

INTERIM REPORT

30 SEPTEMBER 2020

CEYBANK UNIT TRUST FUND

(Income & Growth)



Managed By



Ceybank Unit Trust Fund

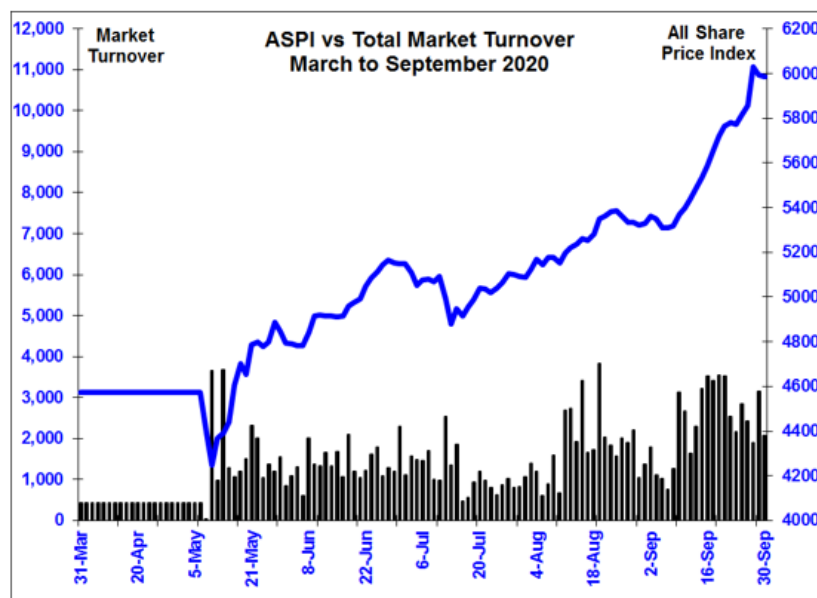
Manager's half yearly report for the period ended 30th September 2020

We have great pleasure in presenting the half yearly report of Ceybank Unit Trust Fund for the 6 months ended 30th 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 30th September 2020. The Net Asset Value per unit of your Fund appreciated by 46.22% 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 22.05 as at 30th 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.

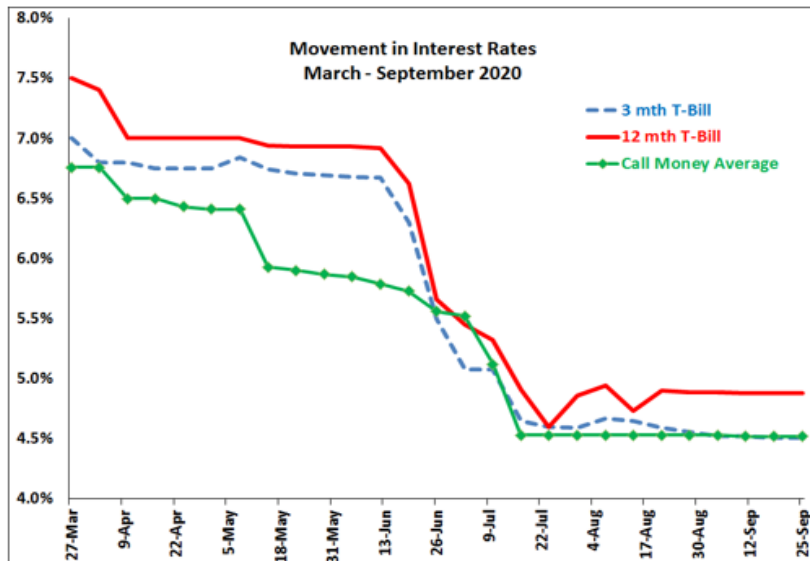


Foreign investors were net sellers with Net foreign outflows for the six months ending September 2020, being approximately Rs 34.63 billion.

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 30th 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 1st April 2020, appreciated by 2.44% and was quoted at Rs 185.52 as at 30th September 2020.



