

# INTERIM REPORT

30 SEPTEMBER 2021

## CEYBANK CENTURY GROWTH FUND



Managed By



## Ceybank Century Growth Fund

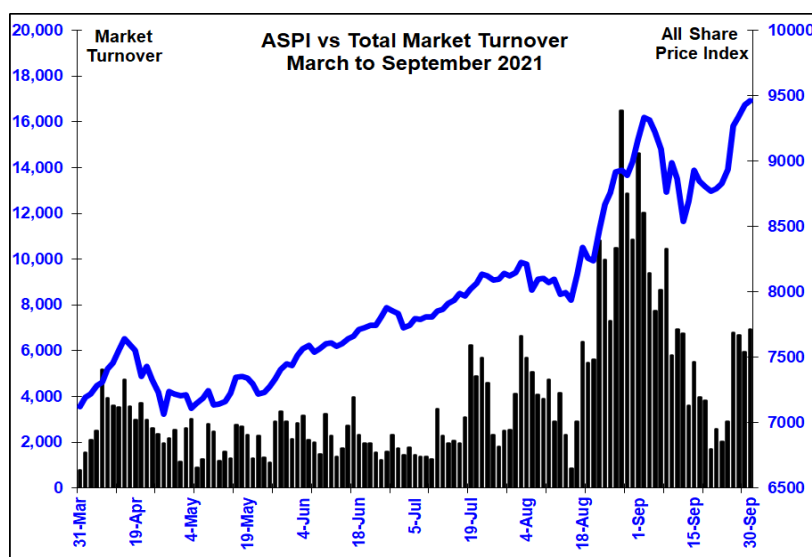
### Manager's half yearly report for the period ended 30<sup>th</sup> September 2021

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 2021.

Despite the Covid-19 pandemic, the performance in the stock market displayed a positive sentiment during the six-month period ending 30<sup>th</sup> September 2021. The Net Asset Value per unit of your Fund appreciated by 10.23% during the period under review. During the same period the ASPI increased 32.84% and the S&P Index increased by 24.02%. The net asset value per unit amounted to Rs 78.46 as at 30<sup>th</sup> September 2021.

### Capital Market Performance

The Colombo Bourse witnessed a bullish market sentiment with the active local investors backed by low market interest rates, imposition of import restrictions and attractive valuations of some counters during the period under review. This was amidst the imbalanced macro-economic fundamentals due to Covid-19 pandemic.



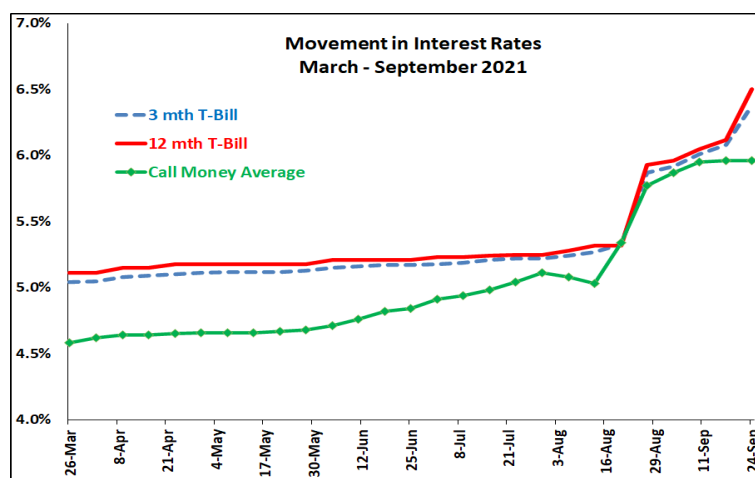
Foreign investors were net sellers with Net foreign outflows for the six months ending September 2021, being approximately Rs 27.18 billion.

The ASPI closed at 9,459.94 up by 2,339 points while the S&P Index was at 3,534.82 up 685 points for the six-month period ended 30<sup>th</sup> September 2021.

