

## CEYBANK SAVINGS PLUS MONEY MARKET FUND - Interim Report 2011

### REPORT OF THE MANAGER

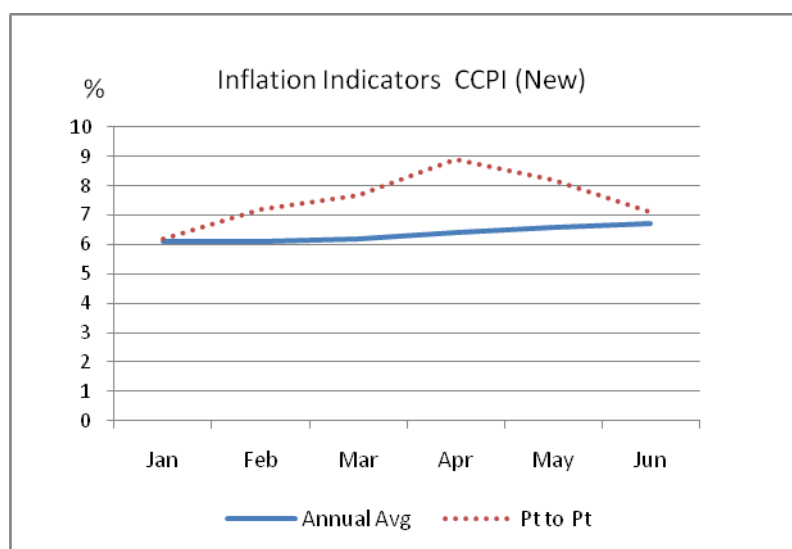
We have great pleasure in presenting the Interim Report and Audited Accounts of the Ceybank Savings Plus Money Market Fund for the period 1<sup>st</sup> January 2011 to 30<sup>th</sup> June 2011.

The Net Asset Value per unit of your Fund appreciated by 3.60% during the period and the Fund distributed a tax free dividend of Rs 0.40 (40cts per unit). The Fund will continue to distribute dividends in January and July each year.

#### Economy

The Sri Lankan Economy recorded a GDP growth of 7.9% for the 1<sup>st</sup> quarter of 2011. Contribution to the expansion in the first quarter sector wise was seen in Agriculture – 5.1%%, Industry 11.1% and Services 9.5%.

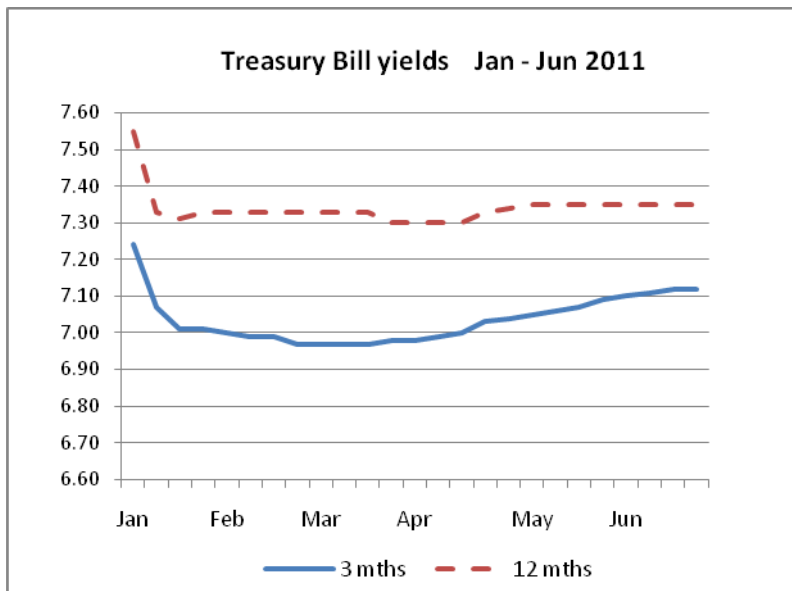
Average Annual Inflation measured by the CCPI (New) increased continuously during the six month period from 6.1% in January to 6.7% in June at the end of June 2011.



Market interest rates remained mostly unchanged. The benchmark 12 month Treasury bill rate which was at 7.55% in January moved down to 7.35% by the end of the period. Long term Treasury bonds too dropped marginally. The premium to Treasuries offered on Corporate Debt remained at the same levels.

