



# Interim Report

30th June 2014

“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 2014

## REPORT OF THE MANAGER

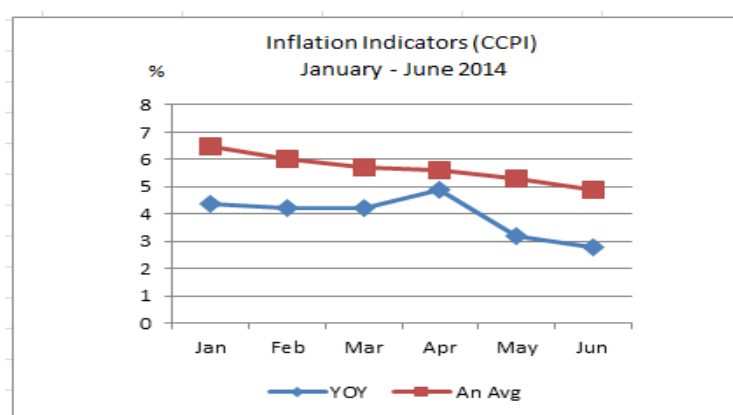
We have great pleasure in presenting the Interim Report and Accounts of the Ceybank Savings Plus Money Market Fund for the period 1<sup>st</sup> January 2014 to 30<sup>th</sup> June 2014.

The Net Asset Value per unit of your Fund appreciated by 4.28% during the period, giving an annualized yield of 8.56%p.a. This included a tax free dividend of Rs 0.55 (55cts per unit) distributed by the Fund to the unit holders as of 31st January 2014, totaling Rs 63.40 million. The Fund will continue to distribute dividends in January and July each year.

## Economy

The Sri Lankan Economy recorded a GDP growth of 7.6% for the 1<sup>st</sup> quarter of 2014. Contribution to the expansion in the first quarter sector wise was seen in Agriculture 0.2%, Industry 12.6% and Services 6.5%.

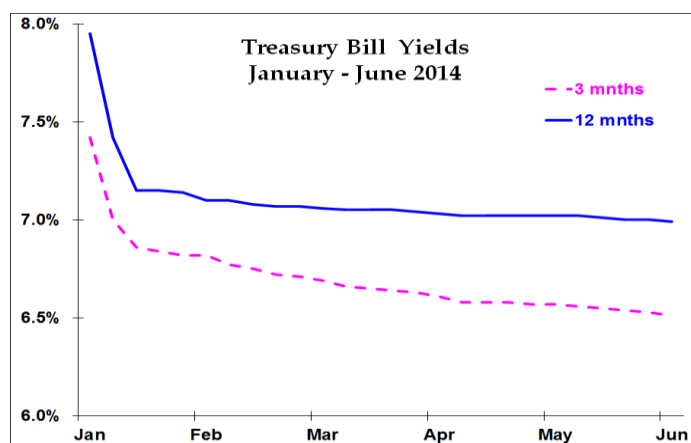
Average Annual Inflation measured by the CCPI (New) which was at 6.5% at the beginning of the year, dropped continuously to end lower at 4.9% in June 2014.



Market interest rates declined gradually during the period. The benchmark 12 month Treasury bill rate which was at 7.95% in January dropped 96 basis points to 6.99% by the end of the period. The long term Treasury bond market continued to be volatile during the period edging down. The premium to Treasuries offered on Corporate Debt remained around 250 basis points.

Overnight call money rates moved between 5.75% and 7.75% p.a. The exchange rate which was at 130.82 (Rs/US\$) at the beginning of the year appreciated marginally during the period under review, due to foreign currency inflows. The Rupee was quoted at 130.34(Rs/ US\$) as at 30<sup>th</sup> June 14.

Central Bank policy rates on the Standing Lending Facility Rate (SLFR) was reduced by 50 bps on 2<sup>nd</sup> January 2014. The current rates on Standing Deposit Facility and Standing Lending Facility as at 30<sup>th</sup> June 2014 are 6.50% and 8.00% respectively.



