



# Interim Report

30th June 2013

“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 2013

## REPORT OF THE MANAGER

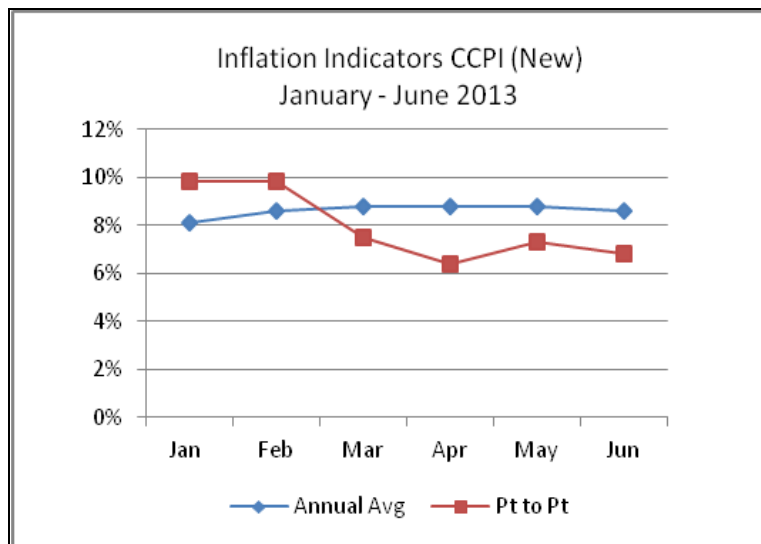
We have great pleasure in presenting the Interim Report and Accounts of the Ceybank Savings Plus Money Market Fund for the period 1<sup>st</sup> January 2013 to 30<sup>th</sup> June 2013.

The Net Asset Value per unit of your Fund appreciated by 6.34% during the period, which included a tax free dividend of Rs 0.80 (80cts per unit) distributed by the Fund. The Fund will continue to distribute dividends in January and July each year.

### Economy

The Sri Lankan Economy recorded a GDP growth of 6% for the 1<sup>st</sup> quarter of 2013. Contribution to the expansion in the first quarter sector wise was seen in Agriculture 2.0%, Industry 10.7% and Services 4.3%.

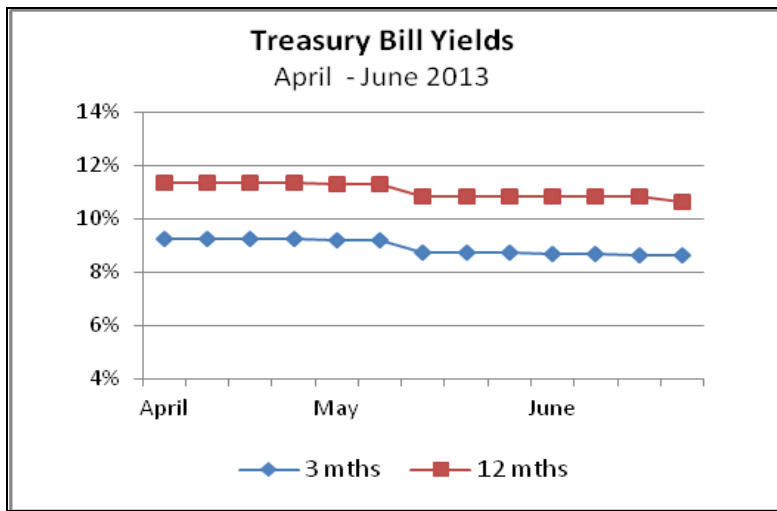
Average Annual Inflation measured by the CCPI (New) which was at 8.1% at the beginning of the year, moved up to 8.8% in May but ended marginally lower at 8.6% in June 2013.



Market interest rates declined gradually during the period. The benchmark 12 month Treasury bill rate which was at 11.38% in January dropped 72 basis points to 10.66% by the end of the period. The long term Treasury bond market continued to be volatile due to foreign investors trading on their holdings. The premium to Treasuries offered on Corporate Debt remained around 3%.