The Sri Lankan economy witnessed a recovery of 4.3% (YoY) in the first quarter 2021 and 12.3% (YoY) in the second quarter 2021 from the contraction of 3.6% (YoY) accounted in year 2020,

The Country's foreign reserve position showed a decline from US\$ 4.06 billion at the end of March to US\$ 2.70 billion by end September 2021 owing to lack of US\$ net inflow to Sri Lanka. The Exchange rate (Rs/US\$) which was at Rs. 199.2153 on 1<sup>st</sup> April 2021, depreciated by 0.39% and was quoted at Rs 199.9857 as at 30<sup>th</sup> September 2021.

Average Annual Inflation measured by the CCPI which was at 4% in end March 2021, recorded a downturn in April and May, and subsequently accelerated to 4.5% at the end of September 2021.

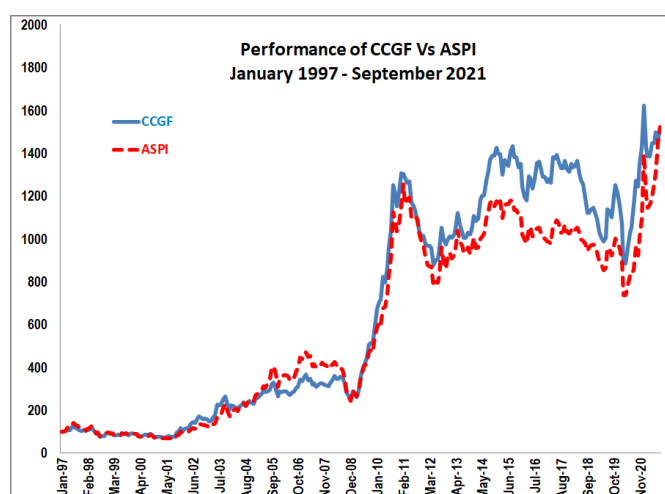


Market Interest rates surged up during the period. The 12-month Treasury bill yields moved up 139 basis points, from 5.11% p.a. at the end of March to 6.50% p.a. by end September 2021.

Overnight call money traded within a band of 4.60% and 6% p.a. Central Bank policy rates were increased by 50 basis points in August 2021. Thus, the Standard Lending Facility Rate and the Standing Deposit Facility Rate settled at 5% and 6% respectively. The statutory reserve ratio (SRR) for Commercial Banks was increased by 2% and was at 4% as at end September 2021.

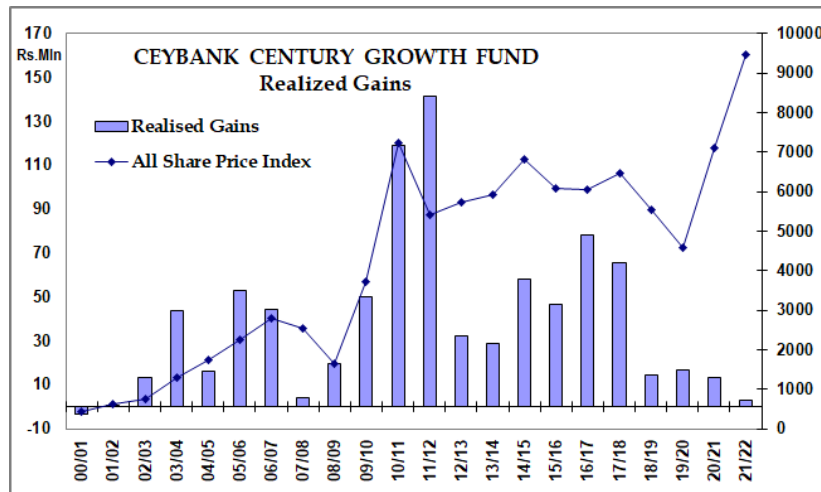
## Fund Performance

The Net Asset Value per unit of your Fund increased by 10.23% 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. 1,283.78 million as at 30<sup>th</sup> September 2021.



