

# INTERIM REPORT

30 SEPTEMBER 2020

## CEYBANK CENTURY GROWTH FUND



Managed By



## Ceybank Century Growth Fund

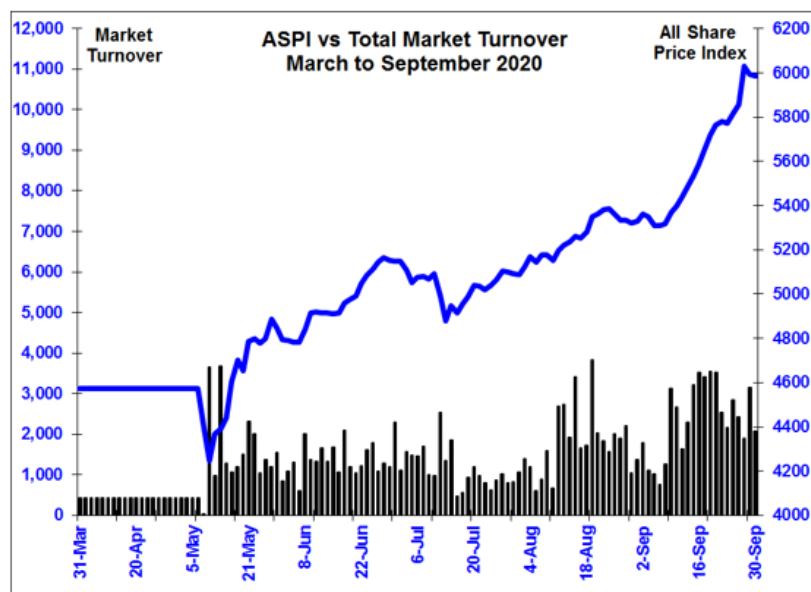
### Manager's half yearly report for the period ended 30<sup>th</sup> September 2020

We have great pleasure in presenting the half yearly report of Ceybank Century Growth Fund for the 6 months ended 30<sup>th</sup> September 2020.

The stock market which was closed for trading at the beginning of the period, due to the pandemic, dropped sharply when trading began, before recovering to close higher, during the six-month period ending 30<sup>th</sup> September 2020. The Net Asset Value per unit of your Fund appreciated by 47.36% during the period under review. During the same period the ASI increased 30.91% and the S&P Index increased by 26.49%. The net asset value per unit amounted to Rs 65.88 as at 30<sup>th</sup> September 2020.

### Capital Market Performance

The Colombo Bourse continued to be positive despite the initial drop during the period under review, as the Covid-19 pandemic brought about uncertainty to every aspect of life.

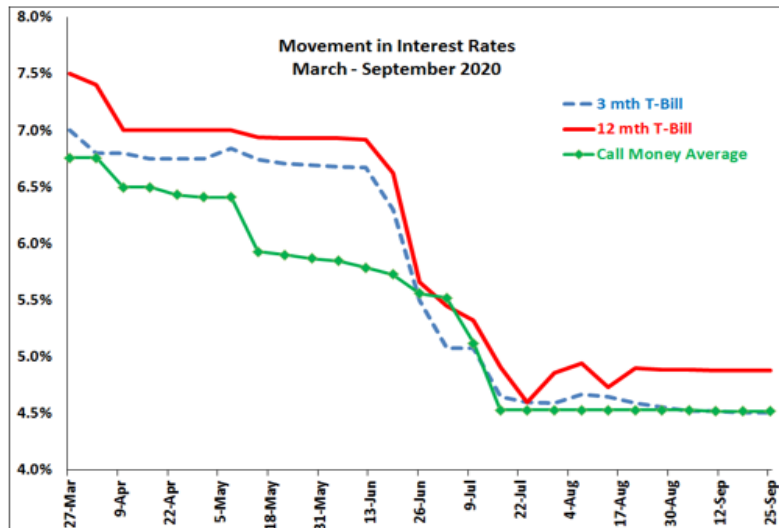


Foreign investors were net sellers with Net foreign outflows for the six months ending September 2020, being approximately Rs 34.63 billion.

