



# CEYBANK GILT-EDGED FUND (A-SERIES)

Interim Report  
30th June 2025

“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 GILT EDGED FUND (A SERIES) - Interim Report 2025

## REPORT OF THE MANAGER

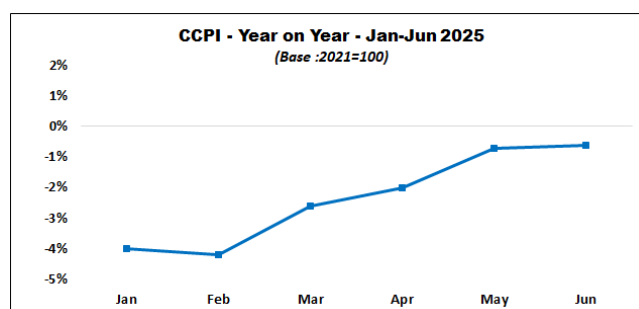
We have great pleasure in presenting the Interim Report and Accounts of the Ceybank Gilt Edged Fund (A Series) for the six-month period ended 30th June 2025.

The Net Asset Value per unit of your Fund appreciated by 3.88% (AER 7.99%) during the period 31st December 2024 to 30th June 2025.

### Economy

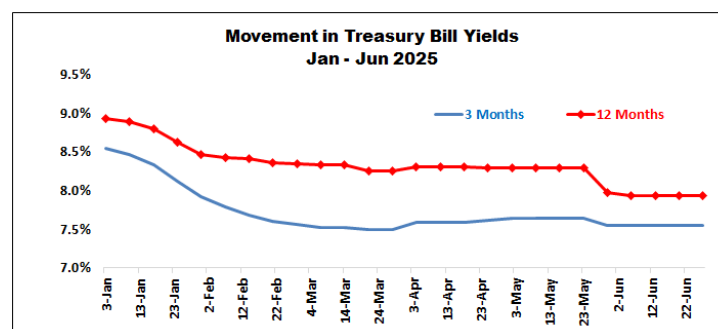
The Sri Lankan economy expanded by 4.8% YoY in the first quarter of 2025, compared to 5.1% YoY in 1Q2024 (base year = 2015), supported by sustainable improvements in macro fundamentals in the economy. Sector-wise, the industry and services sectors recorded YoY growth rates of 9.7% and 2.8%, respectively, while the agriculture sector posted a marginal contraction of 0.7% YoY in 1Q2025.

Year on Year Inflation measured by the CCPI showed a steady easing of deflationary pressures throughout the period, recording a deflation of 0.6% YoY at the end of June 2025, compared to -4.0%YoY in January 2025 (Base: 2021).



Source: Department of Census and Statistics

Following the 25 basis point reduction in the policy rate in May 2025, market interest rates adjusted downward accordingly. The Overnight Policy Rate (OPR) was revised to 7.75%, while the one-year Treasury bill rate declined to 7.94% by end-June 2025, compared to 8.94% at the beginning of January 2025. Long term Treasury bond yields also moved in tandem with the Treasury Bills during this period.



Source: Central Bank of Sri Lanka

Overnight call money rates moved within a band of 7.40% and 8.10% p.a. The exchange rate which was at 293.00 (Rs/USD) at the beginning of the year witnessed a marginal depreciation of 2.38% during the period under review. The Rupee was quoted at 299.96 (Rs/ USD) as at 30th June 2024.

## **Fund Performance**

The Net Asset Value per unit of your Fund appreciated by 3.88% (AER 7.99%) during the period under review.

The Fund generated a net income of Rs 500.35 million during the period under review. The Fund is invested in a mix of Treasury Bills and Repurchase Agreements with different maturities less than a year.

