

CEYBANK CENTURY GROWTH FUND

ANNUAL REPORT 2023/2024

Managed By



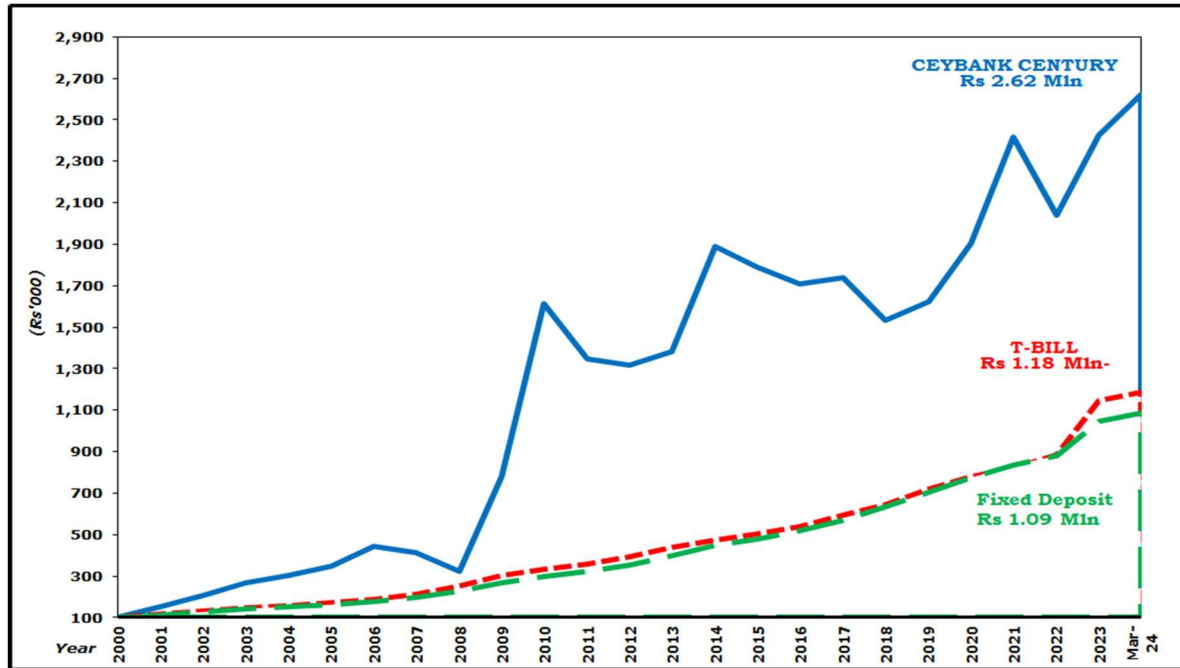
“The SEC in granting approval does not extend to either endorsing or ratifying the accuracy of the specific details set out therein, and that the management company remains at all times responsible for the specific details set out in the Annual Report.”

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CEYBANK CENTURY GROWTH FUND ANNUAL REPORT-2023/2024 PERFORMANCE HIGHLIGHTS

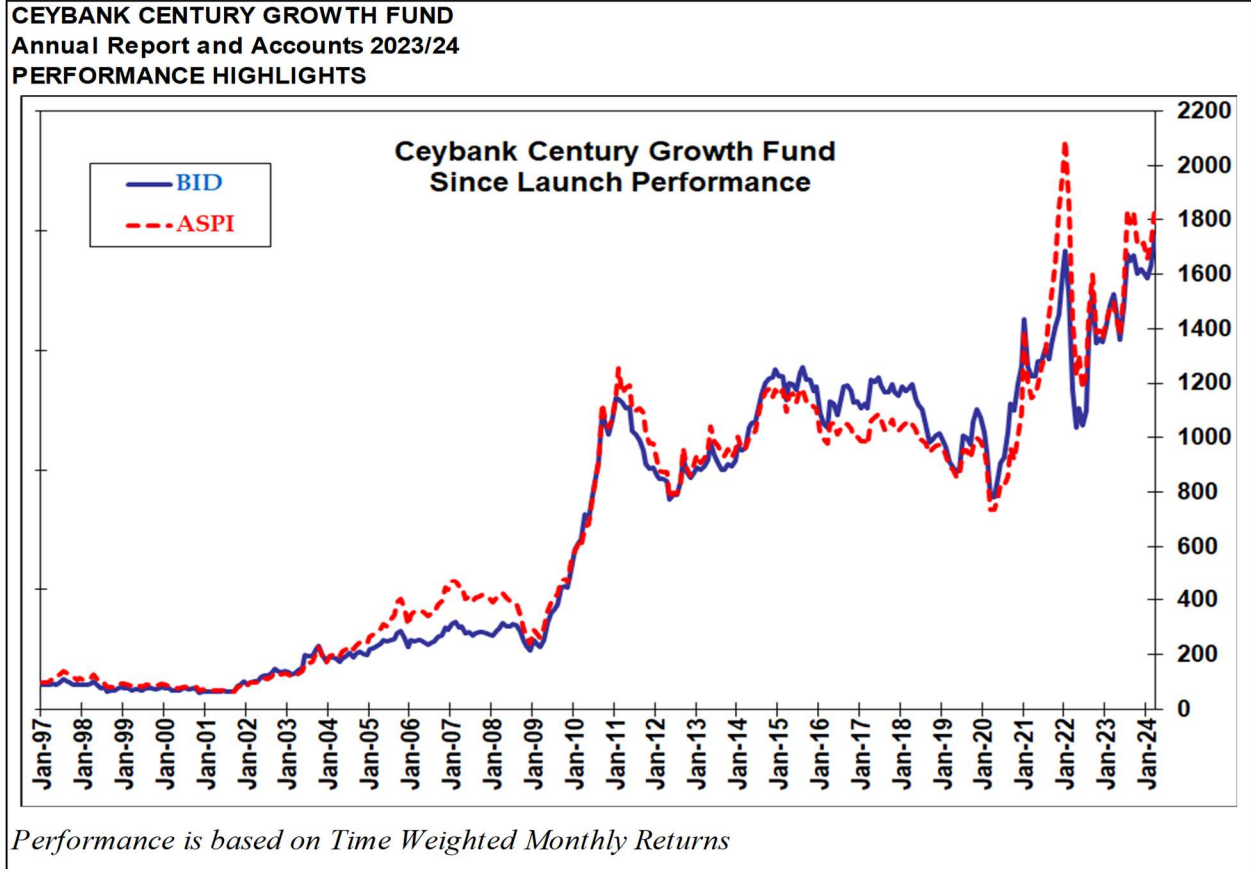
The Growth in Value of Rs. 100,000/- invested in the Ceybank Century Growth Fund
(adjusted for dividends) Vs Treasury Bills & Fixed Deposits
(For the period 29-12-2000 to 31-03-2024)



* 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	Mar-24
CCGF Value (Rs'000)	100	152	210	267	302	347	441	415	322	778	1,615	1,345	1,320	1,380	1,889	1,790	1,709	1,740	1,531	1,622	1,905	2,416	2,039	2,426	2,621