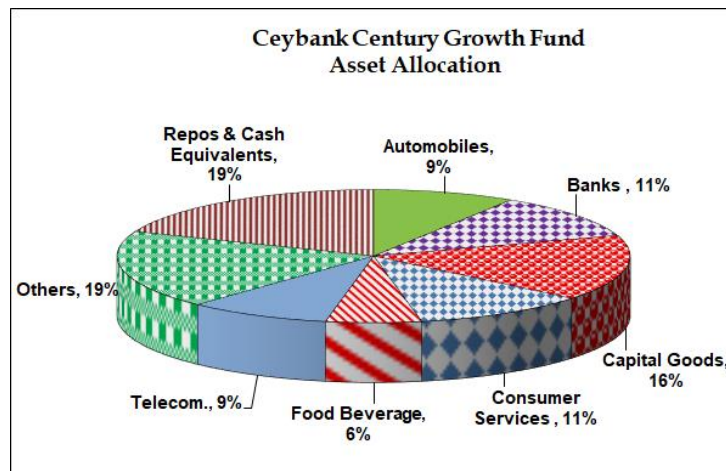
The Fund generated dividend income of Rs 23.99 million, up from Rs 11.46 million in the corresponding period. Expenses increased from Rs 5.81 million to Rs 9.85 million. Interest Income improved to Rs 6.35 million up from 2.89 million.

The Fund realized Rs 3.24 million as capital gains from sale of equity during the period, as increase from the Rs 1.06 million recorded in the previous period.



The market value of the portfolio was Rs 1,083.78 million as at 30<sup>th</sup> September 2021 up from Rs 1,020.32 million in March 2021.

The Fund maintained a relatively high level of equity exposure as at 30<sup>th</sup> September 2021. 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, Consumer Services, Automobiles 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 global coverage of successful vaccination programme against the Covid 19 pandemic delivered gratifying results with the regaining of economies despite the emergence of new variants in some countries. The Sri Lankan economy too witnessed a recovery during the first half of 2021 amidst the pandemic related challenges. As per our expectation, the growth momentum in Services and Industry sectors would sustain during the second half of the year 2021. The Agriculture sector which plays a crucial role in GDP, would slow down owing to fertilizer issues albeit the favorable weather conditions prevail.

In order to ease off the pressure on rupee depreciation, we expect import substitution and local manufacturing will be given priority, amidst the increase in import bill due to the rise in global crude oil prices. Anticipated global economic recovery with the vaccination drive would benefit not only the country's export industry, but Workers' Remittances, Tourism, Foreign Direct Investments (FDIs) in the midst of flattering Government policy direction.

The country's looming debt repayments for the next few years are concerns that need to be addressed. The Port City could be the catalyst to attract FDIs. However, downgrading of the country to Caa2 from Caa1 by Moody's would create a challenging environment to attract foreign investors to Sri Lanka. We expect policy makers to take proactive measures to increase export earnings and net dollar inflows to the country which are paramount factors to manage the repayments and boost foreign reserves.

The development-oriented Budget for 2022 would be anticipated in order to address the disparity in macro fundamentals while narrowing the budget deficit. Market interest rates could surge up gradually towards the end of the year against the accelerated ongoing inflationary pressure.

We expect the stock market to be volatile after reaching the highest level of ASPI at 9,459.94 in September 2021 which was backed by the excellent performance reported by the listed companies amidst the pandemic. Foreign investors will no doubt assess risks based on global developments. We will continue to search for value in specific sectors and counters and make changes to the Fund portfolio based on the changing market environment.

