

# CEYBANK UNIT TRUST FUND

## ANNUAL REPORT 2024/2025

Managed By



“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 remains at all times responsible for the specific details set out in the Annual Report.”

## CONTENTS

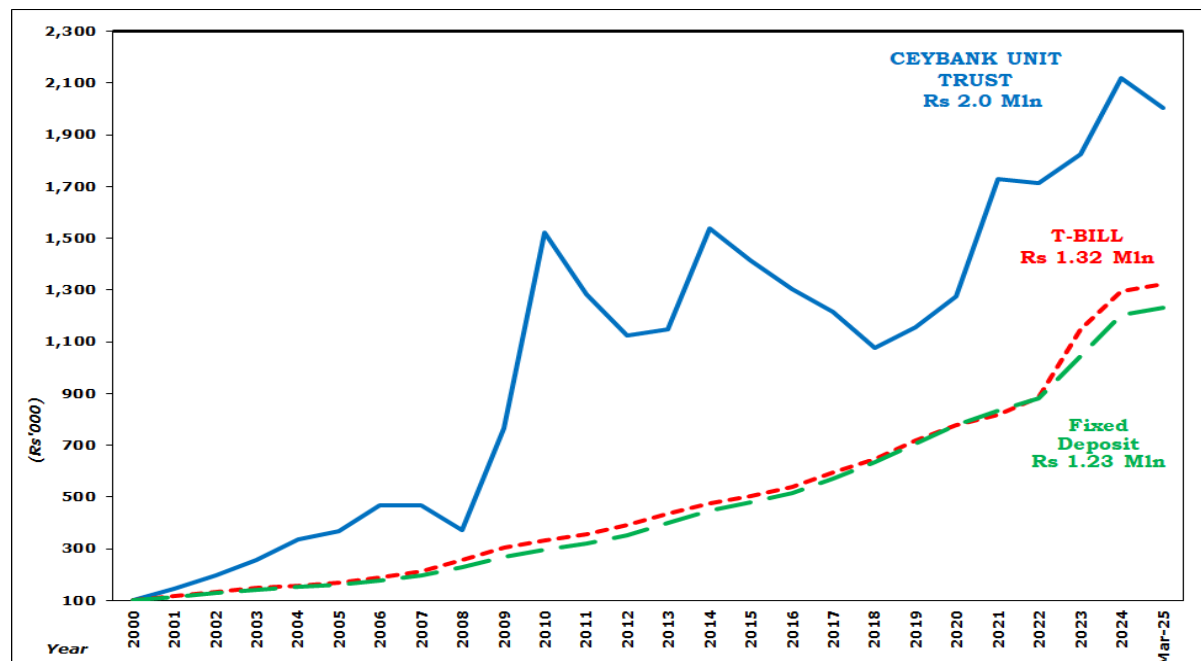
Performance Highlights	1
Corporate Information	2
Report of the Manager	3
Independent Auditor's Report	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Unit holders Funds	7
Statement of Cash Flow	8
Notes to the Financial Statements	9
Management Team	10
Declaration by Trustee and Managing Company	11

# CEYBANK UNIT TRUST FUND

## ANNUAL REPORT-2024/2025

### PERFORMANCE HIGHLIGHTS

The Growth in Value of Rs. 100,000/- invested in the Ceybank Unit Trust Fund  
(adjusted for dividends) Vs Treasury Bills & Fixed Deposits  
(For the period 29-12-2000 to 31-03-2025)

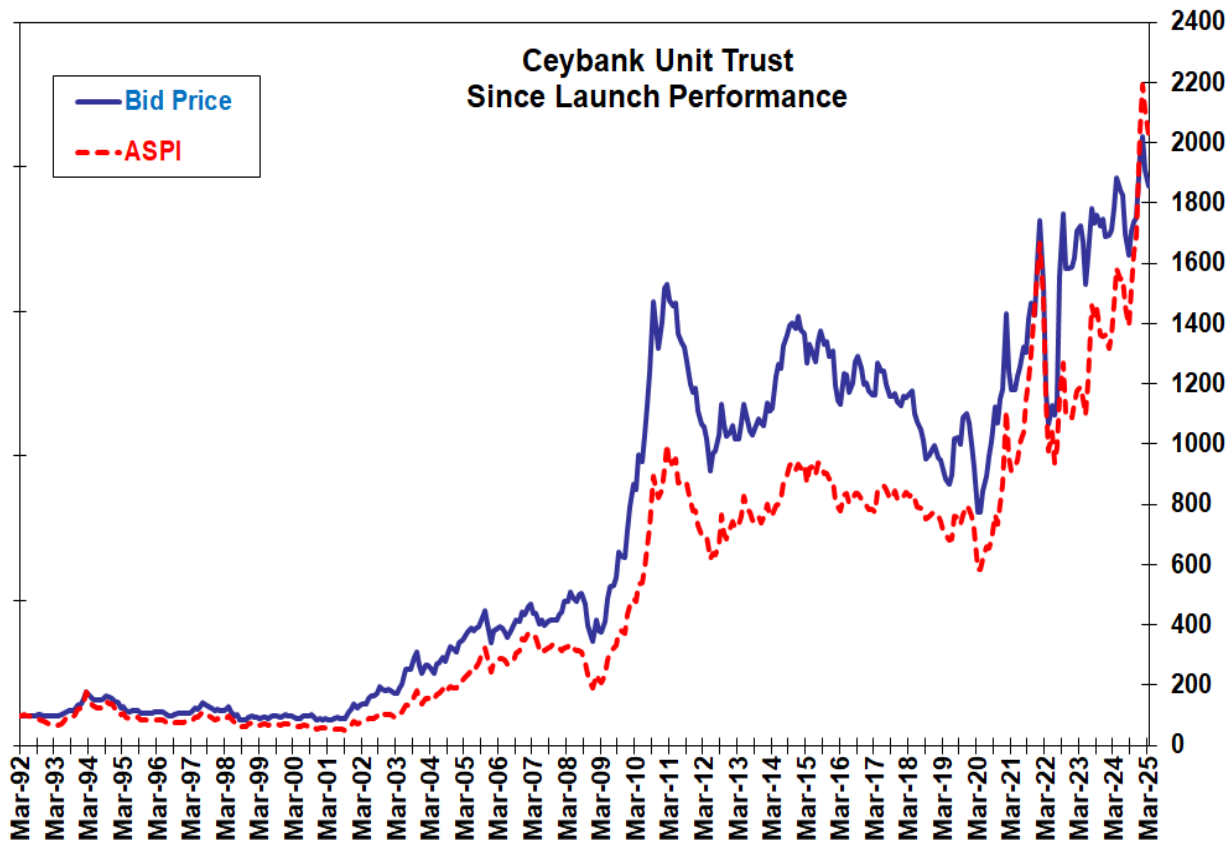


\* Treasury Bill - 1 Year WAR  
Fixed Deposit - AWFDR

Y/E Dec	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Mar-25
CUT Value (Rs'000)	100	146	198	258	335	369	468	469	372	768	1,524	1,284	1,123	1,149	1,538	1,415	1,302	1,215	1,077	1,158	1,276	1,728	1,712	1,826	2,121	2,005

**CEYBANK UNIT TRUST FUND**  
**ANNUAL REPORT-2024/2025**  
**PERFORMANCE HIGHLIGHTS**

**CEYBANK UNIT TRUST**  
**Annual Report and Accounts 2024/2025**  
**PERFORMANCE HIGHLIGHTS**



*Performance is based on Time Weighted Monthly Returns*

**CEYBANK UNIT TRUST FUND  
ANNUAL REPORT-2024/2025  
CORPORATE INFORMATION**

**FUND MANAGERS & REGISTRAR**

Ceybank Asset Management Ltd  
Reg. No PV 3326  
No 85, York Street, Colombo -1  
Tel : 011- 760 2000-2, Fax : 011- 2327203  
E.mail : [info@ceybank.com](mailto:info@ceybank.com)  
Web: [www.ceybank.com](http://www.ceybank.com)

**TRUSTEE**

National Savings Bank  
Savings House, 255, Galle Road  
Colombo 03

**DIRECTORS OF THE  
MANAGEMENT COMPANY**

Mr. A.C.M. Fernando  
Chairman

Mr. I. Ferdinands  
CEO/Executive Director

Mr. G.A. Jayashantha  
(Nominee - Bank of Ceylon)

Mr. R. M. N. Jeewantha  
(Nominee - Bank of Ceylon)

Ms.V. Govindan (Resigned on 27th September 2024  
(Nominee - Unit Trust of India)

