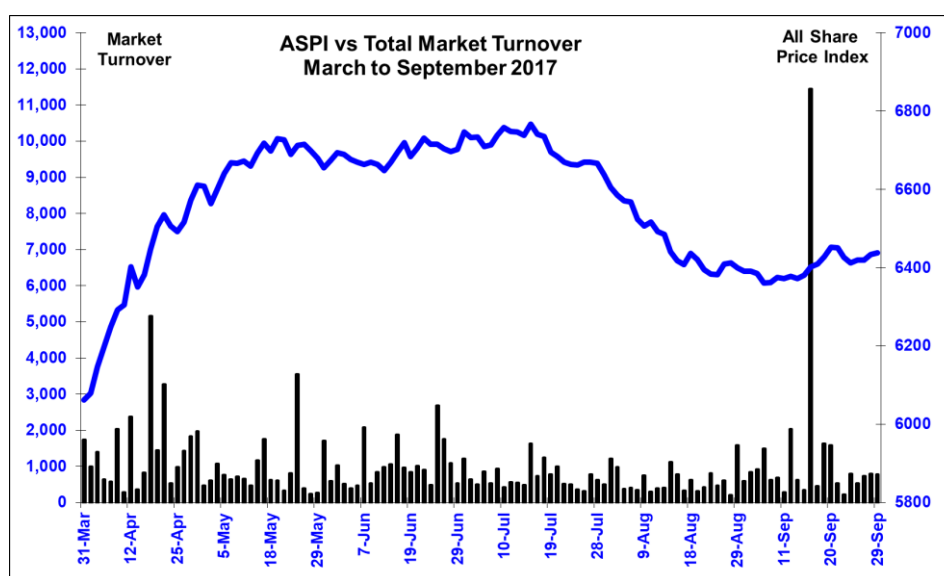
Manager's half yearly report for the period ended 30th September 2017

We have great pleasure in presenting the half yearly report of Ceybank Century Growth Fund for the 6 months ended 30th September 2017.

The stock market remained volatile during the six-month period ending 30th September 2017 rising sharply initially but flattening out and losing momentum thereafter. The Net Asset Value per unit of your Fund appreciated by 5.52% during the period under review. During the same period the S&P Index increased by 7.24% while the ASI appreciated 6.21% %. The net asset value per unit amounted to Rs 68.43 as at 30th September 2017.

Capital Market Performance

The Colombo Bourse remained volatile during the period under review.

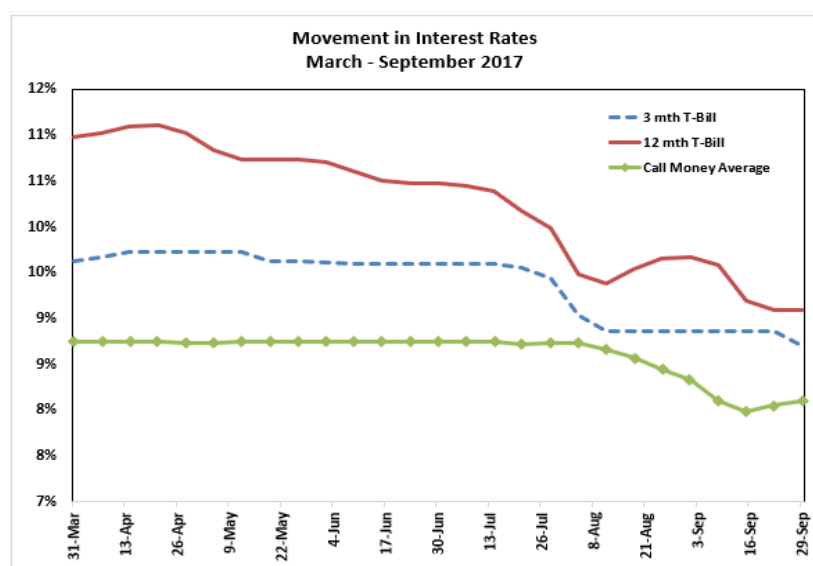


Foreign investors were net buyers with Net foreign inflows for the six months ending September 2017, being approximately Rs 12.38 billion.

The ASI closed at 6,438.24 up by 376 points while the S&P Index was at 3,687.97 up 249 points for the six-month period ended 30th September 2017.

The Sri Lankan economy recorded a GDP growth of 4.0% (YOY) for the second quarter of 2017. The services sector contributed 4.5% and Industry 5.2%. However, contributions from the Agriculture sector was a negative 2.9%.

