

**CEYLON DOLLAR BOND FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2024**



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CEYLON DOLLAR BOND FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Dollar Bond Fund ("the Fund"), which comprise the statement of financial position as at 31st December 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31st December 2024, 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.

Other Matters

The financial statements of the Fund as at and for the year ended 31st December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 8th May 2024.

Other Information

Management is responsible for the other information. These financial statements does not include the other information.

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

Management is 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 Funds'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.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF CEYLON DOLLAR BOND FUND (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

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.

As part of an audit in accordance with SLAuS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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.

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.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

1st September 2025

CEYLON DOLLAR BOND FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December,

	Note	2024 USD	2023 USD
Interest income	5	50,714	23,987
Unrealised gains from financial assets at fair value through profit or loss	12.1	928,332	6,670,992
Realised gains/ (losses) from financial assets at fair value through profit or loss	12.1	5,921,384	(163,786)
Total revenue		<u>6,900,430</u>	<u>6,531,193</u>
Management fees	6	(68,197)	(52,307)
Trustee fees	7	(35,373)	(26,441)
Professional fees	8	(1,728)	(1,100)
Subscription fees	9	(1,791)	(1,791)
Bank charges		(1,509)	(620)
Total expenses		<u>(108,598)</u>	<u>(82,258)</u>
Increase in net assets attributable to unit holders before tax		6,791,832	6,448,935
Income tax expenses	10	-	-
Increase in net assets attributable to unit holders, net of tax		<u>6,791,832</u>	<u>6,448,935</u>
Increase in net assets attributable to unit holders		6,791,832	6,448,935

The notes form an integral part of these financial statements.

Figures in brackets indicate deductions.

**CEYLON DOLLAR BOND FUND
STATEMENT OF FINANCIAL POSITION**

As at 31st December,

	Note	2024 USD	2023 USD
Assets			
Cash and cash equivalents	11	1,509,852	345,807
Financial assets at fair value through profit or loss	12	22,372,988	16,789,210
Financial assets at amortised cost	13	887,750	7,451
Other receivables		301	301
Total assets		24,770,891	17,142,769
Liabilities			
Accrued expenses and other payables	14	62,443	9,784
Total liabilities (excluding net assets attributable to unit holders)		62,443	9,784
Net assets attributable to unit holders		24,708,448	17,132,985
Total net assets attributable to unit holders and liabilities		24,770,891	17,142,769

The notes form an integral part of these financial statements.

The Manager is responsible for these financial statements and these financial statements were approved by the Manager.

Signed for and on behalf of the Manager by;


 Director
 Management Company
 1st September 2025
 Colombo, Sri Lanka


 Director
 Management Company
 1st September 2025
 Colombo, Sri Lanka


 DEUTSCHE BANK AG
 Colombo Branch
 Authorised Signatories
 Trustee
 1st September 2025
 Colombo, Sri Lanka

CEYLON DOLLAR BOND FUND
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

For the year ended 31st December,	2024	2023
	USD	USD
Balance at 1st January	17,132,985	11,934,071
Increase in net assets attributable to unit holders	6,791,832	6,448,935
Contributions and redemptions by unit holders:		
Issue of units during the year	1,286,648	300,996
Redemption of during the year	(503,017)	(1,551,017)
Total contributions and redemptions by unit holders	783,631	(1,250,022)
Balance at 31st December	24,708,448	17,132,985

The notes form an integral part of these financial statements.
 Figures in brackets indicate deductions.

CEYLON DOLLAR BOND FUND
STATEMENT OF CASH FLOWS

For the year ended 31 st December,	Note	2024 Rs.	2023 Rs.
Cash flows from operating activities			
Net of expenses paid		(105,991)	397,717
Net of income received		11,923	1,412,668
Net investment in sovereign bonds		-	(2,303,054)
Net investment in money market savings		(883,691)	-
Proceeds from disposal of sovereign bonds		1,301,223	-
Net cash (used in)/ from operating activities		<u>323,464</u>	<u>(492,669)</u>
Cash flows from financing activities			
Cash received on creation of units		1,336,148	300,996
Cash paid on redemption of units		(503,017)	(1,551,017)
Net cash from/ (used in) financing activities		<u>833,131</u>	<u>(1,250,021)</u>
Net increase/ (decrease) in cash and cash equivalents		<u>1,156,595</u>	<u>(1,742,690)</u>
Cash and cash equivalents at 1 st April		<u>353,257</u>	<u>2,095,947</u>
Cash and cash equivalents at 31st March	11	<u>1,509,852</u>	<u>353,257</u>

The notes form an integral part of these financial statements
Figures in brackets indicate deductions.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

1.1 General information

The Ceylon Dollar Bond Fund is an open-ended Fund which was launched on 2nd July 2014 by a Trust Deed executed between Ceylon Asset Management Company Limited as Fund Manager and the Deutsche Bank AG Corporation Limited – Sri Lanka as the Trustee.

The Fund is managed by Ceylon Asset Management Company Limited which is incorporated and domiciled in Sri Lanka. The registered office of the management company is located at No. 33, Parkland 1, Park Street, Colombo 03, Sri Lanka. The Trustee of the Fund is Deutsche Bank AG – Sri Lanka having its place of business at Level 21, One Galle Face Tower, No. 1A, Centre Road, Galle Face, Colombo 02, Sri Lanka.

The Fund aims to provide US Dollar returns by investing in Sri Lankan sovereign bonds, bank and corporate dollar bonds, rated and listed on recognised global stock exchanges.

In accordance with the Unit Trust Deed, all assets of the Fund are controlled by the trustee, and investment decisions are approved by the trustee.

2. Basis of preparation

The financial statements have been prepared on the historical cost basis unless otherwise indicated. The financial statements are presented in Sri Lankan Rupees. The statement of financial position is presented on a liquidity basis.

2.1 Statement of compliance

The financial statements which comprise the statement of financial position as at 31st December 2024, statement of profit or loss, statement of changes in net assets attributable to unit holders, and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information have been prepared and presented in accordance with Sri Lanka Accounting Standards (LKASs and SLFRSs).

2.2 Going concern

These financial statements are prepared on the assumption that the Fund is a going concern i.e. as continuing in operation for the foreseeable future. It is therefore assumed that the Fund has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operation.

3. Summary of material accounting policies

The accounting policies set out below have been consistently applied to all periods presented in this financial statement except if mentioned otherwise.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Summary of material accounting policies (Continued)

3.1 Financial assets and financial liabilities

3.1.1 Recognition and initial measurement

The Fund initially recognizes regular-way transactions in financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

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

3.1.2 Classification and subsequent measurement

a. Classification of financial assets

On initial recognition, the Fund classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

All other financial assets of the Fund are measured at FVTPL.

b. Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

c. Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Summary of material accounting policies (Continued)

3.1 Financial assets and financial liabilities (Continued)

3.1.2 Classification and subsequent measurement (Continued)

c. Assessment whether contractual cash flows are SPPI (Continued)

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers.