Ms. S.Kulasinghe  
(Nominee - Sri Lanka Insurance)

Mr. A.D. Perera  
(Nominee - Sri Lanka Insurance)

**AUDITORS**

Kreston Sri Lanka  
Chartered Accountants

**TAX CONSULTANTS**

Ernst & Young  
Chartered Accountants

**BANKERS & CUSTODIAN**

Bank of Ceylon

**LAWYERS**

F. J. & G. De Saram  
Attorneys –at-Law

Nithya Partners  
Attorneys –at-Law

# CEYBANK UNIT TRUST FUND

## Annual Report & Accounts 2024/2025

### REPORT OF THE MANAGER

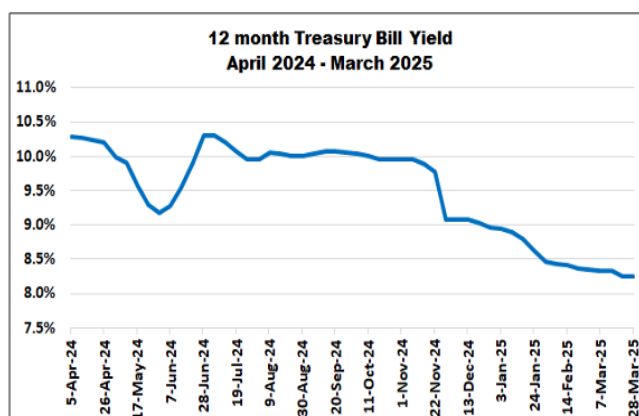
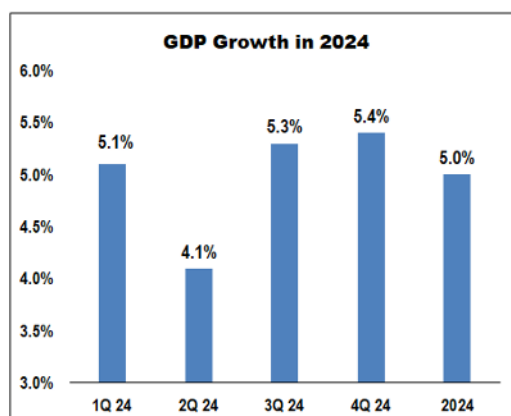
We have great pleasure in presenting the Annual Report and Audited Accounts of Ceybank Unit Trust Fund for the year ended 31st March 2025.

The growth momentum in the economy continued during the period, supported by post-election political stability, policy consistency, and the sustainable development of macroeconomic fundamentals. Overall, the Colombo Bourse also experienced positive momentum in share trading, despite prevailing market volatility. As a result, the All Share Price Index (ASPI) and S&P SL20 gained by 38.19% and 42.71%, respectively, with the ASPI closing at 15,814.82 and the S&P SL20 at 4,734.72 as of 31st March 2025. During the same period, the Net Asset Value (NAV) per unit of your Fund appreciated by 4.24%, reaching Rs. 36.39 as at 31st March 2025.

### Economy

The Sri Lankan economy expanded by 5% YoY in 2024, recovering from a 2.3% contraction in 2023. Sector-wise, the industry sector recorded a robust growth of 11%, while the agriculture and services sectors posted marginal gains of 1.2% and 2.4%, respectively, during 2024.

Headline inflation (CCPI, 2021=100), showed a decelerating trend throughout the period, recording a deflation of 2.6% YoY at the end of March 2025, compared to the inflation of 1.5%YoY in April 2024. This was primarily due to significant downward adjustments in energy prices and the implementation of price controls.



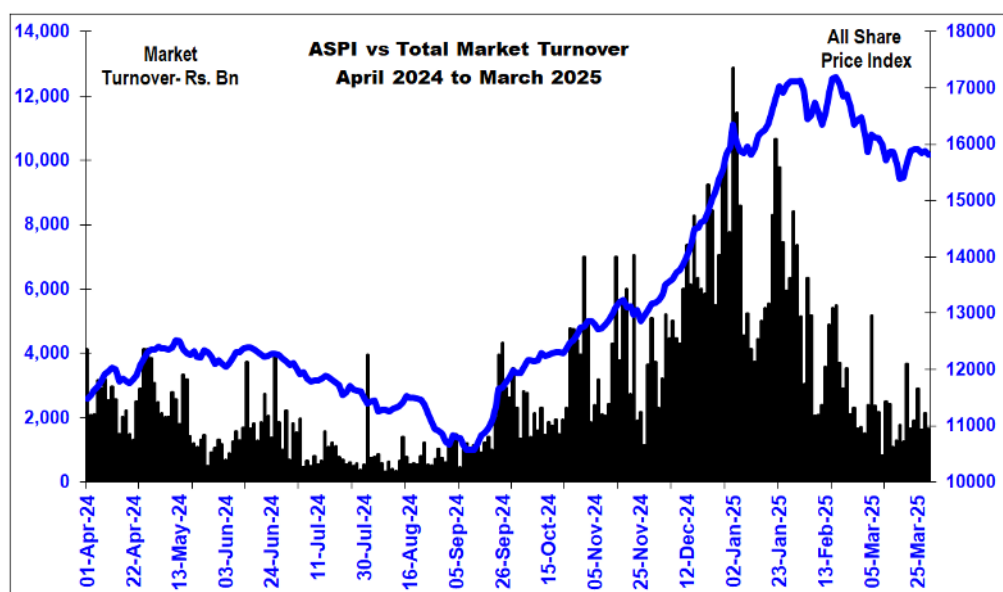
Market interest rates adjusted downward during the period. The benchmark 12-month Treasury bill rate, which stood at 10.28% p.a. in April 2024, declined by 203 basis points to 8.25% p.a. by the end of March 2025. Yields on long-term Treasury bonds also moved in tandem with this downward trend.

Overnight call money rates traded within a range of 7.60% to 9.00% p.a. during the period. The exchange rate, which was at Rs. 300.41 (Rs/ USD) at the beginning of April 2024, appreciated marginally by 1.35% over the period, reaching Rs. 296.35 (Rs/USD) as at 31st March 2025.

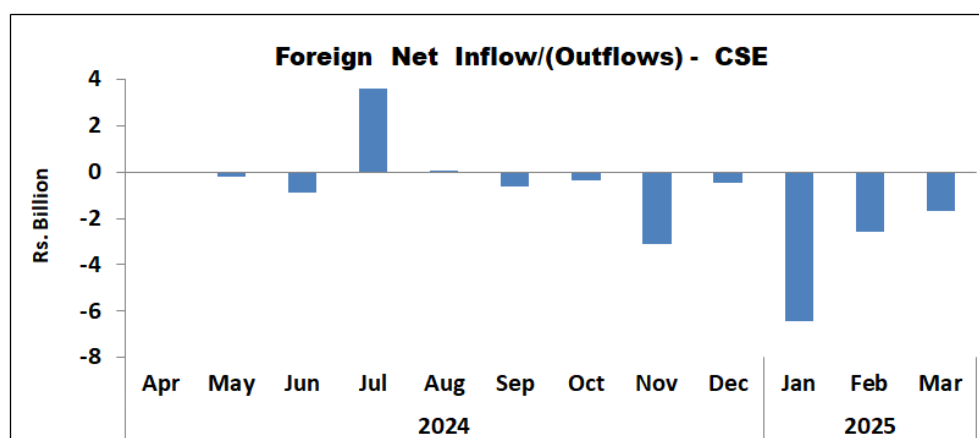
Effective from 27 November 2024, the Central Bank of Sri Lanka introduced a single policy interest rate mechanism, replacing the previous dual policy rate system of SDFR and SLFR. The new primary monetary policy tool, the Overnight Policy Rate (OPR), was set at 8%. Going forward, the OPR will serve as the key instrument guiding market interest rates.

## Capital Market Performance

Despite the bearish momentum that prevailed from May to mid-September 2024, driven by uncertainties surrounding the finalization of the foreign debt restructuring process and policy inconsistency ahead of the presidential election, the Colombo Bourse experienced bullish investor sentiment throughout the remainder of the year 2024. This was supported by declining returns on fixed-income securities (FIS), robust corporate earnings, attractive market valuations, the upgrading of Sri Lanka's sovereign credit ratings, as well as improved political stability, policy consistency, and the successful completion of debt restructuring, all underpinned by a steady recovery in key economic indicators. During the first quarter of 2025, the equity market exhibited mixed sentiment. Foreign investors realized equity gains amid the appreciation of the rupee, while local investors responded to the lifting of vehicle import restrictions by redirecting funds from equities toward vehicle imports.