## Fund Performance

The Net Asset Value per unit of your Fund appreciated by 4.28% during the period, giving an annualized yield of 8.56%p.a. under review.

The Fund generated a net income of Rs 72.81 million and further declared a tax free dividend of Rs 0.45 (45 cents) per unit totaling Rs 114.70 million to the unit holders as of 31st July 2014. 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 7.5% in 2014. Contribution is expected from all sectors with the services and industry expected to contribute significantly. However adverse weather conditions, the prevailing recession in export markets and the volatility in international commodity prices remain a concern.

Interest rates are expected to remain at the current levels or ease down further during the second half of the year, due to high liquidity in the market and low private sector credit growth. The Fund being a Money Market Fund is invested in a mix of Government securities and Corporate Debt within a one year maturity period in accordance with its objectives. The Managers will continue to monitor the interest rate environment and make changes to the investment profile to provide liquidity and regular income for the investor.

*K L Hewage*

Mr K L Hewage

Chairman

August 2014

## **CEYBANK SAVINGSPLUS FUND**

### **Statement of comprehensive income**

(all amounts in Sri Lanka Rupees )

	<b>Period from 1 January to 30 June 2014</b>	<b>Period from 1 January to 30 June 2013</b>
<b>Income</b>		
Net income on financial instruments held at fair value through profit or loss	80,018,104	31,791,561
<b>Total investment income</b>	<b>80,018,104</b>	<b>31,791,561</b>
<b>Expenses</b>		
Management participation	(6,834,829)	(1,894,423)
Bank chargers	(62,850)	(45,634)
Nation Building Tax	(90,287)	(26,993)
Interest Expenses	(203)	(169,450)
Other expenses	(217,268)	(294,245)
	<b>(7,205,437)</b>	<b>(2,430,746)</b>
<b>Net operating profit</b>	<b>72,812,667</b>	<b>29,360,815</b>
<b>Finance costs</b>		
Distributions to unitholders	(63,367,825)	(30,396,464)
<b>Profit after deductions and before tax</b>	<b>9,444,842</b>	<b>(1,035,649)</b>
Income tax expense	(7,290,295)	(2,939,081)
<b>Increase /(Decrease ) in net assets attributable to unitholders</b>	<b>2,154,547</b>	<b>(3,974,729)</b>

## **CEYBANK SAVINGS PLUS FUND**

### **Statement of financial position**

(all amounts in Sri Lanka Rupees)

	<b>30 June</b>	
	<b>2014</b>	<b>2013</b>
<b><u>Assets</u></b>		
Cash and cash equivalents	2,868,387	5,053,547
Receivables	162,798	162,798
Financial assets held at fair valued through profit or loss	2,634,367,364	350,019,769
Tax receivable	5,393,997	2,022,876
<b>Total Assets</b>	<b>2,642,792,546</b>	<b>357,258,990</b>
<b>UNIT HOLDERS' FUNDS AND LIABILITIES</b>		
<b><u>Liabilities</u></b>		
Other payables	1,804,470	403,356
Money Payable on Unit redemption	1,594,927	2,276,196
Borrowings	-	20,035,769
Money Received in Advance	270,000,000	-
<b>Total Liabilities (excluding net assets attributable to unit holders)</b>	<b>273,399,397</b>	<b>22,715,321</b>
<b>Net assets attributable to unit holders – liability</b>	<b>2,369,393,149</b>	<b>334,543,669</b>
<b>Total Unit Holders' funds and Liabilities</b>	<b>2,642,792,546</b>	<b>357,258,990</b>

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

(all amounts in Sri Lanka Rupees)

	<b>30 June</b>	
	<b>2014</b>	<b>2013</b>
<b>Unitholders' funds at beginning of the year</b>	1,214,725,861	395,555,214
Increase/ (Decrease) in net assets attributable to unit holders	2,154,547	(3,974,729)
Received on unit creations	1,439,456,421	183,096,371
Paid on unit redemptions	(286,943,680)	(240,133,187)
<b>Unitholders' funds as at 30th June</b>	<b>2,369,393,149</b>	<b>334,543,669</b>