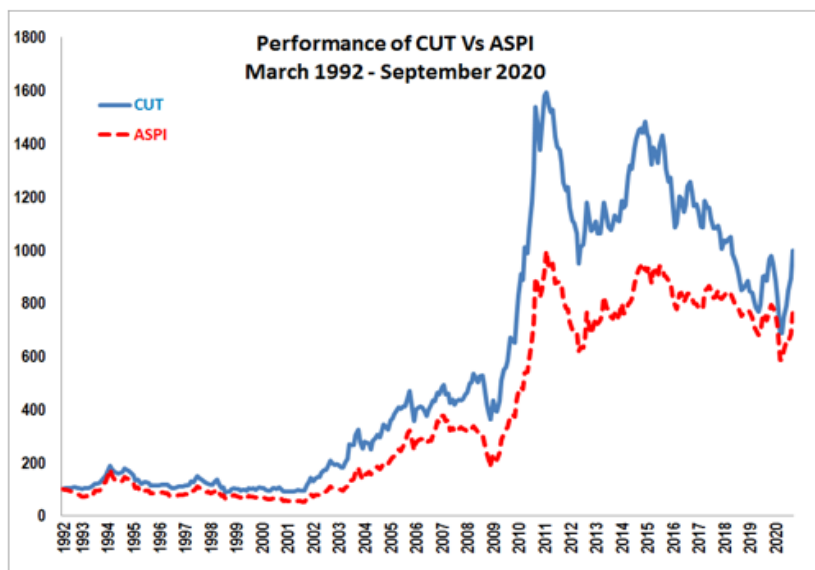
Average Annual Inflation measured by the CCPI which was at 4.7% in end March 2020 remained unchanged at the end of September 2020.

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.

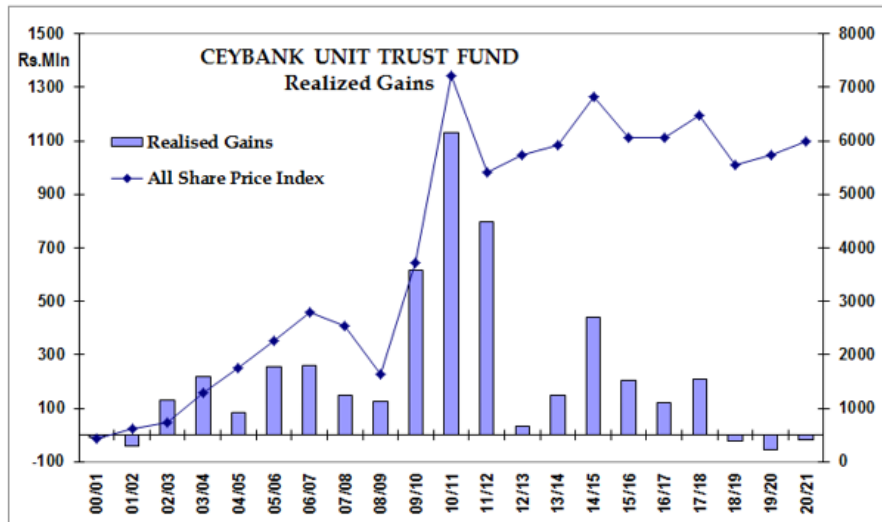
Fund Performance

The Net Asset Value per unit of your Fund increased by 46.22% 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. 3,859 million as at 30th September 2020.



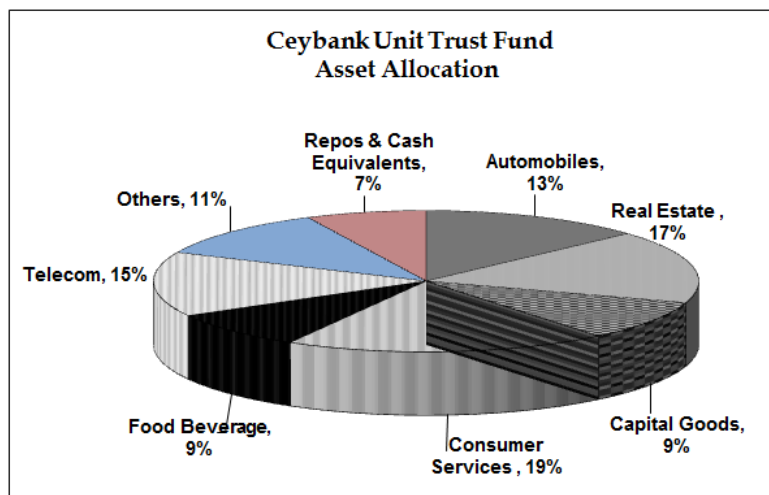
The Fund generated dividend income of Rs 22.72 million, up from Rs 24.02 million in the corresponding period. Expenses decreased from Rs 33.0 million to Rs 30.92 million. Interest Income increased to Rs 5.08 million up from 4.96 million.