Contingent events that would change the amount or timing of cash flows;

- leverage features;
- prepayment and extension features;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

3.1.3 Subsequent measurement of financial assets

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and expense and foreign exchange gains and losses, are recognized in profit or loss in 'net gains (losses) from financial instruments at FVTPL' in the statement of profit or loss. Sri Lanka International Sovereign Bonds are included in this category.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognized in 'interest income calculated using the effective interest method', foreign exchange gains and losses are recognized in 'net foreign exchange loss' and impairment is recognized in 'impairment losses on financial instruments' in the statement of profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. Money market savings are included under this category.

3.1.4 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities at FVTPL:

- a. Held for trading: securities sold short and derivative financial instruments.

Financial liabilities at amortised cost:

- b. This includes audit fee payable, management fee payable, trustee fee payable, custodian fee payable, creation received in advance, redemption payable and other payables.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Summary of material accounting policies (Continued)

3.1 Financial assets and financial liabilities (Continued)

3.1.5 Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at a mid-price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

3.1.6 Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

3.1.6.1 Impairment

The Fund recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- a. financial assets that are determined to have low credit risk at the reporting date; and
- b. other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Summary of material accounting policies (Continued)

3.1 Financial assets and financial liabilities (Continued)

3.1.6 Amortised cost measurement (Continued)

3.1.6.1 Impairment (Continued)

The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Fund considers this to be BBB- or higher per Lanka Rating Agency Limited or an equivalent rating per Fitch Rating Lanka Limited.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

a. Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

b. Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred,

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

c. Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

d. Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Summary of material accounting policies (Continued)

3.1 Financial assets and financial liabilities (Continued)

3.1.7 Derecognition

The Fund derecognises regular-way sales of financial assets using trade-date accounting. A financial asset is derecognized;

- when the contractual rights to the cash flows from the asset expire;
- or the Fund transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred;
- or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained, less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

3.1.7.1 Restructuring of financial assets and liabilities

Financial assets and liabilities are derecognised upon restructuring if the terms are deemed substantially modified. A modification is considered substantial when the revised terms result in significantly different cash flows or reflect changes in key contractual elements such as interest rate, maturity, currency, or legal form.

In such cases, the original asset or liability is derecognised, and a new one is recognised at fair value. Any resulting gain or loss is recognised in profit or loss. If the modification is not substantial, the existing asset or liability is adjusted, and the difference is recognised in profit or loss on the modification date.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Summary of material accounting policies (Continued)

3.1 Financial assets and financial liabilities (Continued)

3.1.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts and;
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.2 Recognition of revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised.

3.2.1 Interest income

Interest income is recognized in the statement of profit or loss using the Effective Interest Rate (EIR) method, including interest income on financial assets measured at amortised cost, calculated using the EIR method.

3.2.2 Unrealised gains/ (losses) on financial assets held at fair value through profit or loss

Unrealised gains/ (losses) on financial assets held at fair value through profit or loss includes all gains and losses that arise from changes in fair value of financial assets held at fair value through profit or loss as at the reporting date.

3.2.3 Realised gains/ (losses) on financial assets held at fair value through profit or loss

Realised gains/ (losses) on financial assets held at fair value through profit or loss include the results of buying and selling Sri Lankan International Sovereign Bonds (SLISBs), as well as any gains or losses arising from the restructuring of such bonds.

3.3 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

3.4 Distributions

In accordance with the trust deed, the Fund distributes income, to unitholders by cash or reinvestment in units. The distributions are recorded in the statement of movement in unit holders' Funds.

3.5 Expenses

The management and trustee fees of the Fund as per the trust deed is as follows;

Management fee	-	0.35% p.a of net asset value of the Fund
Trustee fee	-	0.15% p.a of net asset value of the Fund

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Summary of material accounting policies (Continued)

3.6 Unit holders' funds

Unit holders' Funds has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unit holders 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 as described in the Trust Deed and directives issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue. Income not distributed is included in net assets attributable to unit holders.

4. New accounting standards issued but not yet effective as at the reporting date

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments/ improvements to existing standards. These new standards are set to become effective in the coming years. Early application of these standards are allowed, but the Fund has not early adopted any of the new or amended standards in the preparation of these financial statements.

4.1 Lack of Exchangeability (Amendments to LKAS 21)

The amendments will require companies to provide new disclosures to help users to the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

Amendments to LKAS 21 is not expected to have a material impact on the financial statements.

4.2 Other standards

Further, the Institute of Chartered Accountants of Sri Lanka has issued following new Sri Lanka Accounting Standards (SLFRSs/ LKASs) which will become applicable for financial periods beginning on 1st January 2026 and 1st January 2027 respectively and no material financial impact is expected on the Fund except for additional disclosures. Accordingly, the Fund has not applied these standards in preparing these financial statements.

- Amendments to SLFRS 9 and SLFRS 7 - Classification and measurement of financial instruments

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 st December,		2024	2023
		USD	USD
5	Interest income		
	Interest income (Note 5.1)	<u>50,714</u>	<u>23,987</u>
		<u>50,714</u>	<u>23,987</u>
5.1	Interest on:		
	Money market savings	15,430	23,987
	Sovereign bonds	<u>35,284</u>	<u>-</u>
		<u>50,714</u>	<u>23,987</u>
6	Management fees		
	Management fees	<u>68,197</u>	<u>52,307</u>
		<u>68,197</u>	<u>52,307</u>
Management fees are charged by Ceylon Asset Management Company Limited, the Fund Manager, for investment management services provided to the Fund in accordance with the terms and conditions set out in the trust deed.			
7	Trustee fees		
	Trustee fees	<u>35,373</u>	<u>26,441</u>
		<u>35,373</u>	<u>26,441</u>
Trustee fees are charged by Deutsche Bank AG - Sri Lanka for trustee services provided to the Fund, in accordance with the terms of the trust deed.			
8	Professional fees		
	Tax consultation charges	511	200
	Audit fees		
	- Audit fee for the year	1,000	900
	- Under provision - Prior year	<u>217</u>	<u>-</u>
		<u>1,728</u>	<u>1,100</u>
9	Subscription fees		
	Subscription fees	<u>1,791</u>	<u>1,791</u>
		<u>1,791</u>	<u>1,791</u>
Subscription fees represent the annual fees for access to BondbloX, a bond trading and market data platform operated by BondEValue Pte. Ltd. This subscription provides sovereign bond market prices to support the Company's investment valuation and monitoring processes.			
10	Income tax expenses		
In accordance with Section 57 of the Inland Revenue Act, No. 24 of 2017 (as amended), the Fund has treated all income as having been passed through to its unit holders. Therefore, the Fund is not subject to income tax on such income under the provisions of the Inland Revenue Act and its subsequent amendments.			

