

**CEYBANK GILT-EDGED FUND  
(A-SERIES)**

**ANNUAL REPORT  
2023**

**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 GILT EDGED FUND (A SERIES)  
ANNUAL REPORT-2023  
CORPORATE INFORMATION**

**FUND MANAGERS & REGISTRAR**

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

**TRUSTEE**

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

**DIRECTORS OF THE  
MANAGEMENT COMPANY**

Mr. A.C.M. Fernando  
Chairman

Mr. I. Ferdinands  
CEO/Executive Director

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

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

Ms.V. Govindan  
(Nominee - Unit Trust of India)

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

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

**AUDITORS**

BDO Partners  
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 GILT EDGED FUND (A SERIES) - Annual Report 2023

## REPORT OF THE MANAGER

We have great pleasure in presenting the Manager's Report and Audited Accounts of the Ceybank Gilt Edged Fund (A Series) for the period 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023.

The Net Asset Value per unit of your Fund appreciated by 24.67% during the period.

### Economy

Amidst the regaining fundamentals in the economy, the Sri Lankan Economy witnessed a negative GDP growth of 2.3%YoY during the year 2023 against the crisis driven contraction of 7.3%YoY in year 2022 (base year=2015). 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 during 2023.

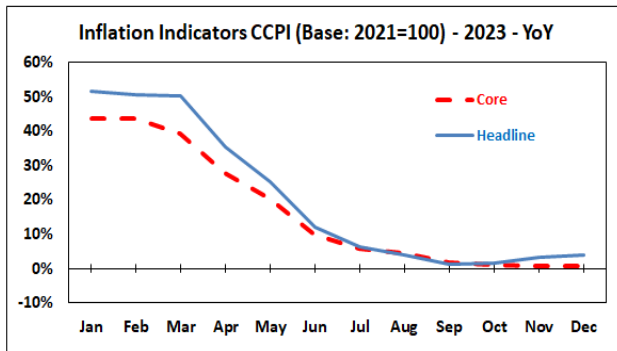


Figure:1 - (Source: Department of Census & Statistics)

Year on Year Inflation (*Figure:1*) measured by the CCPI which was at 51.7%YoY in January 2023 showed a decelerated trend by ending at 4%YoY in December 2023 (Base: 2021). The execution of some measures including price controls, favourable supply side developments, gradual lifting of the import ban on some items, appreciating of local currency, the sluggish recovery in domestic demand over low disposable income amidst tight monetary and fiscal policy adopted by the government, the slowdown in private sector credit growth and the base effect chiefly resulted in this slowdown in inflation.

Market interest rates (*Figure:2*) declined during the year. The benchmark 12-month Treasury bill rate which was at 29.16% p.a. at the beginning of the year dropped gradually in line with the slowdown in inflation and the appreciation of LKR. Treasury Bill yields plunged by 1,623 basis points, to close at 12.93% p.a. at the end of the year. This allowed the downward adjustment in market lending rates with an aim to retrieve the economic activities in the country. Long term Treasury bond yields also moved in tandem with the Treasury Bills during this period. Premiums on corporate paper yields, remained around 2-3% above Treasury yields.

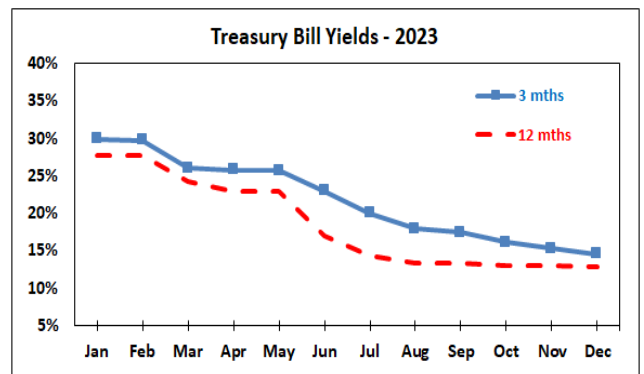


Figure: 2 - (Source: CBSL)

Overnight repo market rates recorded a downward trend and traded within a range of 16.50% and 9% p.a. The exchange rate which was at 363.11 (Rs/US\$) at the beginning of 2023, appreciated by 10.8% to 323.92 (Rs/US\$), as at end December 2023.

The Central Bank key policy rates were changed five times during the year. Both Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) were reduced by a total of 550 bps in year 2023. The SDFR and SLFR at the end of the year were 9% and 10% respectively, while the SRR was 2%.

## **Fund Performance**

The Net Asset Value per unit of your Fund appreciated by 24.67% during the period under review. The Fund generated Rs 1,247.74 million as net operating profit during the period. The Fund was mainly invested in a mix of Treasury bills and Repurchase Agreements with maturities less than 12 months.

## **Future Outlook**

Despite the contraction of GDP by 2.3% recorded in 2023, a turnaround in Sri Lankan economy would be expected in 2024 in the midst of retrieving macro-economic indicators with the implementation of structural reforms in the country as per the agreement on IMF-EFF. The upside in domestic production, gradual expansion in Agriculture, Industry and Services sectors, recovery in tourism sector, increase in workers' remittances, completion of external debt restructuring process by June 2024 and faster implementation of several vital reforms like converting loss making SOEs to positive contributors would probably contribute to deliver the growth in 2024. However, the uncertainties in external debt restructuring, fluctuations in global crude oil prices, the impact of surge in taxes, the ongoing geopolitical tensions in Eastern Europe and Middle East by affecting tourism, tea exports & remittances and the policy uncertainties in the economy owing to Elections are the crucial risk factors to be concerned over the improvement in economic activities in the year 2024.

The policy makers are trying to enhance the economic activities through monetary and fiscal stimulus measures with a view to foster sustainable economic growth over the medium term in the country. This includes the reduction in elevated market lending rates to stimulate the credit to productive sectors in the economy. Despite the existing short-term pressure in inflation due to hike in VAT & duties, the inflation would hover around at a single digit level backed by the stringent policies adopted by the authorities.

As a result of gradual lifting of import restrictions in line with the increase in demand with the gradual economic recovery and the building up of foreign reserve position against the future external debt payment, we would expect the currency to display a moderate depreciation against USD toward the end December 2024 despite the improvement in remittances & tourism earnings and the expectation of the receipts of IMF third tranche and other FDIs followed by the successful completion of foreign debt restructuring process by June 2024.

Considering these factors, the Fund is currently invested in short term Treasury bills and Repurchase Agreements. The objective of the Fund is to provide liquidity and maximize returns for the investor. 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.

## **Management**

We take this opportunity to thank our valued unit holders for the confidence placed in us, which has been a great source of encouragement. We believe we will be able to provide a consistent return to the unit holders. We also place on record our appreciation for the unstinted support and cooperation extended by the Securities and Exchange Commission of Sri Lanka, the Trustee, National Savings Bank and Custodian Bank of Ceylon.

Our sincere appreciation is also due to the stakeholders and the Board of Directors for their support. Our achievements would not have been possible without the skills and commitment of the Management Team. We take great pleasure in thanking them for their contribution and dedication throughout the year and look forward to their support in the coming year too.

SGD

Kanchana Karannagoda

Fund Manager

March 2024

INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF CEYBANK GILT EDGED FUND (A SERIES)

Report of the Board of Directors

Notes

Management's Discussion and Analysis  
The following financial statements are prepared in accordance with the accounting policies adopted by the Fund for the year ended 31st December 2023.

Our report on the financial statements of the Fund for the year ended 31st December 2023, and our opinion thereon is set out in our report on the financial statements of the Fund for the year ended 31st December 2023.