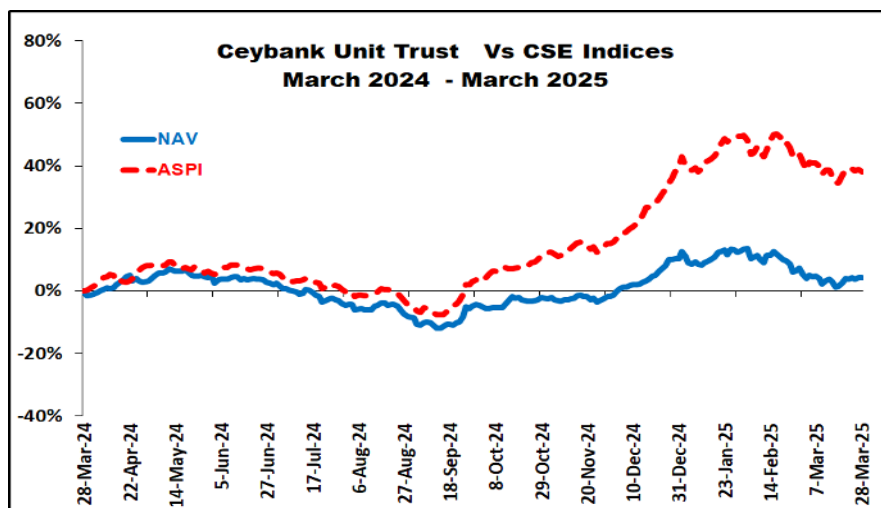
Foreign investors remained net sellers in the Colombo Stock Exchange (CSE) during the period from April 2024 to March 2025, recording net outflows of approximately Rs. 12.70 billion, despite attractive valuations and visible signs of economic recovery in Sri Lanka. The average daily turnover during the period was Rs 2,916 million.



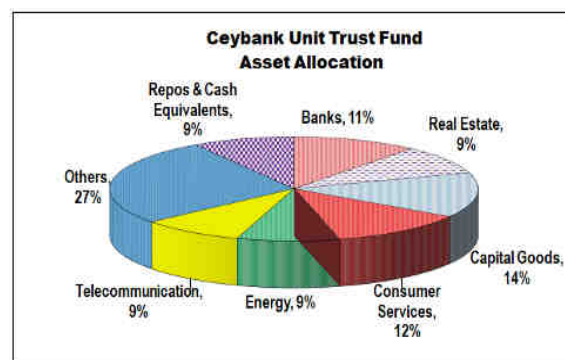
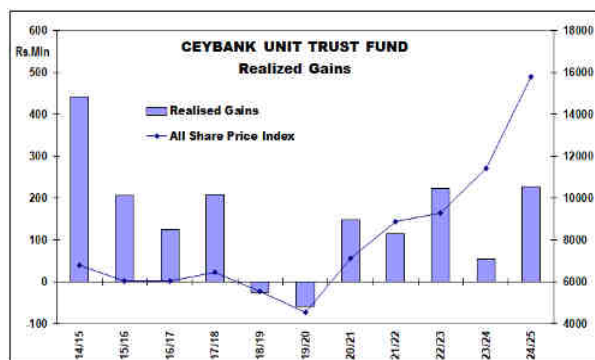


## Fund Performance

During the period under review, the NAV per unit of the Fund appreciated by 4.24%, compared to the ASPI, which recorded a gain of 38.19%. The Fund's relatively low allocation of 3.49% to the Banking sector, compared to the market allocation of 10.48% as at end March 2024, contributed to its underperformance against the ASPI, as the sector played a significant role in driving the index's growth. As at 31st March 2025, the Fund's total net assets stood at Rs. 5,691 million, with banking sector exposure increasing to 10.83% of NAV, aligning more closely with the broader market.



Interest income of the Fund dropped by 54%, falling to Rs. 68.01 million from Rs. 146.67 million, reflecting the impact of declining market interest rates during the period. In contrast, dividend income increased by 61%, rising to Rs. 131.44 million compared to Rs. 81.43 million in the previous year supported by the strong earnings reported by listed companies.



Capitalizing on opportunities in the thriving market, the Fund realized capital gains of Rs. 233.18 million during the financial year through the sale of equity investments. Operating expenses increased to Rs. 146.89 million from Rs. 119.72 million over the period. The NAV of the portfolio expanded to Rs 5,656 million as at 31st March 2025 from Rs 5,513 million in March 2024.

Your Fund investments are diversified widely across fundamentally strong stocks, with a medium to long term outlook, in Capital Goods, Consumer services, Banks, Telecommunication, Energy and Real Estate, etc. as depicted in the chart.

## **Future Outlook**

With robust GDP growth recorded in 2024 following the crisis-driven contractions of 2.3% YoY in 2023 and 7.3% YoY in 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. Additionally, the Central Bank of Sri Lanka (CBSL) projects a GDP growth rate of at least 5% in 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 investment (FDI), especially into the equity market, which currently benefits from attractive trading multiples. Additionally, the prevailing low yields in FIS may encourage local investors to shift toward equities, further strengthening investor confidence in the context of ongoing macroeconomic reforms.

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. These conditions may dampen investor sentiment and contribute to a bearish outlook in the equity market.

The Managers will continue to closely monitor the evolving economic environment and make timely adjustments to the Fund's asset allocation as necessary to achieve its investment objectives. We anticipate that selected sectors and companies in the equity market will benefit from the macroeconomic reforms being implemented. Accordingly, we will remain focused on identifying value opportunities in specific sectors and counters, and will adjust the Fund's portfolio proactively in response to market volatility.

## **Management**

We would like to thank our valued unit holders for the confidence placed in us. We are confident of providing a consistent return to the unit holders who remain in the Fund in the medium to long term. We also place on record our appreciation for the support and co-operation received from the Securities and Exchange Commission of Sri Lanka, Colombo Stock Exchange, the Trustee National Savings Bank and Custodian Bank of Ceylon.

Our sincere appreciation is also due to the stakeholders, the Chairman and Board of Directors for their guidance. Our achievements would not have been possible without the skills and commitment of the Management Team. We thank them for their contribution and dedication throughout the year and look forward to their support in the future.

Kanchana Karannagoda  
**Senior Fund Manager**  
July 2025

*Our Ref: 3751/A1545/ST/NA/NA*

*FINANCIAL STATEMENTS OF*

*CEYBANK UNIT TRUST FUND*

*FOR THE YEAR ENDED*

*31<sup>ST</sup> MARCH 2025*

**INDEPENDENT AUDITOR'S REPORT****TO THE UNIT HOLDERS OF CEYBANK UNIT TRUST FUND****Report on the Audit of the Financial Statements****Opinion**

We have audited the Financial Statements of **CEYBANK UNIT TRUST FUND** (the Fund) which comprise the Statement of Financial Position as at 31<sup>st</sup> March 2025, and the Statement of Comprehensive Income, Statement of Movement in unit holders' Fund and Statement of Cash Flows for the year then ended 31<sup>st</sup> March 2025, and notes to the Financial Statements, including material accounting policy information exhibited on pages 3 to 30.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31<sup>st</sup> March 2025, and of its financial performance and its cash flows for the year then ended 31<sup>st</sup> March 2025 in accordance with Sri Lanka Accounting Standards.

**Basis for Opinion**

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management and the Trustee of the fund are responsible for the preparation and fair presentation of Financial Statements in accordance with Sri Lanka Accounting Standards and for such internal control as management and trustee determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

**Member of Kreston Global UK****Correspondent firm within Grant Thornton International Ltd. (Grant Thornton International)**

Grant Thornton International and the member and correspondent firms are not a worldwide partnership.

**Partners**

S Rajanathan FCA, FCMA (UK) | N K Atukorala FCA, ACMA | Ms. H D S C A Tillekeratne FCA, ACCA (UK), ACMA | K I Skandadasan B.Sc. (Madras), FCA, ACMA | R L R Balasingham FCA, ACCA (UK), ACMA | N K G V Bandara B.Sc.(Acc) Sp, FCA, ACCA (UK), ACMA | Ms.S. Sawumiya BBA (Acc) Sp, FCA, ACCA (UK) | P. Dharshan ACA, ACCA (UK), | M.F.M. Mujahid BBA (Col), MBA (PIM-SJP), FCA, CISA, ACCA (UK)

**Branches**

Anuradhapura, Badulla, Batticaloa, Hatton, Jaffna, Kandy, Negombo, Nuwara Eliya, Trincomalee



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an Audit in accordance with Sri Lanka Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

The Financial Statements are prepared and presented in accordance with and comply with the requirements of the Unit Trust Deed and Collective Investment Scheme Code of 2022 set by the Securities and Exchange Commission of Sri Lanka.

