

CT CLSA GROWTH EQUITY FUND



INTERIM REPORT

FOR THE SIX MONTHS ENDED 30TH JUNE 2024

CORPORATE INFORMATION

TRUSTEE & CUSTODIAN

Deutsche Bank AG

Filiale Colombo, Level 21, One Galle Face Tower,

1A, Centre Road,

Galle Face, Colombo 02.

MANAGING COMPANY & REGISTRAR

CT CLSA Asset Management (Pvt) Ltd

04th Floor, Majestic City,

No. 10, Station Road, Colombo 04

Tel: 0115759571 Fax: 0112506347

Web: www.ctclsal.lk

AUDITORS

Deloitte Associates

No 11, Castle Lane,

Colombo – 04.

BANKERS

Deutsche Bank AG

Filiale Colombo, Level 21,

One Galle Face Tower,

Colombo 10.

Fund Managers Review

Economic Review

The Sri Lankan economy experienced a favourable economic condition in 1Q2024 compared to the same period in 2023. Accordingly, the economy grew by 5.3%¹ YoY in 1Q2024 supported by all sectors of the economy. Agricultural, Industrial and Service sector expanded by 1.1%¹, 11.8 %¹, 2.6%¹ respectively in 1Q2024. This growth was driven by lower levels of inflation, and interest rates and increased liquidity in the foreign currency markets. According to the World Bank prediction, Sri Lankan economy is expected to see a moderate growth of 2.2%² in 2024.

Interest Rate Environment

The Central bank continued to maintain the easing monetary policy stance during the 1H of 2024. Accordingly, the Central Bank cut their policy rates by 50Bps³ in March 2024 and decided to maintained the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) at 8.5%³ and 9.00%³ respectively. In line with the eased monetary policy the market interest rates have adjusted downwards. However, the adjustments of lending rates remain weaker than deposit rates creating further space for market lending rates to adjust downwards. Moreover, the yield on government securities have declined considerably in response to the policy measures taken thus far. Credit extends to the private sector by licensed commercial banks recorded a marginal expansion during the period under consideration. A further reduction in market lending rates would facilitate the growth of private sector credit.

Inflation

Headline inflation measured by the Colombo Consumer Price Index (CCPI, 2021 = 100) closed at 1.7%³ in June 2024. It was supported by the downward revisions to the electricity tariff and fuel and LP gas prices along with relatively weak demand conditions. Food Inflation increased at 1.4%³ YoY while non-food inflation increased at 1.8%³ Year on Year in June 2024. Due to the

¹ The Department of Census and Statistics (www.statistics.gov.lk)

² World Bank – Press release 02.04.2024

³ The Central Bank of Sri Lanka

combined impact of lower electricity tariffs and domestic fuel prices and the statistical base, inflation is expected to be below the target level for the upcoming months. However, over the medium-term inflation is expected to gradually align with the Central Bank target level of 5%.³

External Sector

External sector performance in the first half of 2024 remained positive, with higher inflows from workers' remittances and earnings from tourism, despite a slightly higher trade deficit. The gross official reserve elevated at US dollar 5.6 Bn³ supported by considerable net purchases by the central bank from the domestic foreign exchange market at the end of June 2024 including the swap with the Peoples Bank of China. During the period the Sri Lankan Rupee appreciated by 6.0%³ against the US Dollar.

CTCLSA Growth Equity Fund (Inception: 27th February, 2012)

Fund Manager

Kuhan Vinayagasundaram

Fund Objective and Benchmark

The Fund is an open-ended growth fund which invests in a diversified portfolio of listed equity securities in Colombo Stock Exchange with the objective of achieving medium to long term capital appreciation.