**CEYBANK CENTURY GROWTH FUND
ANNUAL REPORT-2023/2024
PERFORMANCE HIGHLIGHTS**



**CEYBANK CENTURY GROWTH FUND
ANNUAL REPORT-2023/2024
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
Web: 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
(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 CENTURY GROWTH FUND

Annual Report & Accounts 2023/2024

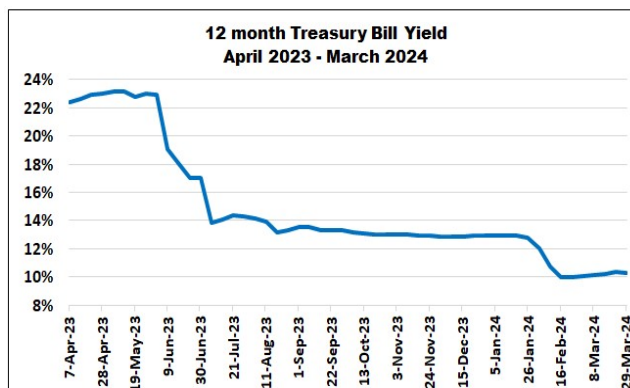
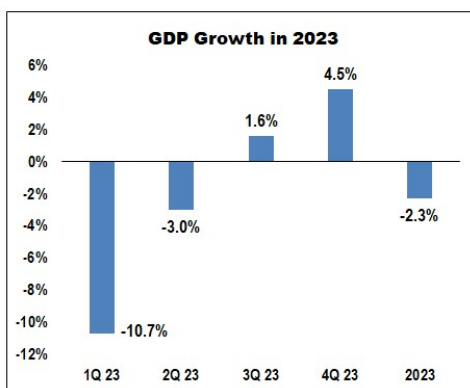
REPORT OF THE MANAGER

We have great pleasure in presenting the Annual Report and Audited Accounts of Ceybank Century Growth Fund for the year ended 31st March 2024.

In the midst of improvement in macro-economic indicators led by the approval of IMF-EFF and the completion of Domestic Debt Restructuring process were factored by the Colombo Bourse which witnessed a positive momentum in ASPI during the period. Both ASPI and S&P SL20 grew by 23.04% and 23.66% respectively. The ASPI closing at 11,444.38 and S&P SL20 at 3,317.62 as at 31st March 2024. During the period, the Net Asset Value per unit of your Fund appreciated by 13.84%. The net asset value per unit amounted to Rs 101.68 as at 31st March 2024.

Economy

The Sri Lankan Economy recorded a contraction of 2.3%YoY in 2023 against -7.3%YoY in 2022 (2015=100). This reflects a slowdown in economic downturns on YoY amidst the regaining fundamentals in the economy. Sector wise, both Industry and Services sectors slumped by 9.2%YoY and 0.2%YoY respectively while the Agriculture sector accounted a growth of 2.6%YoY in 2023. The decelerated trend was witnessed in year on year Inflation measured by the CCPI (2021=100) which recorded at 0.9% in March 2024 from 35.30%YoY in April 2023.



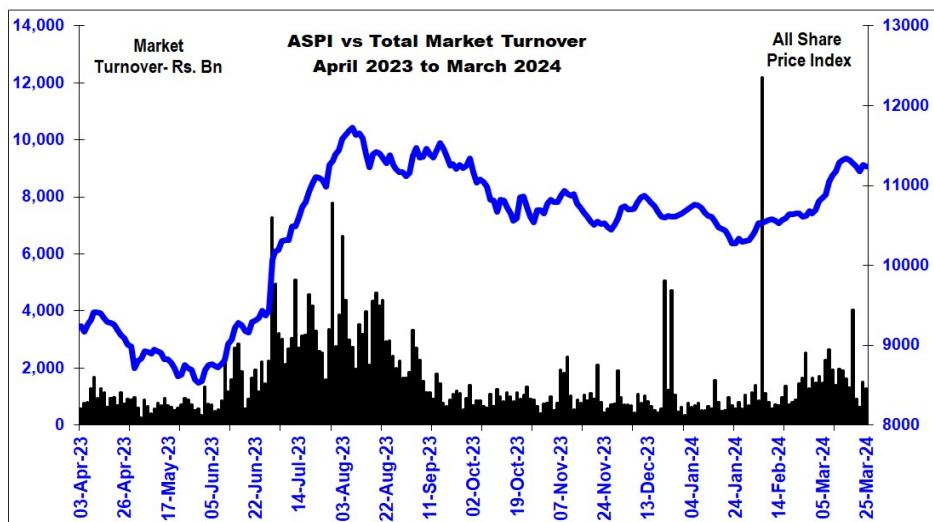
Interest rates displayed a declining trend during the period. The benchmark 12month Treasury bill rate which was at 22.37% p.a. in April 2023 recorded a drop of 1,199 basis points to 10.38% p.a. by the end of March 2024. Yields on long term Treasury bonds also followed in tandem.

Overnight call money rates traded between 8.55% and 16.50% p.a. The exchange rate which was at 327.50 (Rs/US\$) at the beginning of April 2023, depreciated by 8.04% against USD during the year and was recorded at 301.18 (Rs/USD) as at 31st March 2024.

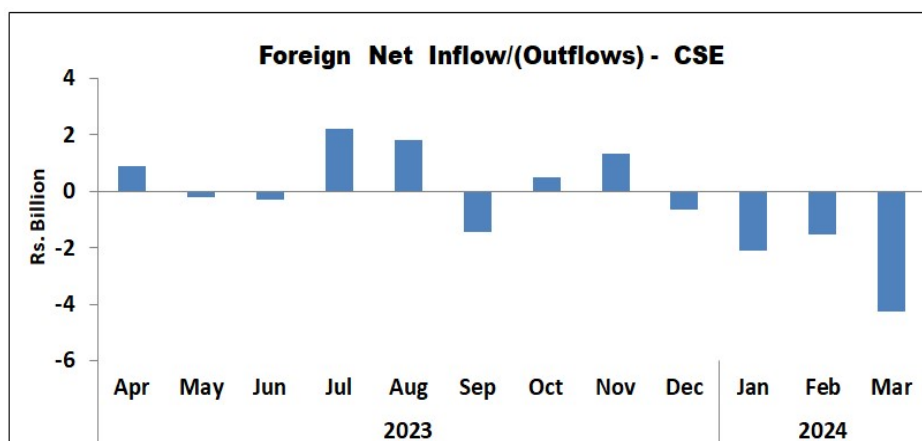
Central Bank key policy rates were gradually reduced five times during the financial year 2023/24. Effectively both Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) were reduced by 700bps each while the Statutory Reserve Requirement (SRR) for Commercial Banks lowered by 2% during the period. As of end March 2024, the SDFR, SLFR and SRR were at 8.50%, 9.50% and 2% respectively.