Kanchana Karannagoda  
**Fund Manager**

October 2021

## CEYBANK CENTURY GROWTH FUND

### Statement of comprehensive income

(all amounts in Sri Lanka Rupees thousands)

|   | Notes | Six months ended 30'th Sep |                |
|---|-------|----------------------------|----------------|
|   |       | 2021                       | 2020           |
| <b>Income</b>   |       |                            |                |
| Dividend  |       | 23,995                     | 11,462         |
| Interest income from financial assets   | 1     | 6,352                      | 2,897          |
| Net realized gain on financial assets held at fair value through profit or loss             |       | 3,245                      | 1,067          |
| Net change in unrealized Gain on financial assets held at fair value through profit or loss |       | 87,686                     | 267,580        |
| <b>Total investment income</b>  |       | <b>121,278</b>             | <b>283,006</b> |
| <b>Expenses</b>   |       |                            |                |
| Management fee  |       | (9,853)                    | (5,813)        |
| Trustee & custodian fee   |       | (2,000)                    | (1,180)        |
| Other expenses  | 2     | (105)                      | (140)          |
|   |       | <b>(11,958)</b>            | <b>(7,133)</b> |
| <b>Profit / (Loss) after deductions and before tax</b>                                      |       | <b>109,320</b>             | <b>275,873</b> |
| Income tax expense  |       | -                          | -              |
| <b>Increase/ (Decrease) in net assets attributable to unitholders</b>                       |       | <b>109,320</b>             | <b>275,873</b> |

## CEYBANK CENTURY GROWTH FUND

### Statement of financial position

(all amounts in Sri Lanka Rupees thousands)

|   | Note | Six months ended 30'th Sep |                |
|---|------|----------------------------|----------------|
|   |      | 2021                       | 2020           |
| <b>Assets</b>   |      |                            |                |
| Cash and cash equivalents                                   |      | 2,591                      | 4,155          |
| Other receivable  |      | 242                        | 328            |
| Financial assets held at fair valued through profit or loss | 3    | 1,045,013                  | 813,174        |
| Financial assets measured at amortised cost                 | 4    | 243,247                    | 117,401        |
| Receivable for sale of equity shares                        |      | -                          | 811            |
| Income tax receivable                                       |      | -                          | 9,013          |
| <b>Total assets</b>   |      | <b>1,291,093</b>           | <b>944,882</b> |

### Unit Holders' funds and Liabilities

|   |   |                  |                |
|---|---|------------------|----------------|
| <b>Liabilities</b>  |   |                  |                |
| Payables  | 5 | 7,099            | 6,249          |
| Amount Payable on Unit redemption   |   | 209              | 5,086          |
| <b>Total liabilities (excluding net assets attributable to unitholders)</b> |   | <b>7,308</b>     | <b>11,335</b>  |
| <b>Net assets attributable to unitholders – liability</b>                   |   | <b>1,283,785</b> | <b>933,547</b> |
| <b>Total Unit Holders' funds and Liabilities</b>                            |   | <b>1,291,093</b> | <b>944,882</b> |

## CEYBANK CENTURY GROWTH FUND

### Statement of changes in Unitholders' funds

(all amounts in Sri Lanka Rupees thousands)

|  | Note | Six months ended 30'th Sep |                |
|--|------|----------------------------|----------------|
|  |      | 2021                       | 2020           |
| <b>Unit holders' funds at beginning of the year</b>              |      | <b>1,020,569</b>           | <b>594,647</b> |
| Increase / (Decrease) in net assets attributable to unit holders |      | 109,320                    | 275,873        |
| Received on unit creations                                       |      | 234,099                    | 90,967         |
| Paid on unit redemptions   |      | (80,203)                   | (27,940)       |
| <b>Unitholders' funds at end of the year</b>                     |      | <b>1,283,785</b>           | <b>933,547</b> |

**Notes**

In Rs. '000

|  | <u>2021</u>      | <u>2020</u>    |
|--|------------------|----------------|
| <b>1 Interest Income From Financial Assets</b>                       |                  |                |
| Interest on Bank Deposit   | 2675             | 2,357          |
| Interest on Reverse Repo Agreements                                  | 3677             | 540            |
|  | <b>6,352</b>     | <b>2,897</b>   |
| <b>2 Other Expenses</b>  |                  |                |
| NBT/VAT Expenses   | 39               | 23             |
| Bank Charges   | 23               | 28             |
| Miscellaneous Expenses   | 43               | 89             |
|  | <b>105</b>       | <b>140</b>     |
| <b>3 Financial Assets Held at Fair Valued Through Profit or Loss</b> |                  |                |
|  | <b>1,045,013</b> | <b>813,174</b> |