The ASI closed at 5,984.84 up by 1,413 points while the S&P Index was at 2,463.27 up 516 points for the six-month period ended 30<sup>th</sup> September 2020.

The Sri Lankan economy contracted by 16.3% (YoY) in the second quarter of 2020 but recovered to grow by 1.5% (YOY) in the third quarter of 2020.

The Country's foreign reserve position remained stable. Gross official reserves stood at US\$ 6.67 billion as at end September 2020. The Exchange rate (Rs/US\$) which was at Rs. 190.15 on 1<sup>st</sup> April 2020, appreciated by 2.44% and was quoted at Rs 185.52 as at 30<sup>th</sup> September 2020.



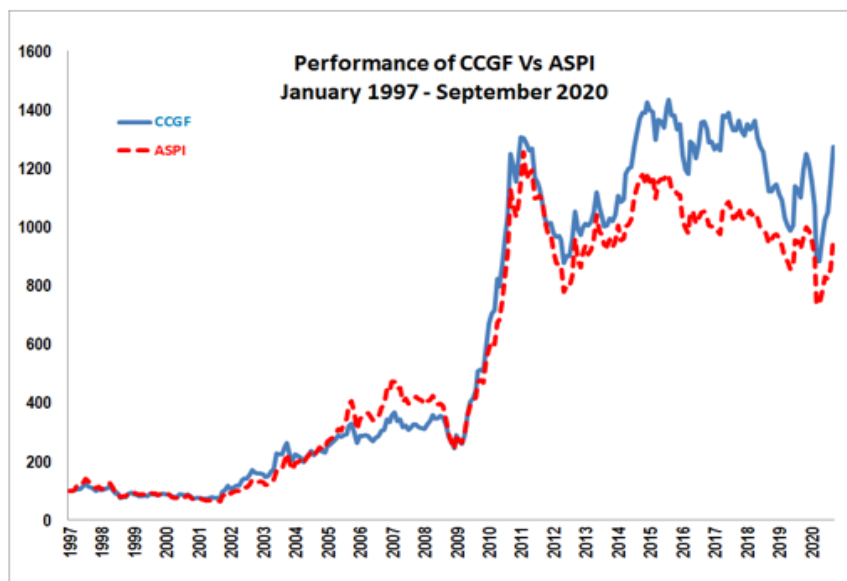
Average Annual Inflation measured by the CCPI which was at 4.7% in end March 2020 remained unchanged at the end of September 2020.

Market Interest rates moved down sharply. The 12-month Treasury bill yields moved down 262 basis points, from 7.50% p.a. at the end of March to 4.88% p.a. by end September 2020.

Overnight call money traded within a band of 4.50% and 6.80% p.a. Central Bank policy rates changed three times, in April, May and July during the period. The Standard Lending Facility Rate and the Standing Deposit Facility Rate were reduced by 1.75% to 5.50% and 4.50% respectively. The statutory reserve ratio (SRR) for Commercial Banks was reduced by 2% and was at 2% as at end September 2020.

