
CEYLON TREASURY INCOME FUND

KEY INVESTOR INFORMATION DOCUMENT
2022



Trustee and Custodian of the Fund

Hatton National Bank PLC

Ceylon Treasury Income Fund

Approved by
The Securities and Exchange Commission of Sri Lanka

Trustee and Custodian of the Fund
Hatton National Bank PLC

Fund Audited by



Performance reporting of the Fund by the Fund Manager
is in accordance with CFA*

GIPS
Global Investment Performance Standards

* Please note that the Fund Manager has not received written confirmation from CFA

Fund Manager



No. 33, PARKLAND 1,
Park Street, Colombo 02, Sri Lanka.
Tel: +94 11 739 4000 Fax: +94 11 739 4007
E-mail: info@ceylonam.com
Web: www.ceylonam.com

Ceylon Asset Management is an
Associate Company of
Sri Lanka Insurance Corporation Ltd.

THE OFFER AT A GLANCE

Investment Plan	Invests 100% in Government Securities including Treasury Bills, Treasury Bonds, Re-purchase Agreements.
Nature of Fund	Open ended fund offering units on a daily basis, investing exclusively in Government Securities.
Issue of Units	The Manager shall have an absolute discretion to accept or decline any application for Units.
Income Distribution Policy	Net income will be distributed at the discretion of the Manager.
Issue Price of Unit	Rs. 10/-
Minimum Investment	Rs. 100,000/- or equivalent in foreign currency.
Front End Fee	Nil
Exit Fee	Nil
Management Fee	0.50% per annum
Trustee Fee	0.15% per annum
Custodian Fee	LKR 10,000/- per month
Foreign Investors	Foreign Investors are permitted to invest in the Fund through an Inward Investment Account (IIA).

MANAGER OF THE FUND - CEYLON ASSET MANAGEMENT

BOARD OF DIRECTORS

**Malaka Bandara- MBA
Chairman**

DGM – Finance of Sri Lanka Insurance Corporation Ltd with over 15 years in the insurance industry. He obtained his Bachelor's Degree in Accountancy Special from University of J'pura and Master's Degree in Business Administration from University of Colombo.



**Dulindra Fernando - CFA
Managing Director**

The founder of Ceylon Asset Management, former CEO of MAS Investments. He has 25+ years of work experience including investment banking and chartered accounting in Australia.



**Shashika Ranasinghe – CFA, FRM
Director**

Assistant General Manager- Investment at Sri Lanka Insurance Corporation. Prior to SLIC he has served as The Head of Treasury at Cargills Bank Ltd and Manager Treasury at Aitken Spence PLC. He is a Chartered Financial Analyst and completed BSc (Hons) Engineering. Over 15 years work experience.



**Dinesh Ambani
Director**

Chairman of Metrocorp (Pvt) Ltd & its subsidiaries, Eco Power Pvt Ltd , Bogawantalawa Tea Estates PLC, Metropolitan Resource Holdings PLC, Megatech Pvt Ltd, Ceylon Bungalows Pvt Ltd, Areva Investments & Office Networks. Over 35 years of experience in the Tea, Agro Forestry & in renewable energy industries.



**Dr. R. A. Fernando
Director**

Chairman / CEO of Global Strategic Corporate Sustainability, Executive in Residence INSEAD Business School, France. Former Operations Director, Blue Ocean Strategy Institute (Malaysia), former CEO of MAS corporate branding & retail. Former MD / CEO at Reckitt Benckiser (Lanka) Ltd. Over 25 years work experience



**Rainer Michael Preiss - CWM
Director**

Former Executive Director of Taurus Family Office. Investment advisor for large international banks in Dubai, Hong Kong, Singapore and UK. Has more than 20 years of work experience.



**Danushka Samarasinghe
Director**

Danushka has over 15 years of experience in both domestic and international capital markets. Prior to joining Nation Lanka Equities Pvt Ltd, he was the CEO at Softlogic Capital Markets (under Softlogic Capital PLC) and formed Softlogic Groups' Unit Trust Company Softlogic Invest. He has also been the COO & Head of Research at Softlogic Stockbrokers (Pvt) Ltd. Danushka also served as the Sri Lankan sector President for the Association of Chartered Certified Accountants - IITK (ACCA).



INVESTMENT COMMITTEE

Dulindra Fernando, CFA	Managing Director Ceylon Asset Management Co Ltd. (See profile in Page 4)
Eranda Ranasinghe, CFA	Manager – Investments, Sri Lanka Insurance Corporation Ltd. Formerly at JB Securities – Investment Advisor. With 12+ years of work experience he holds a Bachelor of Business Administration, Finance special from University of Colombo.
Sevandhi Fernando	General Manager, Windsor Hotel – Nuwara Eliya. Former Assistant Vice President of Vanik Incorporation Ltd. With over 25+ of work experience, he holds a Bachelor of Science in Economics and Business Administration from University of South Florida. He is also a passed finalist of National Commodities Futures Examination (USA - Series 3) and National Investment Brokers Examination (USA - Series 7).