Kreston MNS & Co  
**CHARTERED ACCOUNTANTS**  
**COLOMBO**  
**9<sup>TH</sup> JULY 2025**  
**ST/T/sk**  
 ST-Ceybank Unit Trust Fund (2025)-C9



**STATEMENT OF FINANCIAL POSITION**  
(all amounts in Sri Lanka Rupees thousands)

FOR THE YEAR ENDED

31.03.2025

31.03.2024

	Note		
<b>ASSETS</b>			
Cash and Cash Equivalents	3	732	2,996
Other Receivables	4	8,589	-
Financial Assets - fair value through profit or loss	5	5,214,430	5,441,032
Financial Assets measured at amortised cost	6	468,030	101,258
Tax Receivable	7	-	-
<b>TOTAL ASSETS</b>		<b>5,691,781</b>	<b>5,545,286</b>
<b>UNIT HOLDERS' FUNDS &amp; LIABILITIES</b>			
<b>LIABILITIES</b>			
Payables	8	35,195	32,139
Amount payable on unit redemption		-	8
<b>Total Liabilities (Excluding net assets attributable to Unit Holders)</b>		<b>35,195</b>	<b>32,147</b>
<b>UNIT HOLDERS' FUNDS</b>			
Net assets attributable to unitholders	9	5,656,586	5,513,139
<b>Total Unit Holders' Funds &amp; Liabilities</b>		<b>5,691,781</b>	<b>5,545,286</b>

The accounting policies and notes from 7 to 30 form an integral part of these financial statements.

The fund management company and trustee are responsible for the preparation and presentation of these financial statements in accordance with the Sri Lanka Accounting Standards.

The Financial Statements comply with the requirements of the trust deed and were approved by the fund management company on 4th July 2025 and the trustee on 7th July 2025.

  
Director  
Ceybank Asset Management Ltd.

Fund Management Company

  
Director  
Ceybank Asset Management Ltd.

Fund Management Company

  
Trustee  
National Savings Bank





**STATEMENT OF COMPREHENSIVE INCOME**  
(all amounts in Sri Lanka Rupees thousands)

## FOR THE YEAR ENDED

	Note	31.03.2025	31.03.2024
<b>Investment Income</b>			
Dividend Income		131,449	81,433
Interest Income	10	68,018	146,679
Net realized gain on financial assets held at fair value through profit or loss	11	233,186	54,267
Net change in unrealized gain/ (loss) on financial assets held at fair value through profit or loss	12	(55,193)	(2,191)
Other Income		-	11,655
<b>Total Investment Income</b>		377,460	291,843
<b>Expenses</b>			
Management Fee		(91,358)	(87,829)
Trustee and Custodian Fee		(18,548)	(17,832)
Audit Fee		(348)	(303)
Transaction Cost		(11,926)	(2,657)
Other Expenses		(24,716)	(11,105)
<b>Total Expenses</b>		(146,896)	(119,726)
<b>Net Operating Profit before Taxation</b>		230,564	172,117
Income Tax Expense		-	-
<b>Profit for the year</b>		230,564	172,117
Other Comprehensive Income		-	-
<b>Increase in net assets attributable to unitholders</b>		230,564	172,117

The accounting policies and notes from 7 to 30 form an integral part of these financial statements.



**STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS**  
**(all amounts in Sri Lanka Rupees thousands)**

<b>FOR THE YEAR ENDED</b>	<b>31.03.2025</b>	<b>31.03.2024</b>
<b>Unitholders' Funds as at 1 April</b>	5,513,139	5,374,889
Profit for the year	230,564	172,117
Creation of Units	15,085	2,087
Redemption of Units	(102,202)	(35,954)
<b>Unitholders' Funds as at 31 March</b>	<u>5,656,586</u>	<u>5,513,139</u>

The accounting policies and notes from 7 to 30 form an integral part of these financial statements.





**STATEMENT OF CASH FLOWS**

(all amounts in Sri Lanka Rupees thousands)

**FOR THE YEAR ENDED**

	Note	31.03.2025	31.03.2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Dividends received		119,672	88,141
Net Interest received	10	71,706	156,412
Management Fees and Trustee Fees Paid		(106,896)	(101,279)
Operating Expenses Paid		(16,654)	(4,282)
VAT Paid		(20,291)	(7,153)
Investment in Equity Shares		(684,433)	(158,317)
Proceeds from Sale of Equity Shares		490,351	106,241
Net Investments in Repurchase Agreements		(159,000)	(54,000)
Net Investments in Commercial Paper		(200,000)	-
Net Investments in Treasury Bills		590,406	8,030
Miscellaneous Receipts		-	669
<b>Net cash used in Operating Activities</b>		<b>84,861</b>	<b>34,462</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of Units	9	15,085	2,087
Payments on redemptions of Units		(102,210)	(36,003)
<b>Net cash generated from Financing Activities</b>		<b>(87,125)</b>	<b>(33,916)</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents during the year</b>		<b>(2,264)</b>	<b>546</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	3	<b>2,996</b>	<b>2,450</b>
<b>Cash and Cash Equivalents at the end of the year</b>	3	<b>732</b>	<b>2,996</b>

The accounting policies and notes from 7 to 30 form an integral part of these financial statements.



**NOTES TO FINANCIAL STATEMENTS**

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

**NOTE 1 - GENERAL INFORMATION****NOTE 1.1 - GENERAL**

Ceybank Unit Trust Fund is an income and growth fund, which was launched in March 1992 by Ceybank Asset Management Ltd, with the objective of providing capital growth in terms of appreciation of the unit price whilst striving to provide a regular stream of dividends to the investors possibly on an annual basis. The fund would be invested in a mix of equity and fixed income securities with a view to balancing the risk assumed by the unitholders by investing primarily in listed equity. The registered office of the Management Company is located at 85, York Street, Colombo 1. The Trustee of the fund is National Savings Bank, No.255, Galle Road, Colombo 03.

**NOTE 1.2 - DATE OF AUTHORIZATION FOR ISSUE**

The financial statements of the fund for the year ended 31 March 2025 were authorized for issue by the fund management Company 4<sup>th</sup> July 2025 and Trustee on 7<sup>th</sup> July 2025.

**NOTE 2 - PREPARATION OF FINANCIAL STATEMENTS****NOTE 2.1 - BASIS OF PREPARATION**

The financial statements are prepared and presented in accordance with and comply with the relevant Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. The statement of financial position is presented on a liquidity basis and assets and liabilities are presented in decreasing order of liquidity and are not distinguished between the current and non-current. The financial statements have been prepared on the historical cost basis unless otherwise indicated. The financial statements are presented in Sri Lankan rupees (Rs.).

**NOTE 2.1.1 - STATEMENT OF COMPLIANCE**

The financial statements which comprise the statement of financial position as at 31 March 2025, statement of profit or loss and other comprehensive income, statement of movements in unit holders' funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information have been prepared and presented in accordance with Sri Lanka Accounting Standards.

**NOTE 2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

In the selection and application of the company's accounting policies, which are described below, the fund management company is required to make judgements and assumptions and use assumptions in measuring items reported in the financial statements. These estimates are based on management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates were revised if the revision affects only that period or in the period of the revision and future periods as well, if the revision affects both the current and future periods.

Management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value.

Fair value of the financial instruments are determined by observable market prices or rates where available.



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

**NOTE 2.3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**NOTE 2.3.1 - FINANCIAL ASSETS****(i) Recognition and initial measurement**

All financial assets are initially recognized on the date the fund becomes a party to the contractual provisions of the instrument. This includes purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

**(ii) Classification**

On initial recognition, a financial asset is classified as measured at: Amortised Cost, FVTPL or FVTOCI.

Financial assets are not reclassified subsequent to their initial recognition unless the fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The fund's financial assets classified under amortised cost include treasury securities.

A financial asset is measured at FVTOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost in or at fair value through other comprehensive income. However, the Fund has made an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

## NOTE 2.3.1 - FINANCIAL ASSETS (CONTD.)

## (iii) Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVTOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment are recognised in profit or loss. The changes in fair value of FVOCI debt instruments are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

## NOTE 2.3.2 - FINANCIAL LIABILITIES – CLASSIFICATION, SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities measured at amortised cost include accrued expenses and other payables.

## NOTE 2.3.3 - DERECOGNITION

## Financial Assets

The fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The fund enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

## Financial Liabilities

The fund derecognises a financial liability when its contractual obligations is discharged or cancelled, or expires. The fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.