Commentary

Fund return vs Benchmark return

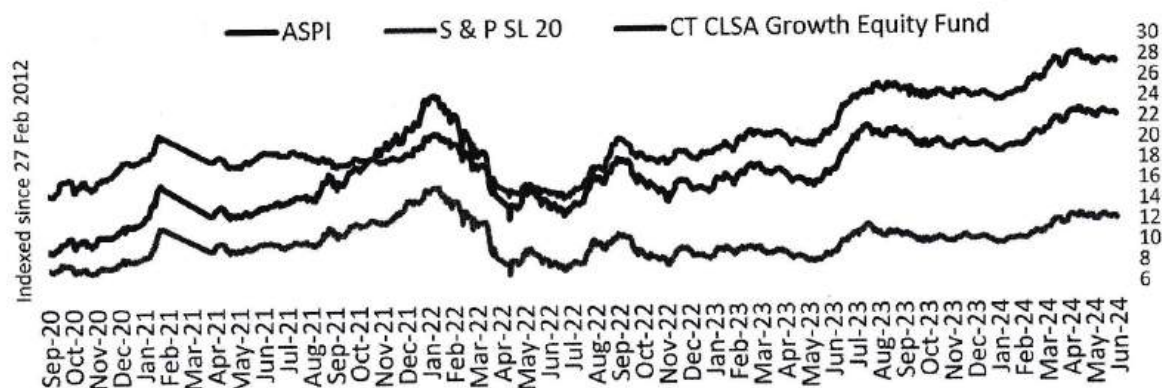


Exhibit 02: Fund Return vs. Benchmark Return⁵

PERIOD*	FUND	BENCHMARK		ASTRI
		ASPI	S&P SL 20	
YTD - 2024	12.61%	13.99%	16.95%	18.13%
Since Inception Cum.	173.30%	121.75%	21.42%	159.68%
Since Inception CAGR	8.49%	6.67%	1.58%	8.06%

Note: All Share Price Index (ASPI), All Share Total Return Index (ASTRI) & S&P Sri Lanka 20 Index (S&P SL 20) are based on CSE data as of 28th June 2024

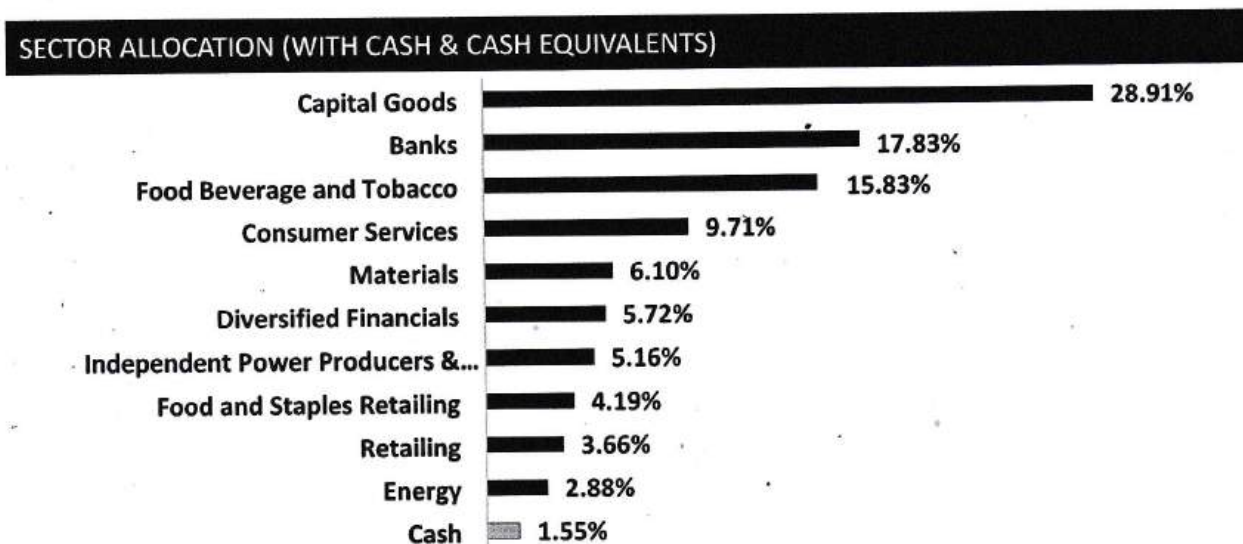
* Performances are based on month end prices as of 28th June 2024. Performance data included in this document represents past performance and is no guarantee of the future results.