FUND MANAGEMENT TEAM

Thilanka Geeganage	Chief Operating Officer – Ceylon Asset Management Co Ltd. Formerly at Cargills Bank Ltd as Manager/Senior Dealer. With 13+ years of work experience he holds a Masters in International Finance from Deakin University, Australia and Bachelor of Commerce (Special) degree from University of Colombo.
Gowthaman Nadarajah	Senior Research Analyst - Ceylon Asset Management Co Ltd. Former Manager in Investment Research & Operations of Employee's Trust Fund Board, He holds a Bachelor of Science in Physical Science from University of Sri Jayewardenepura.

GENERAL INFORMATION ON THE FUND

INVESTMENT RATIONALE

The objective of the Fund is to invest in securities issued by the Government of Sri Lanka at a minimal risk. In order to achieve this objective, the Fund will be invested in the following instruments:

- a) Treasury Bills and Treasury Bonds
- b) Repurchase Agreements

RISK FACTORS

Interest Rate Risk: Government Securities are valued on a Mark to Market basis. Fluctuation of interest rates can lead to volatility in valuation of Government Securities and the daily Unit Prices.

Default Risk: The underlying securities are guaranteed by the Government of Sri Lanka. Therefore, the securities are considered low risk.

INCOME DISTRIBUTION POLICY

Distributions will be at the discretion of the Fund Manager. Distributable income will be derived principally from interest earned and realized gains from Fixed Income instruments. Net income will be distributed annually after satisfying operating fees and expenses of the Fund. Investors have the option to re-invest their distribution in units of the Funds.

THE FEE STRUCTURE

The following fees will be charged at cost from the Fund:

- Management fee - 0.50% p.a. on NAV
- Trustee fee - 0.15% p.a. on NAV
- Custodian fee - Rs. 10,000/- per month
- Front-end and Exit fee - Nil

MINIMUM INVESTMENT

Applications for units could be for any amount subject to a minimum value of Rs. 100,000/- for local investors and USD 1,000/- for foreign investors. The investment will be divided by the Manager's selling price to determine the number of units allotted.

ALLOTMENTS

Allotment of units will be made after the monies being realized by Hatton National Bank or the application received at the office of Ceylon Asset Management Company Limited, whichever is later. Dealing is carried out daily. Where this falls on a holiday, the next market day is considered to be the dealing day.

In order to allocate units based on the previous day closing price, the duly filled application form along with the copy of the NIC should reach the office via email or physically by 9 am on any working day. Further, the funds should be credited to the HNB Fund Account, details of which are given on Pg. 12 by same time.

VALUATION OF UNITS

The price at which investors may subscribe for or redeem units is calculated on each dealing day. The price of a Unit shall be calculated daily by valuing the assets of the Scheme attributable to Units and dividing that value by the number of Units in issue. All the assets of the Scheme shall be valued at each valuation point and any part of the assets of the Scheme which is not an investment shall be valued at fair value. Since the fund is invested in Government Securities, the Trustee and Custodian has agreed with Ceylon Asset Management Company Limited that the valuation will be carried out on a market to market basis using the daily yield curves issued by the Central Bank of Sri Lanka. However, the Repos of the Scheme will be valued daily on a cost plus accrued scheme.

The Managing Company shall take action to rectify any breach in respect of valuation. Where the breach related to the incorrect pricing of Units, rectification shall extend to the reimbursement or payment of money by the Managing Company to the Unit Holders, former Unit Holders or to the Scheme. The Trustee and Custodian may direct that rectification need not extend to reimbursement where it appears that the incorrect pricing is of minimal significance.

ELIGIBLE INVESTORS

This Fund will be eligible for the following investors:

- a) Any Sri Lankan and Foreign* Individual Investors
- b) Any Sri Lankan and Foreign* Corporate Investors

****FOREIGN INVESTORS – Inward Investment Account (IIA)***

Foreign corporates and individuals may invest and repatriate capital and profits back in foreign currency by investing via a IIA Account with any bank.

STATEMENTS

Made under the provisions of APPENDIX 3-7 (d) of the CIS Code make the following statements, that

- (i) The CTIF is an approved Scheme and further that this KIID is approved by the SEC;
- (ii) The Trust Deed is binding on the Managing Company, Trustee, Custodian and each Unit Holder;
- (iii) All assets of the Scheme are held by the Trustee / Custodian; and
- (iv) The limits of liability of unit Holders is, as stated in this KIID.