**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

**NOTE 2.3.4 - OFFSETTING OF FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**NOTE 2.3.5 - IMPAIRMENT**

The fund recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The fund measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the fund is exposed to credit risk.

**Credit-impaired financial assets**

At each reporting date, the fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data: –

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the company on terms that it would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization.

As of the statement of financial position date the fund has not observed any of the above thus no impairment provision has been recognized in the financial statements.

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Write-offs**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

**NOTE 2.3.6 - RECOGNITION OF INCOME**

Income is recognized to the extent that it is probable that the economic benefits will flow to the fund and the revenue can be reliably measured. The following specific criteria must also be met before income is recognised.

**(i) Interest income**

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

**(ii) Dividend income**

Income is recognized when the right to receive the dividend is established, normally being the ex-dividend date.

**(iii) Unrealised gains / (losses) on financial assets held at fair value through profit or loss**

Unrealised gains / (losses) on financial assets held at fair value through profit or loss includes all gains and losses arise from changes in fair value of financial assets held at fair value through profit or loss" as at the reporting date.

**(iv) Realised gains / (losses) on financial assets held at fair value through profit or loss**

Realised gains / (losses) on financial assets held at fair value through profit or loss includes results of buying and selling of quoted equity securities.

**NOTE 2.3.7 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the statement of financial position comprise of cash at bank. The cash flow statement has been prepared using the direct method.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**NOTE 2.3.8 - INCOME TAX**

The fund is not liable to pay income tax as at the reporting date in accordance with Inland Revenue Act No. 24 of 2017 as amended by the Inland Revenue (Amendment) Act No. 10 of 2021. The fund's income generated through investment business are treated as "pass through vehicles" under the provisions of Inland Revenue Act No. 24 of 2017 as amended by the Inland Revenue (Amendment) Act No. 10 of 2021.

**NOTE 2.3.9 - EXPENSES**

The management, trustee and custodian fees of the fund is as follows,

Management fee	-	1.65% p.a. of net asset value of the fund
Trustee fee	-	0.25% p.a. of net asset value of the fund
Custodian fee	-	0.085% p.a. of net asset value of the fund





**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

**NOTE 2.3.10 – UNIT HOLDERS' FUNDS**

Unit holders' funds have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unit holders as at the reporting date.

**NOTE 2.3.11 – FINANCIAL RISK MANAGEMENT****NOTE 2.3.11.1 - FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCESSES**

Risks arising from holding financial instruments are inherent in the fund's activities, and are managed through a process of ongoing identification, measurement and monitoring. The fund is exposed to credit risk, market risk, and liquidity risk.

Financial instruments of the fund comprise investments in treasury bills under repurchase agreements for the purpose of generating a return on the investment made by unit holders, in addition to cash at bank and other financial instruments such as receivables and payables, which arise directly from its operations.

The fund manager is responsible for identifying and controlling the risk that arise from these financial instruments. The fund manager agrees on policies for managing each of the risks identified below.

The risks are measured using a method that reflects the expected impact on the statement of profit or loss and other comprehensive income and statement of financial position of the fund from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below.

The fund manager also monitors information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the fund, as well as the level of risk that the fund is willing to accept, with additional emphasis on selected industries. This information is prepared and reported to relevant parties within the fund manager on a regular basis as deemed appropriate, including the fund manager, other key management, investment committee, and ultimately the trustee of the fund.

Concentration of risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

## NOTE 2.3.11.1 - FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCESSES (CONTD.)

## a) Credit Risk

Credit risk is the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the fund to incur a financial loss of interest and/or principal.

The fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the carrying amount of financial assets as at the reporting date. It is the fund's policy to enter into contracts with reputable counterparties.

The fund is also subject to credit risk on its bank balances. The credit risk exposure on these instruments is not deemed to be significant.

The funds' maximum exposure to credit risk can be analysed as follows;

2025 Counterparty	Credit rating	Rating agency
DFCC Bank	A	Fitch Rating
Pan Asia Bank	BBB-	Fitch Rating
BOC Bank	CCC+	Fitch Rating
LOLC Bank	N/A	N/A
First Capital Treasuries Ltd.	N/A	N/A

2024 Counterparty	Credit rating	Rating agency
Bank of Ceylon	C	Fitch Rating
Acuity Securities Ltd	N/A	N/A
Wealth Trust Securities Ltd	N/A	N/A

## b) Market Risk

Market risk represents the risk that the value of the fund's investments portfolios will fluctuate as a result of changes in market prices. However, the fund's exposure to price risk and currency risk are deemed negligible as all its investments are short term fixed income securities denominated in Sri Lankan Rupees. While market risk cannot be eliminated the fund manager will attempt to reduce this risk by diversifying the fund's investment portfolio in line with investment objectives of the fund.





## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

## NOTE 2.3.11.1 - FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCESSES (CONTD.)

## c) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. Since the fund had not held financial instruments with variable interest rates as at 31 March 2025 and 31 March 2024, it was not exposed to interest rate risk. Hence a sensitivity analysis has not been presented. The table below summarises the fund's exposure to interest rate risks.

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
<b>31 March 2025</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	-	-	732	732
Financial assets - FVTPL	-	48,343	5,166,087	5,214,430
Financial assets - Amortised cost	-	468,030	-	468,030
Other receivable	-	-	8,589	8,589
Total exposure	-	516,373	5,175,408	5,691,781
<b>31 March 2024</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	-	-	2,996	2,996
Financial assets - FVTPL	-	652,310	4,788,722	5,441,032
Financial assets - Amortised cost	-	101,258	-	101,258
Other receivable	-	-	-	-
Total exposure	-	753,568	4,791,718	5,545,286



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

## NOTE 2.3.11.1 - FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCESSES (CONTD.)

## d) Price Risk

Price risk is the risk that the fair values of the Fund's investment in trading securities will fluctuate as a result of changes in the price of the Fund's investments in trading securities. Price risk exposure arises from the Fund's investment portfolios.

The table below shows the impact on the statement of Comprehensive Income and Statement of Financial Position due to a reasonably possible change in the price of the Fund's investment in trading equity securities in Note 5, with all other variables held constant:

	31 March 2025	
	Increases/ (decreases) on profit before tax	Increases/ (decreases) on amounts attributable to unit holders
	Rs.	Rs.
Change in price of the Fund's investment in trading securities existing as of reporting date:		
+10%	516,609	516,609
-10%	(516,609)	(516,609)

	31 March 2024	
	Increases/ (decreases) on profit before tax	Increases/ (decreases) on amounts attributable to unit holders
	Rs.	Rs.
Change in price of the Fund's investment in trading securities existing as of reporting date:		
+10%	478,872	478,872
-10%	(478,872)	(478,872)



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

## e) Liquidity Risk

Liquidity risk is the risk that the fund will encounter difficulty in raising funds to meet its obligation to pay unitholders. Exposure to liquidity risk arises because of the possibility that the fund could be required to pay its liabilities or redeem its units earlier than expected. Units are redeemable at the unitholder's options based on the fund's net asset value per unit at the time of redemption.

The fund manages its obligation when required to do so and its overall liquidity risk by:

- Investing primarily in financial instruments, which under normal market conditions are readily convertible to cash.
- Investing within established limits to ensure there is no concentration of risk.
- Maintaining sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

Other financial liabilities have no contractual maturities. Due to the short-term nature of these financial instruments, carrying value approximates fair value.

The table below summarises the fund's non derivative financial liabilities with contractual maturities into relevant maturity groupings based on the remaining period at the end of the reporting period.

	Less than 30 days	31 - 180 Days	181 – 365 Days	Total
<b>31 March 2025</b>				
Payables	-	35,187	8	35,195
Amount payable on unit redemption	-	-	-	-
<b>Total</b>	-	<b>35,187</b>	<b>8</b>	<b>35,195</b>

<b>31 March 2024</b>				
Payables	-	32,131	8	32,139
Amount payable on unit redemption	8	-	-	8
<b>Total</b>	<b>8</b>	<b>32,131</b>	<b>8</b>	<b>32,147</b>





## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

## NOTE 2.3.11.1 - FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCESSES (CONTD.)

## f) Capital Risk Management

Unit holders' funds have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities.

Disclosures relevant to unit holders' funds are as follows;

The movement in the unit holders' funds as at 31 March 2025.