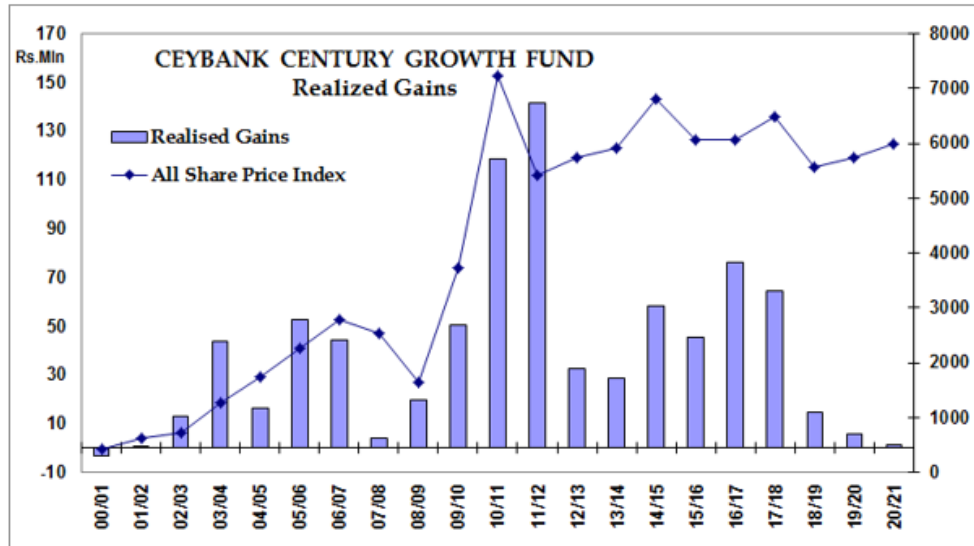
**Fund Performance**

The Net Asset Value per unit of your Fund increased by 47.36% during the half year period under review. The performance was a result of the increase in market prices of some key stock holdings. The chart below depicts the performance of the Fund on the medium to long term. The total net assets stood at Rs. 933 million as at 30<sup>th</sup> September 2020.



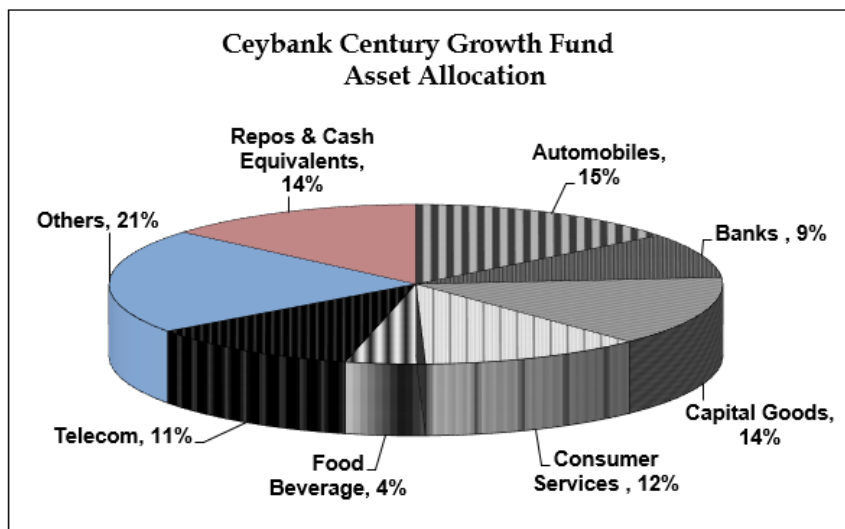
The Fund generated dividend income of Rs 11.46 million, down 30% from Rs 16.43 million in the corresponding period. Expenses decreased marginally from Rs 7.2 million to Rs 7.1million. Interest Income increased to Rs 2.89 million up from 2.75 million.

The Fund realized Rs 1.06 million as capital gains from sale of equity during the period, down from the Rs 5.99 million recorded in the previous period.



The market value of the portfolio was Rs 933 million as at 30<sup>th</sup> September 2020 up from Rs 585.77 million in March 2020.

The Fund maintained a relatively high level of equity exposure as at 30<sup>th</sup> September 2020. We will continue to have a high equity exposure with a positive outlook in the medium term and make changes in the Asset allocation in a manner that is compatible with our view and market expectations.



Your Fund investments are diversified across fundamentally strong companies with a medium to long term outlook, in Capital Goods, Banks, Automobile, Consumer Services, and Telecommunication sectors as depicted in the chart. We expect most of these stocks to perform well in the medium term adding further value to your investment.

## **Future Outlook**

The Covid-19 pandemic has already taken its toll on growth prospects of the country and redefined how things are done. The future direction of economic activity will be shaped on how well we handle the pandemic.