For the period ended 28th June 2024, the fund increased by 12.61%⁵ while ASPI & S&P SL 20 Indices increased by 13.99%⁵ and 16.95%⁵ respectively. Since inception the fund has provided a return 173.30%⁵ outperforming the All-Share Price Index's performance of 121.75%⁵ for the same period.

Exhibit 08: Top 5 holding of the fund as at June 28, 2024⁵

TOP 5 HOLDINGS BASED ON NAV		
STOCK	TICKER	% OF NAV
JOHN KEELLS HOLDINGS PLC	JKH.N0000	7%
MELSTACORP PLC	MELS.N0000	5%
TKYO CEMENT COMPANY LANKA PLC	TKYO.N0000	5%
ACCESS ENGINEERING PLC	AEL.N0000	4%
SAMPATH BANK PLC	SAMP.N0000	4%

Exhibit 09: Sector allocation of the fund as at June 28, 2024⁵



Despite the VAT hikes, during the first quarter of the year corporate earnings improved compared to the crisis period. Lower interest rates, moderate inflation and improved liquidity due to inflows from worker remittances and tourism positively contribute to the overall recovery. Given the operating environment, the fund focused on companies which would benefit from a decline in interest rates, consumer counters which could gain traction from the recovery of local consumption and fundamentally strong liquid counters to benefit in the long run. Accordingly, the fund increased its exposures to capital goods, banks and finance, consumer sector and tourism sector with the anticipation of market interest rates to decline further despite the uncertainty of the election cycle in the period ahead. Furthermore, the fund took exposure of some trading calls to benefit in the short run.

Amidst the macro developments coupled with equity being tax efficient asset class we believe investors would continue to be focused on value counters despite election related uncertainty to create volatility in the near term. Given the environment we opt to maintain the asset allocation at 75% -80% of the fund in the near term

As at 28th June 2024, the total net asset value of the fund was Rs.102.92⁵ million with 234-unit holders in the fund. The redemption price for the fund on 28th June 2024 was Rs. 27.3296⁵

CT CLSA Growth Equity Fund

STATEMENT OF FINANCIAL POSITION

As at	Notes	30-Jun-24 Rs.	30-Jun-23 Rs.	31/12/2023 (Audited) Rs.
ASSETS				
Cash and Cash Equivalents	2	1,187,846	3,980,923	7,040,144
Financial Instruments at Fair Value Through Profit or Loss	3	76,411,948	61,418,279	48,033,638
Financial Instruments at Amortised Cost	4	24,047,496	11,888,885	19,864,129
Other Receivables	5	1,967,423	4,398,021	2,888,094
Total Assets		103,614,713	81,686,108	77,826,003
UNIT HOLDERS' FUNDS & LIABILITIES				
LIABILITIES				
Accrued Expenses	6	697,349	3,524,117	873,974
Total Liabilities (Excluding net assets attributable to Unit Holders)		697,349	3,524,117	873,974
UNIT HOLDERS' FUNDS (Net Assets Attributable to Unit Holders)		102,917,364	78,161,991	76,952,029
Total Unit Holders' Funds and Liabilities		103,614,713	81,686,108	77,826,003

These Financial Statements were approved by the Management Company and the Trustees

The accompanying notes form an integral part of the Financial Statements.

The statement of Financial Position as at 30th June 2024 and comparatives as at 30th June 2023 along with related statements of comprehensive income and unitholders funds' have been drawn up from unaudited accounts.