Capital Market Performance

Despite the uncertainties in foreign debt restructuring, global recession fears and tightening monetary policy across the globe, the Colombo Bourse witnessed a bullish investor sentiment during the financial year 2023/24 in the midst of completion of Domestic Debt Optimization (DDO) process coupled with the regaining macro-fundamentals in the economy led by the approval of IMF-EFF. With the announcement of DDO in June 2023, the investor sentiment on Banking sector changed overnight based on the minimal impact on the banking sector and primary dealer counters from the DDO. Thus, market factored this notably and heavy weightage was given to the counters in Banks and Diversified Financial sectors during the period, supported by the fact that the equity securities are tax free investments in the market.



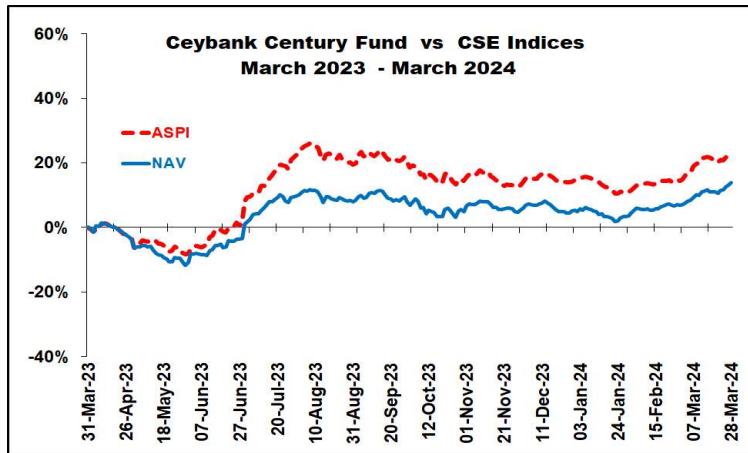
During the period, the foreign investors emerged as net sellers in the Colombo Stock Exchange by recording a net foreign outflow of Rs 3.72 billion due to strategic foreign outflows notably recorded in 1Q2024 despite the attractive valuations in selected equities and the recovery in macro fundamentals in the Sri Lankan economy. The average daily turnover during the period was Rs 1,600 million.



Fund Performance

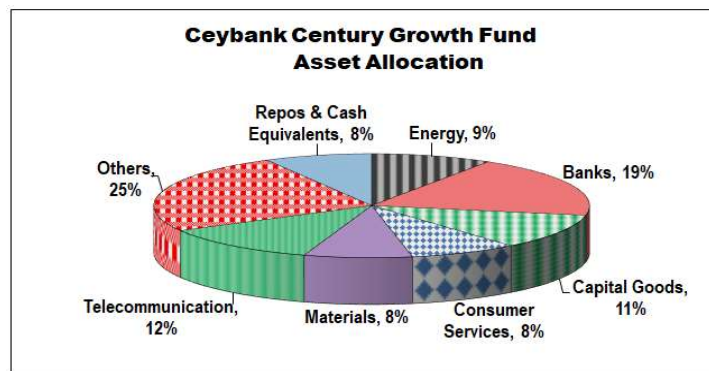
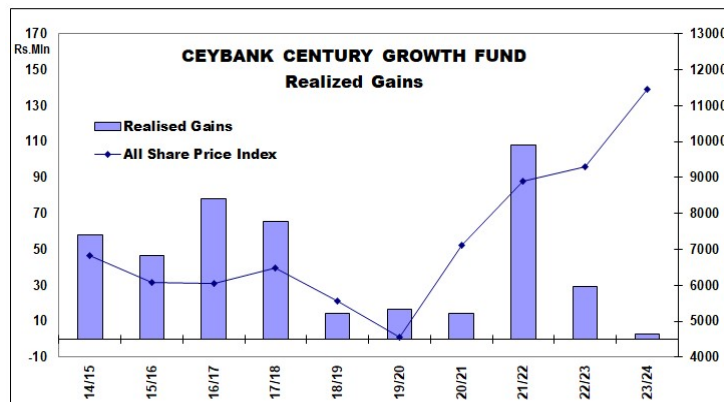
During the period, the Net Asset Value per unit of your Fund appreciated by 13.84%, against ASPI gain of 23.04%. The zero allocation to the primary dealer (PD) counters caused the Fund to underperform against the ASPI as PD shares heavily influenced the ASPI growth during the period. The total net assets stood at Rs. 1,067 million as at 31st March 2024.

Interest income of the Fund decreased from Rs 24.78 million to Rs 11.62 million dropping by 53% during the period. Dividend income declined by 42% to Rs 24.52 million from Rs 42.46 million in the previous year.



The Fund realized capital gain of Rs 2.63 million against Rs 29.41 million gain accounted in the previous year from the sale of equity. The operating expenses increased from Rs 18.93 million to Rs 22.42 million during the period.

The Net Asset Value of the portfolio grew to Rs 1,067 million as at 31st March 2024 from Rs 945 million in March 2023.



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

Future Outlook

At present, in line with the implementation of structural reforms in the IMF Agreement, the signs of recovery in macro fundamentals can be witnessed in the economy including the gradual decline in elevated market interest rates, expansion in credit disbursements, deceleration of inflation, pick up in tourism earnings & workers' remittances, appreciation of rupee against USD with forex inflows and rebuilding of reserves by the Central Bank of Sri Lanka.

Amdst the improvement in economic indicators and fiscal discipline, a moderate GDP growth between 1.9% to 3% in Sri Lankan economy can be expected in 2024E against -2.3% in 2023 despite the completion of foreign debt restructuring program on International Sovereign Bonds (ISBs), policy uncertainties owing to Elections and enacting of tough reforms as per IMF agreement such as additional revenue measures underpinning the Budget 2025. Further tax administration reforms, limiting tax exemptions, submission of the new Public Financial Management bill to the Parliament, reforms to further liberalize trade, improve the investment climate and SOE efficiency, reduce gender gaps in the labor market and mitigate climate vulnerabilities. Thus, we would expect that the Sri Lankan authorities will be vigilant and proactive in implementing measures and reforms to achieve the targets before the deadline in order to align with the IMF agreement as well as to build the permanent structural reforms to achieve a sustainable, strong and resilient economy in Sri Lanka.

Currently, the Sri Lankan Government is in the discussion process to conclude the restructuring of ISBs and expecting to complete it during the month of July 2024 followed by an upgrade in country rating along with FDIs to Sri Lanka. This would result in allocation of new foreign funds to CSE by encouraging positive sentiment on equity trading on the back of attractive multiples of some trading counters coupled with the switching of some fixed income securities (FIS) to equity securities due to low yield on FIS. However, the election uncertainty may increase the risk premium on the revising of country rating and the investment in equities at CSE.

The Managers will continue to monitor the changing environment to address any change required in the asset allocation in order to meet the Fund objective. We expect selected sectors and companies in the equity market to perform positively in line with the regaining fundamentals and implementing reforms in the economy along with the upgraded country rating. We will continue to search for value in specific sectors and counters and make changes to the Fund portfolio based on the volatile market environment.

