



# Interim Report

30th June 2017

“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 2017

### REPORT OF THE MANAGER

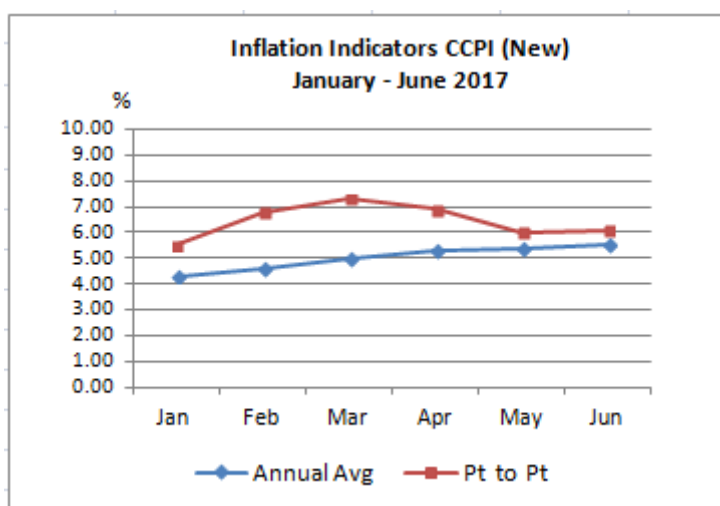
We have great pleasure in presenting the Interim Report and Accounts of the Ceybank Savings Plus Money Market Fund for the six month period ended 30<sup>th</sup> June 2017.

The Net Asset Value per unit of your Fund appreciated by 5.3% during the period, which included a tax free dividend of Rs 0.45 (45cts per unit) distributed by the Fund. The Fund will continue to distribute dividends bi-annually each year.

### Economy

The Sri Lankan Economy recorded a GDP growth of 3.8% for the 1<sup>st</sup> quarter of 2017. Contribution to the expansion in the first quarter sector wise was seen in Industry 6.3% and Services 3.5%. Agriculture contracted by 3.2%.

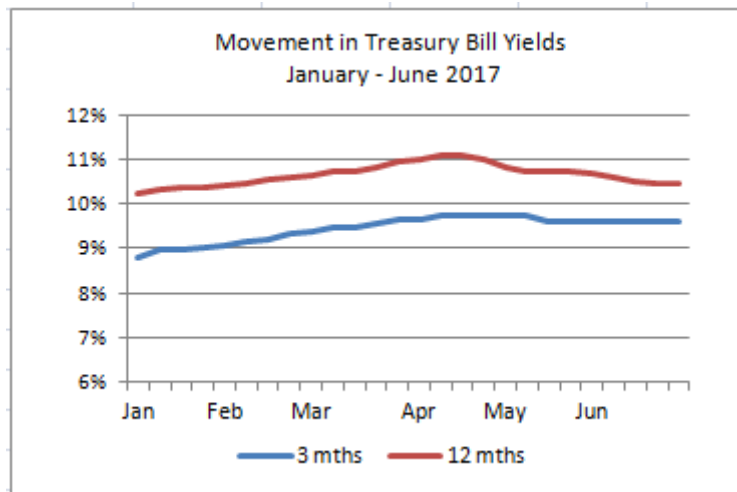
Average Annual Inflation measured by the CCPI (New) which was at 5.5% at the beginning of the year, increased initially and then eased off, ending higher at 6.1% in June 2017.



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 10.22% in January closed marginally higher at 10.47% 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 8.20% and 8.80% p.a. The exchange rate which was at 149.80 (Rs/US\$) at the beginning of the year witnessed a depreciation during the period under review. The Rupee was quoted at 153.30 (Rs/ US\$) as at 30<sup>th</sup> June 2017.

The Central Bank increased policy rates by 25 basis points on 24<sup>th</sup> March 2017. The current rates on the Standard Deposit facility and Standard Lending facility are 7.25% and 8.75% respectively. The Statutory Reserve Ratio for Commercial Banks' remained unchanged.



### **Fund Performance**

The Net Asset Value per unit of your Fund appreciated by 5.3% during the period under review.

The Fund generated a net income of Rs 32.37 million and declared a tax free dividend of Rs 0.45 (45 cents) per unit to the unit holders 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 4.5% in 2017. The Future outlook on growth will depend on clarity in Government policy especially on taxes.

Declining economic growth in key export markets remain a concern. While the resumption of the GSP+ facility is positive the country will need to move fast to capitalize on the opportunities. Low crude oil prices would be beneficial for the economy. However international commodity prices remain volatile. Local weather conditions too will have a significant impact on the growth performance.

Interest rates are expected to increase 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 2017

## **CEYBANK SAVINGSPLUS FUND**

### **Statement of comprehensive income**

(all amounts in Sri Lanka Rupees )

	<b>Period from 1 January to 30 June 2017</b>	<b>Period from 1 January to 30 June 2016</b>
<b>Income</b>		
Net income on financial instruments held at fair value through profit or loss	32,372,947	106,297,939
<b>Total investment income</b>	<b>32,372,947</b>	<b>106,297,939</b>
<b>Expenses</b>		
Management participation	(2,308,799)	(9,332,724)
Bank chargers	(26,500)	(40,750)
Nation Building Tax	(36,435)	(164,797)
Interest Expenses	(23,793)	-
	<b>(2,395,527)</b>	<b>(9,538,271)</b>
<b>Net operating profit</b>	<b>29,977,420</b>	<b>96,759,668</b>
<b>Finance costs</b>		
Distributions to unitholders	(38,680,679)	(61,451,426)
<b>(Loss) / Profit after deductions and before tax</b>	<b>(8,703,259)</b>	<b>35,308,242</b>
Income tax expense	(3,006,180)	(9,692,447)
<b>(Decrease) / Increase in net assets attributable to unitholders</b>	<b>(11,709,439)</b>	<b>25,615,795</b>

## **CEYBANK SAVINGS PLUS FUND**

### **Statement of financial position**

(all amounts in Sri Lanka Rupees)

	<b>30 June</b>	
	<b>2017</b>	<b>2016</b>
<b><u>Assets</u></b>		
Cash and cash equivalents	2,333,633	2,185,762
Receivables	-	162,798
Financial assets held at fair value through profit or loss	215,204,495	2,119,658,663
Tax receivable	9,263,261	7,620,255
<b>Total Assets</b>	<b>226,801,389</b>	<b>2,129,627,478</b>

### **UNIT HOLDERS' FUNDS AND LIABILITIES**

#### **Liabilities**

Other payables	926,934	1,953,483
Money Payable on Unit redemption	590,886	1,053,640
Unclaimed Redemption	10,888	-
<b>Total Liabilities (excluding net assets attributable to unit holders)</b>	<b>1,528,708</b>	<b>3,007,123</b>
<b>Net assets attributable to unit holders – liability</b>	<b>225,272,681</b>	<b>2,126,620,355</b>
<b>Total Unit Holders' funds and Liabilities</b>	<b>226,801,389</b>	<b>2,129,627,478</b>

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

(all amounts in Sri Lanka Rupees)

	<b>30 June</b>	
	<b>2017</b>	<b>2016</b>
<b>Unitholders' funds at beginning of the year</b>	914,413,700	2,199,922,754
Increase / (Decrease) in net assets attributable to unit holders	(11,709,439)	25,615,795
Received on unit creations	61,004,760	132,771,882
Paid on unit redemptions	(738,436,340)	(231,690,076)
<b>Unitholders' funds as at 30th June</b>	<b>225,272,681</b>	<b>2,126,620,355</b>