Director
Management Company


Director
Management Company

DEUTSCHE BANK AG
Colombo Branch

Trustee
Deutsche Bank AG
Authorised Signatories

September 12, 2024
Colombo

CT CLSA Growth Equity Fund**STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended	Notes	30-Jun-24 Rs.	30-Jun-23 Rs.
INCOME			
Interest Income	1	718,165	2,158,854
Dividend Income		1,611,537	1,832,974
Realised gain on financial assets at fair value through profit or loss		5,833,717	(91,825)
Unrealized gain/(loss) on financial assets held at fair value through profit and loss		3,906,621	13,971,367
		12,070,040	17,871,370
EXPENSES			
Management Fees		(1,119,786)	(1,058,459)
Trustee and Custodian Fees		(241,431)	(244,004)
Audit Fees		(99,200)	(154,514)
Brokerage expenses		(20,520)	(4,860)
Transaction Cost		(1,850,769)	(3,068,833)
Tax consultancy fees		(79,508)	(98,436)
WHT on dividend received		(98,121)	(128,646)
		(3,509,335)	(4,757,752)
PROFIT BEFORE TAX		8,560,705	13,113,618
Income Tax Expense		-	-
NET PROFIT AFTER TAX FOR THE PERIOD		8,560,705	13,113,618
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8,560,705	13,113,618

The accompanying notes form an integral part of the Financial Statements.

CT CLSA Growth Equity Fund
STATEMENT OF CASH FLOWS

	30-Jun-24 Rs.	30-Jun-23 Rs.	31-Dec-23 Rs.
Cash flows from operating activities			
Interest received	830,658	2,158,854	3,048,587
Dividend received	1,349,407	1,407,264	2,965,898
Management fees and trustee fees paid	(1,272,706)	(1,397,865)	(2,544,214)
Other expenses paid	(2,413,254)	(5,911,593)	(6,094,913)
Net cash flow generated from operating activities	(1,505,895)	(3,743,340)	(2,624,643)
Cash flows from investing activities			
Proceeds from sale of equity securities	10,733,646	151,644,599	234,392,038
Purchase of equity investments	(28,378,311)	(119,758,028)	(180,191,141)
Net proceeds from investing in Amortized Cost Financial Assets	(4,183,367)	(1,862,175)	(9,837,419)
Net cash generated from investing activities	(21,828,032)	30,024,395	44,363,478
Cash flows from financing activities			
Proceeds on creation of units	28,266,000	1,220,000	7,756,022
Payments on redemption of units	(10,784,370)	(35,340,937)	(54,424,361)
Net cash used in financing activities	17,481,630	(34,120,937)	(46,668,339)
Net increase in cash and cash equivalents	(5,852,297)	(7,839,882)	(4,929,504)
Cash and cash equivalents at the beginning of the year	7,040,144	7,040,144	11,969,648
Cash and cash equivalents at the end of the period	1,187,846	(799,738)	7,040,144

CT CLSA Growth Equity Fund**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**

For the six months ended	30-Jun-24	30-Jun-23	31/12/2023 (Audited)
	Rs.	Rs.	Rs.
UNIT HOLDERS' FUNDS AS AT 01 JANUARY	76,952,029	99,150,366	99,150,366
Total Comprehensive Income for the Period	8,560,705	13,113,618	24,445,872
Received on Creation of Units	28,189,000	1,386,130	7,780,152
Paid on Redemption of Units	(10,784,370)	(35,488,124)	(54,424,361)
Net Increase due to Unitholders' Transactions	17,404,630	(34,101,994)	(46,644,209)
UNIT HOLDERS' FUNDS AS AT	102,917,364	78,161,991	76,952,029

The accompanying notes form an integral part of the Financial Statements.