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

Fund Manager

June 2024

Our Ref: 3749/A1544/ST/NA/NA

*FINANCIAL STATEMENTS OF
CEYBANK CENTURY GROWTH FUND
FOR THE YEAR ENDED
31ST MARCH 2024*



Kreston MNS & Co
Chartered Accountants
Level 1 & 2, Advantage Building
74A, Dharmapala Mawatha
Colombo 07

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+ 94 (0) 11 2301396-7
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Web: www.kreston.lk

INDEPENDENT AUDITOR'S REPORT

TO THE UNIT HOLDERS OF CEYBANK CENTURY GROWTH FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **CEYBANK CENTURY GROWTH FUND** (the Fund) which comprise the Statement of Financial Position as at 31st March 2024, and the Statement of Comprehensive Income, Statement of Movement in unit holders Fund and Statement of Cash Flows for the year then ended 31st March 2024, and notes to the Financial Statements, including material accounting policy information exhibited on pages 3 to 26.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31st March 2024, and of its financial performance and its cash flows for the year then ended 31st March 2024 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.

Other Matter

The Financial Statements of the fund for the year ended 31st March 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 6th July 2023.

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)

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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

12TH JULY 2024

ST/UA/sk

ST-Ceybank Century Growth Fund(2024)-C9



STATEMENT OF FINANCIAL POSITION
(All amounts in Sri Lanka Rupees Thousands)

31.03.2024 31.03.2023

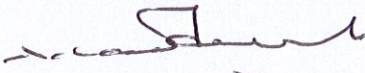
	Note	31.03.2024	31.03.2023
ASSETS			
Cash and Cash Equivalents	4	4,976	3,629
Other Receivables	5	-	6,465
Financial Assets at Fair Value through Profit or Loss	6	1,060,117	908,207
Financial Assets at Amortised Cost	7	4,503	33,019
Income Tax Receivable	8	-	-
Total Assets		<u>1,069,596</u>	<u>951,320</u>
UNIT HOLDERS' FUNDS & LIABILITIES			
LIABILITIES			
Accrued and Other Payable	9	<u>2,557</u>	<u>5,738</u>
Total Liabilities (Excluding net assets attributable to Unit Holders)		<u>2,557</u>	<u>5,738</u>
UNIT HOLDERS FUNDS			
Net Assets Attributable to Unit Holders	10	<u>1,067,039</u>	<u>945,582</u>
Total Unitholders' Funds		<u>1,067,039</u>	<u>945,582</u>
Total Unitholders' Funds and liabilities		<u>1,069,596</u>	<u>951,320</u>

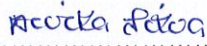
The Accounting Policies and Notes on pages 3 to 26 form an integral part of these Financial Statements.

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 27th June 2024 and trustee on 11th July 2024.


 Director
 Ceybank Asset Management Ltd.
 Fund Management Company


 Director
 Ceybank Asset Management Ltd.
 Fund Management Company


 Trustee
 National Savings Bank



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED

31.03.2024

31.03.2023

(All amounts in Sri Lanka Rupees Thousands)

	Note	31.03.2024	31.03.2023
Investment Income			
Dividend Income		24,525	42,469
Interest Income	11	11,621	24,787
Net realized gain on financial assets held at fair value through profit or loss	12	2,636	29,418
Net change in unrealized gain/(loss) on financial assets held at fair value through profit or loss	6	109,624	217,419
Other Income		4,121	55
Total Investment Income		<u>152,527</u>	<u>314,148</u>
Less: Expenses			
Management Fee		(16,265)	(14,356)
Trustee and Custodian Fee		(3,302)	(2,915)
Transaction Cost		(276)	(719)
Audit Fee		(272)	(291)
Social Security Contribution Levy		(543)	(178)
Other Expenses		(1,764)	(479)
Total Expenses		<u>(22,422)</u>	<u>(18,939)</u>
Net Profit before Tax		<u>130,105</u>	<u>295,209</u>
Income Tax Expense		-	-
Net Profit after Tax		<u>130,105</u>	<u>295,209</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>130,105</u>	<u>295,209</u>
Increase in Net Assets Attributable to Unitholders		<u>130,105</u>	<u>295,209</u>

The Accounting Policies and Notes on pages 3 to 26 form an integral part of these Financial Statements.



STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

FOR THE YEAR ENDED	31.03.2024	31.03.2023
(All amounts in Sri Lanka Rupees Thousands)		
Unitholders' funds at the beginning of year	945,582	765,856
Received on Creations of Units	19,448	672,117
Paid on Redumption of Units	(28,096)	(787,600)
Increase in net assets attributable to Unitholders during the year	130,105	295,209
Distributions to Unitholders	-	-
Unitholders' Funds at the end of the year	<u>1,067,039</u>	<u>945,582</u>

The Accounting Policies and Notes on pages 3 to 26 form an integral part of these Financial Statements.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED

31.03.2024

31.03.2023

(All amounts in Sri Lanka Rupees Thousands)

	Note	31.03.2024	31.03.2023
Cash Flows from Operating Activities			
Dividend received		28,710	48,640
Interest received		9,632	24,754
Operating Expenses paid		(25,602)	(18,844)
Investment in Equity Shares		(4,602)	(4,195)
Proceeds from Sale of Equity Shares	5	19,990	63,514
Net Investments in Repurchase Agreements	9	28,500	(6,000)
Net Investment in Treasury Bills	8	(50,754)	9,436
Miscellaneous Receipts		4,121	55
Net Cash used in Operating Activities		<u>9,995</u>	<u>117,361</u>
Cash Flows from Financing Activities			
Cash received on Creation of Units	12	19,448	672,117
Cash paid on Redemption of Units	12	(28,096)	(787,600)
Net Cash generated from Financing Activities		<u>(8,648)</u>	<u>(115,483)</u>
Net increase in Cash and Cash Equivalents		1,347	1,878
Cash and Cash Equivalents at the beginning of the year		3,629	1,751
Cash and cash equivalents at the end of the year	6	<u><u>4,976</u></u>	<u><u>3,629</u></u>
Analysis of Cash and Cash Equivalents at the end of the year			
Cash & Bank Balances		<u><u>4,976</u></u>	<u><u>3,629</u></u>

The Accounting Policies and Notes on pages 3 to 26 form an integral part of these Financial Statements.



NOTES TO THE FINANCIAL STATEMENTS

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 1.1 - GENERAL INFORMATION

Ceybank Century Growth Fund was launched in December 1996, by Ceybank Asset Management Ltd with the objective of providing capital growth in terms of appreciation of unit price in the medium to long term by primarily investing in equity securities quoted on the Colombo Stock Exchange. The Fund would strive to minimise the high risk associated with investing in equity by diversifying across different economic sectors and individual securities. The registered office of the Management Company is located at 85, York Street, Colombo 01.

The Trustee of the fund is National Savings Bank, at 255, Galle Road, Colombo 03.