## I. In terms of value

2024/2025

Unit holders' funds as at 01 April 2024	5,513,139
Creations during the year	15,085
Redemptions during the year	(102,202)
Increase in net assets attributable to unitholders during the year	230,564
Unit holders' funds as at 31 March 2025	<u>5,656,586</u>

## II. In terms of number of units

Opening number of units as at 01 April 2024	157,936,154
Closing number of units as at 31 March 2025	155,458,705

## NOTE 2.3.11.2 - FAIR VALUE ESTIMATION

The carrying amounts of the fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognized in profit or loss.

## a) Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The fund values its investments in accordance with the accounting policies set out in note 2.3.1. For the majority of its investments, the fund relies on information provided by independent pricing services for the valuation of its investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.





**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

**NOTE 2.3.11.2 - FAIR VALUE ESTIMATION (CONTD.)****b) Fair value in an inactive or unquoted market**

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the fund for similar financial instruments.

**NOTE 2.3.11.3 - FAIR VALUE HIERARCHY****a) Classification of financial assets and financial liabilities**

The fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the responsible entity. The responsible entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

## NOTE 2.3.11.3 - FAIR VALUE HIERARCHY (CONTD.)

## a) Classification of financial assets and financial liabilities (Contd.)

The tables below set out the trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 March 2025.

31 March 2025	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Equity Shares	5,166,087	-	-	5,166,087
Treasury Bills	-	48,343	-	48,343
Total	5,166,087	48,343	-	5,214,430

31 March 2024	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Equity Shares	4,788,722	-	-	4,788,722
Treasury Bills	-	652,310	-	652,310
Total	4,788,722	652,310	-	5,441,032

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include corporate debt securities and certain unlisted investments. As observable prices are not available for these securities, the responsible entity has used valuation techniques to derive fair value.





**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**  
(all amounts in Sri Lanka Rupees thousands)

31.03.2025

31.03.2024

**NOTE 3 - CASH & CASH EQUIVALENTS**

Bank of Ceylon - A/C 70224474	712	2,974
Bank of Ceylon - A/C 70224489	20	22
	<u>732</u>	<u>2,996</u>

**NOTE 4 - OTHER RECEIVABLE**

Dividend Receivables	8,589	-
	<u>8,589</u>	<u>-</u>

**NOTE 5 - FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS**

Investment in Equity Shares (note 5 (a))	5,166,087	4,788,722
Treasury bills (Primary)	48,343	652,310
	<u>5,214,430</u>	<u>5,441,032</u>

**NOTE 5(a) - INVESTMENT IN EQUITY SHARES**

As at 31 March 2025	No. of Shares	Market Value	Percentage Net Assets of Total
<b>Company</b>			
<b>Banks</b>			
Pan Asia Banking Corporation PLC	64	2,286	0.04%
Commercial Bank of Ceylon PLC	1,437	212,000	3.75%
Union Bank of Colombo PLC	25	260	0.00%
Seylan Bank PLC - Non Voting	492	26,134	0.46%
Sampath Bank PLC	1,002	122,788	2.17%
Nations Trust Bank PLC	40	7,579	0.13%
Cargills Bank PLC	2,000	16,400	0.29%
Sanasa Development Bank PLC	1,573	56,960	1.01%
Hatton National Bank PLC	506	154,476	2.73%
Hatton National Bank PLC - Non Voting	54	13,784	0.24%
	<u>7,193</u>	<u>612,667</u>	<u>10.83%</u>
<b>Food Beverages and Tobacco</b>			
Kelani Valley Plantations PLC	1,040	85,448	1.51%
Distilleries Company of Sri Lanka PLC	1,596	58,092	1.03%
Kahawatte Plantations PLC	1,134	25,855	0.46%
Ceylon Cold Stores PLC	1,013	83,099	1.47%
Maharaja Foods PLC	1,500	9,750	0.17%
	<u>6,283</u>	<u>262,244</u>	<u>4.64%</u>



**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**  
**(all amounts in Sri Lanka Rupees thousands)**

**NOTE 5(a) - INVESTMENT IN EQUITY SHARES**

<b>As at 31 March 2025</b>	<b>No. of Shares</b>	<b>Market Value</b>	<b>Percentage Net Assets of Total</b>
<b>Company</b>			
<b>Capital Goods</b>			
Royal Ceramics Lanka PLC	1,655	61,242	1.08%
Hayleys PLC	538	73,721	1.30%
John Keells Holdings PLC	8,312	167,902	2.97%
Central Industries PLC	98	14,368	0.25%
Lanka Walltiles PLC	423	21,384	0.38%
Hemas Holdings PLC	1,058	126,979	2.24%
Vallibel One PLC	4,388	258,479	4.57%
Softlogic Holdings PLC	49	346	0.01%
Access Engineering PLC	857	32,998	0.58%
ACL Cables PLC	142	17,328	0.31%
	<u>17,520</u>	<u>774,747</u>	<u>13.70%</u>
<b>Diversified Holdings</b>			
Merchant Bank of Sri Lanka PLC	11,799	68,434	1.21%
Peoples Leasing & Finance PLC	1,872	33,510	0.59%
First Capital Holdings PLC	1,597	55,726	0.99%
	<u>15,268</u>	<u>157,670</u>	<u>2.79%</u>
<b>Transportation</b>			
Chriss World PLC	775	7,905	0.14%
	<u>775</u>	<u>7,905</u>	<u>0.14%</u>
<b>Consumer Durables and Apparel</b>			
Tee jay Lanka PLC	187	9,555	0.17%
	<u>187</u>	<u>9,555</u>	<u>0.17%</u>
<b>Automobiles and Components</b>			
Kelani Tyres PLC	6,124	495,422	8.76%
	<u>6,124</u>	<u>495,422</u>	<u>8.76%</u>
<b>Commercial &amp; Professional Services</b>			
Exterminators PLC	334	1,736	0.03%
	<u>334</u>	<u>1,736</u>	<u>0.03%</u>





NOTES TO THE FINANCIAL STATEMENTS (CONTD.)  
(all amounts in Sri Lanka Rupees thousands)

NOTE 5(a) - INVESTMENT IN EQUITY SHARES (CONTD.)

As at 31 March 2025	No. of Shares	Market Value	Percentage Net Assets of Total
<b>Company</b>			
<b>Consumer Services</b>			
Aitken Spence Hotel Holdings PLC	196	15,687	0.28%
Trans Asia Hotels PLC	4,677	184,756	3.27%
The Kingsbury PLC	1,489	17,716	0.31%
Asian Hotels & Properties PLC	8,754	463,956	8.20%
	<u>15,116</u>	<u>682,115</u>	<u>12.06%</u>
<b>Energy</b>			
Lanka IOC PLC	4,159	528,173	9.34%
Laufgs Gas PLC	123	3,519	0.06%
Laufgs Gas PLC - Non Voting	12	231	0.00%
	<u>4,294</u>	<u>531,923</u>	<u>9.40%</u>
<b>Health Care Equipment &amp; Services</b>			
The Lanka Hospitals Corporation PLC	3,014	226,387	4.00%
	<u>3,014</u>	<u>226,387</u>	<u>4.00%</u>
<b>Insurance</b>			
LOLC General Insurance PLC	1,783	13,549	0.24%
	<u>1,783</u>	<u>13,549</u>	<u>0.24%</u>
<b>Materials</b>			
Tokyo Cement Company (Lanka) PLC- Non Voting	157	10,135	0.18%
CIC Holdings PLC	981	115,055	2.03%
Tokyo Cement Company (Lanka) PLC	72	5,658	0.10%
Alumex PLC	3,428	52,110	0.92%
JAT Holdings PLC	1,000	26,900	0.48%
Ex-Pack Corrugated Cartons PLC	5,530	76,866	1.36%
	<u>11,168</u>	<u>286,724</u>	<u>5.07%</u>
<b>Real Estate</b>			
C T Land Development PLC	2	42	0.00%
Equity Two PLC	2,048	81,726	1.44%
Colombo Land & Development Company PLC	18,896	423,264	7.48%
Prime Lands Residencies PLC	1,000	11,700	0.21%
	<u>21,946</u>	<u>516,732</u>	<u>9.14%</u>



**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**  
(all amounts in Sri Lanka Rupees thousands)

**NOTE 5(a) - INVESTMENT IN EQUITY SHARES (CONTD.)**

<b>As at 31 March 2025</b>	<b>No. of Shares</b>	<b>Market Value</b>	<b>Percentage Net Assets of Total</b>
<b>Company</b>			
<b>Retailing</b>			
Kapruka Holdings PLC	958	7,571	0.13%
	958	7,571	0.13%
<b>Software &amp; Services</b>			
Hsenid Business Solutions PLC	3,009	33,700	0.60%
	3,009	33,700	0.60%
<b>Telecommunication Services</b>			
Sri Lanka Telecom PLC	8,679	523,334	9.25%
Dialog Axiata PLC	724	10,350	0.18%
	9,403	533,684	9.43%
<b>Utilities</b>			
Lvl Energy Fund PLC	1,340	7,772	0.14%
Laugfs Power PLC	123	1,385	0.02%
Laugfs Power PLC - Non Voting	12	99	0.00%
Windforce PLC	100	2,500	0.04%
	1,575	11,756	0.21%
	125,950	5,166,087	