As at 30th September 2021

| Company                                    | Share Qty | Market Value 000' | Holding as at % NAV |
|--|-----------|-------------------|---------------------|
| <b>AUTOMOBILES &amp; COMPONENTS</b>        |           |                   |                     |
| KELANI TYRES PLC                           | 1,307,516 | 111,139           | 8.66%               |
| <b>BANKS</b>                               |           |                   |                     |
| COMMERCIAL BANK OF CEYLON PLC - Non Voting | 209,242   | 15,902            | 1.24%               |
| NATIONS TRUST BANK PLC                     | 37,230    | 2,130             | 0.17%               |
| PAN ASIA BANKING CORPORATION PLC           | 155,605   | 2,396             | 0.19%               |
| COMMERCIAL BANK OF CEYLON PLC              | 189,696   | 16,029            | 1.25%               |
| SAMPATH BANK PLC                           | 1,168,215 | 60,747            | 4.73%               |
| HATTON NATIONAL BANK PLC                   | 108,337   | 15,276            | 1.19%               |
| HATTON NATIONAL BANK PLC - NON VOTING      | 268,884   | 35,963            | 2.80%               |
| <b>CAPITAL GOODS</b>                       |           |                   |                     |
| ROYAL CERAMICS LANKA PLC                   | 278,214   | 12,798            | 1.00%               |
| JOHN KEELLS HOLDINGS PLC                   | 346,001   | 51,814            | 4.04%               |
| LANKA WALLTILES PLC                        | 1,094,915 | 81,790            | 6.37%               |
| SOFTLOGIC HOLDINGS PLC                     | 23,200    | 288               | 0.02%               |
| ACCESS ENGINEERING PLC                     | 2,560,753 | 58,897            | 4.59%               |
| <b>CONSUMER DURABLES &amp; APPAREL</b>     |           |                   |                     |
| TEEJAY LANKA PLC                           | 191,245   | 8,415             | 0.66%               |
| <b>CONSUMER SERVICES</b>                   |           |                   |                     |
| AITKEN SPENCE HOTEL HOLDINGS PLC           | 1,078,973 | 46,827            | 3.65%               |
| TRANS ASIA HOTELS PLC                      | 569,596   | 33,891            | 2.64%               |
| HAYLEYS LEISURE PLC                        | 316,448   | 8,006             | 0.62%               |
| ASIAN HOTELS & PROPERTIES PLC              | 1,260,052 | 54,938            | 4.28%               |
| <b>DIVERSIFIED FINANCIALS</b>              |           |                   |                     |
| PEOPLES LEASING & FINANCE PLC              | 690,620   | 7,390             | 0.58%               |
| <b>ENERGY</b>                              |           |                   |                     |
| LANKA IOC PLC                              | 1,767,951 | 36,420            | 2.84%               |
| <b>FOOD BEVERAGE &amp; TOBACCO</b>         |           |                   |                     |
| KELANI VALLEY PLANTATIONS PLC              | 966,600   | 41,660            | 3.25%               |
| SUNSHINE HOLDINGS PLC                      | 79,212    | 1,980             | 0.15%               |
| CEYLON GRAIN ELEVATORS PLC                 | 156,250   | 18,477            | 1.44%               |
| LUCKY LANKA MILK PROCESSING COMPANY PLC    | 200,000   | 160               | 0.01%               |
| MELSTACORP PLC                             | 210,000   | 12,558            | 0.98%               |