NOTE 1.2 - DATE OF AUTHORIZATION FOR ISSUE

The financial statements of the fund for the year ended 31st March 2024 were authorized for issue by the fund management company on 27th June 2024 and the trustee on 11th July 2024.

NOTE 2 - PREPARATION OF FINANCIAL STATEMENTS**NOTE 2.1 - STATEMENT OF COMPLIANCE**

The financial statements of the fund, as at 31 March 2024 and for the year then ended, have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS and LKAS), laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Collective Investment Scheme Code of 2002 set by the Securities and Exchange Commission of Sri Lanka.

These financial statements include the following components:

- Statement Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Unitholders' Funds
- Statement of Cash Flows
- Notes to the financial statements comprising accounting policies and other explanatory information

NOTE 2.2 - BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis except for the financial assets at fair value through profit or loss. Historical cost is generally the fair value of the consideration given in exchange of assets. The financial statements are presented in Sri Lankan rupees (LKR).

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 current and non-current.



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 2.3 - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with SLFRSs requires management to make judgments, estimates and assumptions that influence the application of Accounting Policies and the reported amounts of assets, liabilities, income and expenses. In the selection and application of the company's accounting policies, which are described below, the directors are required to make judgments 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 during the period in which the estimates are 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 current and future periods.

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

Management uses its judgment in determining the appropriate valuation technique for financial instruments that are not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Other financial instruments are valued using a discounted cash flow analysis based on the assumptions supported, where possible, by observable market prices or rates.

Determination of fair value and fair value hierarchy

The fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Techniques which use inputs other than quoted prices included within level 1, that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 : Techniques which use inputs that are not based on observable market data.

NOTE 2.4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2.4.1. - FINANCIAL INSTRUMENTS**(i) Recognition and initial measurement**

All financial assets and liabilities 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.

A financial asset is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 2.4.1. - FINANCIAL INSTRUMENTS (CONTD.)

(ii) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI or FVTPL. 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 bill under repurchase agreement and fixed deposits.

A debt investment is measured at FVOCI 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.

(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, losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments 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.
Debt investments 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 2.4.1. - FINANCIAL INSTRUMENTS (CONTD.)

(iv) 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 months ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12 months ECLs are the portion of ECLs that result from default events that are possible within the 12 months period 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;
- It is probable that the borrower will enter bankruptcy or other financial reorganization.

As of the date of the statement of financial position 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.

(v) De-recognition

A financial asset is de-recognized when,

- a) The rights to receive cash flows from the asset have expired.
- b) The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either,
 - The Fund has transferred substantially all the risks and rewards of the asset or
 - The Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 2.4.1. - FINANCIAL INSTRUMENTS (CONTD.)

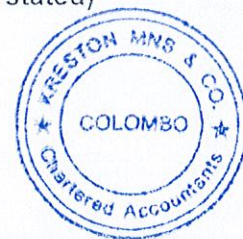
(vi) Financial liabilities

a) Initial recognition and measurement

The Fund determines the classification of its financial liabilities at initial recognition. Financial liabilities of the Fund are measured at amortised cost, and includes all financial liabilities, other than those measured at fair value through profit or loss.

The Fund's financial liabilities comprise of accrued expenses and other payables in the statement of financial position.

Payables are initially recognized at fair value, which is the fair value of the consideration to be paid in the future for goods and service received, whether or not billed to the Trust, and subsequently at amortized cost.



NOTE 2.4.2. - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in values.

NOTE 2.4.3 - PROVISIONS

Provisions are recognized when the fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

NOTE 2.4.4 - REVENUE RECOGNITION

Revenue 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.

Dividend Income

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

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 2.4.5 - EXPENDITURE RECOGNITION

All expenses, including management fees and trustee fees, are recognized in profit or loss on accrual basis.

The management participation fee 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

NOTE 2.4.6 - INCOME TAX

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of Inland Revenue Act.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The fund was liable to pay income tax at the rate of 10% in accordance with the Inland Revenue Act No.10 of 2006 for the period up to 31 March 2018, Unit Trusts that conduct eligible investment business are treated as pass through vehicles and tax will be payable by unitholders in accordance with the new Inland Revenue Act No. 24 of 2017 as amended by the Inland Revenue (Amendment) Act No. 10 of 2021. Hence the taxation has not been recognised for the current year and previous year.

NOTE 2.4.7 - UNITHOLDERS' FUNDS AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Unitholders' funds has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unitholders, as at the reporting date.

Units can be issued and redeemed based on the fund's net asset value per unit, calculated by dividing the net assets of the fund calculated in accordance with the valuation guidelines issued by the Unit trust Association of Sri Lanka and directives issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

Dividend to unitholders is declared according to Explanatory Memorandum. Distribution to unitholders is recognized in the statement of changes in unitholders' funds. Income not distributed is included in net assets attributable to unitholders.



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 3 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

NOTE 3.1 - 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 repurchase agreements, fixed deposits and trading securities for the purpose of generating a return on the investment made by unitholders, in addition to cash at bank, and other financial instruments such as other receivables and other payables, which arise directly from its operations.

The manager is responsible for identifying and controlling the risk that arise from these financial instruments. The Manager agrees 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 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 Manager on a regular basis as deemed appropriate, including the Fund manager, other key management, Risk and Investment Committees, and ultimately the Trustees of the Fund.

Concentration of risk arises when a number of financial instruments or contracts are entered in to 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.

NOTE 3.1.1 - 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.

This risk is managed by ensuring that all investment activities are undertaken in accordance with established mandate limits and investments strategies. As such, unitholders can manage this risk through their choices of which investment portfolios to participate in.

The Fund uses a range of different Fund managers for investment assets. Where a unitholder is invested in more than one investment portfolio, this reduces the impact of a particular manager underperforming. Within the underlying investment portfolio, diversification is achieved at a number of levels. The diversified portfolios are invested across a range of investment sectors. Within each sector of the diversified portfolios, the Fund managers invest in a variety of securities.



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 3.1.2 - PRICE RISK

Price risk is the risk that the fair value 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 securities in note 8, with all other variables held constant:

	31-Mar-24		31-Mar-23	
	Increases/ (decreases) on profit before tax	Increases/ (decreases) on amounts attributable to unitholders	Increases/ (decreases) on profit before tax	Increases/ (decreases) on amounts attributable to unitholders
Change in price of the Fund's investment in trading securities existing as of reporting date				
+ 10%	106,012	106,012	90,821	90,821
- 10%	(106,012)	(106,012)	(90,821)	(90,821)

NOTE 3.1.3 - INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instruments 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. This risk is measured using sensitivity analysis. However, due to the short term nature of the instruments of repurchase agreements, treasury bills and trust certificates it is reasonably expected that the fluctuation in interest rate will not materially impact the net assets value of the Fund. The table appended below summarises the Fund's exposure to interest rate risks.