Board of Directors

We conducted our audit in accordance with the auditing standards applicable in Sri Lanka. These standards are similar to those of the International Standards on Auditing (ISA) issued by the International Auditing and Taxation Authority (IAA) and to which the Fund is subject. We believe that the audit provides a reasonable basis for our opinion. Our opinion is that the financial statements of the Fund for the year ended 31st December 2023, present a true and fair view of the financial position and performance of the Fund for that year, in accordance with the accounting policies adopted by the Fund for that year.

The financial statements of the Fund for the year ended 31st December 2023, are prepared in accordance with the accounting policies adopted by the Fund for that year. The financial statements of the Fund for the year ended 31st December 2023, are prepared in accordance with the accounting policies adopted by the Fund for that year.

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The Fund's ability to continue as a going concern is dependent on the results of operations and the ability to raise funds. The Fund's ability to continue as a going concern is dependent on the results of operations and the ability to raise funds.

These financial statements are prepared in accordance with the accounting policies adopted by the Fund for that year.

Approved and signed on behalf of the Board of Directors

The Board of Directors of the Fund for the year ended 31st December 2023.

Signature of the Chairman

The Chairman of the Board of Directors of the Fund for the year ended 31st December 2023.

Signature of the Director

The Director of the Fund for the year ended 31st December 2023.



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Chartered Accountants  
"Charter House"  
65/2, Sir Chittampalam A Gardiner Mawatha  
Colombo 02  
Sri Lanka

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF CEYBANK GILT EDGED FUND (A SERIES)**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Ceybank Gilt Edged Fund (A Series) ("the Fund"), which comprise the statement of financial position as at 31<sup>st</sup> December 2023 and the statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies as set out on pages 05 to 22.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31<sup>st</sup> December 2023, and of its financial performance and its cash flows for the year then ended 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 the Code of Ethics for professional accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Ceybank Asset Management Limited ("Management") and the Trustee of the Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management 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.

#### **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 SLAuSs 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.

BDO Partners, a Sri Lankan Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Partners : Sujeewa Rajapakse FCA, ACCA, FCMA, MBA. Ashane J.W. Jayasekara FCA, FCMA (UK), MBA. H. Sasanka Rathnaweera FCA, ACMA. R. Vasanthakumar Bsc (Acc), ACA. F. Sarah Z. Afker FCA, ACMA (UK), CGMA, MCSI (UK). Dinusha C. Rajapakse FCA, LLB (Hons)(Colombo), CTA, Attorney at Law. Nirosha Vadivel Bsc (Acc), ACA, ACMA.





As part of an audit in accordance with SLAuSs, 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 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**

As required by the Collective Investment Scheme (CIS) Code of 2022 issued by the Securities and Exchange Commission of Sri Lanka under Act No.19 of 2021 and the Trust Deed, we have obtained all the information and explanations that were required for the audit and, as far as it appears from our examination, proper accounting records have been kept by the Fund.

*BDO Partners*

**CHARTERED ACCOUNTANTS**

**Colombo 02**

**08<sup>th</sup> April 2024**

NV/cc

CEYBANK GILT EDGED FUND (A SERIES)  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	2023 Rs.	2022 Rs.
Income on financial assets	4	1,291,569,108	379,585,992
<b>Total investment income</b>		<u>1,291,569,108</u>	<u>379,585,992</u>
<b>Expenses</b>			
Management fee and Trustee fee		(36,213,987)	(7,686,783)
Custodian fee		(3,015,667)	(2,768,971)
Audit fee		(265,000)	(93,482)
Bank charges		(1,615,130)	(359,880)
Other miscellaneous expenses		(2,384,454)	(311,241)
<b>Net operating profit</b>		<u>1,248,074,870</u>	<u>368,365,635</u>
Finance expenses		(330,349)	(242,512)
<b>Profit after deductions and before tax</b>	5	<u>1,247,744,521</u>	<u>368,123,123</u>
Income tax expense		-	-
<b>Increase in net assets attributable to unitholders</b>		<u><u>1,247,744,521</u></u>	<u><u>368,123,123</u></u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 22 form an integral part of these financial statements.

Colombo  
08th April 2024



CEYBANK GILT EDGED FUND (A SERIES)  
STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2023

Page 2

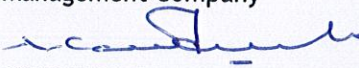
	Note	As at 31.12.2023 Rs.	As at 31.12.2022 Rs.
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	25,621,967	6,789,627
Tax recoverable	8	-	-
Financial assets at amortised cost	9	9,844,422,187	3,441,124,635
<b>Total current assets</b>		<u>9,870,044,154</u>	<u>3,447,914,262</u>
<b>Total assets</b>		<u>9,870,044,154</u>	<u>3,447,914,262</u>
<b>UNITHOLDERS' FUNDS AND LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term loan	10	25,025,756	-
Other payables	11	19,649,762	2,552,687
<b>Total current liabilities</b>		<u>44,675,518</u>	<u>2,552,687</u>
<b>Unitholders' fund</b>		<u>9,825,368,636</u>	<u>3,445,361,575</u>
<b>Total unitholders' fund</b>		<u>9,825,368,636</u>	<u>3,445,361,575</u>
<b>Total unitholders' funds and liabilities</b>		<u>9,870,044,154</u>	<u>3,447,914,262</u>

The accounting policies and notes on page 05 to 22 form an integral part of these financial statements.

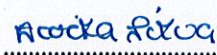
The Board of Directors of the Management Company and the Trustee are responsible for the preparation and presentation of these financial statements.

The financial statements were approved by the Management Company and the Trustee on 19th March 2024 and 05th April 2024 respectively.

  
.....  
Mr. Ian Ferdinands  
Director  
Management Company

  
.....  
Director  
Management Company

Colombo  
08th April 2024  
NV/cc

  
.....  
National Savings Bank  
Trustee



CEYBANK GILT EDGED FUND (A SERIES)  
STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS  
FOR THE YEAR ENDED 31ST DECEMBER 2023

Description	Unit capital Rs.	Retained earnings Rs.	Total Rs.
Unitholders' funds as at 01st January 2022	228,848,759	80,481,242	309,330,001
Increase in net assets attributable to unitholders	-	368,123,123	368,123,123
Received on unit creations	2,564,111,879	1,137,604,328	3,701,716,207
Paid on unit redemptions	(648,109,511)	(285,698,245)	(933,807,756)
<b>Unitholders' funds as at 31st December 2022</b>	<u>2,144,851,127</u>	<u>1,300,510,448</u>	<u>3,445,361,575</u>
Increase in net assets attributable to unitholders	-	1,247,744,521	1,247,744,521
Received on unit creations	7,682,929,403	6,702,765,770	14,385,695,173
Paid on unit redemptions	(4,921,457,092)	(4,331,975,541)	(9,253,432,633)
<b>Unitholders' funds as at 31st December 2023</b>	<u>4,906,323,438</u>	<u>4,919,045,198</u>	<u>9,825,368,636</u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 22 form an integral part of these financial statements.