The Country's foreign reserve position remained stable. Gross official reserves stood at US\$ 7.3 billion as at end September 2017. The Exchange rate (Rs/US\$) which was at Rs. 151.99 on 31st March 2017, depreciated by 0.67% and was quoted at Rs 153.01 as at 30th September 2017

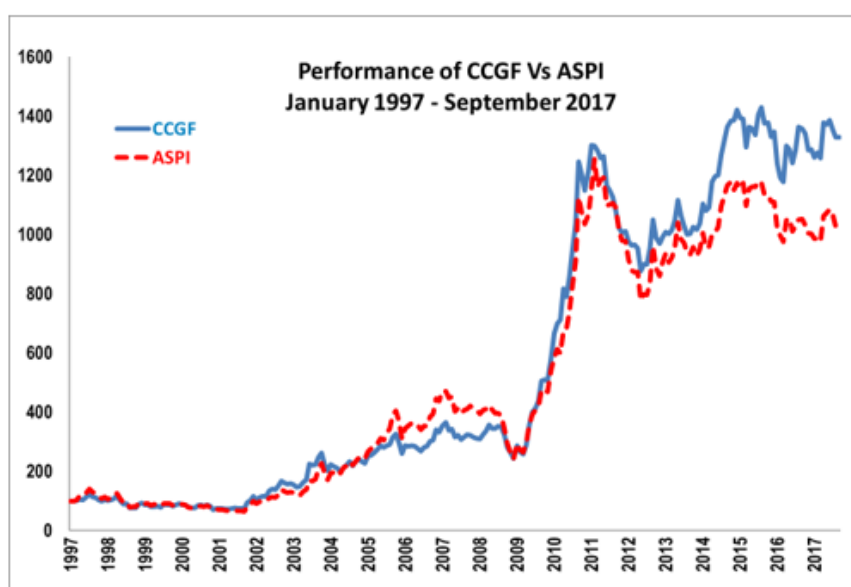


Average Annual Inflation measured by the CCPI declined from 7.3% initially but remained within a thin band for most of the period, with July being the exception, (recording 4.8%). The CCPI closed at 7.1% in end September 2017. Market Interest rates remained mostly unchanged despite being volatile within a narrow range as market liquidity levels changed sharply. The 12-month Treasury bill yields moved down from 10.98% in end March to 9.10% by end September 2017.

Overnight call money traded within a band of 7.85% and 8.75% p.a. Central Bank policy rates remained unchanged during the period. The Standing Deposit Facility and the Standard Lending Facility were 7.25% and 8.75% respectively. Commercial Banks statutory reserve ratio (SRR) remained unchanged at 7.50%.

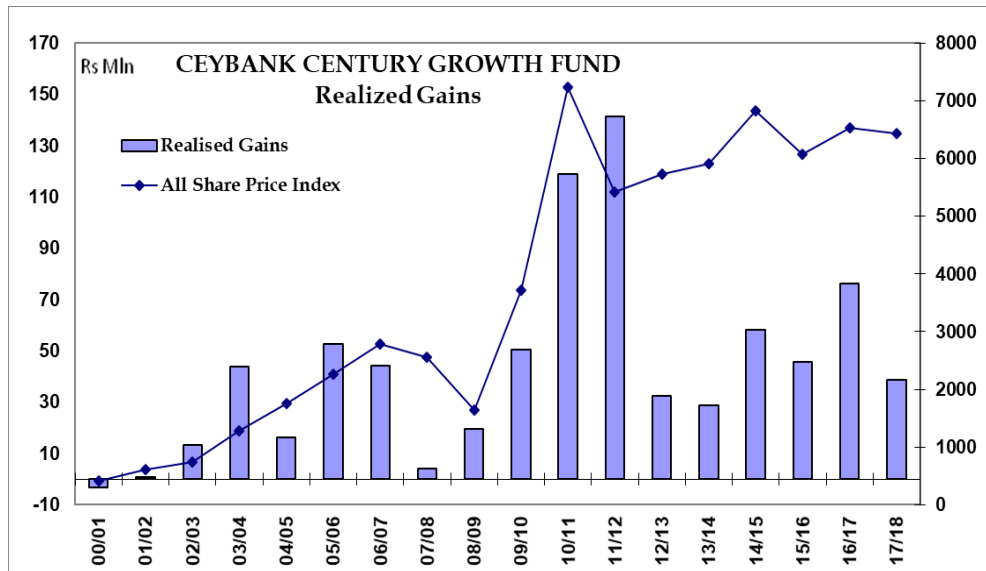
Fund Performance

The Net Asset Value per unit of your Fund appreciated by 5.52% 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. 1,069 million as at 30th September 2017.



