



# Interim Report

30th June 2018

“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 2018

### REPORT OF THE MANAGER

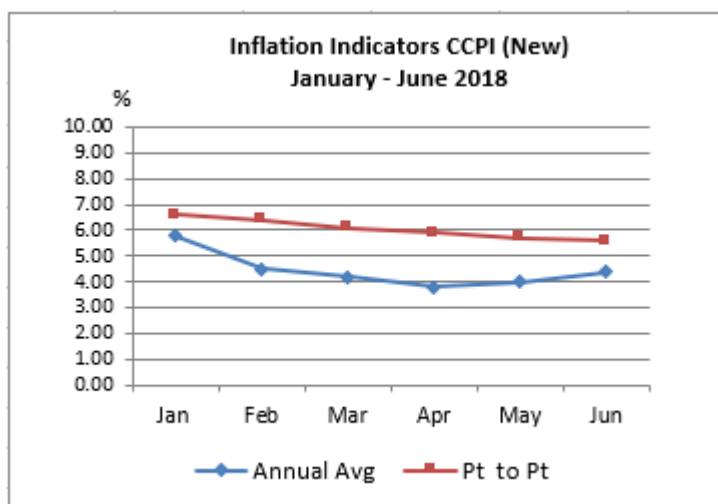
We have great pleasure in presenting the Interim Report and Accounts of the Ceybank Savings Plus Money Market Fund for the six-month period ended 30<sup>th</sup> June 2018.

The Net Asset Value per unit of your Fund appreciated by 1.53% during the period.

### Economy

The Sri Lankan Economy recorded a GDP growth of 3.2% for the 1<sup>st</sup> quarter of 2018. Contribution to the expansion in the first quarter sector wise was seen in Industry 1.0% and Services 4.4%. Agriculture contracted by 4.8%.

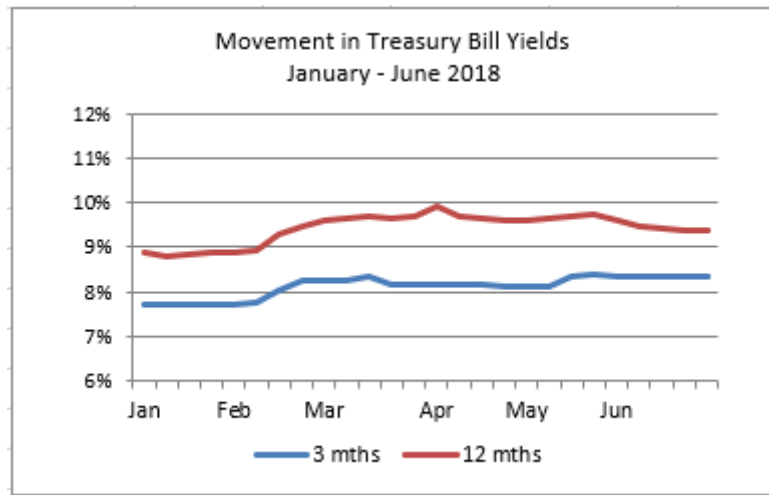
Average Annual Inflation measured by the CCPI (New) which was at 6.6% at the beginning of the year, eased off gradually, ending lower at 5.6% in June 2018.



Market interest rates which moved up gradually during the first four months of the year tapered off in May and June. The benchmark 12 month Treasury bill rate which was at 8.90% in January closed marginally higher at 9.39% by the end of June. The long term Treasury bond market continued to be volatile. The premium to Treasuries offered on Corporate Debt remained around 3%.

Overnight call money rates moved within a thin band of 7.70% and 8.55% p.a. The exchange rate which was at 153.46 (Rs/US\$) at the beginning of the year witnessed a depreciation of 3% during the period under review. The Rupee was quoted at 158.25 (Rs/ US\$) as at 29th June 2018.

The Central Bank reduced the Standard Lending Facility Rate by 25 basis points on 4<sup>th</sup> April 2018. The current rates on the Standard Deposit Facility Rate and Standard Lending Facility Rate are 7.25% and 8.50% respectively. The Statutory Reserve Ratio for Commercial Banks' remained unchanged at 7.5%.



### **Fund Performance**

The Net Asset Value per unit of your Fund appreciated by 1.53% during the period under review.

The Fund generated a net income of Rs 14.64 million during the period under review. The Fund is invested in a mix of Treasury Bills and Corporate Securities with maturities less than a year.

### **Future Outlook**

The economy is expected to grow at around 4.0% in 2018. The Future outlook on growth will depend on clarity in Government policy especially on taxes and the execution of policy.

The resumption of the GSP+ facility is positive and the country will need to move fast to capitalize on the opportunities. Trade wars and uncertain tariffs remain a concern, as much as the higher crude oil prices. International commodity prices remain volatile. This along with local weather conditions will have a significant impact on the growth performance.

Interest rates are expected to increase marginally or remain flat towards the end of the year depending on increased demand by the Government for the envisaged development projects.

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 and regular income for the investor.

Chitra Sathkumara  
Executive Director/ CEO  
August 2018

## **CEYBANK SAVINGSPLUS FUND**

### **Statement of comprehensive income**

(all amounts in Sri Lanka Rupees )

	<b>Period from 1 January to 30 June 2018</b>	<b>Period from 1 January to 30 June 2017</b>
<b>Income</b>		
Net income on financial Assets	14,642,970	32,372,947
<b>Total investment income</b>	<b>14,642,970</b>	<b>32,372,947</b>
<b>Operating Expenses</b>	<b>(11,147,387)</b>	<b>(2,395,527)</b>
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<b>Net operating profit before tax</b>	<b>3,495,583</b>	<b>29,977,420</b>
Income tax expense	(635,879)	(3,006,180)
<b>Increase in net assets attributable to unitholders</b>	<b>2,859,704</b>	<b>26,971,240</b>

## **CEYBANK SAVINGS PLUS FUND**

### **Statement of financial position**

(all amounts in Sri Lanka Rupees)

	<b>30 June</b>	
	<b>2018</b>	<b>2017</b>
<b><u>Assets</u></b>		
Cash and cash equivalents	796,228	2,333,633
Financial assets held for Trading	-	49,650,013
Financial assets - Loan & Receivable	186,765,975	165,554,483
Tax receivable	-	9,263,261
<b>Total Assets</b>	<b>187,562,203</b>	<b>226,801,389</b>
<b>UNIT HOLDERS' FUNDS AND LIABILITIES</b>		
<b><u>Liabilities</u></b>		
Other payables	1,174,143	926,934
Money Payable on Unit redemption	31,718	590,886
Unclaimed Redemption	10,888	10,888
<b>Total Liabilities (excluding net assets attributable to unit holders)</b>	<b>1,216,749</b>	<b>1,528,708</b>
<b>Net assets attributable to unit holders – liability</b>	<b>186,345,454</b>	<b>225,272,681</b>
<b>Total Unit Holders' funds and Liabilities</b>	<b>187,562,203</b>	<b>226,801,389</b>

### **Statement of changes in Unitholders' funds**

(all amounts in Sri Lanka Rupees)

	<b>30 June</b>	
	<b>2018</b>	<b>2017</b>
<b>Unitholders' funds at beginning of the year</b>	198,034,380	914,413,700
Increase / (Decrease) in net assets attributable to unit holders	2,859,704	26,971,240
Received on unit creations	2,600	61,004,760
Paid on unit redemptions	(14,551,230)	(738,436,340)
Distributions to unitholders	-	(38,680,679)
<b>Unitholders' funds as at 30th June</b>	<b>186,345,454</b>	<b>225,272,681</b>