Colombo  
08th April 2024



CEYBANK GILT EDGED FUND (A SERIES)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST DECEMBER 2023

Page 4

	2023 Rs.	2022 Rs.
<b>Cash flow from operating activities</b>		
Interest received	1,291,569,108	379,585,992
Net investment in financial assets	(6,403,297,552)	(3,131,664,810)
Management fees and trustee fees paid	(34,955,771)	(8,912,930)
Bank charges paid	(1,615,130)	(359,880)
Other expenses paid	(2,742,938)	(385,741)
Finance expenses paid	(65,349)	(242,512)
<b>Net cash used in operating activities</b>	<u>(5,151,107,632)</u>	<u>(2,761,979,881)</u>
<b>Cash flow from financing activities</b>		
Proceeds from applications of unitholders	14,385,695,173	3,701,716,207
Payments for redemptions to unitholders	(9,240,780,957)	(933,375,764)
Proceeds from short-term loan	25,025,756	-
<b>Net cash generated from financing activities</b>	<u>5,169,939,972</u>	<u>2,768,340,443</u>
<b>Net increase in cash and cash equivalents</b>	18,832,340	6,360,562
Cash and cash equivalents at the beginning of the year (Note A)	6,789,627	429,065
Cash and cash equivalents at the end of the year (Note B)	<u>25,621,967</u>	<u>6,789,627</u>
<b>At the beginning</b>		Note A
Balance at bank	<u>6,789,627</u>	<u>429,065</u>
<b>At the end</b>		Note B
Balance at bank	<u>25,621,967</u>	<u>6,789,627</u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 22 form an integral part of these financial statements.

Colombo  
08th April 2024



**1. CORPORATE INFORMATION**

**1.1 General**

Under Section 31 of the Securities and Exchange Commission of Sri Lanka, Act No. 36 of 1987 (as amended by Act No. 26 of 1991 and Act No. 18 of 2003), the Securities and Exchange Commission of Sri Lanka granted a license to operate the Fund to Ceybank Asset Management Limited on 24<sup>th</sup> October 2014. The Fund commenced its commercial operations on 26<sup>th</sup> January 2016. The registered office of the Management Company is located at No.85, York Street, Colombo 01.

**1.2 Principal activities and nature of operations**

The Fund is an open-ended unit trust and invests in a portfolio consisting of treasury bills, treasury bonds with maturities equal to or less than one year and repurchase agreements in relation to such bills and bonds. The primary investment objective of the Fund is to maximise the short-term income whilst protecting capital and ensuring ease of liquidity by investing in a portfolio of government securities.

**1.3 Date of Authorisation for Issue**

The Financial Statements of Ceybank Gilt Edged fund (A series) for the year ended 31<sup>st</sup> December 2023 were authorised for issue by the Fund Management Company and the Trustee on 19<sup>th</sup> March 2024 and 05<sup>th</sup> April 2024 respectively.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 General accounting policies**

**2.1.1 Basis of preparation**

The financial statements have been prepared in accordance and in compliance with Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka and adopted as directed by the Securities and Exchange Commission of Sri Lanka.

The financial statements have been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position has been presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between the current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

**2.1.2 Statement of compliance**

These financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) and the requirements of the unit trust deed and CIS (Collective Investment Scheme) code of the Securities and Exchange commission of Sri Lanka.



**CEYBANK GILT EDGED FUND (A SERIES)**  
**SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS**

**2.1.3 Responsibility for financial statements**

The Board of Directors of the Management Company and Trustee are responsible for the preparation and presentation of the financial statements of the Fund as per the provisions of the unit trust deed and CIS code and in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

These financial statements include the following components:

- a statement of comprehensive income providing information on the financial performance of the Fund for the year under review
- a statement of financial position providing information on the financial position of the Fund as at the year-end
- a statement of changes in unitholder funds depicting all the changes in unitholders' Funds during the year under review of the Fund
- a statement of cash flows providing information to the users, on the ability of the Fund to generate cash and cash equivalents and the needs of entities to utilise those cash flows
- notes to the financial statements comprising accounting policies and other explanatory information

**2.1.4 Basis of measurement**

The financial statements of the Fund have been prepared on a historical cost convention basis unless otherwise indicated.

**2.1.5 Functional and presentation currency**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the functional currency). The financial statements have been presented in Sri Lankan Rupees.

**2.1.6 Materiality and aggregation**

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial as permitted by Sri Lanka Accounting Standard-LKAS 1 on "Presentation of Financial Statements".

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the statement of comprehensive income unless it is required or permitted by any accounting standard or interpretation as specifically disclosed in the accounting policies.

**2.1.7 Going concern**

The Fund's Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Fund.

The Management of the Fund has continuously assessed the potential impact of the economic crisis on the Fund's operations and is confident that it will not impact the going concern ability of the Fund. Therefore, the financial statements continue to be prepared on the going concern basis.

**CEYBANK GILT EDGED FUND (A SERIES)**  
**SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS**

**2.1.8 Significant judgment and estimates**

Management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value. The following is the key source of estimation uncertainty at the statement of financial position date, that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

**2.2 Statement of financial position**

**2.2.1 Financial instruments**

The Fund's principal financial assets comprise investments in trading securities and cash at Bank. The main purpose of these financial instruments is to generate a return on the investment made by unitholders. The Fund's principal financial liabilities comprise the amounts attributable to unitholders, which are the amounts owing to unitholders of the Fund. The Fund also has various other financial instruments such as receivables and payables which arise directly from its operations.

**2.2.1.1 Classification**

SLFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the Fund's business model for managing the assets and the instruments' contractual cash flow characteristics and categorised as:

- Debt instruments at Amortised Cost
- Debt instruments at Fair Value through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- Financial Assets at Fair Value through Profit or Loss (FVTPL)

On initial recognition, financial assets are classified as measured at amortised cost, FVOCI or FVTPL. Financial assets are not re-classified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets in which case, all affected financial assets are re-classified 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
- its contractual terms give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding

The Fund's financial assets classified under amortised cost include repurchase agreements and money market saving instruments.

**2.2.1.1.1 Financial assets at amortised cost**

In line with the requirements of the SLFRS-09, the Fund applies the amortised cost method to measure the financial assets for which an entity has a business model to hold the financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of "solely the payments of the principal amount and interest" (referred to as SPPI).



- principal is the fair value of the instrument at initial recognition
- interest is the return within a basic lending arrangement and typically consists of consideration for the time value of money, and credit risk. It may also include consideration for other basic lending risks such as liquidity risk as well as a profit margin

The Fund determines its business model at the level that best reflects how it manages a group of financial assets to achieve its business objective.

#### 2.2.1.2 Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all of risks and rewards of ownership.

Financial liabilities at fair value through profit or loss are derecognised when the obligation specified in the contract is discharged or has expired.

Realised gains and realised losses on derecognition are determined using the weighted average method and are included in the profit or loss in the period in which they arise. The realised gain is the difference between an instrument's weighted average cost and disposal amount.

#### 2.2.2 Impairment of financial assets

At each reporting date, the Fund assesses to ascertain 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. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

#### 2.2.3 Unitholders' funds and net assets attributable to unitholders

Unitholders' funds have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to 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 approved by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.



Dividends to unitholders are declared according to the explanatory memorandum. Distribution to unitholders is recognised in the statement of changes in unitholders' fund. Income not distributed is included in net assets attributable to unitholders.

**2.2.4 Increase/decrease in net assets attributable to unitholders**

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of changes in unitholders' funds.

**2.2.5 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and interest accrued on cash held in bank.

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

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

**2.2.6 Payables**

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income under the trust deed.

**2.2.7 Applications and redemptions**

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded as gross of any exit fees payable after the cancellation of units redeemed.

**2.3 Statement of comprehensive income**

**2.3.1 Revenue recognition**

Interest income is recognised in profit or loss for all financial instruments measured at amortised cost using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to the net carrying amount of the financial asset and interest reflects the income earned on cash held at Bank and on direct fixed interest investments.

**2.3.2 Expenditure recognition**

All expenses including the management fees and trustees' fees are recognised in profit or loss on an accrual basis.