The Fund recorded Rs 17.73 million as capital losses from sale of equity during the period, as opposed to the Rs 54.95 million recorded in the previous corresponding period.



The market value of the portfolio was Rs 3,859 million as at 30th September 2020 up from Rs 2,644 million in March 2020.

The Fund maintains a relatively high level of equity exposure as at 30th 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 Consumer Services, Real Estate, Automobile and Telecommunication sectors as depicted in the chart. We expect 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

10th February 2021

CEYBANK UNIT TRUST

Statement of comprehensive income

(all amounts in Sri Lanka Rupees thousands)

	Notes	Six months ended 30 September	
		2020	2019
Income			
Dividend		22,727	24,029
Interest income from financial assets	1	5,080	4,965
Net realized gain on financial assets held at fair value through profit or loss		(17,737)	(54,957)
Net change in unrealized gain on financial assets held at fair value through profit or loss		1,221,729	354,103
Total investment gain		1,231,799	328,140
Expenses			
Management fee		(25,458)	(26,734)
Trustee fee & Custodian fee		(5,169)	(5,428)
Other expenses	2	(299)	(838)
		(30,926)	(33,000)
Profit / (Loss) after deductions and before tax		1,200,873	295,140
Income tax expense		-	-
Increase / (Decrease) in net assets attributable to unitholders		1,200,873	295,140

CEYBANK UNIT TRUST

Statement of financial position

(all amounts in Sri Lanka Rupees thousands)

	Notes	Six months ended 30 September	
		2020	2019
Assets			
Cash and cash equivalents		(326)	1,292
Dividend receivables		1,970	3
Financial assets held at fair value through profit or loss	3	3,609,998	3,295,762
Financial assets measured at amortised cost	4	252,036	153,081
Receivable for sale of equity shares		3,452	-
Income tax receivable		20,786	20,786
Total assets		3,887,916	3,470,924
Unit Holders' funds and Liabilities			
Liabilities			
Payables	5	28,138	28,542
Amount payable on unit redemption		283	441
Total liabilities (excluding net assets attributable to unitholders)		28,421	28,983
Net assets attributable to unitholders – liability		3,859,495	3,441,941
Total Unit Holders' Funds and Liabilities		3,887,916	3,470,924

CEYBANK UNIT TRUST

Statement of changes in Unitholders' funds

(all amounts in Sri Lanka Rupees thousands)

	Six months ended 30 September	
	2020	2019
Unit holders' funds at beginning of year	2,665,196	3,181,898
Increase / (Decrease) in net assets attributable to unit holders	1,200,873	295,140
Received on unit creations	810	763
Paid on unit redemptions	(7,384)	(35,860)
Unitholders' funds at end of year	3,859,495	3,441,941

	Six months ended 30 September	
	2020	2,019
Notes	in Rs. '000	in Rs. '000
1 Interest Income from Financial Assets		
Interest on Bank Deposits	1,507	1,269
Interest on Reverse Repo Agreements	1,290	2,530
Interest on Commercial Papers	2,283	1,265
		5,064
WHT on Interest Income	-	(99)
	5,080	4,965
2 Other Expenses		
NBT/VAT Expense	101	776
Miscellaneous Expenses	167	-
Bank Charges	31	62
	299	838
3 Financial Assets held at fair value through profit or loss		
Investments at Quoted Market Value	3,609,998	3,295,762