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 st December,		2024	2023
		USD	USD
11	Cash and cash equivalents		
	Favourable balances		
	Cash at bank	1,509,852	345,807
	Total cash and cash equivalents for the purpose of statement of cash flows	<u>1,509,852</u>	<u>345,807</u>
12	Financial assets at fair value through profit or loss		
	Sovereign bonds	22,372,988	16,789,210
		<u>22,372,988</u>	<u>16,789,210</u>
12.1	Net gains on financial assets at fair value through profit or loss		
	Unrealised gains from financial assets at fair value through profit or loss (Note 12.1.1)	928,332	6,670,992
	Realised gains/ (losses) from financial assets at fair value through profit or loss (Note 12.1.2)	5,921,384	(163,786)
		<u>6,849,716</u>	<u>6,507,205</u>
12.1.1	Unrealised gains from financial assets at fair value through profit or loss		
	Unrealised gains from original sovereign bonds	-	6,670,992
	Unrealised gains from restructured sovereign bonds (Note 12.1.1.a)	928,332	-
		<u>928,332</u>	<u>6,670,992</u>
12.1.1.a	Unrealised gains from restructured sovereign bonds represent the change in fair value of the restructured bonds for the period from the transaction date (20 th December 2024) to the reporting date (Refer to Note 12.2).		
12.1.2	Realised gains/ (losses) from financial assets at fair value through profit or loss		
	Realised gains/ (losses) from original sovereign bonds (Note 12.1.2.a)	4,486,905	(163,786)
	Realised gain on derecognition of original sovereign bonds (Due to the restructuring) (Note 12.1.2.b)	1,433,517	-
	Net of realised gain from original sovereign bonds and derecognition of original sovereign bonds	<u>5,920,422</u>	<u>(163,786)</u>
	Realised gain from derecognition of exchange fee bond (Restructured bond) (Note 12.1.2.c)	962	-
	Net realised gains/ (losses) from financial assets at fair value through profit or loss	<u>5,921,384</u>	<u>(163,786)</u>
12.1.2.a	Realised gains/ (losses) from original sovereign bonds include fair value gains recognised up to 20 th December 2024. In 2023, the losses primarily arose from the sale of a small portion of these bonds (Refer to Note 12.2).		
12.1.2.b	Realised gain on derecognition of original sovereign bonds (due to restructuring) represents the difference between the fair value of the original bonds as at 20 th December 2024 (transaction date) and the fair value of the restructured bonds received. This reflects the gain from the restructuring (Refer to Note 12.2).		
12.1.2.c	Realised gain from derecognition of the exchange fee bond represents the gain recognised upon its maturity and settlement on 27 th December 2024 (Refer to Note 12.2).		

For the year ended 31st December 2024,

12.2 Restructured sovereign bonds

12.2.1 IMF debt restructuring programme

Sri Lanka's economy experienced economic downturn which was started in 2019 and led the country to seek support from the International Monetary Fund (IMF) to restore the country's macro-economic stability. However, the execution of this support programme was contingent on the implementation of a debt restructuring programme. The restructuring of Sri Lanka International Sovereign Bonds issued by the Government of Sri Lanka was finalised on 20th December 2024, as part of the above debt restructuring programme. Under this programme, the eligible bond holders were given a choice to select either the Global Bonds Option or the Local Bonds Option. Global Bonds Option included the combination of Macro Linked Bonds, Governance Linked Bonds and Past Due Interest (PDI) Bonds denominated in USD whereas the Local Bonds Option included the combination of USD-Step-Up Bonds (with the LKR settlement option in case of default), PDI Bonds denominated in USD and Local LKR Bonds.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024,

12 Financial assets at fair value through profit or loss (Continued)

12.2 Restructured sovereign bonds (Continued)

12.2.1 IMF debt restructuring programme (Continued)

The Company chose the Global Bond Option as it offered stronger creditor participation, improved international marketability, and alignment with global restructuring standards, supporting long-term debt sustainability and investor confidence.

During the reporting period, the Company's original Sovereign Bonds were restructured under the Global Bonds Option, resulting in the issuance of new bonds as follows:

- Macro Linked Bonds: Approximately 81% of the portfolio was converted into Macro Linked Bonds. These bonds' principal and returns are linked to Sri Lanka's nominal GDP performance.

- Governance Linked Bonds: Approximately 19% of the portfolio was converted into Governance Linked Bonds. These bonds' principal and returns are linked to the achievement of specific governance and structural reform milestones. Both Macro Linked Bonds and Governance Linked Bonds were subject to an aggregate haircut of approximately 27%.

- Past Due Interest (PDI) Bond: Issued to compensate the Fund for accrued unpaid interest, subject to absorbing any shortfall related to Committee expenses.

- Exchange Fee Bond: Issued as consideration for the Fund's consent to the restructuring programme.

In accordance with SLFRS 9 – Financial Instruments, the restructuring of the original Sovereign Bonds was treated as a substantial modification of the financial assets. As a result, the original bonds were derecognised, and the new bonds were recognised at their fair value on the date of restructuring. The new bonds are subsequently measured at fair value through profit or loss (FVTPL).

12.2.2 Fair value of the original bonds as at the transaction date

The following table provides the details of the amounts exchanged and the original settlement date of sovereign bonds of the Fund denominated in USD.

ISIN	Original settlement date	Fair value as at 20 th December 2024 USD
USY8137FAN88	14 th March 2024	2,629,654
USY2029SAH77	15 th July 2022	567,486
USY8137FAK40	18 th April 2023	6,087,552
USY8137FAF54	18 th July 2026	1,441,000
USY8137FAH11	11 th May 2027	1,038,000
USY8137FAL23	18 th April 2028	2,446,625
USY8137FAP37	14 th May 2029	4,714,567
USY8137FAR92	28 th March 2030	2,351,232

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024,

12 Financial assets at fair value through profit or loss (Continued)

12.2 Restructured sovereign bonds (Continued)

12.2.2 Fair value of the original bonds as at the transaction date (Continued)

Due to the default on Sri Lanka International Sovereign Bonds (referred to as the “Original Bonds”), the Fund ceased accruing interest on these instruments in its financial statements. This treatment is consistent with the requirements of Sri Lanka Financial Reporting Standard – SLFRS 9: Financial Instruments, which requires entities to assess the recoverability of contractual cash flows when measuring financial assets.

Based on observable market activity and available information, it was evident that international markets had also stopped accruing interest on these bonds, with transactions occurring at clean prices only (i.e., excluding accrued interest). Accordingly, the Fund discontinued interest accrual effective 25th July 2022, and any interest accrued up to that date was written off.

From 25th July 2022 to the transaction date of 20th December 2024, the fair value of the Original Bonds was determined in accordance with SLFRS 13: Fair Value Measurement, using clean market prices that exclude any accrued interest component.