For the six months ended

As at	30-Jun-24	30-Jun-23	31/12/2023 (Audited)
	Rs.	Rs.	Rs.
2 CASH AND CASH EQUIVALENTS			
Cash at Bank	1,187,846	3,980,923	7,040,144
	1,187,846	3,980,923	7,040,144

As at	30-Jun-24		Holding as a % of Net Asset Value	30-Jun-23		Holding as a % of Net Asset Value	31/12/2023 (Audited)		Holding as a % of Net Asset Value
	No of shares	Fair value		No of shares	Fair value		No of shares	Fair value	

	No of shares	Fair value
3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		

3 .a) Investment in Equity shares

Banks

Insurance									
People'S Insurance PLC	-	-	0%	205,305	4,290,875	5%	153,113	3,460,354	4%
Ceylinco Insurance PLC - Non Voting	-	-	0%	-	-	0%	-	-	0%
		-	0%		4,290,875	5%		3,460,354	0%

Food, Beverage and Tobacco

Food and Staples Retailing						
Cargills (Ceylon) PLC	8,503	3,199,254	3%	12,503	3,275,786	4%
		3,199,254	3%		3,275,786	4%
					8,503	2,878,266
						2,878,266
						4%

Materials

Capital Goods									
Access Engineering PLC	172,935	4,115,853	4%	-	-	0%	107,357	2,179,347	3%
Hayleys PLC	24,300	2,581,875	3%	72,576	5,631,898	7%	32,300	2,306,220	3%
ACL Cables PLC	30,376	2,536,396	2%	70,884	5,585,659	7%	13,500	928,800	1%
Hemas Holdings PLC	25,000	2,082,500	2%	-	-	0%	-	-	0%
John Keells Holdings PLC	35,975	7,329,906	7%	38,975	5,846,250	7%	28,475	5,438,725	7%
C I C Holdings PLC	30,000	2,277,000	2%	-	-	0%	-	-	0%
Royal Ceramic Lanka PLC	-	-	0%	-	-	0%	-	-	0%
	20,923,530	20%		17,063,807	22%		10,853,092	14%	

Investment Banking & Brokerage

Consumer Durables & Apparel						
Teejay Lanka PLC	-	-	0%	-	0%	31,213
	-	-	0%	-	0%	1,133,032
	-	-	0%	-	0%	1,133,032

Diversified Financials

People's Leasing & Finance PLC	252,241	3,178,237	3%	251,988	2,041,103	3%	354,000	3,787,800	5%
LB Finance PLC	-	-	0%	40,000	2,336,000	3%	-	-	0%
Capital Alliance PLC	-	-	0%	-	-	0%	19,009	1,009,378	1%
Central Finance Company PLC	10,000	1,195,000	1%	-	-	0%	-	-	0%
		4,373,237	4%		4,377,103	6%		4,797,178	6%

NOTES TO THE FINANCIAL STATEMENTS

As at	30-Jun-24		Holding as a % of Net Asset Value	30-Jun-23		Holding as a % of Net Asset Value	31/12/2023 (Audited)		Holding as a % of Net Asset Value
	No of shares	Fair value		No of shares	Fair value		No of shares	Fair value	
Consumer Services									
Aitken Spence Hotel Holdings PLC	-	-	0%	86,751	4,858,056	6%	220,000	2,750,000	4%
Asian Hotels and Properties PLC	35,000	2,100,000	2%	-	-	0%	20,000	1,160,000	2%
Serendib Hotels PLC	165,000	2,392,500	2%	-	-	0%	-	-	0%
Lanka Ioc PLC	23,000	2,926,750	3%	-	-	0%	-	-	0%
		7,419,250	7%		4,858,056	6%		3,910,000	5%
Retailing									
Singer (Sri Lanka) PLC	-	-	0%	259,425	3,631,950	5%	216,544	2,598,527	0%
R I L Property PLC	350,000	2,800,000	3%	-	-	0%	-	-	0%
		2,800,000	3%		3,631,950	0%		2,598,527	0%
Utilities									
Valibel One PLC	-	-	0%	71,812	2,800,668	4%	-	-	0%
LVL Energy Fund PLC	-	-	0%	-	-	0%	-	-	0%
		-	0%		2,800,668	0%		-	0%
Energy									
Hayleys Fabric PLC	47,293	2,203,853.80	2%	-	-	0%	-	-	0%
		2,203,854	2%		-	0%		-	0%
Independent Power Producers & Energy Traders									
Windforce PLC	199,259	3,945,328	4%	-	-	0%	-	-	0%
		3,945,328	4%		-	0%		-	0%
		76,411,948	74%		61,418,279	68%		48,033,638	55%