**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**  
(all amounts in Sri Lanka Rupees thousands)

**NOTE 5(a) - INVESTMENT IN EQUITY SHARES**

<b>As at 31 March 2024</b>	<b>No. of Shares</b>	<b>Market Value</b>	<b>Percentage Net Assets of Total</b>
<b>Company</b>			
<b>Banks</b>			
Pan Asia Banking Corporation PLC	64	1,372	0.02%
Commercial Bank of Ceylon PLC	920	89,840	1.63%
Union Bank Of Colombo PLC	25	237	0.00%
Seylan Bank PLC - Non Voting	296	11,260	0.20%
Sampath Bank PLC	244	19,511	0.35%
Nations Trust Bank PLC	39	4,228	0.08%
Cargills Bank PLC	2,000	15,800	0.29%
Sanasa Development Bank PLC	1,539	50,025	0.91%
	<u>5,128</u>	<u>192,273</u>	<u>3.49%</u>
<b>Food Beverages and Tobacco</b>			
Kelani Valley Plantations PLC	1,040	76,924	1.40%
Distilleries Company of Sri Lanka PLC	556	14,955	0.27%
Kahawatte Plantations PLC	3,109	51,291	0.93%
	<u>4,704</u>	<u>143,170</u>	<u>2.60%</u>
<b>Capital Goods</b>			
Royal Ceramics Lanka PLC	706	21,971	0.40%
Hayleys PLC	538	44,179	0.80%
John Keells Holdings PLC	746	144,653	2.62%
Central Industries PLC	98	10,886	0.20%
Lanka Walltiles PLC	423	21,553	0.39%
Hemas Holdings PLC	633	50,897	0.92%
Vallibel One PLC	5,472	276,323	5.01%
Softlogic Holdings PLC	49	439	0.01%
Access Engineering PLC	702	15,867	0.29%
	<u>9,367</u>	<u>586,768</u>	<u>10.64%</u>
<b>Diversified Holdings</b>			
Merchant Bank of Sri Lanka PLC	11,799	60,175	1.09%
Peoples Leasing & Finance PLC	4	45	0.00%
	<u>11,803</u>	<u>60,220</u>	<u>1.09%</u>
<b>Transportation</b>			
Expo Lanka Holdings PLC	373	56,187	1.02%
Chriss World PLC	775	8,137	0.15%
	<u>1,148</u>	<u>64,324</u>	<u>1.17%</u>





**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**  
(all amounts in Sri Lanka Rupees thousands)

**NOTE 5(a) - INVESTMENT IN EQUITY SHARES (CONTD.)**

As at 31 March 2024	No. of Shares	Market Value	Percentage Net Assets of Total
<b>Company</b>			
<b>Consumer Durables and Apparel</b>			
Tee jay Lanka PLC	187	7,045	0.13%
Hela Apparel Holdings PLC	2,945	17,966	0.33%
	3,133	25,011	0.45%
<b>Automobiles and Components</b>			
Kelani Tyres PLC	6,124	428,672	7.78%
	6,124	428,672	7.78%
<b>Commercial &amp; Professional Services</b>			
Exterminators PLC	334	2,503	0.05%
	334	2,503	0.05%
<b>Consumer Services</b>			
Aitken Spence Hotel Holdings PLC	196	12,966	0.24%
Trans Asia Hotels PLC	5,306	226,030	4.10%
The Kingsbury PLC	10,779	116,418	2.11%
Hayleys Leisure PLC	37	734	0.01%
Asian Hotels & Properties PLC	8,979	547,718	9.93%
	25,297	903,866	16.39%
<b>Energy</b>			
Lanka IOC PLC	5,161	602,586	10.93%
Laugfs Gas PLC	123	4,230	0.08%
Laugfs Gas PLC - Non Voting	12	302	0.01%
	5,296	607,118	11.01%
<b>Health Care Equipment &amp; Services</b>			
The Lanka Hospitals Corporation PLC	3,014	349,679	6.34%
	3,014	349,679	6.34%
<b>Insurance</b>			
LOLC General Insurance PLC	1,783	10,875	0.20%
	1,783	10,875	0.20%



**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**  
(all amounts in Sri Lanka Rupees thousands)

**NOTE 5(a) - INVESTMENT IN EQUITY SHARES (CONTD.)**

As at 31 March 2024	No. of Shares	Market Value	Percentage Net Assets of Total
<b>Materials</b>			
Tokyo Cement Company (Lanka) PLC- Non Voting	157	6,876	0.12%
CIC Holdings PLC	471	33,194	0.60%
Tokyo Cement Company (Lanka) PLC	72	3,688	0.07%
Alumex PLC	344	3,306	0.06%
Jat Holdings PLC	1,000	17,300	0.31%
Ex-Pack Corrugated Cartons PLC	5,530	79,079	1.43%
	<u>7,573</u>	<u>143,443</u>	<u>2.60%</u>
<b>Real Estate</b>			
C T Land Development PLC	2	39	0.00%
Equity Two PLC	2,198	90,346	1.64%
Colombo Land & Development Company PLC	18,896	334,454	6.07%
Prime Lands Residencies PLC	1,000	8,400	0.15%
	<u>22,096</u>	<u>433,239</u>	<u>7.86%</u>
<b>Retailing</b>			
Kapruka Holdings PLC	958	6,709	0.12%
	<u>958</u>	<u>6,709</u>	<u>0.12%</u>
<b>Software &amp; Services</b>			
Hsenid Business Solutions PLC	3,009	33,099	0.60%
	<u>3,009</u>	<u>33,099</u>	<u>0.60%</u>
<b>Telecommunication Services</b>			
Sri Lanka Telecom PLC	8,679	781,096	14.17%
Dialog Axiata PLC	724	8,468	0.15%
	<u>9,403</u>	<u>789,564</u>	<u>14.32%</u>
<b>Utilities</b>			
Lvl Energy Fund PLC	1,117	5,025	0.09%
Laugfs Power PLC	123	1,103	0.02%
Laugfs Power PLC - Non Voting	12	101	0.00%
Windforce PLC	100	1,960	0.04%
	<u>1,351</u>	<u>8,189</u>	<u>0.15%</u>
	<u>121,522</u>	<u>4,788,722</u>	



**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**  
(all amounts in Sri Lanka Rupees thousands)

31.03.2025

31.03.2024

**NOTE 6 - FINANCIAL ASSETS MEASURED AT AMORTISED COST**

Repurchase Agreements (Note 6(a))

260,301

101,258

Commercial Papers (Note 6(b))

207,729

-

468,030

101,258

**NOTE 6(a) - REPURCHASE AGREEMENTS**

31.03.2025	Yield	Investment date	Maturity date	Cost	Carrying value
DFCC Bank PLC	8.07%	25.03.2025	01.04.2025	105,000	105,163
Pan Asia Banking Corporation PLC	8.11%	28.03.2025	04.04.2025	155,000	155,138
				260,000	260,301

31.03.2024	Yield	Investment date	Maturity date	Cost	Carrying value
Acuity Securities Limited	9.75%	22.03.2024	01.04.2024	95,000	95,254
Bank of Ceylon	6.00%	28.03.2024	01.04.2024	6,000	6,004
				101,000	101,258

**NOTE 6(b) - COMMERCIAL PAPERS**

31.03.2025	Yield	Investment date	Maturity date	Cost	Carrying value
LOLC Holdings PLC	12.80%	06.12.2024	06.06.2025	200,000	207,729
				200,000	207,729

31.03.2025	31.03.2024
------------	------------

**NOTE 7 - TAX RECEIVABLE**

Tax Receivable

20,786

20,786

Impairment Allowance for Tax Receivables

(20,786)

(20,786)

-

-

**NOTE 8 - PAYABLES**

Management Fee, Trust Fee and Custodian Fee

34,839

31,828

Audit Fee Payable

348

303

Unclaimed Dividends

8

8

35,195

32,139





**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**  
(all amounts in Sri Lanka Rupees thousands)

**NOTE 9 - NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	31.03.2025		31.03.2024	
	Units	Value	Units	Value
Opening capital balance	157,936,154	5,513,139	158,950,596	5,374,889
Applications	399,831	15,085	61,980	2,087
Redemptions	(2,877,281)	(102,202)	(1,076,422)	(35,954)
Increase in net assets attributable to unitholders	-	230,564	-	172,117
<b>Closing balance</b>	<b>155,458,705</b>	<b>5,656,586</b>	<b>157,936,154</b>	<b>5,513,139</b>
Net assets attributable to unitholders	155,458,705	5,656,586	157,936,154	5,513,139
	155,458,705	5,656,586	157,936,154	5,513,139

As stipulated within the trust-deed, each unit represents a right to an individual share in the trust and does not extend to a right to the underlying assets of the trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the trust.