As at 31.03.2024

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total (Rs.)
Financial assets				
Cash and cash equivalents	-	-	4,976	4,976
Financial assets measured at amortised cost	-	4,503	-	4,503
Financial assets held at fair value through profit or loss	-	68,204	991,913	1,060,117
Other receivables	-	-	-	-
Total exposure	-	72,707	996,889	1,069,596

As at 31.03.2023

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total (Rs.)
Financial assets				
Cash and cash equivalents	-	-	3,629	3,629
Financial assets measured at amortised cost	-	33,019	-	33,019
Financial assets held at fair value through profit or loss	-	15,114	893,093	908,207
Other receivables	-	-	6,465	6,465
Total exposure	-	48,133	903,187	951,320



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 3.1.4 - CREDIT RISK

Credit risk is the risk that the counterparty to the financial statement will fail to discharge an obligation and cause the Fund to incur a financial loss.

The Fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as detailed below. It is the Fund's policy to enter into financial instruments with reputable counterparties. The details are as follows:

(i) Debt Securities

The fund invests in debt securities which have an investment grade categorization as rated by Fitch. An analysis of debt by rating is set out in the table below.

	31.03.2024 (Rs.)	31.03.2023 (Rs.)
Repurchase agreements		
Rating		
Risk Free	4,503	33,019
Total	4,503	33,019

(ii) Cash and Cash Equivalents

The exposure to credit risk for cash and cash equivalents is low as all counter-parties have a rating of AAA as determined by the ICRA Lanka.

In accordance with the fund's policy, the investment manager monitors the fund's credit position on a daily basis.


NOTE 3.1.5 - LIQUIDITY RISK

Liquidity risk is the risk that the fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The fund is exposed to daily cash redemptions of redeemable units. It therefore, primarily holds investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

Units are redeemed on demand at the unitholder's option. However, the Board of Directors do not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The table below analyses the fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

		Less than 1 month	1-6 months	6-12 months	Total (Rs.)
31 March 2024					
Payables		2,027	530	-	2,557
Contractual cash flows (excluding gross settled derivatives)		2,027	530	-	2,557
31 March 2023					
Payables		1,822	292	2,481	4,595
Contractual cash flows (excluding gross settled derivatives)		1,822	292	2,481	4,595

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 3.1.6 - CAPITAL RISK MANAGEMENT

The Fund considers its net assets attributable to Unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Management Company. Under the terms of the Collective Investment Scheme Code, the Management Company has the discretion to reject an application for units and to defer redemption of units if the exercise of such discretion is in the best interests of unitholders.

Following being the disclosures of unitholders' Funds;

The movement in the unitholders' Funds as at	31.03.2024	31.03.2023
i In terms of Value		
Unitholders' Funds as the beginning of the year	945,582	765,856
Increase in net assets attributable to unitholders	130,105	295,209
Received on unit creations	19,448	672,117
Distributions to unitholders	-	-
Payments on unit redemptions	(28,096)	(787,600)
Unitholders funds at the end of the year	1,067,039	945,582
ii In terms of No of units	10,493,840	10,585,878



NOTE 3.2 - 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 including any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are added to the value of the asset or 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.

(i) 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 2.4.1. 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 THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 3.2 - FAIR VALUE ESTIMATION (CONTD.)

(ii) 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 3.2.1 - FAIR VALUE HIERARCHY

(i) 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 categorised 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 judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the management Company. The management company considers observable data to be the 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 THE FINANCIAL STATEMENTS (CONTD.)

(In the notes all amounts are shown in Sri Lanka Rupee Thousands unless otherwise stated)

NOTE 3.2.1 - FAIR VALUE HIERARCHY (CONTD.)

(i) Classification of financial assets and financial liabilities (Contd.)

The tables below set out the fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 March 2024.

As at 31 March 2024	Level 1	Level 2	Level 3	Total (Rs.)
Financial assets held for trading:				
- Equity shares	991,913	-	-	991,913
- Treasury bills	68,204	-	-	68,204
Total	1,060,117	-	-	1,060,117

As at 31 March 2023	Level 1	Level 2	Level 3	Total (Rs.)
Financial assets held for trading:				
- Equity shares	893,093	-	-	893,093
- Treasury bills	15,114	-	-	15,114
Total	908,207	-	-	908,207

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, certain listed unit trusts, exchange traded derivatives.

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. These include; investment-grade corporate bonds and certain unlisted unit trusts, and over-the-counter derivatives. 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 unit trusts. As observable prices are not available for these securities, the management company has used valuation techniques to derive fair value.



NOTES TO THE FINANCIAL STATEMENTS
(All amounts in Sri Lanka Rupees Thousands)

31.03.2024

31.03.2023

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash at bank

Bank of Ceylon (C/A) A/C No.70224454
Bank of Ceylon (C/A) A/C No.70224460
Bank of Ceylon (C/A) A/C No.70224494

4,640	3,290
332	335
4	4
<u>4,976</u>	<u>3,629</u>

NOTE 5 - OTHER RECEIVABLES

Dividend receivables
Share application receivables

-	4,185
-	2,280
-	<u>6,465</u>

NOTE 6 - FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

Held for Trading

Investment in Equity Shares (Note 6.1)
Treasury Bills (Note 6.2)

991,913	893,093
68,204	15,114
<u>1,060,117</u>	<u>908,207</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)
(All amounts in Sri Lanka Rupees Thousands)