## **Future Outlook**

With the GDP growth recorded in 2024 and 1Q2025 following the crisis-driven contractions in 2023 and 2022, the IMF anticipates Sri Lanka's real GDP to continue its recovery in 2025. This projection is underpinned by ongoing fiscal consolidation and the implementation of critical measures and reforms aimed at restoring macroeconomic stability, ensuring debt sustainability, safeguarding financial stability, and rebuilding external buffers despite prevailing economic vulnerabilities. The Central Bank of Sri Lanka (CBSL) projects a GDP growth rate of at least 5% YoY in year 2025.

In the midst of continued political stability, policy consistency, and the strengthening of macroeconomic fundamentals, it is essential for policymakers to remain vigilant and proactive. Enhancing the investment climate and improving state-owned enterprise (SOE) efficiency will be vital to meeting reform targets within the stipulated timeline under the IMF program. Achieving these milestones will help establish the permanent structural reforms necessary to build a sustainable, resilient, and robust economy. Moreover, it would mitigate risks stemming from macroeconomic vulnerabilities particularly fiscal slippage and the depletion of foreign reserves while paving the way for improved sovereign credit ratings and attracting significant foreign direct investments (FDIs) into the country.

However, the escalation of the Israel-Iran conflict and broader tensions in the Middle East could pose significant external risks. These geopolitical developments may negatively affect key sectors such as FDI inflows, tourism earnings, and workers' remittances. Additionally, heightened volatility in global crude oil and commodity prices could strain the country's balance of payments and exchange rate, leading to potential imbalances in key macroeconomic indicators. Such disruptions could also impact supply chains, contribute to rising inflation, and exert upward pressure on domestic interest rates.

The Fund being a Gilt-Edged Fund is invested in a mix of Government Securities 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 while maximizing returns for the investors.

Sgd  
Kanchana Karannagoda  
Senior Fund Manager  
August 2025

**CEYBANK GILT-EDGED FUND (A-SERIES)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 06 MONTHS PERIOD ENDED 30 JUNE 2025**  
(All amounts in Sri Lanka Rupees)

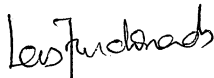
	Note	Period from 1 January to 30 June 2025	Period from 1 January to 30 June 2024
<b>Income</b>			
Net income on financial Assets	1	500,359,876	823,955,613
<b>Total investment income</b>		<b>500,359,876</b>	<b>823,955,613</b>
Operating Expenses	2	(47,411,060)	(56,455,826)
Net realized capital gain on fixed income		58,179	(455,934)
		<b>(47,352,881)</b>	<b>(56,911,760)</b>
<b>Operating profit before tax</b>		<b>453,006,995</b>	<b>767,043,853</b>
Income tax expense		-	-
<b>Increase in net assets attributable to unitholders</b>		<b>453,006,995</b>	<b>767,043,853</b>


**CEYBANK GILT-EDGED FUND (A-SERIES)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2025**  
**(All amounts in Sri Lanka Rupees)**

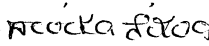
		30 June	
		2025	2024
<b><u>Assets</u></b>			
Cash and cash equivalents		1,225,071,477	23,528,946
Financial assets at amortized cost	3	9,846,673,965	17,455,993,975
<b>Total Assets</b>		<b>11,071,745,442</b>	<b>17,479,522,921</b>

**UNITHOLDERS' FUNDS AND LIABILITIES**

<b><u>Liabilities</u></b>			
Other payables	4	1,234,553,056	48,172,604
<b>Total Liabilities (excluding net assets attributable to unitholders)</b>		<b>1,234,553,056</b>	<b>48,172,604</b>
Net assets attributable to unitholders's funds		9,837,192,386	17,431,350,317
<b>Total Unitholders' funds and Liabilities</b>		<b>11,071,745,442</b>	<b>17,479,522,921</b>

  
 .....  
**Director**  
 Ceybank Asset Management LTD  
 Fund Management Company

  
 .....  
**Director**  
 Ceybank Asset Management LTD  
 Fund Management Company

  
 .....  
**Trustee**  
 National Savings Bank

**CEYBANK GILT-EDGED FUND (A-SERIES)**  
**STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS**  
**AS AT 30 JUNE 2025**  
 (All amounts in Sri Lanka Rupees)