### 2.3.3 Taxation

The charge for taxation is based on the results for the year as adjusted for disallowable items. With the enactment of the Inland Revenue Act No 24 of 2017 and the amendments thereto, an eligible unit trust would not be liable for income tax on any income which is a pass through to its unitholders. Accordingly, post 31st March 2018, the Fund has considered all income as being a pass through to its unit holders.

### 2.3.4 Distribution

In accordance with the trust deed, the Fund distributes income adjusted for amounts determined by Ceybank Asset Management Limited, to unitholders by cash or re-investment. The distributions are recognised in the statement of changes in the unitholder's fund.

### 2.3.5 Increase/(decrease) in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders.

## 3. FINANCIAL RISK MANAGEMENT

The Fund's activities are exposed to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring the compliance with the Fund's product disclosure statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by the Management Company.

The Fund uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ratings analysis for credit risk.

### 3.1 Market risk

#### 3.1.1 Cash flow and fair value interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk. The Fund's interest bearing financial assets are exposed to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using the sensitivity analysis.

The Fund's policy is to hold all its net assets attributable to unitholders invested in debt securities. The table below summarises the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair values, categorised by the earlier contractual re-pricing on maturity dates.

As at 31 <sup>st</sup> December 2023	Floating interest Rs.	Fixed interest Rs.	Non-interest Rs.	Total Rs.
<b>Financial assets</b>				
Cash and cash equivalents	Nil	Nil	25,621,967	25,621,967
Financial assets at amortised cost	Nil	9,844,422,187	Nil	9,844,422,187
<b>Total exposure</b>	Nil	9,844,422,187	25,621,967	9,870,044,154

As at 31 <sup>st</sup> December 2022	Floating interest Rs.	Fixed interest Rs.	Non-interest Rs.	Total Rs.
<b>Financial assets</b>				
Cash and cash equivalents	Nil	Nil	6,789,627	6,789,627
Financial assets at amortised cost	Nil	3,441,124,635	Nil	3,441,124,635
<b>Total exposure</b>	Nil	3,441,124,635	6,789,627	3,447,914,262

### 3.2 Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders' interest rate risk and other price risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical level of changes in interest rates, historical correlation of the Fund's investment with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in performances and correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Impact on operating profit/net assets attributable to unitholders' interest rate risk 31 <sup>st</sup> December 2023	Impact on operating profit/net assets attributable to unitholders' interest rate risk 31 <sup>st</sup> December 2022
Change in interest rate of the trust's investment in trading securities:		
+1.5%	19,373,536	5,693,790
-1.5%	(19,373,536)	(5,693,790)

### 3.3 Credit risk

The Fund is exposed to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when they fall due.

The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in debt securities. Cash and cash equivalents, amounts due from brokers and other receivables.

#### 3.3.1 Debt securities

The Fund invests in debt securities which are risk free investments. An analysis of debt by rating is set out in the table below.

	31 <sup>st</sup> December 2023 Rs.	31 <sup>st</sup> December 2022 Rs.
<b>Re-purchase agreements rating</b>		
Risk free	15,008,036	213,475,559
<b>Total</b>	<b>15,008,036</b>	<b>213,475,559</b>

### 3.3.2 Cash and cash equivalents

All counterparties have a rating of CC as determined by the Fitch rating agency. However, in accordance with the Fund's policy, the investment manager monitors the Fund's credit position on a daily basis, to maintain credit risk at a minimum level.

### 3.4 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 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 is held in investments not actively traded on a stock exchange.

Units are redeemed on demand at the unitholders' option. However, the Board of Directors does 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.

As at 31 <sup>st</sup> December 2023	Less than one month Rs.	01 to 06 months Rs.	06 to 12 months Rs.	Total Rs.
<b>Accrued expenses</b>				
- Short-term loan	25,025,756	Nil	Nil	25,025,756
- Management fee and trustee fee payable	5,332,922	Nil	Nil	5,332,922
- Money payable on unit redemption	13,083,668	Nil	Nil	13,083,668
- Custodian fee payable	Nil	886,333	Nil	886,333
- Other payables to UTMCL	Nil	346,839	Nil	346,839
<b>Contractual cash flows (Excluding gross settled derivatives)</b>	43,442,346	1,233,172	Nil	44,675,518

As at 31 <sup>st</sup> December 2022	Less than one month Rs.	01 to 06 months Rs.	06 to 12 months Rs.	Total Rs.
<b>Accrued expenses</b>				
- Management fee payable	1,801,270	Nil	Nil	1,801,270
- Money payable on unit redemption	431,992	Nil	Nil	431,992
- Custodian fee payable	Nil	144,102	Nil	144,102
- Other payables to UTMCL	Nil	93,482	81,840	175,323
<b>Contractual cash flows (Excluding gross settled derivatives)</b>	2,233,262	237,584	81,840	2,552,687

		2023 Rs.	2022 Rs.
<b>4. INCOME</b>			
Interest income on financial investments	Note 4.1	1,287,070,935	380,363,438
Net realised (loss)/gain on financial assets		4,498,173	(777,446)
		<u>1,291,569,108</u>	<u>379,585,992</u>
<b>4.1 Interest income on financial investments</b>			
Interest from			
- Treasury bills		1,216,950,285	351,430,086
- Repurchase agreements		70,120,650	28,933,352
		<u>1,287,070,935</u>	<u>380,363,438</u>
<b>5. PROFIT BEFORE TAX IS STATED AFTER CHARGING ALL EXPENSES INCLUDING THE FOLLOWING:</b>			
Management fee and Trustee fee		36,213,987	7,686,783
Bank charges		1,615,130	359,880
Audit fee		265,000	93,482
Miscellaneous expenses		210,486	85,000

**6. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

Movements in a number of units and net assets attributable to unitholders during the period were as follows:

	From 01st January 2023 to 31st December 2023		From 01st January 2022 to 31st December 2022	
	Number	Rs.	Number	Rs.
Opening balance	212,075,929	3,445,361,575	22,629,904	309,330,001
Applications	759,663,561	14,385,695,173	253,531,074	3,701,716,207
Redemptions	(486,618,266)	(9,253,432,633)	(64,085,049)	(933,807,756)
Increase in net assets attributable to unitholders	-	1,247,744,521	-	368,123,123
Closing balance	<u>485,121,224</u>	<u>9,825,368,636</u>	<u>212,075,929</u>	<u>3,445,361,575</u>

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

**6.1 Capital risk management**

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders being 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 responsible entity. In terms of the Fund's constitution, the responsible entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of the unitholders.