**HEALTH CARE EQUIPMENT & SERVICES**

|                                     |         |        |       |
|-------------------------------------|---------|--------|-------|
| THE LANKA HOSPITALS CORPORATION PLC | 857,616 | 45,711 | 3.56% |
|-------------------------------------|---------|--------|-------|

**INSURANCE**

|                   |         |        |       |
|-------------------|---------|--------|-------|
| HNB ASSURANCE PLC | 297,000 | 13,098 | 1.02% |
|-------------------|---------|--------|-------|

**MATERIALS**

|   |           |        |       |
|---|-----------|--------|-------|
| DIPPED PRODUCTS LIMITED                       | 340,000   | 19,924 | 1.55% |
| Chevron Lubricants Lanka PLC                  | 53,191    | 5,678  | 0.44% |
| TOKYO CEMENT COMPANY (LANKA) PLC - NON VOTING | 1,120,695 | 47,293 | 3.68% |
| JAT HOLDINGS LIMITED                          | 500,000   | 11,000 | 0.86% |

**REAL ESTATE**

|  |         |        |       |
|--|---------|--------|-------|
| C T LAND DEVELOPMENT PLC               | 188,354 | 5,538  | 0.43% |
| SEYLAN DEVELOPMENTS PLC                | 388,303 | 6,407  | 0.50% |
| COLOMBO LAND & DEVELOPMENT COMPANY PLC | 580,218 | 22,629 | 1.76% |
| MILLENNIUM HOUSING DEVELOPERS PLC      | 95,440  | 554    | 0.04% |
| PRIME LANDS RESIDENCIES LIMITED        | 250,000 | 2,450  | 0.19% |

**TELECOMMUNICATION SERVICES**

|                       |           |        |       |
|-----------------------|-----------|--------|-------|
| SRI LANKA TELECOM PLC | 1,620,369 | 59,954 | 4.67% |
| DIALOG AXIATA PLC     | 4,782,054 | 51,646 | 4.02% |

**TRANSPOTATION**

|                     |         |       |       |
|---------------------|---------|-------|-------|
| CHRISSWORLD LIMITED | 362,896 | 9,000 | 0.70% |
|---------------------|---------|-------|-------|

**UTILITIES**

|                     |         |       |       |
|---------------------|---------|-------|-------|
| LVL ENERGY FUND PLC | 595,415 | 6,371 | 0.50% |
| WINDFORCE LIMITED   | 100,000 | 1,870 | 0.15% |

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**1,045,013**


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**As at 30th September 2020**

| Company Name                               | Share QTY | Market value'000 | % 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% |

|  |         |        |       |
|--|---------|--------|-------|
| <b>REAL ESTATE</b>                     |         |        |       |
| 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% |

|                                   |           |        |       |
|-----------------------------------|-----------|--------|-------|
| <b>TELECOMMUNICATION SERVICES</b> |           |        |       |
| SRI LANKA TELECOM PLC             | 1,620,369 | 52,986 | 5.68% |
| DIALOG AXIATA PLC                 | 4,782,054 | 53,559 | 5.74% |

|                     |         |       |       |
|---------------------|---------|-------|-------|
| <b>UTILITIES</b>    |         |       |       |
| LVL ENERGY FUND PLC | 595,415 | 5,537 | 0.59% |

**813,174**

|   | 2021           | 2020           |
|---|----------------|----------------|
| 4 Financial Assets Measured at Amortised Cost |                |                |
| Reverse Repo Agreements                       | 193,239        | 70,272         |
| Bank Deposits                                 | 50,008         | 47,129         |
|   | <u>243,247</u> | <u>117,401</u> |
| 5 Payables                                    |                |                |
| Trade Creditors                               | 2,189          | 808            |
| Payables to Management Company                | 2,481          | 2,711          |
| Management Fees                               | 1,709          | 2,265          |
| Trustee Fees                                  | 259            | 343            |
| Custodian Fees                                | 461            | 121            |
|   | <u>7,099</u>   | <u>6,249</u>   |



Managers of the Ceybank Unit Trust Fund's

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