This approach ensures that the Fund’s financial reporting provides a reliable and faithful representation of the fair value of the Original Bonds, in compliance with applicable accounting standards.

If the Fund continued to accrue interest on the Original Bonds—assuming such interest was recoverable—the fair value of the bonds as at the transaction date would have been higher. Consequently, the recognised gain on derecognition would have been lower, or the loss higher.

However, by discontinuing interest accrual, the Fund effectively recognised the impact of unrecoverable interest in prior periods. This approach contributed to the derecognition gain recorded as at the transaction date.

This treatment had no impact on the Statement of Profit or Loss and Other Comprehensive Income or the Statement of Financial Position as at the transaction date, as the net effect under both scenarios remains the same.

12.2.2.1 Impact on derecognition gain or loss on original sovereign bonds

The table below presents the impact on the derecognition gain or loss of the Original Sovereign Bonds, under two scenarios:

(1) Including accrued interest in the fair value, and

(2) Excluding accrued interest, based on the Fund’s accounting treatment due to the sovereign default.

	Scenario	
	With accrued interest	Without accrued interest
	USD	USD
Realised (loss)/ gain on derecognition of original sovereign bonds	(3,893,473)	1,433,517
Accrued interest (As of transaction date - 20 th December 2024)	5,326,990	-
Net impact on increase in net assets attributable to unit holders	1,433,517	1,433,517
Net impact on in net assets attributable to unit holders	1,433,517	1,433,517

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024,

12 Financial assets at fair value through profit or loss (Continued)

12.2 Restructured sovereign bonds (Continued)

12.2.3 Bonds eligible for exchange

A summary of the key terms and the details of the new bonds received by the Bank under the Global Bonds Option is tabulated below.

Restructured bond	ISIN	Face value USD	Maturities	Interest rates	Number of instalments
2030 Macro Linked Bonds	XS2966241361	3,406,039	15 th January 2030	The bond carries a step-up interest structure, accruing interest at 3.10% per annum from and including the interest commencement date to but excluding 15 th July 2027, and 3.35% per annum from and including 15 th July 2027 to but excluding the maturity date.	Principal will amortise and be repaid in two equal instalments on 15 th January 2029 and the maturity date.
2033 Macro Linked Bonds	XS2966241445	6,680,887	15 th March 2033	The bond carries a step-up interest structure, accruing interest at 3.35% per annum from and including the interest commencement date to but excluding 15 th September 2027, 3.60% per annum from and including 15 th September 2027 to but excluding 15 th September 2032, and 8.75% per annum from and including 15 th September 2032 to but excluding the maturity date.	Principal will amortise and be repaid in three equal instalments on 15 th March 2031, 15 th March 2032 and the maturity date.
2036 Macro Linked Bonds	XS2966241957	3,130,834	15 th May 2036	The bond carries a step-up interest structure, accruing interest at 3.60% per annum from and including the interest commencement date to but excluding 15 th November 2027, 3.85% per annum from and including 15 th November 2027 to but excluding 15 th November 2032, and 9.50% per annum from and including 15 th November 2032 to but excluding the maturity date.	Principal will be repaid on the maturity date.
2038 Macro Linked Bonds	XS2966242096	6,264,298	15 th February 2038	The bond carries a step-up interest structure, accruing interest at 3.60% per annum from and including the interest commencement date to but excluding 15 th August 2027, 3.85% per annum from and including 15 th August 2027 to but excluding 15 th August 2032, and 9.75% per annum from and including 15 th August 2032 to but excluding the maturity date.	Principal will amortise and be repaid in two equal instalments on 15 th February 2037 and the maturity date.
Governance Linked Bonds	XS2966242179	4,511,136	15 th June 2035	The bond carries a step-up interest structure, accruing interest at 3.60% per annum from and including the interest commencement date to but excluding 15 th December 2027, 5.10% per annum from and including 15 th December 2027 to but excluding 15 th December 2032, and 9.25% per annum from and including 15 th December 2032 to but excluding the maturity date.	Principal will amortise and be repaid in two equal instalments on 15 th June 2034 and the maturity date.
Past Due Interest (PDI) Bonds	XS2966242500	4,368,769	15 th April 2028	4.00%	The principal will be repaid in five instalments: 7% initially, followed by three equal instalments of 20% each, and a final instalment of 33% of the total bond value.
Exchange Fee Bond	XS2966243060	526,971	27 th December 2024	No interest	Bullet repayment on the relevant maturity date

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024,

12 Financial assets at fair value through profit or loss (Continued)

12.2 Restructured sovereign bonds (Continued)

12.2.3 Bonds eligible for exchange (Continued)

For all bonds, the interest commencement date is 31st March 2024.

In the case of the Macro Linked Bonds, the applicable interest rates are subject to the Macro Linked Rate Adjustment as outlined in the Invitation Memorandum. Additionally, the Macro Linked Principal Adjustment applies to the nominal amount outstanding as at the Macro Linked measurement date of each series of Macro Linked Bonds. Both the Macro Linked Rate Adjustment and the Macro-Linked Principal Adjustment are contingent upon the occurrence of a Macro Linked Adjustment Event, as defined in the Invitation Memorandum.

The interest rate on the Governance Linked Bonds will be reduced by 0.75% if Sri Lanka meets the KPIs mentioned in the Invitation Memorandum and submits a certificate to the Trustee by 30th November 2028. This reduction will take effect from the next interest payment date following the submission of the certificate. The certificate is binding on the Trustee and all bondholders.

However, no such adjustments were made during the year, as the required conditions for such adjustments did not exist.

As at 31 st December,	2024 USD	2023 USD
12.2.4 Carrying value of the sovereign bonds		
Original sovereign bonds	-	16,789,210
Restructured sovereign bonds		
2030 Macro Linked Bonds	2,869,584	-
2033 Macro Linked Bonds	5,132,324	-
2026 Macro Linked Bonds	2,393,178	-
2038 Macro Linked Bonds	4,831,465	-
Governance Linked Bonds	3,300,528	-
Past Due Interest (PDI) Bonds	3,845,909	-
	<u>22,372,988</u>	<u>16,789,210</u>

12.2.5 Sensitivity of the fair value of the restructured bonds

The following table illustrates the impact of possible changes in market prices on the fair value of the restructured bonds at initial recognition.