NOTE 6.1 - INVESTMENT IN EQUITY SHARES

Company	As at 31.03.2024			As at 31.03.2023		
	No. of shares	Market value	Percentage of total net assets	No. of shares	Market value	Percentage of total net assets
Automobiles & Components						
Kelani Tyres PLC	1,011,585	70,811	6.64%	1,011,585	60,088	6.35%
	<u>1,011,585</u>	<u>70,811</u>	<u>6.64%</u>	<u>1,011,585</u>	<u>60,088</u>	<u>6.35%</u>
Banks						
Commercial Bank Of Ceylon PLC - Non Voting	232,808	19,835	1.86%	232,808	12,595	1.33%
Nations Trust Bank PLC	42,822	4,603	0.43%	41,954	2,685	0.28%
Pan Asia Banking Corporation PLC	5,605	119	0.01%	5,605	70	0.01%
Commercial Bank Of Ceylon PLC - Voting	208,495	20,370	1.91%	208,495	13,260	1.40%
Sampath Bank PLC	1,197,131	95,770	8.98%	1,197,131	62,849	6.65%
Hatton National Bank Plc -Voting	114,976	20,696	1.94%	114,976	14,889	1.57%
Hatton National Bank PLC - Non Voting	289,467	43,492	4.08%	289,467	25,531	2.70%
	<u>2,091,304</u>	<u>204,887</u>	<u>19.20%</u>	<u>2,090,436</u>	<u>131,880</u>	<u>13.95%</u>
Capital Goods						
Royal Ceramics Lanka PLC	288,214	8,963	0.84%	288,214	7,955	0.84%
John Keells Holdings PLC	301,001	58,394	5.47%	301,001	42,140	4.46%
Lanka Walltiles PLC	501,539	25,528	2.39%	501,539	24,124	2.55%
Softlogic Holdings PLC	23,200	209	0.02%	23,200	369	0.04%
Access Engineering PLC	1,376,094	31,100	2.91%	1,376,094	19,541	2.07%
	<u>2,490,048</u>	<u>124,195</u>	<u>11.64%</u>	<u>2,490,048</u>	<u>94,128</u>	<u>9.95%</u>
Commercial & Professional Services						
Exterminators PLC	166,884	1,252	0.12%	166,884	1,385	0.15%
	<u>166,884</u>	<u>1,252</u>	<u>0.12%</u>	<u>166,884</u>	<u>1,385</u>	<u>0.15%</u>
Consumer Durables & Apparel						
Teejay Lanka PLC	216,245	8,131	0.76%	216,245	6,920	0.73%
Hela Apparel Holdings PLC	1,472,600	8,983	0.84%	1,472,600	11,781	1.25%
	<u>1,688,845</u>	<u>17,114</u>	<u>1.60%</u>	<u>1,688,845</u>	<u>18,701</u>	<u>1.98%</u>
Consumer Services						
Trans Asia Hotels PLC	563,367	23,999	2.25%	568,165	25,681	2.72%
Hayleys Leisure PLC	316,448	6,329	0.59%	316,448	7,595	0.80%
Asian Hotels & Properties PLC	998,830	60,929	5.71%	1,260,052	55,442	5.86%
	<u>1,878,645</u>	<u>91,257</u>	<u>8.55%</u>	<u>2,144,665</u>	<u>88,718</u>	<u>9.38%</u>
Diversified Financials						
Peoples Leasing & Finance PLC	872,843	9,601	0.90%	827,268	6,535	0.69%
	<u>872,843</u>	<u>9,601</u>	<u>0.90%</u>	<u>827,268</u>	<u>6,535</u>	<u>0.69%</u>
Energy						
Lanka IOC PLC	831,264	97,050	9.10%	831,264	142,562	15.08%
	<u>831,264</u>	<u>97,050</u>	<u>9.10%</u>	<u>831,264</u>	<u>142,562</u>	<u>15.08%</u>
Food Beverage & Tobacco						
Kelani Valley Plantations PLC	25,591	1,894	0.18%	25,591	1,804	0.19%
Sunshine Holdings PLC	124,145	7,387	0.69%	124,145	5,587	0.59%
Ceylon Grain Elevators PLC	114,356	19,498	1.83%	156,250	13,109	1.39%
Melstacorp PLC	210,000	18,480	1.73%	210,000	11,529	1.22%
	<u>474,092</u>	<u>47,258</u>	<u>4.43%</u>	<u>515,986</u>	<u>32,029</u>	<u>3.39%</u>
Health Care Equipment & Services						
The Lanka Hospitals Corporation PLC	524,721	60,868	5.70%	524,721	59,293	6.27%
	<u>524,721</u>	<u>60,868</u>	<u>5.70%</u>	<u>524,721</u>	<u>59,293</u>	<u>6.27%</u>
Insurance						
HNB Assurance PLC	252,000	14,969	1.40%	252,000	12,575	1.33%
LOLC General Insurance PLC	713,800	4,354	0.41%	713,800	5,139	0.54%
	<u>965,800</u>	<u>19,323</u>	<u>1.81%</u>	<u>965,800</u>	<u>17,714</u>	<u>1.87%</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)
(All amounts in Sri Lanka Rupees Thousands)

NOTE 6.1 - INVESTMENT IN EQUITY SHARES (CONTD.)

Company	31.03.2024			31.03.2023		
	No. of shares	Market value	Percentage of total net assets	No. of shares	Market value	Percentage of total net assets
Materials	360,000	10,944	1.03%	360,000	9,972	1.05%
Dipped Products PLC	100,883	10,870	1.02%	53,191	4,872	0.52%
Chevron Lubricants Lanka PLC	561,764	24,661	2.31%	510,695	23,237	2.46%
Tokyo Cement Company (Lanka) PLC - Non Voting	500,000	8,650	0.81%	500,000	8,000	0.85%
Jat Holdings PLC	2,000,000	28,600	2.68%	2,000,000	29,200	3.09%
	<u>3,522,647</u>	<u>83,726</u>	<u>7.85%</u>	<u>3,423,886</u>	<u>75,281</u>	<u>7.96%</u>
Real Estate	188,354	4,332	0.41%	188,354	5,104	0.54%
C T Land Development PLC	388,303	6,601	0.62%	388,303	4,854	0.51%
Seylan Developments PLC	363,318	6,431	0.60%	363,318	7,303	0.77%
Colombo Land & Development Company PLC	95,440	286	0.03%	95,440	296	0.03%
Millennium Housing Developers PLC	250,000	2,100	0.20%	250,000	2,000	0.21%
	<u>1,285,415</u>	<u>19,750</u>	<u>1.85%</u>	<u>1,285,415</u>	<u>19,557</u>	<u>2.07%</u>
Retailing						
Kapruka Holdings PLC	958,400	6,709	0.63%	958,400	7,955	0.84%
	<u>958,400</u>	<u>6,709</u>	<u>0.63%</u>	<u>958,400</u>	<u>7,955</u>	<u>0.84%</u>
Software & Services						
Hsenid Business Solutions PLC	319,200	3,511	0.33%	319,200	4,724	0.50%
	<u>319,200</u>	<u>3,511</u>	<u>0.33%</u>	<u>319,200</u>	<u>4,724</u>	<u>0.50%</u>
Telecommunication Services						
Sri Lanka Telecom PLC	780,032	70,203	6.58%	780,032	73,323	7.75%
Dialog Axiata PLC	4,782,054	55,950	5.24%	4,782,054	49,733	5.26%
	<u>5,562,086</u>	<u>126,153</u>	<u>11.82%</u>	<u>5,562,086</u>	<u>123,056</u>	<u>13.01%</u>
Transportation						
Chrissworld PLC	362,896	3,810	0.36%	362,896	3,847	0.41%
	<u>362,896</u>	<u>3,810</u>	<u>0.36%</u>	<u>362,896</u>	<u>3,847</u>	<u>0.41%</u>
Utilities						
Lvl Energy Fund PLC	595,415	2,679	0.25%	595,415	3,989	0.42%
Windforce PLC	100,000	1,960	0.18%	100,000	1,650	0.17%
	<u>695,415</u>	<u>4,639</u>	<u>0.43%</u>	<u>695,415</u>	<u>5,639</u>	<u>0.60%</u>
		<u>991,913</u>	<u>92.96%</u>		<u>893,093</u>	<u>94.45%</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(All amounts in Sri Lanka Rupees Thousands)

NOTE 6.2 - INVESTMENT IN TREASURY BILLS AS AT 31.03.2024

	Yield	Investment Date	Maturity Date	Cost	Market Value
Wealth Trust Securities Ltd	14.22%	13-Oct-23	12-Apr-24	9,336	9,968
Wealth Trust Securities Ltd	14.14%	29-Dec-23	28-Jun-24	9,340	9,760
Wealth Trust Securities Ltd	14.08%	29-Dec-23	28-Jun-24	9,342	9,760
Wealth Trust Securities Ltd	14.06%	29-Dec-23	28-Jun-24	9,343	9,760
Wealth Trust Securities Ltd	11.08%	9-Feb-24	9-Aug-24	9,475	9,652
Wealth Trust Securities Ltd	10.97%	9-Feb-24	9-Aug-24	18,960	19,305
				<u>65,796</u>	<u>68,204</u>

INVESTMENT IN TREASURY BILLS AS AT 31.03.2023

	Yield	Investment Date	Maturity Date	Cost	Market Value
Welath Trust Securities Ltd	26.02%	24-Mar-23	22-Sep-23	15,043	15,114
					<u>15,114</u>

NOTE 6.3 - NET CHANGE IN UNREALISED LOSS/(GAIN) ON FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS.