EXTENT OF LIABILITY OF UNIT HOLDERS IN THE SCHEME

- a) The liability of a Unit Holder of a scheme is limited to the amount, which, at the time when any debts falls due, is equal to the NAV of the Units held by such Unit Holder.
- b) A Unit Holder in a scheme is not liable for acts or omissions of the Managing Company, Trustee or of the Custodian of that scheme.

EXTENT OF TAX LIABILITY OF UNIT HOLDERS IN THE SCHEME

- a) The Unit Trust Investment is considered as a flow-through investment.
- b) Accordingly, a Unit Holder in a scheme is taxed at his/ her end based on his/ her tax bracket.

GENERAL INFORMATION

The following fees will be charged at cost from the Fund:

- Management fee, calculated as 0.50% per annum of the NAV of the Scheme
- Trustee fee, calculated as 0.15% per annum of the NAV of the Scheme
- Custodian fee of LKR 10,000/- per month
- Audit fees, Legal fees and Professional fees
- Taxes and relevant duties

The Manager may choose to pay a commission to authorized agents out of their own funds. Such commission shall not be charged to the Trust.

DETAILS OF ADMINISTRATIVE AND PROFESSIONAL EXPENSES TO THE FUND

- a) any cost of dealing in the Deposited Property, i.e. Transaction costs, Brokerage, Bank charges and other costs;
- b) taxation and duties payable in respect of the Deposited Property of the issue of Units;
- c) any costs incurred in the preparation or modification of the Trust Deed;
- d) costs incurred in printing the Key Investor Information Document;
- e) any costs incurred in respect of meetings of Unit Holders;
- f) the fees of the Trustee and Custodian;
- g) the audit fees of the auditor and any expenses of the auditor;
- h) licensing fees imposed by the Commission;
- i) all direct and indirect taxes imposed by the Government of Sri Lanka from time to time that are required to be charged to the Deposited Property;
- j) legal expenses incurred in safeguarding the Deposited Property;
- k) any other fee approved by the Commission and specified in the Trust Deed;
- l) expenses related to listing of the Fund on a recognized exchange;
- m) annual report printing and postage charges;
- n) all mailing & correspondence of notices and distribution to Unit Holders.

RIGHTS OF UNIT HOLDERS

- To redeem units registered in their names.
- To receive annual accounts, as at 31st March and the report of Auditors.
- To receive half yearly reports on the accounts and performance of the Fund.
- To participate and vote at a meeting of the unit holders.
- To transfer units on the payment of a Rs. 100/- as a fixed fee.

For further information and clarifications of provisions appearing in the Key Investor Information Document, investors may inspect the Trust Deed of the Unit Trust free of charge at the business office.

CONSENT

Hatton National Bank PLC and M/S Ernst & Young have given written consent to include their names in the Key Investor Information Document.

REPORTS AND ACCOUNTS

The annual accounts will be prepared up to 31st March and will be distributed amongst the unit holders within four (04) months of the end of the said date. Investors will be provided with half yearly reports on the accounts and the performance of the Fund within three months of the period covered. An interim report for the first half-yearly accounting period shall not be prepared, in the case such period is less than six months.

VOTING RIGHTS

Ceylon Asset Management Company Limited alone shall have the absolute, beneficial and unfettered right to exercise votes attached or pertaining to any shares, units or other securities.

REDEMPTION OF UNITS

Units can be redeemed with a written request, at the Manager's buying price published on each dealing day. The request can be made via a letter duly signed by the unit holder(s) / authorized signatories or through an email sent via the registered email address. Similarly, an application for redemption can be made at the office of the Manager, by using the prescribed form. Payment of redemption proceeds will be made via a direct transfer to the unit holder's bank account or through a bank cheque, crossed in favour of the unit holder.

The maximum interval between the receipt of a properly documented request for redemption of units and the payment of the redemption money to the unit holder shall not exceed ten (10) business days from the dealing day on which, the request was received. Where, for any exceptional reason, it is not feasible or desirable to make payment of the redemption money within ten (10) business days, Ceylon Asset Management will notify and provide explanation to the Commission.

SUSPENSION OF DEALINGS

The Managers may, with the approval of the Trustee and the Securities and Exchange Commission of Sri Lanka, suspend the dealings during:

- Any period when the dealings of the Colombo Stock Exchange is restricted or suspended.
- The existence of any state of affairs during any period, which, in the opinion of the Managers, would be detrimental to the interests of the unit holders.
- Any period during which there is a breakdown of communication in determining the prices of their investments.
- Such suspension shall take effect immediately upon declaration thereof by the Managers subject to the provisions of the Trust Deed, and shall terminate, once the Manager is satisfied that the conditions giving rise to such suspension shall have ceased to exist.