	Sensitivity effect on Statement of Financial Position (increase/ (decrease) in the fair value of restructured bonds) USD	Sensitivity effect on Statement of Profit or Loss (increase/ (decrease) in the derecognition loss) USD
1% increase in market prices	213,921	213,921
1% decrease in market prices	(213,921)	(213,921)

The Exchange Fee Bond was discounted at a rate of 10% to determine its fair value at the transaction date, taking into account the risk factors associated with the instrument. As this bond is not traded in an active market, a market-based valuation was not available. The impact of changes in the discount rate on the fair value of the restructured bond recognised in the statement of financial position, as well as on the derecognition loss recorded in the statement of profit or loss at initial recognition, was not considered significant.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 st December,		2024	2023
		USD	USD
13	Financial assets at amortised cost		
	Money market savings (Note 14.1)	887,750	7,451
		<u>887,750</u>	<u>7,451</u>

13.1 Money market savings

As at 31 st December,		2025		2024	
		Carrying value	Holding as a % of net asset value	Carrying value	Holding as a % of net asset value
		USD		USD	
	DFCC Bank PLC	887,750	3.58%	7,451	0.04%

14	Accrued expenses and other payables		
	Management fee payable	6,909	5,070
	Trustee fee payable	3,584	2,889
	Audit fee payable	1,204	1,063
	Professional fee payable	216	284
	Front end fee payable	920	367
	Creation received in advance (Note 14.1)	49,500	-
	Other payables	110	110
		<u>62,443</u>	<u>9,784</u>

14.1 Creation received in advance

Creation received in advance represents amounts received from investors for the subscription of units, where the corresponding units had not been allotted as at the reporting date. These amounts are recorded as liabilities until the units are formally created and allotted.

15 Financial assets and financial liabilities not carried at fair value

For financial assets and financial liabilities that have a short term maturity (original maturities less than a year), it is assumed that the carrying amounts approximate their fair values.

Accordingly, the following is a list of financial instruments of which carrying amount is a reasonable approximation of fair value.

Assets

Financial assets measured at amortised cost
Cash and cash equivalents
Other receivables

Liabilities

Accrued expenses and other payables

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December 2024,

16 Contingencies

There are no material contingencies existing as at the reporting date that require adjustments to or disclosure in the financial statements.

17 Events occurring after the reporting date

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

18 Capital commitments

There were no material capital and financial commitments as at the reporting date.

As at 31st December,

	2024	2023
	USD	USD
19 Units in issue and unit price		
Units in issue and deemed to be in issue as at 31 st December	26,343,924	25,414,873
Unit creation price as at 31 st December	0.94	0.67
Unit redemption price at at 31 st December	0.94	0.67

20 Related parties

20.1 Management company and trustee

The Management Company of the fund is Ceylon Asset Management Limited. The Trustee of the fund is Deutsche Bank AG - Sri Lanka.

20.2 Other related parties

Ceylon Capital Partners Limited, Sri Lanka Insurance Corporation Limited, and The Mogul Fund (Private) Limited collectively exercise control over Ceylon Asset Management Company Limited, the fund manager, and are considered its parent entities under a joint agreement.

20.3 Key management personnel

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the fund – directly or indirectly. The definition of key management personnel includes directors (both executive and non-executive). In our view, the term also includes directors of any of the fund's management company to the extent that they have authority and responsibility for planning, directing and controlling the fund's activities.

i) Directors of Ceylon Asset Management Company Limited

Mr. Shashika Ranasinghe - Chairman

Mr. Dulindra Fernando - Managing Director

Dr. Ravindra Ajith Fernando - Director

Mrs. Manjula Cleone Senevirathne - Director

Mr. Thilanaka Geeganage - Director

Mr. Sevandhi Alfred Fernando - Director

ii) Other key management personnel

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

Mr. Thilina Withanage - Senior Consultant - Operations

20.4 Key management personnel compensation

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

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

20 Related parties (Continued)

20.5 Other transactions within the Fund

Apart from those details disclosed in Note 22.5, 22.6 and 22.7, key management personnel have not entered any other transactions involving the Fund during the year.

20.6 Related party unit holding and other transactions

The following are the related party unit holdings of Ceylon Dollar Bond Fund.

Related party	Relationship	Number of units	Value of units held	Total interest held based on NAV	Distribution paid or payable by the fund
			USD	%	USD
As at 31st December 2024					
Sri Lanka Insurance Corporation Limited	Parent Company (Joint Agreement) of the Management Company	10,387,450	9,742,389	39.43%	-
Mr. Dulindra Fernando	Managing Director of Management Company	39,722	37,255	0.15%	-
As at 31st December 2023					
Sri Lanka Insurance Corporation Limited	Parent Company (Joint Agreement) of the Management Company	10,387,450	7,002,515	40.87%	-
Mr. Dulindra Fernando	Managing Director of Management Company	39,722	26,778	0.16%	-
Mr. Danushka Samarasinghe (r.w.e.f 1 st July 2023)	Director of Management Company	71,827	31,259	0.18%	-

20.7 Transactions with and amounts due to related parties

The fees were charged by the management company and trustee for services provided during the year and the balances outstanding from such dues as at year end are as disclosed below:

	Charge for the year ended 31 st December		Payable as at 31 st December	
	2024 USD	2023 USD	2024 USD	2023 USD
Management fees - Ceylon Asset Management Company Limited	68,197	52,307	6,909	5,070
Trustee fees - Deutsche Bank AG - Sri Lanka	35,373	26,441	3,584	2,889
Front end fees - Ceylon Asset Management Company Limited	-	-	920	369

20.8 Other transactions with related parties

Investments in money market saving has been made in the ordinary course of operations with following related parties. The resulting investment income and outstanding investment balances are given below.

	Investment income received during the year ended 31 st December		Balance as at 31 st December	
	2024 USD	2023 USD	2024 USD	2023 USD
Sovereign bonds held at Deutsche Bank AG - Sri Lanka as Custodian	-	-	22,372,988	16,789,210
The bank balance held at Deutsche Bank AG - Sri Lanka	-	-	1,509,852	345,807

As at 31st December,

21 Reconciliation between the net asset value as per the financial statements and the published net asset value

Net asset value as per financial statements	24,708,448	17,132,985
Published net asset value	24,708,448	17,132,985
Number of units outstanding	26,343,924	25,414,873
Net asset value per unit	0.94	0.67

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

22 Classification of financial assets and financial liabilities

As at 31st December 2024

	Financial assets mandatorily at FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	USD	USD	USD	USD
Assets				
Cash and cash equivalents	-	1,509,852	-	1,509,852
Sovereign bonds	22,372,988	-	-	22,372,988
Money market savings	-	887,750	-	887,750
Other receivables	-	301	-	301
Total financial assets	22,372,988	2,397,903	-	24,770,891
Liabilities				
Accrued expenses and other payables	-	-	62,443	62,443
Total financial liabilities	-	-	62,443	62,443

As at 31st December 2023

	Financial assets mandatorily at FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	USD	USD	USD	USD
Assets				
Cash and cash equivalents	-	345,807	-	345,807
Sovereign bonds	16,789,210	-	-	16,789,210
Money market savings	-	7,451	-	7,451
Other receivables	-	301	-	301
Total financial assets	16,789,210	353,559	-	17,142,769
Liabilities				
Accrued expenses and other payables	-	-	9,784	9,784
Total financial liabilities	-	-	9,784	9,784

23 Risk management

23.1 Overview

The Fund has exposure to the following risk via financial instruments.