As at 30th September 2020

Company	Share Qty	Market Value Rs. '000	Holdings as a % of NAV
<u>AUTOMOBILES & COMPONENTS</u>			
KELANI TYRES PLC	6,473,917	515,324	13.35%
<u>BANKS</u>			
NATIONS TRUST BANK PLC	4,192	260	0.01%
SEYLAN BANK PLC - NON VOTING	33,887	1,118	0.03%
PAN ASIA BANKING CORPORATION PLC	126,284	1,755	0.05%
COMMERCIAL BANK OF CEYLON PLC	238,360	19,045	0.49%
SAMPATH BANK PLC	35,684	4,710	0.12%
UNION BANK OF COLOMBO PLC	25,226	277	0.01%
<u>CAPITAL GOODS</u>			
ROYAL CERAMICS LANKA PLC	27,809	3,209	0.08%
JOHN KEELLS HOLDINGS PLC	22,595	3,041	0.08%
LANKA WALLTILES PLC	84,689	6,944	0.18%
VALLIBEL ONE PLC	15,812,879	336,814	8.73%
SOFTLOGIC HOLDINGS PLC	48,751	561	0.01%
ACCESS ENGINEERING PLC	247,962	5,852	0.15%
<u>CONSUMER DURABLES & APPAREL</u>			
TEEJAY LANKA PLC	35,600	1,242	0.03%
<u>CONSUMER SERVICES</u>			
AITKEN SPENCE HOTEL HOLDINGS PLC	195,848	4,426	0.11%
TRANS ASIA HOTELS PLC	5,456,879	335,598	8.70%
THE KINGSBURY PLC	8,397,050	85,650	2.22%
AMAYA LEISURE PLC	18,340	545	0.01%
ASIAN HOTELS & PROPERTIES PLC	8,978,984	317,856	8.24%

Company	Share Qty	Market Value	Holdings as a % of NAV
		Rs.'000	
<u>DIVERSIFIED FINANCIALS</u>			
MERCHANT BANK OF SRI LANKA & FINANCE PLC	11,798,960	94,392	2.45%
PEOPLES LEASING & FINANCE PLC	3,090	40	0.00%
ADAM INVESTMENTS PLC	3,859,024	772	0.02%
<u>ENERGY</u>			
LANKA IOC PLC	6,025,833	156,672	4.06%
LAUGFS GAS PLC	122,600	2,096	0.05%
LAUGFS GAS PLC- NON VOTING	12,175	159	0.00%
<u>FOOD BEVERAGE & TOBACCO</u>			
KELANI VALLEY PLANTATIONS PLC	1,402,207	99,557	2.58%
KAHAWATTE PLANTATIONS PLC	6,831,407	232,268	6.02%
LUCKY LANKA MILK PROCESSING COMPANY PLC	1,800,000	1,440	0.04%
<u>HEALTH CARE EQUIPMENT & SERVICES</u>			
THE LANKA HOSPITALS CORPORATION PLC	3,014,475	132,637	3.44%
<u>MATERIALS</u>			
TOKYO CEMENT COMPANY (LANKA) PLC - NON VOTING	59,400	2,614	0.07%
TOKYO CEMENT COMPANY (LANKA) PLC	33,105	1,741	0.05%
<u>REAL ESTATE</u>			
C T LAND DEVELOPMENT PLC	1,667	54	0.00%
EQUITY TWO LTD	2,279,187	147,691	3.83%
COLOMBO LAND & DEVELOPMENT COMPANY PLC	18,725,832	501,852	13.00%
<u>TELECOMMUNICATION SERVICES</u>			
SRI LANKA TELECOM PLC	17,389,741	568,645	14.73%
DIALOG AXIATA PLC	673,769	7,546	0.20%
<u>TRANSPOTATION</u>			
EXPOLANKA HOLDINGS PLC	373,335	4,293	0.11%
<u>UTILITIES</u>			
LVL ENERGY FUND PLC	1,116,653	10,385	0.27%
LAUGFS POWER LIMITED	122,600	846	0.02%
LAUGFS POWER LIMITED -NON VOTING	12,175	68	0.00%
		3,609,998	