	31.03.2024	31.03.2023
Cost of Investment in Equity Shares	776,532	787,005
Market value of Investment in Equity Shares	991,913	893,093
(Gain) / Loss	<u>(215,381)</u>	<u>(106,088)</u>
Net change in unrealised Loss / (Gain) - B/F	106,073	(111,346)
Net change in unrealised loss on Investment in Treasury Bills	(316)	15
Net change in unrealised Loss/ (Gain) on Investment in Equity Shares	<u>(109,624)</u>	<u>(217,419)</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)
(All amounts in Sri Lanka Rupees Thousands)

31.03.2024

31.03.2023

NOTE 7 - FINANCIAL ASSETS MEASURED AT AMORTISED COST

Repurchase Agreements (Note 7.1)	4,503	33,019
	<u>4,503</u>	<u>33,019</u>

Carrying value of the investments at the year end are approximate to fair value of the investments.

NOTE 7.1 - INVESTMENT IN REPURCHASE AGREEMENTS

As at 31.03.2024

	Yield	Investment Date	Maturity Date	Cost	Carrying Value
Bank of Ceylon	6.00%	28-Mar-24	1-Apr-24	4,500	4,503
				<u>4,500</u>	<u>4,503</u>

As at 31.03.2023

	Yield	Investment Date	Maturity Date	Cost	Carrying Value
National Savings Bank	20.50%	31-Mar-23	6-Apr-23	33,000	33,019
				<u>33,000</u>	<u>33,019</u>

NOTE 8 - INCOME TAX RECEIVABLE

Tax Receivable	9,013	9,013
Provision for Income Tax Receivable	(9,013)	(9,013)
	<u>-</u>	<u>-</u>

NOTE 9 - ACCRUED AND OTHER PAYABLES

Audit Fee Payable	272	292
Other Payables to Management Company	2,285	4,304
Money Payable to Unit Redemption	-	1,142
	<u>2,557</u>	<u>5,738</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)
(All amounts in Sri Lanka Rupees Thousands)

NOTE 10 - NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	31.03.2024		31.03.2023	
	Units	LKR "000"	Units	LKR "000"
Opening Capital Balance	10,585,878	945,582	11,126,582	765,856
Applications	212,136	19,448	8,382,376	672,117
Redemptions	(304,174)	(28,096)	(8,923,080)	(787,600)
Increase in net assets attributable to Unitholders	-	130,105	-	295,209
Closing balance	10,493,840	1,067,039	10,585,878	945,582

	31.03.2024 (Rs.000)	31.03.2023 (Rs.000)
Net Assets attributable to Unitholders	1,067,039	945,582
	<u>1,067,039</u>	<u>945,582</u>

Distributions to Unitholders

Distributions during the year

	2023/2024		2022/2023	
	No of Units	Rs '000	No of Units	Rs '000
Distributions	-	-	-	-

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 LKR 105.54 per unit (31 March 2023 - LKR 92.72) and the redemption price was at LKR 100.93 per unit (31 March 2023 - LKR 88.65) as at 31 March 2024.

NOTE 10.1 - RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENTS AND THE PUBLISHED NET ASSET VALUE

	31.03.2024	31.03.2023
Published net asset value	1,067,311	945,826
Audit fee adjustment for the year	(272)	(291)
Error correction in Dividend Income	-	47
Net asset value as per Financial Statements	<u>1,067,039</u>	<u>945,582</u>

NOTE 11 - INTEREST INCOME

Interest on Repurchase Agreements	2,363	9,354
Interest on Treasury Bills	9,258	15,433
	<u>11,621</u>	<u>24,787</u>



NOTE 12 - NET REALIZED GAIN ON FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

Net gains recognised in relation to financial assets held at fair value through profit or loss:

Proceeds on sale of Investments	19,990	63,514
Average cost of Investments sold	(17,354)	(34,086)
Net realised gain on Disposal of Shares	2,636	29,428
Net realised gain on Treasury Bill	-	(10)
	<u>2,636</u>	<u>29,418</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)
(All amounts in Sri Lanka Rupees Thousands)

NOTE 13 - RELATED PARTY TRANSACTIONS

The following have been identified as related parties to Ceybank Century Growth Fund in accordance with LKAS 24 for the reasons stated below.

NOTE 13.1 - THE MANAGEMENT COMPANY AND TRUSTEE

The Management Company of Ceybank Century Growth Fund is Ceybank Asset Management Limited.

NOTE 13.2 - 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
Ms. W.S. Kulasinghe

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
Ms. Kanchana Karannagoda - Fund Manager
Ms. Kavindya Asoka - Assistant Fund Manager



NOTE 13.3 - KEY MANAGEMENT PERSONNEL UNIT HOLDINGS

The following are the units held by related parties.

As at 31 March 2024

Unit holders	Relationship	No. of Units	Value of Units held	Total Interest held as a % of NAV
Ms. Kavindya Asoka	Assistant Fund Manager	32.5	3	0.00%

As at 31 March 2023

Unit holders	Relationship	No. of Units	Value of Units held	Total Interest held as a % of NAV
Ms. Kavindya Asoka	Assistant Fund Manager	32.5	3	0.00%

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(All amounts in Sri Lanka Rupees Thousands)

NOTE 13.4 - 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.

NOTE 13.5 - OTHER TRANSACTIONS WITHIN TH FUND

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

NOTE 13.6 - RELATED PARTY UNIT HOLDING

The management company of Ceybank Asset Management Limited did not hold any units in the fund.

NOTE 13.7 - 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	
	2024	2023	2024	2023
Management Fees	16,265	14,356	1,760	1,515
Trustee Fees and Custodian Fees	3,302	2,915	524	308
	<u>19,567</u>	<u>17,271</u>	<u>2,285</u>	<u>1,823</u>

NOTE 14 - CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

There were no material capital commitments, contingent liabilities and contingent assets as at the reporting date.

NOTE 15 - EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period that would 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

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

Sameera Fernanndo

Registrar

Pamudi Kariyawasam

**CEYBANK CENTURY GROWTH FUND
ANNUAL REPORT-2023/2024
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 Manger
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 Web: www.ceybank.com