The creation price was at Rs. 38.49 per unit (31 March 2024 - Rs. 36.91) and the redemption price was at Rs.36.12 per unit (31 March 2024 - Rs. 34.66) as at 31 March 2025.

**NOTE 9(a) - RECONCILIATION BETWEEN NET ASSET VALUE AS PER FINANCIAL STATEMENTS AND THE PUBLISHED NET ASSET VALUE**

	31.03.2025	31.03.2024
Published net asset value	5,658,190	5,513,442
Being recording of audit fee adjustment entry for the year	(348)	(303)
Adjustment to divided income	(1,256)	-
Net asset value as per financial statements	<u>5,656,586</u>	<u>5,513,139</u>

**NOTE 10 - INTEREST INCOME**

Interest on Repurchase Agreements	14,251	11,902
Interest on Commercial Papers	12,578	-
Interest Income on Treasury Bills (Secondary)	-	2,891
Interest Income on Treasury Bills (Primary)	41,189	131,886
	<u>68,018</u>	<u>146,679</u>



**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**  
(all amounts in Sri Lanka Rupees thousands)

31.03.2025

31.03.2024

**NOTE 11 - NET REALIZED GAIN ON FINANCIAL ASSET AT FVPL**

Proceeds on Sale of Investments	490,351	99,264
Average Cost of Investments sold	(257,191)	(44,997)
Net realized gain on Disposal of Shares	233,160	54,267
Net realized gain on Treasury Bill	26	-
	<u>233,186</u>	<u>54,267</u>

**NOTE 12 - NET CHANGE IN UNREALIZED GAIN / (LOSS) ON FINANCIAL ASSETS**

Cost of Investment in Equity Shares	4,439,150	4,008,720
Market value of Investment in Equity Shares	5,166,087	4,788,722
Net change in unrealized gain/ (loss) on investment in equity shares	<u>726,937</u>	<u>780,002</u>
Net change in unrealized gain/ (loss) on Investment in Equity Shares - B/F	780,002	784,298
Net change in unrealized gain/ (loss) on Investment in Equity Shares	(53,065)	(4,296)
Net change in unrealized gain/ (loss) on Investment in Treasury Bills Primary	(2,128)	2,105
	<u>(55,193)</u>	<u>(2,191)</u>

**NOTE 13 - RELATED PARTY TRANSACTIONS**

The following have been identified as related parties to Ceybank Unit Trust Fund in accordance with LKAS 24 - Related party disclosures.

**a) Management entity**

The management entity of Ceybank Unit Trust is Ceybank Asset Management Limited.

**b) Key management personnel****i) Directors**

Key management personnel includes persons who are directors of Ceybank Asset Management Limited at any time during the financial year.

- Mr. A.C.M. Fernando (Chairman)
- Mr. I.C.C. Ferdinands - (CEO/Executive Director)
- Mr. G.A. Jayashantha
- Mr. R.M.N. Jeewantha
- Mr. A.D. Perera
- Ms. Vasantha Govindan (Up to 27.09.2024)
- Ms. W. Sriyani Kulasignhe

**ii) Other key management personnel**

Other persons with responsibility for planning, directing and controlling the activities of the fund, directly or indirectly during the financial year are given below;

- Mr. Ian Ferdinands - CEO / Executive Director
- Mr. Ravindra Hettiarachchi - General Manager

**c) Key management personnel unit holdings**

The key management personnel of Ceybank Asset Management Ltd held units in the fund as follows:

	No of units held opening	No of units held closing	Fair value of investment Rs.'000	Distribution by the fund Rs.'000
31 March 2025	-	-	-	-
31 March 2024	-	0.4	14	-



**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**  
(all amounts in Sri Lanka Rupees thousands)

**NOTE 13 - RELATED PARTY TRANSACTIONS (CONTD.)**

**d) Key management personnel compensation**

Key management personnel are paid by Ceybank Asset Management Limited. Payments made from the fund to Ceybank Asset Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

**e) Other transactions within the Trust**

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the trust during the financial year and there were no material contracts involving key management personnel's interest existing at year end.

**f) Related party unit holding**

The management company of Ceybank Unit Trust held units in the fund as follows:

31 March 2025	No of units held opening	No of units held closing	Fair value of investment Rs.'000	Transaction value during the year Rs.'000	Distribution paid by the fund Rs.'000
Ceybank Asset Management Ltd.	6,007,535	6,007,535	216,992	-	-
31 March 2024	No of units held opening	No of units held closing	Fair value of investment Rs.'000	Transaction value during the year Rs.'000	Distribution paid by the fund Rs.'000
Ceybank Asset Management Ltd.	6,007,535	6,007,535	208,221	-	-

**g) Transactions with and amounts due to related parties**

The fees charged by the management company and trustee for services provided during the year and the balances outstanding from such dues as at year end are as disclosed below:

	Charge for the year		Balance outstanding	
	2025	2024	31.03.2025	31.03.2024
Management fee	91,358	87,829	28,959	26,457
Trustee fee	13,842	13,307	4,388	4,009
Custodian fee	4,706	4,525	1,492	1,363
	109,906	105,661	34,839	31,828

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

There were no significant commitments and/or contingent liabilities existing as at the reporting date which require adjustments to or disclosures in the financial statements.

**NOTE 15 - EVENTS OCCURRING AFTER THE REPORTING PERIOD**

No significant events have occurred after the reporting period which require adjustments to or disclosures in the financial statements.



**CEYBANK ASSET MANAGEMENT LTD  
MANAGEMENT TEAM**

**CEO / EXECUTIVE DIRECTOR**

Ian Ferdinands  
Chartered Marketer  
Certified e Marketer  
MBA (Finance)

**General Manager**

Ravindra Hettiarachchi  
Chartered Finalist (ICASL)  
B.Sc (Mgt) Sp. Hons  
MBA

**Seniors Fund Manager**

Kanchana Karannagoda  
B.Sc. B. Admin. Sp. (Finance) Hons  
CIMA, CGMA

**Risk & Compliance Officer**

Eranga Manthirathna  
B.B.A Sp. (Finance)  
CIMA, CGMA

**Marketing Manager**

Kumudu Kekirideniya  
Dip.in Marketing (UK),  
MICM (UK)

**Accountant**

Abirami Navaratnam  
Chartered Accountancy (Strategic Level)  
B.Sc. Applied Accounting.  
MBA

**IT Manager**

Nihal Hettiarachchi  
BIT Univocity of Colombo

**Registrar**

Pamudi Kariyawasam

**CEYBANK UNIT TRUST FUND**  
**ANNUAL REPORT-2024/2025**  
**DECLARATION BY TRUSTEE AND THE MANAGING COMPANY**

**DECLARATION BY**

**TRUSTEES AND MANAGING COMPANY**

Declaration by Trustees and Management Company as per SEC circular No 02/2009 on Guidelines for Trustees and Management Companies of Unit Trust Funds.

National Savings Bank the Trustee and Ceybank Asset Management Ltd the Managers of Ceybank Unit Trust Funds hereby declare that;

1. The requirements of the Guidelines for Trustees and Managing Companies of Unit Trust Funds set by the Securities and Exchange Commission of Sri Lanka have been



Ceybank Unit Trust Funds

A handwritten signature in blue ink.

Risk & Compliance Officer

Ceybank Asset Management Ltd



A handwritten signature in blue ink.

General Manager

Ceybank Asset Management Ltd

complied with during the year.

2. The transactions were and will be carried out at arm's length basis and on terms which are best available for the Fund, as well as act, at all times, in the best interest of the fund's unit holders.



**Managers of the Ceybank Unit Trust Funds**

No 85, York Street, Colombo -1

Tel: 011- 760 2000-2, Fax: 011- 2327203 Email: [info@ceybank.com](mailto:info@ceybank.com) Web: [www.ceybank.com](http://www.ceybank.com)