The economy is expected to grow by around 3% in 2021 from a lower base in 2020. The greater challenge for the Government would be to manage the repayment of foreign debt due in 2021. While import restrictions have given a respite, the country will need to continue on development of infrastructure, tourism, and service sectors, with emphasis on the Small & Medium Enterprises and their increased contribution to the economy. The Agriculture and Power sectors have performed reasonably well given the favorable weather patterns and will need to contribute more. Volatile crude oil prices continue to be a concern. The need for large foreign investments, continues to be a challenge.

Inflation could be expected to remain at current levels or nudging up towards the end of the year.

We expect the stock market to be volatile but reflecting the overall economy as companies begin to rediscover ways of sustaining business through a pandemic. foreign investors will no doubt asses risks based on global developments. We will continue to monitor the ongoing developments and make changes accordingly.

SGD  
Ian Ferdinands  
Acting CEO

10<sup>th</sup> February 2021

## CEYBANK CENTURY GROWTH FUND

### Statement of comprehensive income

(all amounts in Sri Lanka Rupees thousands)

	Notes	Six months ended 30 <sup>th</sup> Sep	
		2020	2019
<b>Income</b>			
Dividend		11,462	16,432
Interest income from financial assets	1	2,897	2,754
Net realized gain on financial assets held at fair value through profit or loss		1,067	5,995
Net change in unrealized Gain on financial assets held at fair value through profit or loss		267,580	28,039
<b>Total investment income</b>		<b>283,006</b>	<b>53,220</b>
<b>Expenses</b>			
Management fee		(5,813)	(5,851)
Trustee & custodian fee		(1,180)	(1,188)
Other expenses	2	(140)	(222)
		<b>(7,133)</b>	<b>(7,261)</b>
<b>Profit / (Loss) after deductions and before tax</b>		<b>275,873</b>	<b>45,959</b>
Income tax expense		-	-
<b>Increase/ (Decrease) in net assets attributable to unitholders</b>		<b>275,873</b>	<b>45,959</b>

## CEYBANK CENTURY GROWTH FUND

### Statement of financial position

(all amounts in Sri Lanka Rupees thousands)

	Note	2020	Six months ended 30'th Sep 2019
<b>Assets</b>			
Cash and cash equivalents		4,155	1,396
Other receivable		328	1,861
Financial assets held at fair valued through profit or loss	3	813,174	696,396
Financial assets measured at amortised cost	4	117,401	39,701
Receivable for sale of equity shares		811	-
Income tax receivable		9,013	9,013
<b>Total assets</b>		<b>944,882</b>	<b>748,367</b>
<b>Unit Holders' funds and Liabilities</b>			
<b>Liabilities</b>			
Payables	5	6,249	3,813
Amount Payable on Unit redemption		5,086	150
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>11,335</b>	<b>3,963</b>
<b>Net assets attributable to unitholders – liability</b>		<b>933,547</b>	<b>744,404</b>
<b>Total Unit Holders' funds and Liabilities</b>		<b>944,882</b>	<b>748,367</b>

## CEYBANK CENTURY GROWTH FUND

### Statement of changes in Unitholders' funds

(all amounts in Sri Lanka Rupees thousands)

	Note	2020	Six months ended 30'th Sep 2019
<b>Unit holders' funds at beginning of the year</b>		594,647	703,555
Increase / (Decrease) in net assets attributable to unit holders		275,873	45,959
Received on unit creations		90,967	11,004
Paid on unit redemptions		(27,940)	(16,114)
<b>Unitholders' funds at end of the year</b>		<b>933,547</b>	<b>744,404</b>

**Notes**

In Rs. '000

	<b>2020</b>	<b>2019</b>
<b>1 Interest Income From Financial Assets</b>		
Interest on Bank Deposit	2,357	2,262
Interest on Reverse Repo Agreements	540	601
	<b>2,897</b>	<b>2,863</b>
WHT Expenses on interest	-	(109)
	<b>2,897</b>	<b>2,754</b>
<b>2 Other Expenses</b>		
NBT/VAT Expenses	23	171
Bank Charges	28	51
Miscellaneous Expenses	89	-
	<b>140</b>	<b>222</b>
<b>3 Financial Assets Held at Fair Valued Through Profit or Loss</b>		
	<b>813,174</b>	<b>696,396</b>