- Liquidity risk
- Credit risk
- Operational risk
- Market risk
 - (i) Interest rate risk
 - (ii) Price risk
 - (iii) Capital risk management

23.2 Risk management framework

The Management has the overall responsibility for the establishment and oversight of the The Fund's risk management framework.

The Fund actively trades financial instruments in line with its investment management strategy. Details of its investment portfolio as of the reporting date are disclosed in the schedule of investments. The Fund's investment activities expose it to various financial and market-related risks, with inherent risk concentrations being a natural part of its operations. The Trustee provides the Fund Manager with investment restrictions and guidelines while overseeing their activities to ensure compliance with the Fund's investment objectives, policies, and restrictions. The Trustee also reviews the Fund's investments and performance. Asset allocation is managed by the Fund Manager, who ensures the distribution of assets aligns with the Fund's investment objectives. Any deviations from target allocations and portfolio composition are closely monitored by both the Fund Manager and the Trustee.

The Fund's risk management policies are established to identify and analyse the risk confronted by the Fund, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and products and services offered.

**CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

As at 31st December,

23 Financial risk management (Continued)

23.2 Risk management framework (Continued)

23.2 (a) Liquidity risk

Liquidity risk is the risk that the Fund will not have adequate financial resources to meet the Fund's obligations as when they fall due. This risk arises from mismatches in the timing of cash flows.

Management of liquidity risk includes the following elements:

-Taking steps to ensure, as far as possible, that it will always have adequate financial resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

Maturity analysis of the financial assets and financial liabilities

As at 31st December 2024

	Carrying amount	Undiscounted contractual cash flows	On demand	Up to 3 months	3 months to 1 year	1-3 years	3-5 years	Over 5 years
Assets								
Cash and cash equivalents	1,509,852	1,509,852	1,509,852	-	-	-	-	-
Financial assets at fair value through profit or loss	22,372,988	41,340,283	-	277,456	1,601,071	3,757,054	5,124,878	30,579,823
Financial assets at amortised cost	887,750	887,750	887,750	-	-	-	-	-
Other receivables	301	301	301	-	-	-	-	-
	24,770,891	43,738,186	2,397,903	277,456	1,601,071	3,757,054	5,124,878	30,579,823
Liabilities								
Accrued expenses and other payables	62,443	62,443	62,443	-	-	-	-	-
	62,443	62,443	62,443	-	-	-	-	-

The carrying amounts of cash and cash equivalents, financial assets measured at amortised cost consisting solely of money market savings, and other receivables, as well as accrued expenses and other payables, approximate their undiscounted contractual cash flows as at the reporting date. This assessment is based on their short-term maturities, high liquidity, and the presence of fixed or determinable cash flows that are subject to insignificant liquidity risk.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

23 Financial risk management (Continued)

23.2 Risk management framework (Continued)

23.2 (a) Liquidity risk (Continued)

Maturity analysis of the financial assets and financial liabilities

As at 31st December 2023

	Carrying amount	Undiscounted contractual cash flows	On demand	Up to 3 months	3 months to 1 year	1-3 years	3-5 years	Over 5 years
Assets								
Cash and cash equivalents	345,807	345,807	345,807	-	-	-	-	-
Financial assets at fair value through profit or loss	16,789,210	43,248,223	13,951,533	4,763,065	840,563	4,864,350	7,390,375	11,438,338
Financial assets at amortised cost	7,451	7,451	7,451	-	-	-	-	-
Other receivables	301	301	301	-	-	-	-	-
	17,142,769	43,601,781	14,305,091	4,763,065	840,563	4,864,350	7,390,375	11,438,338
Liabilities								
Accrued expenses and other payables	9,784	9,784	9,784	-	-	-	-	-
	9,784	9,784	9,784	-	-	-	-	-

The carrying amounts of cash and cash equivalents, financial assets measured at amortised cost consisting solely of money market savings, and other receivables, as well as accrued expenses and other payables, approximate their undiscounted contractual cash flows as at the reporting date. This assessment is based on their short-term maturities, high liquidity, and the presence of fixed or determinable cash flows that are subject to insignificant liquidity risk.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

23 Risk management (Continued)

23.2 Risk management framework (Continued)

23.2 (b) Credit risk

Credit risk is the risk of financial loss to the Fund if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Fund's advances to clients, investment in corporate debt securities and investment in reverse repo agreements.

Management of credit risk includes the following components:

- Formulating credit policies in consultation with business units covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities.
- Limiting concentration of exposures to counterparties.

23.2 (b) i Credit risk exposure - Cash at bank

Credit risk exposure of cash at bank is depicted in the below table using carrying values as at the Statement of Financial Position date.

As at 31 st December	Rating	Rating Agency	2024 USD	2023 USD
Deutsche Bank AG - Sri Lanka	A-	Fitch Ratings, Inc.	1,509,852	345,807
Total exposure to credit risk Cash and cash equivalents			1,509,852	345,807

23.2 (b) ii Credit quality by class of financial assets

As at 31st December 2024

	Exposure to expected credit losses				Total USD
	Carrying amount	12 month	Life time - not credit impaired	Life time - credit impaired	
	USD	USD	USD	USD	
Cash and cash equivalents					
Rated AAA - A-	1,509,852	1,509,852	-	-	1,509,852
Total	1,509,852	1,509,852	-	-	1,509,852
Financial assets at FVTPL – Debt and other financial instruments					
Government securities (Risk free investments)	22,372,988	22,372,988	-	-	22,372,988
Total	22,372,988	22,372,988	-	-	22,372,988
Financial assets at amortised cost – Debt and other financial instruments					
Rated AAA - A-	887,750	887,750	-	-	887,750
Total	887,750	887,750	-	-	887,750
Other receivables					
Not rated	301	301	-	-	301
Total	301	301	-	-	301

CEYLON DOLLAR BOND FUND
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

23 Risk management (Continued)

23.2 Risk management framework (Continued)

23.2 (b) Credit risk (Continued)

23.2 (b) ii Credit quality by class of financial assets (Continued)

As at 31 st December 2023	Exposure to expected credit losses				Total USD
	Carrying amount USD	12 month USD	Life time - not credit impaired USD	Life time - credit impaired USD	
Cash and cash equivalents					
Rated AAA - A-	345,807	345,807	-	-	345,807
Total	345,807	345,807	-	-	345,807
Financial assets at FVTPL –					
Debt and other financial instruments					
Government securities (Risk free investments)	16,789,210	16,789,210	-	-	16,789,210
Total	16,789,210	16,789,210	-	-	16,789,210
Financial assets at amortised cost –					
Debt and other financial instruments					
Rated AAA - A-	7,451	7,451	-	-	7,451
Total	7,451	7,451	-	-	7,451
Other receivables					
Not rated	301	301	-	-	301
Total	301	301	-	-	301

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

23 Risk management (Continued)

23.2 Risk management framework (Continued)

23.2 (b) Credit risk (Continued)

23.2 (b) iii Analysis of concentration risk

The following table shows the risk concentration by sector for the components of the statement of financial position.