Overnight call money rates moved between 8.00% and 10.00% p.a. The exchange rate which was at 127.96 (Rs/US\$) at the beginning of the year witnessed a gradual depreciation during the period under review. The Rupee was quoted at 130.44 (Rs/ US\$) as at 28<sup>th</sup> June 2013.

Central Bank policy rates were reduced by 50 bps on 10<sup>th</sup> May 2013. The current rates on repo and reverse repo are 7.00% and 9.00% respectively. Additionally the Central bank reduced the statutory reserve ratio for licensed commercial banks by 2 percent from 8% to 6% effective from the 1<sup>st</sup> July 2013.



### ***Fund Performance***

The Net Asset Value per unit of your Fund appreciated by 6.34% during the period under review.

The Fund generated a net income of Rs 29.36 million and declared a tax free dividend of Rs 0.80 (80 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 7.0% in 2013. 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, the volatility in international commodity prices and regional currency markets, remain a concern.

Interest rates are expected to remain at the current levels or move up during the second half of the year, on higher inflation and increased government spending. 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.

SGD

Mr K L Hewage

***Chairman***

September 2013

## CEYBANK SAVINGSPLUS FUND

### Statement of comprehensive income

(all amounts in Sri Lanka Rupees )

	Period from 1 January to 30 June 2013	Period from 1 January to 30 June 2012
<b>Income</b>		
Net income on financial instruments held at fair value through profit or loss	31,791,561	13,782,003
<b>Total investment income</b>	<b>31,791,561</b>	<b>13,782,003</b>
<b>Expenses</b>		
Management participation	(1,894,423)	(995,406)
Bank chargers	(45,634)	(11,900)
Value Added Tax and Nation Building Tax	(26,993)	(118,501)
Interest Expences	(169,450)	Nil
Other expenses	(294,245)	Nil
	<b>(2,430,746)</b>	<b>(1,125,807)</b>
<b>Net operating profit</b>	<b>29,360,815</b>	<b>12,656,196</b>
<b>Finance costs</b>		
Distributions to unitholders	(30,396,464)	(8,589,863)
<b>Profit after deductions and before tax</b>	<b>(1,035,649)</b>	<b>4,066,333</b>
Income tax expense	(2,939,081)	(1,263,584)
<b>(Decrease ) / Increase in net assets attributable to unitholders</b>	<b>(3,974,729)</b>	<b>2,802,749</b>

## CEYBANK SAVINGS PLUS FUND

### Statement of financial position

(all amounts in Sri Lanka Rupees)

	30 June	
	2013	2012
<b><u>Assets</u></b>		
Cash and cash equivalents	5,053,547	1,508,329
Receivables	162,798	162,801
Financial assets held at fair valued through profit or loss	350,019,769	223,712,560
Tax receivable	2,022,876	1,599,345
<b>Total Assets</b>	<b>357,258,990</b>	<b>226,983,035</b>
<b>Unit Holders' Funds and Liabilities</b>		
<b><u>Liabilities</u></b>		
Other payables	403,356	166,504
Money Payable on Unit redemption	2,276,196	1,166,135
Borrowings	20,035,769	Nil
<b>Total Liabilities (excluding net assets attributable to unit holders)</b>	<b>22,715,321</b>	<b>1,332,639</b>
<b>Net assets attributable to unit holders – liability</b>	<b>334,543,669</b>	<b>225,650,396</b>
<b>Total Unit Holders' funds and Liabilities</b>	<b>357,258,990</b>	<b>226,983,035</b>

### Statement of changes in Unitholders' funds

(all amounts in Sri Lanka Rupees)

	30 June	
	2013	2012
<b>Unitholders' funds at beginning of the year</b>	<b>395,555,214</b>	<b>222,840,551</b>
Increase/ (Decrease) in net assets attributable to unit holders	(3,974,729)	2,802,749
Received on unit creations	183,096,371	5,979,664
Paid on unit redemptions	(240,133,187)	(5,972,568)
<b>Unitholders' funds as at 30th June</b>	<b>334,543,669</b>	<b>225,650,396</b>