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	As at 31.12.2023 Rs.	As at 31.12.2022 Rs.			
<b>7. CASH AND CASH EQUIVALENT</b>					
Cash at bank					
- Bank A/C 78527164 - Operation	25,603,430	6,755,169			
- Bank A/C 78527136- Redemption	3,537	19,458			
- Bank A/C 78527078 - Income distribution	15,000	15,000			
	<u>25,621,967</u>	<u>6,789,627</u>			
<b>8. TAX RECOVERABLE</b>					
Balance at the beginning of the year	2,152,801	2,152,801			
Add: Income tax expense for the year	-	-			
	<u>2,152,801</u>	<u>2,152,801</u>			
Less : Provision for tax recoverable	(2,152,801)	(2,152,801)			
Balance as at the end of the year	<u>-</u>	<u>-</u>			
<b>9. FINANCIAL ASSETS AT AMORTISED COST</b>					
Investment in repurchase agreements	15,008,036	213,475,559			
Investment in treasury bills	9,829,414,151	3,227,649,076			
	<u>9,844,422,187</u>	<u>3,441,124,635</u>			
<b>9.1 Investment in repurchase agreements</b>					
<b>As at 31st December 2023</b>					
Dealer	(in%)	Investment date	Maturity date	Cost Rs.	Recoverable amount Rs.
Bank Of Ceylon	6.50%	29-Dec-23	2-Jan-24	15,000,000	15,008,036
				<u>15,000,000</u>	<u>15,008,036</u>
<b>As at 31st December 2022</b>					
Dealer	Yield (in%)	Investment date	Maturity date	Cost Rs.	Recoverable amount Rs.
Bank of Ceylon	13.25%	30-Dec-22	2-Jan-23	8,200,000	8,205,970
Acuity Securities Limited	24.00%	30-Dec-22	9-Jan-23	205,000,000	205,269,589
				<u>213,200,000</u>	<u>213,475,559</u>

9. FINANCIAL ASSETS AT AMORTISED COST (CONTD...)

9.2 Investment in treasury bills

As at 31st December 2023

ISIN No	Yield	Investment date	Maturity date	Cost Rs.	Recoverable amount Rs.
LKA36424A123	29.01%	13/1/2023	12/1/2024	19,378,350	24,830,124
LKA36424A263	27.88%	27/1/2023	26/1/2024	15,639,660	19,700,523
LKA36424A263	27.94%	27/1/2023	26/1/2024	15,632,320	19,700,013
LKA36424A263	28.08%	27/1/2023	26/1/2024	15,615,240	19,698,848
LKA36424A263	28.18%	27/1/2023	26/1/2024	15,603,060	19,698,015
LKA36424B022	27.88%	3/2/2023	2/2/2024	15,639,660	19,616,671
LKA36424B022	27.84%	3/2/2023	2/2/2024	15,644,560	19,617,109
LKA36424B022	28.08%	3/2/2023	2/2/2024	15,615,240	19,614,526
LKA36424B022	27.98%	3/2/2023	2/2/2024	15,627,440	19,615,597
LKA36424B022	27.94%	3/2/2023	2/2/2024	15,632,320	19,616,019
LKA36424B097	27.84%	10/2/2023	9/2/2024	39,111,400	48,833,377
LKA36424B097	27.86%	10/2/2023	9/2/2024	39,105,250	48,832,681
LKA36424B097	27.88%	10/2/2023	9/2/2024	39,099,150	48,832,046
LKA36424B097	27.62%	10/2/2023	9/2/2024	117,536,400	146,521,716
LKA36424B097	27.72%	13/2/2023	9/2/2024	78,436,600	97,670,461
LKA36424B162	27.54%	17/2/2023	16/2/2024	78,406,800	97,271,218
LKA36424B162	27.52%	17/2/2023	16/2/2024	78,419,100	97,272,775
LKA36424B162	27.68%	17/2/2023	16/2/2024	78,320,800	97,260,319
LKA36424B162	27.64%	17/2/2023	16/2/2024	117,517,950	145,895,048
LKA36424B162	27.58%	17/2/2023	16/2/2024	117,573,300	145,902,134
LKA36424B238	27.68%	24/2/2023	23/2/2024	39,160,400	48,421,705
LKA36424B238	27.72%	24/2/2023	23/2/2024	39,148,150	48,419,938
LKA36424B238	27.74%	24/2/2023	23/2/2024	39,142,000	48,419,020
LKA36424B238	27.76%	24/2/2023	23/2/2024	39,135,900	48,418,161
LKA36424B238	27.58%	24/2/2023	23/2/2024	39,191,100	48,426,181
LKA36424B238	27.62%	24/2/2023	23/2/2024	39,178,800	48,424,373
LKA36424B238	27.64%	24/2/2023	23/2/2024	39,172,650	48,423,465
LKA36424B238	27.66%	24/2/2023	23/2/2024	39,166,550	48,422,617
LKA36424C012	27.67%	3/3/2023	1/3/2024	39,163,450	48,213,736
LKA36424C012	27.64%	3/3/2023	1/3/2024	39,172,650	48,215,247
LKA36424C012	27.63%	3/3/2023	1/3/2024	39,175,750	48,215,791
LKA36424C152	25.82%	17/3/2023	15/3/2024	106,816,450	128,789,533
LKA36424C228	24.34%	24/3/2023	22/3/2024	40,212,300	47,821,948
LKA36424C228	24.24%	24/3/2023	22/3/2024	40,244,700	47,829,190
LKA36424C228	24.14%	24/3/2023	22/3/2024	40,277,100	47,836,381
LKA36424F072	19.52%	9/6/2023	7/6/2024	41,834,000	46,455,416
LKA36424F072	19.00%	9/6/2023	7/6/2024	336,134,400	372,278,082
LKA18224A053	17.08%	7/7/2023	5/1/2024	23,032,975	24,956,760
LKA18224A053	17.14%	7/7/2023	5/1/2024	23,026,625	24,956,636
LKA18224A053	17.18%	7/7/2023	5/1/2024	23,022,375	24,956,533
LKA18224A053	17.24%	7/7/2023	5/1/2024	23,016,025	24,956,402
LKA36424G054	14.44%	7/7/2023	5/7/2024	21,845,500	23,388,080
LKA36424G120	13.68%	14/7/2023	12/7/2024	21,991,550	23,404,858
LKA36424G120	13.78%	14/7/2023	12/7/2024	21,972,225	23,394,613
LKA36424G120	13.86%	14/7/2023	12/7/2024	21,956,800	23,386,441
<b>Balance C/F</b>				<b>2,159,745,025</b>	<b>2,592,430,327</b>