DISCLAIMER & DISCLOSURE

Please note that prices, valuations and rates as indicated in this document are valid as at November 15, 2022 and are subject to change on a daily basis. Investors are advised to refer the newspapers, contact Ceylon Asset Management or log on to www.ceylonam.com for up-to-date values.

The Unit Trust is regulated by the
SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA
Act No. 19 of 2021 and the COLLECTIVE INVESTMENT SCHEMES CODE

This document does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may be used only in connection with this offering of units to which it relates by distributors as contemplated herein.

KEY INFORMATION

"The Board of Directors of the Trustee hereby declare that it will carry out the transactions with the managing company 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 interests of the fund's unit holders and also that the requirements of the guidelines have been complied with. The Trustee further certify that it has read and agree with the representations contained herein."



Authorised Signatory

On behalf of the Board of Directors of the Trustee

The Board of Directors of the managing company hereby declare that it will carry out the transactions with the Trustee 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 interests of the fund's unit holders and also that the requirements of the guidelines have been complied with.

This Document includes full disclosure of the information required by the investors to make a decision on the investment. Further, it shall be reviewed by the Managing Company at least every two years and revised where material to take account of any change or any new matter.

"This Key Investor Information Document has been seen and approved by the directors of the managing company and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable inquiries to the best of their knowledge and belief, there are no other facts, the omission of which, would make any statements herein misleading."



Authorised Signatory

On behalf of the Board of Directors of the Managing Company

APPLICATION PROCESS

1. Application forms can be obtained from our website or speaking to one of the Sales Personnel.
2. Duly filled application form along with the "Documents Required to Invest in the Fund" mentioned below should be sent electronically or physically to the registered office of Ceylon Asset Management Co. Ltd. (CAM).
3. Minimum investment amount is LKR 100,000/-. An amount equivalent to the minimum investment or higher should be transferred to / deposited in the fund account mentioned below.
4. The confirmation of the fund transfer / deposit should be sent to the respective sales personnel via mail or should be physically handed over.
5. If all documentation and the fund transfer / deposit confirmation is received by the CAM by 9 am, the units will be created based on the confirmed unit prices of the previous day. If the documentation is received after 9 am, the units will be created based on the confirmed unit prices of the same day.
6. Once the units are created, an "Investment Creation" document will be sent to the investor within 24 - 36 hours.

PAYMENT

You may apply for units of CTIF by transferring LKR from your account to CTIF Account OR by depositing cash to CTIF account OR issue an account payee cheque in favour of Ceylon Treasury Income Fund. The details are as follows:

Account Name	:	Ceylon Treasury Income Fund
Account No	:	003010547572
Bank	:	Hatton National Bank PLC
Bank Code	:	7083
Branch	:	Head Office
Branch Code	:	003
Address	:	"HNB Towers", No. 479, T B Jayah Mawatha, Colombo 10, Sri Lanka.
SWIFT Code	:	HBLILKLXXX

*Please instruct your bank to specify your account type and purpose of transfer as "Investment"

*Ceylon Asset Management Company Limited does not accept cash.

DOCUMENTS REQUIRED TO INVEST IN THE FUND

Individual/Join Investor

- Duly signed application form
- A copy of your passport
- A billing proof of address
- Proof of payment i.e cheque, deposit slip, fund transfer confirmation

Corporate Investor

- Application form signed by two authorised signatories
- A Board Resolution giving authority to place investments
- A letter of Authorization with specimen signatures to operate the investment
- Certified copy of Articles of Association Certified copy of Certificate of Incorporation
- Passport / NIC copies of the authorized signatories Information of Directors and Beneficial Owners



CEYLON
ASSET MANAGEMENT

FUND MANAGER & FUND REGISTRAR

Ceylon Asset Management Company Limited

Parkland 1, No 33, Park Street, Colombo 2, Sri Lanka

Company Registration No: P B 995

A venture between Sri Lanka Insurance Corporation Ltd., Ceylon Capital Partners (Pvt) Ltd. and

The Moghul Fund (Pvt) Ltd.

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Tel: +94 11 739 4000 Fax: +94 11 739 4007

Email: info@ceylonam.com Website: www.ceylonam.com

TRUSTEE & CUSTODIAN

Hatton National Bank PLC

Head Office "HNB Towers", No. 479, T B Jayah Mawatha, Colombo 10, Sri Lanka.

AUDITORS

Ernst & Young

201, De Saram Road, Colombo 10,

Sri Lanka.

LAWYERS

Nithya Partners Ltd.

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97A, Galle Road,

Colombo 3,

Sri Lanka.