As at 30th September 2020

Company Name	Share QTY	Market value'000	Holding as at % NAV
<b>AUTOMOBILES &amp; COMPONENTS</b>			
KELANI TYRES PLC	1,725,016	137,311	14.71%
<b>BANKS</b>			
COMMERCIAL BANK OF CEYLON PLC - Non Voting	134,154	9,377	1.00%
NATIONS TRUST BANK PLC	17,230	1,068	0.11%
PAN ASIA BANKING CORPORATION PLC	270,605	3,761	0.40%
COMMERCIAL BANK OF CEYLON PLC	85,467	6,829	0.73%
SAMPATH BANK PLC	348,529	46,006	4.93%
HATTON NATIONAL BANK PLC	624	79	0.01%
HATTON NATIONAL BANK PLC - NON VOTING	190,870	19,011	2.04%
<b>CAPITAL GOODS</b>			
ROYAL CERAMICS LANKA PLC	30,785	3,553	0.38%
JOHN KEELLS HOLDINGS PLC	346,001	46,572	4.99%
LANKA WALLTILES PLC	224,983	18,449	1.98%
VALLIBEL ONE PLC	445,176	9,482	1.02%
SOFTLOGIC HOLDINGS PLC	23,200	267	0.03%
ACCESS ENGINEERING PLC	2,339,253	55,206	5.91%
<b>CONSUMER DURABLES &amp; APPAREL</b>			
TEEJAY LANKA PLC	123,413	4,307	0.46%
<b>CONSUMER SERVICES</b>			
AITKEN SPENCE HOTEL HOLDINGS PLC	1,078,973	24,385	2.61%
TRANS ASIA HOTELS PLC	570,362	35,077	3.76%
AMAYA LEISURE PLC	158,224	4,699	0.50%
ASIAN HOTELS & PROPERTIES PLC	1,258,052	44,535	4.77%
<b>DIVERSIFIED FINANCIALS</b>			
PEOPLES LEASING & FINANCE PLC	659,465	8,639	0.93%
<b>ENERGY</b>			
LANKA IOC PLC	2,067,951	53,767	5.76%
<b>FOOD BEVERAGE &amp; TOBACCO</b>			
KELANI VALLEY PLANTATIONS PLC	533,300	37,864	4.06%
SUNSHINE HOLDINGS PLC	26,404	1,508	0.16%
LUCKY LANKA MILK PROCESSING COMPANY PLC	200,000	160	0.02%
<b>HEALTH CARE EQUIPMENT &amp; SERVICES</b>			
THE LANKA HOSPITALS CORPORATION PLC	850,516	37,423	4.01%
<b>INSURANCE</b>			
HNB ASSURANCE PLC	99,000	13,830	1.48%
<b>MATERIALS</b>			
TOKYO CEMENT COMPANY (LANKA) PLC - NON VOTING	1,129,917	49,716	5.33%
CIC HOLDINGS PLC	46,947	4,357	0.47%



**REAL ESTATE**

C T LAND DEVELOPMENT PLC	188,354	6,084	0.65%
SEYLAN DEVELOPMENTS PLC	365,926	4,611	0.49%
COLOMBO LAND & DEVELOPMENT COMPANY PLC	467,494	12,529	1.34%
MILLENNIUM HOUSING DEVELOPERS PLC	95,440	630	0.07%

**TELECOMMUNICATION SERVICES**

SRI LANKA TELECOM PLC	1,620,369	52,986	5.68%
DIALOG AXIATA PLC	4,782,054	53,559	5.74%

**UTILITIES**

LVL ENERGY FUND PLC	595,415	5,537	0.59%
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**813,174**
**As at 30th September 2019**