9. FINANCIAL ASSETS AT AMORTISED COST (CONTD...)

9.2 Investment in treasury bills (contd...)

As at 31st December 2023

ISIN No	Yield	Investment date	Maturity date	Cost Rs.	Recoverable amount Rs.
Balance B/F				2,159,745,025	2,592,430,327
LKA18224D057	15.18%	6/10/2023	5/4/2024	23,236,350	24,079,408
LKA18224D057	14.99%	6/10/2023	5/4/2024	232,569,000	240,901,423
LKA36424G120	13.98%	14/7/2023	12/7/2024	21,933,675	23,374,175
LKA18224A129	15.68%	14/7/2023	12/1/2024	23,182,500	24,890,159
LKA18224A129	15.74%	14/7/2023	12/1/2024	23,176,050	24,889,766
LKA18224A129	15.78%	14/7/2023	12/1/2024	23,171,750	24,889,502
LKA18224A129	15.84%	14/7/2023	12/1/2024	23,165,300	24,889,104
LKA18224A129	15.89%	14/7/2023	12/1/2024	23,159,950	24,888,796
LKA18224A129	15.94%	14/7/2023	12/1/2024	23,154,575	24,888,458
LKA18224A129	16.01%	14/7/2023	12/1/2024	23,147,075	24,888,008
LKA18224A129	16.14%	14/7/2023	12/1/2024	23,133,150	24,887,164
LKA18224A269	17.68%	28/7/2023	26/1/2024	45,939,000	49,442,177
LKA18224A269	17.78%	28/7/2023	26/1/2024	45,917,900	49,439,273
LKA18224A269	17.84%	28/7/2023	26/1/2024	45,905,250	49,437,533
LKA18224A269	17.98%	28/7/2023	26/1/2024	45,875,750	49,433,465
LKA18224B028	17.58%	4/8/2023	2/2/2024	18,384,040	19,715,873
LKA18224B028	17.57%	4/8/2023	2/2/2024	112,106,402	120,223,337
LKA18224B093	17.01%	11/8/2023	9/2/2024	19,316,171	20,606,974
LKA36424H094	13.84%	11/8/2023	9/8/2024	175,685,200	185,237,455
LKA18224B168	15.58%	18/8/2023	16/2/2024	23,193,250	24,543,352
LKA18224B168	15.68%	18/8/2023	16/2/2024	23,182,500	24,540,638
LKA36424H169	13.18%	18/8/2023	16/8/2024	22,088,700	23,176,435
LKA36424H169	13.28%	18/8/2023	16/8/2024	22,069,200	23,164,220
LKA36424H169	13.38%	18/8/2023	16/8/2024	22,049,750	23,152,044
LKA36424H169	13.48%	18/8/2023	16/8/2024	22,030,325	23,139,879
LKA18224B234	15.24%	25/8/2023	23/2/2024	23,229,875	24,484,518
LKA18224B234	15.28%	25/8/2023	23/2/2024	23,225,575	24,483,278
LKA18224B234	15.38%	25/8/2023	23/2/2024	23,214,775	24,480,121
LKA18224B234	15.48%	25/8/2023	23/2/2024	23,204,000	24,476,982
LKA36424I068	13.58%	8/9/2023	6/9/2024	22,010,925	22,955,278
LKA36424I068	13.68%	8/9/2023	6/9/2024	21,991,550	22,942,020
LKA36424I068	13.78%	8/9/2023	6/9/2024	21,972,225	22,928,802
LKA36424I068	13.48%	8/9/2023	6/9/2024	308,424,550	321,559,708
LKA18224C083	15.26%	8/9/2023	8/3/2024	464,554,500	486,951,387
LKA18224C083	15.38%	8/9/2023	8/3/2024	46,429,550	48,685,592
LKA18224C083	15.48%	8/9/2023	8/3/2024	46,408,000	48,677,657
LKA18224C083	15.58%	8/9/2023	8/3/2024	46,386,500	48,669,761
LKA18224C299	15.60%	2/10/2023	29/3/2024	23,219,100	24,124,477
LKA18224C299	15.28%	2/10/2023	29/3/2024	69,333,264	71,981,795
LKA18224D057	15.04%	6/10/2023	5/4/2024	23,251,500	24,087,328
LKA18224D057	15.08%	6/10/2023	5/4/2024	23,247,175	24,085,070
LKA18224D057	15.14%	6/10/2023	5/4/2024	23,240,675	24,081,668
Balance C/F				4,499,861,577	5,054,804,387



9. FINANCIAL ASSETS AT AMORTISED COST (CONTD...)

9.2 Investment in treasury bills (contd...)

As at 31st December 2023

ISIN No	Yield	Investment date	Maturity date	Cost Rs.	Recoverable amount Rs.
Balance B/F				4,499,861,577	5,054,804,387
LKA09124A056	17.12%	6/10/2023	5/1/2024	59,387,026	61,817,065
LKA09124A056	17.34%	6/10/2023	5/1/2024	23,961,275	24,954,338
LKA09124A056	17.38%	6/10/2023	5/1/2024	23,958,975	24,954,233
LKA09124A056	17.42%	6/10/2023	5/1/2024	23,956,675	24,954,128
LKA09124A122	16.18%	13/10/2023	12/1/2024	24,028,075	24,882,524
LKA09124A122	16.22%	13/10/2023	12/1/2024	24,025,750	24,882,228
LKA09124A122	16.28%	13/10/2023	12/1/2024	24,022,300	24,881,823
LKA09124A122	16.34%	13/10/2023	12/1/2024	24,018,825	24,881,391
LKA09124A122	16.38%	13/10/2023	12/1/2024	24,016,525	24,881,120
LKA09124A122	16.44%	13/10/2023	12/1/2024	24,013,075	24,880,712
LKA09124A122	16.48%	13/10/2023	12/1/2024	24,010,750	24,880,414
LKA09124A122	16.54%	13/10/2023	12/1/2024	24,007,300	24,880,005
LKA09124A122	16.74%	13/10/2023	12/1/2024	23,995,775	24,878,609
LKA09124A122	16.84%	13/10/2023	12/1/2024	23,990,025	24,877,920
LKA18224D123	14.22%	13/10/2023	12/4/2024	23,340,500	24,069,955
LKA18224D123	14.26%	13/10/2023	12/4/2024	23,336,125	24,067,495
LKA18224D123	14.38%	13/10/2023	12/4/2024	23,323,075	24,060,187
LKA18224D123	14.52%	13/10/2023	12/4/2024	23,307,850	24,051,652
LKA18224D123	14.64%	13/10/2023	12/4/2024	23,294,825	24,044,355
LKA18224D123	14.78%	13/10/2023	12/4/2024	23,279,625	24,035,829
LKA18224D123	14.94%	13/10/2023	12/4/2024	23,262,300	24,026,121
LKA18224D123	14.01%	13/10/2023	12/4/2024	23,363,400	24,082,787
LKA18224D123	14.08%	13/10/2023	12/4/2024	23,355,750	24,078,495
LKA18224D123	14.14%	13/10/2023	12/4/2024	23,349,200	24,074,821
LKA18224D123	14.18%	13/10/2023	12/4/2024	23,344,850	24,072,388
LKA09124A122	16.64%	13/10/2023	12/1/2024	24,001,525	24,879,295
LKA18224D198	14.92%	20/10/2023	19/4/2024	23,264,475	23,960,594
LKA18224D198	14.98%	20/10/2023	19/4/2024	23,257,975	23,956,698
LKA18224D198	15.04%	20/10/2023	19/4/2024	23,251,500	23,952,827
LKA18224D263	14.94%	27/10/2023	26/4/2024	23,262,300	23,892,453
LKA18224D263	14.98%	27/10/2023	26/4/2024	23,257,975	23,889,697
LKA18224D263	15.01%	27/10/2023	26/4/2024	23,254,725	23,887,624
LKA18224D263	15.04%	27/10/2023	26/4/2024	23,251,500	23,885,576
LKA18224D263	15.08%	27/10/2023	26/4/2024	23,247,175	23,882,819
LKA09124B021	15.83%	3/11/2023	2/2/2024	48,096,600	49,330,687
LKA18224E105	14.74%	10/11/2023	10/5/2024	46,567,950	47,548,538
LKA18224E105	14.78%	10/11/2023	10/5/2024	46,559,250	47,542,315
LKA18224E105	14.82%	10/11/2023	10/5/2024	46,550,600	47,536,143
LKA18224E105	14.88%	10/11/2023	10/5/2024	46,537,600	47,526,856
LKA18224E105	14.84%	10/11/2023	10/5/2024	46,546,250	47,533,031
LKA18224E105	14.88%	10/11/2023	10/5/2024	46,537,600	47,526,856
LKA18224E105	14.93%	10/11/2023	10/5/2024	46,526,800	47,519,150
LKA09124B161	15.54%	17/11/2023	16/2/2024	48,130,150	49,054,804
Balance C/F				5,759,913,378	6,352,260,945