As at 31 st December 2024	Cash at banks USD	Financial investments at FVTPL USD	Financial investments at amortised cost USD	Total financial assets USD
Sector wise breakdown				
Government	-	22,372,988	-	22,372,988
Corporate	1,509,852	-	887,750	2,397,602
Total	1,509,852	22,372,988	887,750	24,770,590
As at 31 st December 2023	Cash at banks USD	Financial investments at FVTPL USD	Financial investments at amortised cost USD	Total financial assets USD
Sector wise breakdown				
Government	-	16,789,210	-	16,789,210
Corporate	345,807	-	7,451	353,258
Total	345,807	16,789,210	7,451	17,142,468

23.2 (c) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Fund's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the business reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall Fund's standards for the management of operational risk in the following areas:

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

23 Risk management (Continued)

23.2 Risk management framework (Continued)

23.2 (c) Operational risk (Continued)

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of the transaction.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Development of business contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with the Fund's internal controls and procedures is supported by periodic reviews undertaken by management or external parties. The results of these reviews are discussed with the management of the business units, and summaries of the findings are presented to the relevant senior management oversight,

23.2 (d) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risk includes the following elements:

- The operational authority for managing market risk is vested with the
- Interest rate risk is managed within the approved limits by the Investment

23.2 (d) i Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. However, due to the short term nature of the instruments of investments it is reasonably expected that the fluctuation in interest rate will not materially impact the net assets value of the Fund.

The table below analyses the Fund's interest rate risk exposure on financial assets and liabilities. The Fund's assets and liabilities are included at carrying amount and categorized by the earlier of contractual reprising or maturity dates.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Fund's financial assets and financial liabilities to various interest rate scenarios.

As at 31 st December 2024	Up to 3 months	3 to 12 months	1 to 3 years	Non-sensitive	Total
Financial assets					
Cash and cash equivalents	-	-	-	1,509,852	-
Financial assets at FVTPL	-	-	22,372,988	-	22,372,988
Financial assets at amortised cost	887,750	-	-	-	887,750
Other receivables	-	-	-	301	-
Rate-sensitive assets	887,750	-	22,372,988	-	23,260,738
Financial liabilities					
Accrued expenses and other payables	-	-	-	62,443	-
Rate-sensitive liabilities	-	-	-	-	-
Interest rate gap	887,750	-	22,372,988	-	23,260,738
Cumulative gap	887,750	887,750	23,260,738	-	23,260,738

CEYLON DOLLAR BOND FUND
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

23 Risk management (Continued)

23.2 Risk management framework (Continued)

23.2 (d) Market risk (Continued)

23.2 (d) i Interest rate risk (Continued)

As at 31 st December 2023	Up to 3 months	3 to 12 months	1 to 3 years	Non-sensitive	Total
Financial assets					
Cash and cash equivalents	-	-	-	345,807	-
Financial assets at FVTPL	-	-	16,789,210	-	16,789,210
Financial assets at amortised cost	7,451	-	-	-	7,451
Other receivables	-	-	-	301	-
Rate-sensitive assets	7,451	-	16,789,210	-	16,796,661
Financial liabilities					
Accrued expenses and other payables	-	-	-	9,784	-
Rate-sensitive liabilities	-	-	-	-	-
Interest rate gap	7,451	-	16,789,210	-	16,796,661
Cumulative gap	7,451	7,451	16,796,661	-	16,796,661

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

23 Risk management (Continued)

23.2 Risk management framework (Continued)

23.2 (d) Market risk (Continued)

23.2 (d) i Interest rate risk (Continued)

Fair value sensitivity analysis for fixed rate instruments

The Fund holds fixed-rate financial assets classified as fair value through profit or loss (FVTPL), comprising solely of Sovereign Bonds issued under the Past Due Interest (PDI) category. Although these instruments carry fixed interest payments, their fair values are sensitive to changes in market interest rates due to the inverse relationship between interest rates and bond prices. A reasonably possible increase or decrease of 2% in market interest rates as at the reporting date would have resulted in a corresponding decrease or increase in the fair value of these instruments, and consequently, the profit or loss for the period. The sensitivity analysis below assumes that all other variables, particularly foreign currency exchange rates, remain constant.

Fair value sensitivity analysis for variable rate instruments

The Fund holds variable-rate sovereign bonds measured at fair value through profit or loss (FVTPL), includes those issued under the Macro Linked Bond and Governance Linked Bond structures. These instruments carry interest rates that are subject to adjustment based on the occurrence of specific macroeconomic or governance-related events, as detailed in the Invitation Memorandum. Due to their variable nature, changes in market interest rates or triggering of relevant conditions could result in repricing of interest, which would impact their fair value and thus directly affect the Fund's profit or loss. In addition, the Fund holds variable-rate financial assets measured at amortised cost, primarily comprising money market savings deposits. These instruments are repriced periodically in response to changes in prevailing market interest rates. A reasonably possible increase or decrease of 2% in market interest rates at the reporting date would have directly impacted the Fund's interest income, and consequently its profit or loss. The analysis assumes that all other variables, particularly foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	2% Increase	2% Decrease	2% Increase	2% Decrease
Fixed rate instruments				
Financial assets	USD	USD	USD	USD
Sovereign bonds (Past Due Interest Bonds)	227,983	(227,983)	227,983	(227,983)
Variable rate instruments				
Financial assets	USD	USD	USD	USD
Sovereign bonds (Macro Linked Bonds)	2,197,275	(2,197,275)	2,197,275	2,197,275
Sovereign bonds (Governance Linked Bonds)	520,063	(520,063)	520,063	(520,063)
Money market savings	2	(2)	2	(2)

23.2 (d) ii Price risk

The Fund is exposed to price risk in respect of fixed-rate financial assets measured at fair value through profit or loss (FVTPL) includes Sovereign Bonds. These instruments are not subject to equity or commodity price fluctuations; however, their fair values are sensitive to changes in market interest rates due to the inverse relationship between bond prices and interest rates. Accordingly, the price risk faced by the Fund in this context arises exclusively from interest rate movements. A reasonably possible change of 2% in market interest rates at the reporting date would have impacted the fair value of these instruments, and consequently the Fund's profit or loss, as presented under the interest rate sensitivity analysis.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

23 Risk management (Continued)

23.2 Risk management framework (Continued)

23.2 (d) Market risk (Continued)

23.2 (d) iii Capital risk management

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

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

Following being the disclosures of Unit holders' Funds;

The movement in the Unit holder's Funds as at 31st December 2024

I.	In term of value	USD
	Unit holders' funds as at 1 st January 2024	17,132,985
	Creations	1,286,648
	Redemptions	(503,017)
	Increase in net assets attributable to Unit Holders	6,791,832
	Unit holders' funds as at 31st December 2024	<u>24,708,448</u>
II.	In term of number of units	
	Unit holders' funds as at 1 st January 2024	25,414,873
	Creations	1,609,803
	Redemptions	(680,752)
	Unit holders' funds as at 31st December 2024	<u>26,343,924</u>

As stipulated within the Trust Deed, each unit represents a right to an individual unit 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 attaching to it as all other units of the Fund.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

24 Financial instruments - fair value measurement

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level - 1

Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level - 2

Financial instruments that are measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities.