Company Name	Share QTY	Market value'000	Holding as at % NAV
<b>Banks Finance &amp; Insurance</b>			
COMMERCIAL BANK OF CEYLON PLC - Non Voting	126,677	10,730	1.44%
HNB ASSURANCE PLC	231,714	31,166	4.19%
HATTON NATIONAL BANK PLC	611	94	0.01%
HATTON NATIONAL BANK PLC - NON VOTING	86,361	11,659	1.57%
NATIONS TRUST BANK PLC	17,230	1,334	0.18%
PAN ASIA BANKING CORPORATION PLC	270,605	3,356	0.45%
PEOPLES LEASING & FINANCE PLC	480,129	7,106	0.95%
SAMPATH BANK PLC	303,529	46,440	6.24%
<b>Beverages Food &amp; Tobacco</b>			
LUCKY LANKA MILK PROCESSING COMPANY PLC	200,000	140	0.02%
<b>Chemicals &amp; Pharmaceuticals</b>			
CIC HOLDINGS PLC	287,704	16,543	2.22%
<b>Construction &amp; Engineering</b>			
ACCESS ENGINEERING PLC	1,180,508	21,249	2.85%
<b>DIVERSIFIED HOLDINGS</b>			
JOHN KEELLS HOLDINGS PLC	356,001	54,753	7.36%
SOFTLOGIC HOLDINGS PLC	23,200	346	0.05%
SUNSHINE HOLDINGS PLC	26,404	1,188	0.16%
VALLIBEL ONE PLC	403,676	6,055	0.81%
<b>HEALTH CARE</b>			
THE LANKA HOSPITALS CORPORATION PLC	847,768	34,674	4.66%
<b>Hotels &amp; Travels</b>			
ASIAN HOTELS & PROPERTIES PLC	1,220,761	50,051	6.72%
AITKEN SPENCE HOTEL HOLDINGS PLC	1,061,430	26,536	3.56%
AMAYA LEISURE PLC	158,224	5,063	0.68%
TRANNO000TRANS ASIA HOTELS PLC	563,583	39,451	5.30%
<b>Land &amp; Property</b>			
COLOMBO LAND & DEVELOPMENT COMPANY PLC	306,820	7,026	0.94%
SEYLAN DEVELOPMENTS PLC	348,926	3,629	0.49%
C T LAND DEVELOPMENT PLC	177,354	5,321	0.71%
MILLENNIUM HOUSING DEVELOPERS PLC	95,440	706	0.09%
<b>Manufacturing</b>			
LANKA WALLTILES PLC	236,921	13,978	1.88%
ROYAL CERAMICS LANKA PLC	116,204	7,274	0.98%
TEEJAY LANKA PLC	525,129	18,642	2.50%
TOKYO CEMENT COMPANY (LANKA) PLC - NON VOTING	956,918	27,081	3.64%
KELANI TYRES PLC	1,698,930	67,957	9.13%
<b>Plantations</b>			
KVALN0000KELANI VALLEY PLANTATIONS PLC	529,826	42,916	5.77%
<b>Power and Energy</b>			
RESUS ENERGY PLC	37,097	864	0.12%
LANKA IOC PLC	2,027,884	31,838	4.28%
LVL ENERGY FUND PLC	595,415	4,525	0.61%
<b>TELECOMMUNICATIONS</b>			
DIALOG AXIATA PLC	4,776,054	50,626	6.80%
SRI LANKA TELECOM PLC	1,588,983	46,081	6.19%
		<b>696,396</b>	

	<u>2020</u>	<u>2019</u>
<b>4 <u>Financial Assets Measured at Amortised Cost</u></b>		
Reverse Repo Agreements	70,272	5,001
Bank Deposits	47,129	34,700
	<u>117,401</u>	<u>39,701</u>
<b>5 <u>Payables</u></b>		
Trade Creditors	808	43
Payables to Management Company	2,711	2,550
Management Fees	2,265	1,014
Trustee Fees	343	154
Custodian Fees	121	52
	<u>6,249</u>	<u>3,813</u>



Managers of the Ceybank Unit Trust Fund's

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