	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
<b>Unitholders' funds at beginning of the year</b>	13,506,882,834	9,825,538,636
Increase in net assets attributable to unitholders	453,006,995	767,043,853
Received on unit creations	12,580,451,731	14,575,646,273
Paid on unit redemptions	(16,703,149,174)	(7,736,878,445)
<b>Unitholders' funds as at 30<sup>th</sup> June</b>	<b>9,837,192,386</b>	<b>17,431,350,317</b>

**CEYBANK GILT-EDGED FUND (A-SERIES)**  
**STATEMENT OF CASH FLOW**  
**FOR THE 06 MONTHS PERIOD ENDED 30 JUNE 2025**  
(All amounts in Sri Lanka Rupees )

	Period from 1 January to 30 June 2025 Rs.	Period from 1 January to 30 June 2024 Rs.
<b>Net Profit Before Taxation</b>	453,006,995	767,043,853
<b>Cash flows from operating activities</b>		
Net Investments in Repurchase Agreements	(2,646,159,852)	(3,235,172,398)
Net Investments in Treasury Bills	6,206,059,357	(4,268,173,086)
Net Investments in Government Bonds	104,660,639	(108,226,304)
Other Payable	1,215,865,465	3,667,085
<b>Net cash inflows / (outflows) from operating activities</b>	<b>5,333,432,604</b>	<b>(6,840,860,850)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	12,580,451,731	14,575,646,273
Payments on redemption of units	(16,703,149,174)	(7,736,878,445)
<b>Net cash (outflows) / inflows from financing activities</b>	<b>(4,122,697,443)</b>	<b>6,838,767,828</b>
<b>Net decrease in cash and cash equivalents</b>	<b>1,210,735,161</b>	<b>(2,093,022)</b>
Cash and cash equivalents at the beginning of the year	14,336,316	25,621,968
Net decrease in cash and cash equivalents	1,210,735,161	(2,093,022)
<b>Cash and cash equivalents at the end of the 06 month Period</b>	<b>1,225,071,477</b>	<b>23,528,946</b>



**CEYBANK GILT-EDGED FUND (A-SERIES)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 06 MONTHS PERIOD ENDED 30 JUNE 2025**  
(All amounts in Sri Lanka Rupees )

	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
<b><u>1. Net income on financial Assets</u></b>		
	<b>Rs.</b>	<b>Rs.</b>
Interest on Reverse Repo Agreement	188,079,646	86,369,042
Interest on Treasury Bills	307,956,867	735,719,713
Interest on Government Bonds	4,323,363	1,866,858
Miscellaneous	-	-
	<b><u>500,359,876</u></b>	<b><u>823,955,613</u></b>
<b><u>2. Operating Expenses</u></b>		
Management Fee	35,268,180	41,030,212
VAT Expenses	7,053,645	8,407,417
Miscellaneous Expenses	771,981	826,405
Custodian Fees	2,939,063	3,418,250
Bank Charges	393,190	897,050
Interest Expenses	5,328	589,147
Social Security Levy Fee	979,673	1,287,345
	<b><u>47,411,060</u></b>	<b><u>56,455,826</u></b>
<b><u>3. Financial assets at Amortized Cost</u></b>		
Reverse Repurchase Agreements	6,286,159,489	3,250,180,434
Treasury Bills	3,560,514,476	14,097,587,237
Government Bonds	-	108,226,304
	<b><u>9,846,673,965</u></b>	<b><u>17,455,993,975</u></b>
<b><u>4. Other payables</u></b>		
Payable To Management Company	627,586	375,241
Management & Trustee Fee	6,505,696	9,627,328
Custodian Fee	2,301,668	2,249,964
Amount Payable on Unit Redemption	1,225,118,106	35,920,071
	<b><u>1,234,553,056</u></b>	<b><u>48,172,604</u></b>