9. FINANCIAL ASSETS AT AMORTISED COST (CONTD...)

9.2 Investment in treasury bills (contd...)

As at 31st December 2023

ISIN No	Yield	Investment date	Maturity date	Cost Rs.	Recoverable amount Rs.
Balance B/F				5,759,913,378	6,352,260,945
LKA18224E170	14.65%	17/11/2023	17/5/2024	139,762,350	142,293,623
LKA09124B161	15.20%	20/11/2023	16/2/2024	241,138,750	245,367,953
LKA36424B162	15.20%	20/11/2023	16/2/2024	144,683,250	147,220,772
LKA09124B237	15.28%	24/11/2023	23/2/2024	48,160,300	48,928,536
LKA09124B237	15.38%	24/11/2023	23/2/2024	48,148,700	48,921,778
LKA09124B237	15.48%	24/11/2023	23/2/2024	48,137,100	48,915,017
LKA18224E246	14.69%	24/11/2023	24/5/2024	46,578,800	47,293,119
LKA18224E246	14.72%	24/11/2023	24/5/2024	46,572,300	47,287,978
LKA18224E246	14.74%	24/11/2023	24/5/2024	46,567,950	47,284,534
LKA18224E246	14.76%	24/11/2023	24/5/2024	46,563,600	47,281,089
LKA18224E246	14.78%	24/11/2023	24/5/2024	46,559,250	47,277,644
LKA18224E246	14.81%	24/11/2023	24/5/2024	46,552,750	47,272,502
LKA18224E246	14.82%	24/11/2023	24/5/2024	46,550,600	47,270,804
LKA18224E246	14.83%	24/11/2023	24/5/2024	46,548,450	47,269,107
LKA18224E246	14.84%	24/11/2023	24/5/2024	46,546,250	47,267,359
LKA18224E246	14.88%	24/11/2023	24/5/2024	46,537,600	47,260,518
LKA09124B237	15.10%	24/11/2023	23/2/2024	289,086,900	293,643,990
LKA36424B238	15.12%	24/11/2023	23/2/2024	192,715,400	195,757,338
LKA18224E311	14.48%	1/12/2023	31/5/2024	46,624,400	47,199,366
LKA18224E311	14.53%	1/12/2023	31/5/2024	46,613,550	47,190,367
LKA18224E311	14.56%	1/12/2023	31/5/2024	46,607,000	47,184,927
LKA18224E311	14.64%	1/12/2023	31/5/2024	46,589,650	47,170,536
LKA18224E311	14.71%	1/12/2023	31/5/2024	46,574,450	47,157,923
LKA18224E246	14.40%	1/12/2023	24/5/2024	374,100,800	378,688,674
LKA18224F078	14.38%	8/12/2023	7/6/2024	46,646,150	47,088,417
LKA18224F078	14.44%	8/12/2023	7/6/2024	46,633,100	47,077,088
LKA18224F078	14.48%	8/12/2023	7/6/2024	46,624,400	47,069,535
LKA18224F078	14.52%	8/12/2023	7/6/2024	46,615,700	47,061,981
LKA18224F078	14.15%	8/12/2023	7/6/2024	140,088,750	141,395,732
LKA36424F213	14.15%	8/12/2023	21/6/2024	139,380,300	140,680,672
LKA18224F219	14.28%	22/12/2023	21/6/2024	23,333,950	23,425,491
LKA18224F219	14.26%	22/12/2023	21/6/2024	23,336,125	23,427,546
LKA18224F219	14.24%	22/12/2023	21/6/2024	23,338,300	23,429,601
LKA18224F219	14.22%	22/12/2023	21/6/2024	23,340,500	23,431,682
LKA18224F284	14.24%	29/12/2023	28/6/2024	93,353,200	93,462,762
LKA18224F284	14.14%	29/12/2023	28/6/2024	93,396,800	93,505,643
LKA18224F284	14.12%	29/12/2023	28/6/2024	93,405,600	93,514,299
LKA18224F284	14.08%	29/12/2023	28/6/2024	93,423,000	93,531,412
LKA18224F284	14.06%	29/12/2023	28/6/2024	93,431,700	93,540,087
LKA18224F284	14.04%	29/12/2023	28/6/2024	93,440,500	93,548,624
LKA18224F284	14.02%	29/12/2023	28/6/2024	93,449,200	93,557,180
				<u>9,197,670,803</u>	<u>9,829,414,151</u>



9. FINANCIAL ASSETS AT AMORTISED COST (CONTD...)

9.2 Investment in treasury bills (contd...)

As at 31st December 2022

ISIN No	Yield	Investment date	Maturity date	Cost Rs.	Recoverable amount Rs.
LKA36423F090	22.54%	10/6/2022	9/6/2023	40,803,000	45,982,627
LKA36423F090	22.74%	10/6/2022	9/6/2023	40,736,500	45,953,570
LKA36423F090	22.94%	10/6/2022	9/6/2023	40,670,250	45,924,645
LKA36423F231	22.44%	24/6/2022	23/6/2023	40,836,350	45,644,763
LKA36423F306	22.74%	1/7/2022	30/6/2023	40,736,500	45,419,138
LKA36423F306	22.84%	1/7/2022	30/6/2023	40,703,350	45,402,753
LKA36423F306	22.99%	1/7/2022	30/6/2023	40,653,700	45,378,196
LKA36423F306	23.09%	1/7/2022	30/6/2023	36,558,630	40,825,705
LKA18223A279	29.45%	29/7/2022	27/1/2023	43,582,500	49,083,234
LKA18223A279	28.95%	29/7/2022	27/1/2023	43,677,650	49,096,798
LKA36423G288	29.74%	29/7/2022	28/7/2023	38,538,600	43,450,620
LKA18223A279	29.95%	29/7/2022	27/1/2023	43,487,700	49,069,657
LKA18223B038	29.74%	5/8/2022	3/2/2023	43,527,450	48,826,391
LKA18223B103	28.97%	12/8/2022	10/2/2023	43,673,850	48,609,643
LKA18223B103	29.11%	12/8/2022	10/2/2023	43,647,150	48,603,764
LKA18223B103	29.48%	12/8/2022	10/2/2023	43,576,800	48,588,324
LKA18223B103	29.53%	12/8/2022	10/2/2023	43,567,300	48,586,229
LKA09123A066	32.98%	7/10/2022	6/1/2023	46,191,500	49,790,732
LKA09123A066	32.18%	7/10/2022	6/1/2023	46,277,000	49,795,425
LKA09123A066	32.28%	7/10/2022	6/1/2023	46,266,300	49,794,843
LKA09123A066	32.58%	7/10/2022	6/1/2023	46,234,200	49,793,065
LKA09123A066	32.68%	7/10/2022	6/1/2023	46,223,550	49,792,516
LKA09123A207	33.18%	21/10/2022	20/1/2023	46,170,200	49,200,386
LKA09123A207	33.24%	21/10/2022	20/1/2023	46,163,800	49,199,044
LKA09123A272	33.24%	28/10/2022	27/1/2023	23,081,900	24,451,976
LKA09123A272	33.48%	28/10/2022	27/1/2023	23,069,125	24,448,329
LKA09123B031	32.98%	4/11/2022	3/2/2023	46,191,500	48,618,889
LKA09123B031	33.04%	4/11/2022	3/2/2023	46,185,100	48,616,568
LKA09123B031	33.08%	4/11/2022	3/2/2023	46,180,850	48,615,038
LKA09123B031	33.18%	4/11/2022	3/2/2023	46,170,200	48,611,183
LKA09123B031	33.24%	4/11/2022	3/2/2023	46,163,800	48,608,858
LKA09123B106	33.24%	11/11/2022	10/2/2023	92,327,600	96,627,530
LKA09123B106	33.29%	11/11/2022	10/2/2023	46,158,450	48,311,399
LKA09123B106	33.04%	11/11/2022	10/2/2023	92,370,200	96,646,230
LKA09123B106	33.08%	11/11/2022	10/2/2023	92,361,700	96,642,513
LKA09123B106	33.18%	11/11/2022	10/2/2023	92,340,400	96,633,163
LKA09123B171	33.05%	18/11/2022	17/2/2023	46,184,050	48,029,128
LKA09123B171	33.09%	18/11/2022	17/2/2023	46,179,800	48,026,941
LKA09123B171	33.13%	18/11/2022	17/2/2023	46,175,500	48,024,702
LKA09123B171	33.19%	18/11/2022	17/2/2023	23,084,550	24,010,697
LKA09123B171	33.29%	18/11/2022	17/2/2023	23,079,225	24,007,948
LKA09123B247	32.94%	25/11/2022	24/2/2023	23,097,900	23,871,286
LKA09123B247	32.98%	25/11/2022	24/2/2023	23,095,750	23,870,003
<b>Balance C/F</b>				<b>1,956,001,430</b>	<b>2,108,484,449</b>