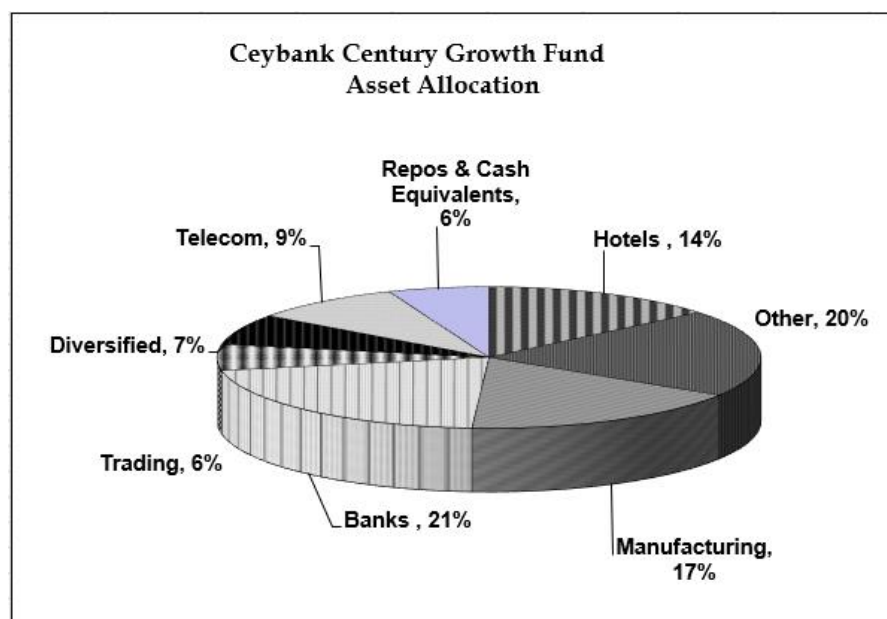
The Fund generated dividend income of Rs 21.39 million, down 25% from Rs 28.46 million in the previous year. Interest income was up 101% to Rs 3.99 million from Rs 1.98 million in the corresponding period. Expenses decreased 5% from Rs 11.78 million to Rs 11.24 million.

The Fund realized Rs 11.54 million as capital gains from sale of equity during the period, 58% down from the Rs 27.60 million recorded in the previous period.



The market value of the portfolio was Rs 1,069 million as at 30th September 2017 up from Rs 1,047 million in March 2017.

The Fund maintains a relatively high level of equity exposure as at 30th September 2017. 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.

The National budget presented recently, appears to have set direction on National Policy. Implementation however, will be the key, going forward. Focus continues to be on development of infrastructure, tourism, retail and service sectors, emphasis is also on the Small & Medium Enterprises. We expect the economy to grow by around 4.5% for 2017. Extreme weather patterns continuously pose a challenge to the agriculture sector, while the power sector could be affected by droughts locally and rising crude oil prices internationally. The need for large foreign investments, needed to kick start the large projects continues to be a challenge. The large debt repayments due from 2018 through 2020 remains a matter of concern.

Inflation could be expected to remain at the current levels given there is no extreme weather patterns that hamper food production and an increase in prices. Central Bank appears to have control on the demand for credit balancing its inflation targets with growth ambitions, which has resulted in short term interest rates remaining within the thin band. We expect stock market growth to come once investors begin to see the implementation of Government policy which suggests the listing of some state entities on the Colombo Stock Exchange. We will continue to monitor the ongoing changes to identify potential growth counters, to invest in and add value to your investment.



Chitra Sathkumara
Executive Director/ CEO

30th November 2017

CEYBANK CENTURY GROWTH FUND

Statement of comprehensive income

(all amounts in Sri Lanka Rupees thousands)

	Six months ended 30 th September	
	2017	2016
Income		
Dividend	21,391	28,468
Interest income from financial assets not held at fair value through profit or loss	3,992	1,985
Net realized gain on financial assets held at fair value through profit or loss	11,544	27,609
Net change in unrealized Gain on financial assets held at fair value through profit or loss	32,477	115,619
Total investment income	69,404	173,681
Expenses		
Management fee	(9,164)	(9,595)
Trustee & custodian fee	(1,861)	(1,948)
Other expenses	(224)	(243)
	(11,249)	(11,786)
Net operating profit	58,155	161,895
Finance costs		
Distributions to unitholders	-	-
Profit after deductions and before tax	58,155	161,895
Income tax expense	-	-
Increase in net assets attributable to unitholders	58,155	161,895

CEYBANK CENTURY GROWTH FUND

Statement of financial position

(all amounts in Sri Lanka Rupees thousands)

	Six months ended 30'th September	
	2017	2016
Assets		
Cash and cash equivalents	1,260	5,812
Other receivable	196	3,905
Financial assets held at fair valued through profit or loss	1,009,290	1,154,328
Loans and receivables	54,935	49,729
Income tax receivable	8,488	7,866
Total assets	1,074,169	1,221,640
Unit Holders' funds and Liabilities		
Liabilities		
Payables	4,859	12,441
Amount Payable on Unit redemption	93	6,167
Total liabilities (excluding net assets attributable to unitholders)	4,952	18,608
Net assets attributable to unitholders – liability	1,069,217	1,203,032
Total Unit Holders' funds and Liabilities	1,074,169	1,221,640

CEYBANK CENTURY GROWTH FUND

Statement of changes in Unitholders' funds

(all amounts in Sri Lanka Rupees thousands)

	Six months ended 30 th September	
	2017	2016
Unit holders' funds at beginning of the year	1,047,446	1,070,556
Increase in net assets attributable to unit holders	58,155	161,895
Received on unit creations	5,599	11,391
Paid on unit redemptions	(41,983)	(40,810)
Unitholders' funds at end of the year	1,069,217	1,203,032

“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 Interim Report.”



Managers of the Ceybank Unit Trust Fund's

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