As at 30th September 2019

Company	Share Qty	Market Value	Holdings as a % of NAV
		Rs.'000	
<u>Banks Finance & Insurance</u>			
COMMERCIAL BANK OF CEYLON PLC	120,679	11,839	0.34%
MERCHANT BANK OF SRI LANKA & FINANCE PLC	11,797,191	101,456	2.95%
NATIONS TRUST BANK PLC	4,192	324	0.01%
PAN ASIA BANKING CORPORATION PLC	124,284	1,541	0.04%
PEOPLES LEASING & FINANCE PLC	3,090	46	0.00%
SAMPATH BANK PLC	684	105	0.00%
SEYLAN BANK PLC - NON VOTING	24,619	729	0.02%
THE FINANCE COMPANY PLC	5,706,601	7,419	0.22%
THE FINANCE COMPANY PLC- NON VOTING	1,494,345	747	0.02%
UNION BANK OF COLOMBO PLC	25,226	341	0.01%
<u>Beverages Food & Tobacco</u>			
LUCKY LANKA MILK PROCESSING COMPANY PLC	1,800,000	1,260	0.04%
<u>Construction & Engineering</u>			
ACCESS ENGINEERING PLC	247,962	4,463	0.13%
<u>DIVERSIFIED HOLDINGS</u>			
ADAM INVESTMENTS PLC	3,859,024	772	0.02%
EXPOLANKA HOLDINGS PLC	373,335	1,941	0.06%
JOHN KEELLS HOLDINGS PLC	12,595	1,937	0.06%
SOFTLOGIC HOLDINGS PLC	116	2	0.00%
VALLIBEL ONE PLC	15,331,262	229,969	6.68%
<u>HEALTH CARE</u>			
THE LANKA HOSPITALS CORPORATION PLC	3,004,806	122,897	3.57%

	Share Qty	Market Value Rs.'000	Holdings as a % of NAV
<u>Hotels & Travels</u>			
ASIAN HOTELS & PROPERTIES PLC	8,852,283	362,944	10.54%
AITKEN SPENCE HOTEL HOLDINGS PLC	195,848	4,896	0.14%
AMAYA LEISURE PLC	18,340	587	0.02%
THE KINGSBURY PLC	8,352,344	100,228	2.91%
TRANS ASIA HOTELS PLC	5,448,672	381,407	11.08%
<u>Land & Property</u>			
COLOMBO LAND & DEVELOPMENT COMPANY PLC	17,808,963	407,825	11.85%
C T LAND DEVELOPMENT PLC	1,667	50	0.00%
EQUITY TWO LTD	2,278,745	125,331	3.64%
<u>Manufacturing</u>			
LANKA WALLTILES PLC	84,689	4,997	0.15%
ROYAL CERAMICS LANKA PLC	22,809	1,428	0.04%
TEEJAY LANKA PLC	35,600	1,264	0.04%
TOKYO CEMENT COMPANY (LANKA) PLC	3,105	106	0.00%
TOKYO CEMENT COMPANY - NON VOTING	14,400	408	0.01%
KELANI TYRES PLC	8,037,911	321,516	9.34%
<u>Plantations</u>			
KAHAWATTE PLANTATIONS PLC	6,830,507	257,510	7.48%
KELANI VALLEY PLANTATIONS PLC	2,217,629	179,628	5.22%
<u>Power and Energy</u>			
LAUGFS GAS PLC	122,600	1,937	0.06%
LAUGFS GAS PLC- NON VOTING	12,175	156	0.00%
LANKA IOC PLC	6,243,103	98,017	2.85%
LVL ENERGY FUND PLC	1,116,653	8,487	0.25%
<u>TELECOMMUNICATIONS</u>			
DIALOG AXIATA PLC	618,769	6,559	0.19%
SRI LANKA TELECOM PLC	18,713,663	542,696	15.77%
		3,295,762	

	Six months ended 30 September	
	2020	2,019
4 <u>Financial Assets measured at Amortised Cost</u>	in Rs. '000	in Rs. '000
Reverse Repo Agreements	115,586	54,388
Bank Deposits	10,201	50,546
Commercial Papers	126,249	48,147
	252,036	153,081
5 <u>Payables</u>		
Unclaimed Redemptions	8	8
Payables to Management Company	11,269	11,148
Management Fees	13,984	14,414
Trustee Fees	2,119	2,155
Custodian Fees	758	817
	28,138	28,542



Managers of the Ceybank Unit Trust Fund's

No. 85, York Street, Colombo 01, Sri Lanka.

Phone : +94 11 760 2000-2, Fax : +94 11 232 7203, E-Mail : info@ceybank.com, Web : www.ceybank.com