Overnight call money rates moved between 7.5% and 8% p.a. The exchange rate which was at 111.14 (Rs/US\$) at the beginning of the year appreciated during the period under review The Rupee was quoted at 109.56 (Rs/ US\$) as at 30<sup>th</sup> June 2011.

Central Bank policy rates were reduced marginally. The Repo rate was reduced by 25 basis points to 7.00% and the Reverse Repo rate reduced by 50 basis points to 8.50% during the period.



## Fund Performance

The Net Asset Value per unit of your Fund appreciated by 3.60% during the period under review.

The Fund generated a net income of Rs 15.46 million and declared tax free dividends totaling Rs 0.40 (40 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 8% in 2011 with increased contribution from all sectors, as the Government continues with the same economic policy. The Agriculture sector, (although a non performer in the first quarter due to adverse weather conditions) is expected to bounce back. Infrastructure projects such as the ports and highways are expected to contribute significantly. However the volatility in international commodity prices remains a concern.

Interest rates are expected to remain low during the second half of the year, as the market remains liquid and inflation is within expected targets. 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.

Mr K L Hewage  
 Chairman  
 12<sup>th</sup> August 2011

**CEYBANK SAVINGS PLUS FUND**  
**MANAGER'S HALF-YEARLY REPORT**

**STATEMENT OF TOTAL RETURN**

[All amounts in Sri Lanka Rupees Millions]

	<b>Six Months Ended 30th June</b>	
	<b>2011</b>	<b>2010</b>
	<b>Rs.</b>	<b>Rs.</b>
Gross income	17.52	7.92
Expenses	(2.06)	(0.73)
<b>Net income before taxation</b>	<b>15.46</b>	<b>7.19</b>
Taxation	0.00	0.00
<b>Net income after taxation</b>	<b>15.46</b>	<b>7.19</b>
Net realised gains/(losses) on sale of investments	0.00	0.00
Net unrealised appreciation/(depreciation) on valuation of investments at market value	(0.11)	0.09
<b>Net gains on investments</b>	<b>(0.11)</b>	<b>0.09</b>
<b>Total earnings</b>	<b>15.35</b>	<b>7.28</b>
<b>Equalisation</b>		
Received on units created	0.01	1.07
Deducted on units redeemed	(1.41)	(0.15)
	(1.40)	0.92
<b>Total return</b>	<b>13.95</b>	<b>8.20</b>
<b>Distributions</b>		
Dividends Paid	(16.06)	(7.15)
<b>Net increase in unitholders' funds</b>	<b>(2.11)</b>	<b>1.05</b>

**STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS**

	<b>Six Months Ended 30th June</b>	
	<b>2011</b>	<b>2010</b>
	<b>Rs</b>	<b>Rs</b>
Net assets at the beginning of the period	425.23	146.08
Movement due to sale and repurchase of units		
Received on creation of units	0.33	21.11
Paid on cancellation of units	(28.26)	(6.34)
	(27.93)	14.77
Net increase in unitholders' funds	(2.11)	1.05
<b>Net assets at the end of the period.</b>	<b>395.19</b>	<b>161.90</b>

**CEYBANK SAVINGS PLUS FUND**  
**MANAGER'S HALF-YEARLY REPORT**

**BALANCE SHEET**

[All amounts in Sri Lanka Rupees Millions]

**As At 30th June**

	<b>2011</b>	<b>2010</b>
	<b>Rs</b>	<b>Rs</b>
<b>Investments</b>		
Investments in Treasury Bills	147.38	38.72
Investments in Commercial Papers	149.98	67.45
	<b>297.36</b>	<b>106.17</b>
<b>Debtors</b>		
Accrued income	6.57	2.18
Other receivables	2.13	0.88
Repurchase agreements	89.20	52.57
Cash and bank balances	8.07	0.38
	<b>105.97</b>	<b>56.01</b>
<b>Creditors: amounts falling due within one year</b>		
Amount payable on ESC	0.00	0.00
Accrued expenses	(8.14)	(0.28)
	<b>(8.14)</b>	<b>(0.28)</b>
<b>Net current assets</b>	<b>97.83</b>	<b>55.73</b>
<b>Net assets</b>	<b>395.19</b>	<b>161.90</b>
<b>Capital account</b>		
Unit capital	375.84	153.86
Net realised Gains/(losses)	0.00	0.00
Net unrealised appreciation/(depreciation)	0.04	0.09
	375.88	153.96
<b>Income account</b>	19.31	7.95
	<b>395.19</b>	<b>161.90</b>