9. FINANCIAL ASSETS AT AMORTISED COST (CONTD...)

9.2 Investment in treasury bills (contd...)

As at 31st December 2022

ISIN No	Yield	Investment date	Maturity date	Cost Rs.	Recoverable amount Rs.
Balance B/F				1,956,001,430	2,108,484,449
LKA09123B247	33.04%	25/11/2022	24/2/2023	46,185,100	47,736,209
LKA09123B247	33.08%	25/11/2022	24/2/2023	46,180,850	47,733,694
LKA09123B247	33.12%	25/11/2022	24/2/2023	46,176,600	47,731,178
LKA09123B247	33.19%	25/11/2022	24/2/2023	46,169,100	47,726,711
LKA09123B247	33.24%	25/11/2022	24/2/2023	46,163,800	47,723,578
LKA09123C039	33.14%	2/12/2022	3/3/2023	46,174,450	47,435,621
LKA09123C039	33.19%	2/12/2022	3/3/2023	46,169,100	47,432,028
LKA09123C039	33.24%	2/12/2022	3/3/2023	46,163,800	47,428,485
LKA09123C039	32.96%	2/12/2022	3/3/2023	46,193,650	47,448,493
LKA09123C039	33.04%	2/12/2022	3/3/2023	46,185,100	47,442,756
LKA09123C039	33.08%	2/12/2022	3/3/2023	46,180,850	47,439,913
LKA09123C179	32.89%	16/12/2022	17/3/2023	46,201,100	46,869,036
LKA09123C245	32.74%	23/12/2022	24/3/2023	46,217,150	46,591,280
LKA09123C245	32.78%	23/12/2022	24/3/2023	46,212,850	46,587,403
LKA09123C245	32.81%	23/12/2022	24/3/2023	46,209,650	46,584,519
LKA09123C245	32.58%	23/12/2022	24/3/2023	46,234,200	46,606,639
LKA09123C245	32.68%	23/12/2022	24/3/2023	46,223,550	46,597,046
LKA09123C310	32.68%	30/12/2022	31/3/2023	23,111,775	23,153,275
LKA09123C310	32.74%	30/12/2022	31/3/2023	23,108,575	23,150,145
LKA09123C310	32.84%	30/12/2022	31/3/2023	23,103,225	23,144,912
LKA18223F302	32.23%	30/12/2022	30/6/2023	21,530,375	21,568,503
LKA18223F302	32.29%	30/12/2022	30/6/2023	21,524,825	21,563,014
LKA36423F165	21.40%	17/6/2022	16/6/2023	123,558,450	137,941,468
LKA18223F161	32.00%	21/12/2022	16/6/2023	64,901,100	65,528,715
				<u>3,042,080,655</u>	<u>3,227,649,070</u>
				As at 31.12.2023	As at 31.12.2022
				Rs.	Rs.
10. Short-term loan					
Reverse Repurchase - NSB				25,025,756	-
				<u>25,025,756</u>	<u>-</u>
11. OTHER PAYABLES					
Management and Trustee fee payable				5,332,922	1,801,270
Money payable on unit redemption				13,083,668	431,992
Custodian fees payable				886,333	144,102
Other payables to UTMCL				81,839	175,323
Audit fee payable				265,000	-
				<u>19,649,762</u>	<u>2,552,687</u>

**12. UNRECOGNISED CONTRACTUAL COMMITMENTS**

There were no unrecognised contractual commitments as at the reporting date to be disclosed.

**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**13.1 Contingent liabilities**

There were no contingent liabilities as at the reporting date.

**13.2 Contingent assets**

There were no contingent assets as at the reporting date.

**14. ASSETS PLEDGED**

The following assets have been pledged as security for liabilities.

Name of the Financial Institution	Nature of the Facility	Facility Granted	Balance Outstanding as at 31.12.2023 Rs.	Balance Outstanding as at 31.12.2022 Rs.	Security
National Savings Bank	Treasury bill	30,000,000	25,025,756	-	Credit of securities held as collateral for Rs.30,000,000/- (ISIN LKA36424A263)

**15. EVENTS OCCURRING AFTER THE REPORTING DATE**

No circumstances have arisen since the reporting date which would require adjustments or disclosures in the financial statements.

**16. RELATED PARTY TRANSACTIONS**

**16.1 Responsible entity**

The responsible entity of Ceybank Gilt Edged Fund (A Series) is Ceybank Asset Management Limited.

**16.2 Key management personnel**

**a) Directors**

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

- |  |                         |
|--|-------------------------|
| - Mr. A.C.M. Fernando (Chairman)                 | - Mr. A.D. Perera       |
| - Mr. I.C.C. Ferdinands (CEO/Executive Director) | - Ms. Vasantha Govindan |
| - Mr. G.A. Jayashantha                           | - Ms. W.S. Kulasinghe   |
| - Mr. R.M.N. Jeewantha                           |                         |

**b) Other key management personnel**

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.



16. RELATED PARTY TRANSACTIONS (CONTD..)

16.3 Key management personnel unitholding

The key management personnel of Ceybank Asset Management Limited have not held any units in the Fund.

16.4 Other transactions within the Fund

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

16.5 Related party unitholding

The management company of Ceybank Gilt Edged Fund (A Series) did not hold any units in the Fund.

16.6 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.

Name of related company	Relationship	Transaction	Amount (Rs.)	
			2023	2022
Ceybank Asset Management Limited	Managing company	Management fee	30,156,589	7,686,783
Bank of Ceylon	Custodian	Custodian fee	3,015,667	802,999
National Savings Bank	Trustee	Trustee fee	6,057,391	1,965,972

17. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (KMP) OF THE COMPANY

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

18. RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENTS AND THE PUBLISHED NET ASSET VALUE

	As at 31.12.2023 Rs.	As at 31.12.2022 Rs.
Net asset value as per financial statements	9,825,368,636	3,445,361,575
Audit fee adjustment	170,000	8,484
Published net asset value	<u>9,825,538,636</u>	<u>3,445,370,059</u>
No of units outstanding	485,121,224	212,075,929
Published net asset value per unit	<u>20.25</u>	<u>16.25</u>

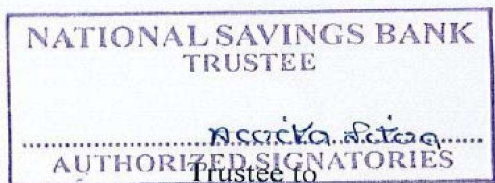
**CEYBANK GILT EDGED FUND (A SERIES)  
ANNUAL REPORT-2023  
DECLARATION BY TRUSTEE AND THE MANAGING COMPANY**

**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 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.



Ceybank Unit Trust Funds

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Risk & Compliance Officer  
Ceybank Asset Management Ltd

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General Manger  
Ceybank Asset Management Ltd





**CEYBANK GILT EDGED FUND (A SERIES)  
ANNUAL REPORT-2023  
MANAGEMENT TEAM**

**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 Manthrirathna  
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



**Managers of the Ceybank Unit Trust Funds**

No 85, York Street, Colombo -1

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