As at	30-Jun-24	30-Jun-23	31/12/2023 (Audited)
	Rs.	Rs.	Rs.
4 FINANCIAL INSTRUMENTS AT AMORTISED COST			
Treasury Bond Reverse Repurchase Agreement (Less than 3 months)	24,047,496	-	15,303,941.00
Treasury Bonds	-	11,888,885	4,560,188.00
	24,047,496	11,888,885	19,864,129
5 ACCRUED INCOME AND OTHER RECEIVABLES			
Amount Receivable on creation of units	46,130	265,130	123,130
Accrued Dividend Income	262,130	425,710	-
Interest Receivable	-	446,506	-
Sales Proceeds Receivable	1,659,163	3,260,676	2,761,523
Savings interest receivable	-	-	3,441.00
	1,967,423	4,398,021	2,888,094
6 ACCRUED EXPENSES			
Fund Manager Payable	226,735	135,236	144,249
Trustee Fee and Custodian Fee Payable	43,554	35,767	37,530
Audit Fee	356,576	181,211	556,125
Other Payables	70,484	89,427	1,785
Purchases Awaiting Settlement	-	3,082,476	-
Tax consultancy fee	-	-	134,285
	697,349	3,524,117	873,974

7 RELATED PARTY DISCLOSURE

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

7.1 Management Company and trustee

The Management Company is CT CLSA Asset Management (Private) Limited

The Trustee is Deutsche Bank AG

7.2 Key Management Personnel

Key management personnel includes persons who were directors of CT CLSA Asset Management (Private) Limited at any time during the period.

Directors

Mrs Cecilia Pige Muttukumaru
Mr. Joseph Pige
Mr. Zakir Mohameddaly
Mr. Patrick Martin Lawlor
Ms. Bimanee Megapala
Ms. Coralie Pietersz

Other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the period.

Mr. Kuhan Vinayagasundarama - Chief Investment Officer
Ms. Hansini Aravinda - Senior Financial Analyst

7.3 Key management personnel compensation

Key management personnel are paid by CT CLSA Asset Management (Private) Limited. Payments made from the Fund to Guardian Acuity Asset Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

7.4 Other transactions within the Fund

Apart from those details disclosed in Note 7.5 key management personnel have not entered in to any other transactions involving the Fund during the period.

7.5 Related party unit holding and other transactions

As at 30th June 2024	Relationship	No of units	Value of units held	Total Interest Held	Distribution paid or payable by the Fund
Unitholder CT CLSA Asset Management Key Management Personnel	Managing Con	- 890.16	- 24,734	- 0.02%	-

7.6 Transactions with and amounts due to relat	Charge for the period 2024	2023	Payable as at 30 June 2024	2023
Management Fees - CT CLSA Asset Management	1,119,786	1,058,459	226,735	135,236
Trustee and Custodian Fees - Deutsche Bank AG	241,431	244,004	43,554	35,767

8 UNITS IN ISSUE AND UNIT PRICE

Units in issue and deemed to be in issue as at 30 June 2024 is 3,734,744 (30 June 2023 : 3,637,865) and the creation and redemption Unit price as at this date is Rs.27.7859 (30 June 2023 : Rs.21.6748) and Rs.27.3276 (30 June 2022: Rs.21.4857) respectively.

As at	30-Jun-24 Rs.	30-Jun-23 Rs.	31/12/2023 (Audited) Rs.
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9 RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENTS AND THE PUBLISHED NET ASSET VALUE

Net Asset Value as per Financial Statements	102,917,364	78,161,991	76,952,029
Audit Fee Adjustment	-	-	-
Dividend Write Off	-	-	-
Published Net Asset Value	102,917,364	78,161,991	76,952,029
Number of units outstanding	3,734,744	3,637,865	3,148,001
Net Asset Value per Unit	27.5567	21.4857	24.4447