Level - 3

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

24.1 Fair values versus the carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows;

As at 31st December,

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	USD	USD	USD	USD
Financial assets measured at fair value				
Financial assets recognised through profit or Loss - measured at fair value	22,372,988	22,372,988	16,789,210	16,789,210
	<u>22,372,988</u>	<u>22,372,988</u>	<u>16,789,210</u>	<u>16,789,210</u>
Financial assets not measured at fair value				
Cash and cash equivalents	1,509,852	1,509,852	345,807	345,807
Financial investments at amortised cost	887,750	887,750	7,451	7,451
Other receivables	301	301	301	301
	<u>2,397,903</u>	<u>2,397,903</u>	<u>353,559</u>	<u>353,559</u>
Total financial assets	<u>24,770,891</u>	<u>24,770,891</u>	<u>17,142,769</u>	<u>17,142,769</u>
Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Accrued expenses and other payables	62,443	62,443	9,784	9,784
Total financial liabilities	<u>62,443</u>	<u>62,443</u>	<u>9,784</u>	<u>9,784</u>

The carrying values of cash and cash equivalents, and financial assets measured at amortised cost — comprising money market savings deposits and other receivables — approximate their fair values as at the reporting date, due to their short-term maturities and the highly liquid nature of these instruments.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

24 Financial instruments - fair value measurement (Continued)

24.2 Financial instruments - fair value

The following table shows an analysis of financial instruments at fair value and by level of fair value hierarchy.

As at 31st December 2024

	Total carrying value	Level 1	Level 2	Level 3	Total fair value
	USD	USD	USD	USD	USD
Financial assets measured at fair value					
Financial assets at FVTPL					
- Sovereign bonds	22,372,988	-	22,372,988	-	22,372,988
	22,372,988	-	22,372,988	-	22,372,988
Financial assets not measured at fair value					
Cash and cash equivalents	1,509,852	-	1,509,852	-	1,509,852
Financial assets at amortised cost					
- Money market savings	887,750	-	887,750	-	887,750
Other receivables	301	-	301	-	301
	2,397,903	-	2,397,903	-	2,397,904
Total financial assets	24,770,891	-	24,770,891	-	24,770,892

The carrying amounts of financial assets not measured at fair value approximate their fair values. This is due to the short-term maturities of these instruments and/or the use of market-based interest rates.

Financial liabilities measured at fair value

	-	-	-	-	-
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Financial liabilities not measured at fair value

Accrued expenses and other payables	62,443	-	-	62,443	62,443
	62,443	-	-	62,443	62,443
Total financial liabilities	62,443	-	-	62,443	62,443

The carrying amount of financial liabilities not measured at fair value approximates their fair value, as these balances are short-term in nature and are settled at or near their carrying amounts.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

24 Financial instruments - fair value measurement (Continued)

24.2 Financial instruments - fair value (Continued)

The following table shows an analysis of financial instruments at fair value and by level of fair value hierarchy.

As at 31 st December 2023	Total carrying value	Level 1	Level 2	Level 3	Total fair value
	USD	USD	USD	USD	USD
Financial assets measured at fair value					
Financial assets at FVTPL					
- Sovereign bonds	16,789,210	-	16,789,210	-	16,789,210
	16,789,210	-	16,789,210	-	16,789,210
Financial assets not measured at fair value					
Cash and cash equivalents	345,807	-	345,807	-	345,807
Financial assets at amortised cost					
- Money market savings	7,451	-	7,451	-	7,451
Other receivables	301	-	301	-	301
	353,559	-	353,559	-	353,559
Total financial assets	17,142,769	-	17,142,769	-	17,142,769

The carrying amounts of financial assets not measured at fair value approximate their fair values. This is due to the short-term maturities of these instruments and/or the use of market-based interest rates.

Financial liabilities measured at fair value	-	-	-	-	-
Financial liabilities not measured at fair value					
Accrued expenses and other payables	9,784	-	-	9,784	9,784
	9,784	-	-	9,784	9,784
Total financial liabilities	9,784	-	-	9,784	9,784

The carrying amount of financial liabilities not measured at fair value approximates their fair value, as these balances are short-term in nature and are settled at or near their carrying amounts.

CEYLON DOLLAR BOND FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31st December,

24 Financial instruments - fair value measurement (Continued)

24.3 Measurement of fair values

24.3.1 Valuation techniques for specific instruments

(a) Sovereign bonds

Sovereign bonds are classified as financial assets measured at fair value through profit or loss (FVTPL) in accordance with SLFRS 9 – Financial Instruments. The fair value of these instruments is determined using published market prices, with an adjustment made to include accrued interest in order to reflect the full fair value of each bond. This measurement approach is consistent with the principles of SLFRS 13 – Fair Value Measurement.

25 Reclassification of comparative information

During the year ended 31st December 2024, the Fund made the following reclassifications to comparative figures to align with the current year's presentation:

- Sovereign bond purchase discount amortisation, previously included under interest income, sovereign bond purchase premium amortisation, previously presented under expenses, and the reversal of impairment provisions on sovereign bonds have all been reclassified to unrealised gains from financial assets at fair value through profit or loss.

- Money market savings, previously included under cash and cash equivalents, have been reclassified to financial assets at amortised cost as a standalone item.

These reclassifications have been made to more accurately reflect the nature of the underlying transactions and to enhance the comparability of financial information across reporting periods.

Statement of profit or loss and other comprehensive income

For the year ended 31 st December 2023	Impact of reclassification		
	As previously reported	Adjustments	As reclassified
	USD	USD	USD
Interest income	1,412,668	(1,388,681)	23,987
Unrealised gains from financial assets at fair value through profit or loss	4,803,640	1,867,352	6,670,992
Sovereign bond purchase premium amortisation	(32,888)	32,888	-
Reversal of SLISB impairment provision	511,560	(511,560)	-
Increase in net assets attributable to unit holders before tax	6,448,935	-	6,448,935
Increase in net assets attributable to unit holders	6,448,935	-	6,448,935

Statement of financial position

As at 31 st December 2023	Impact of reclassification		
	As previously reported	Adjustments	As reclassified
	USD	USD	USD
Cash and cash equivalents	353,258	(7,451)	345,807
Financial assets at amortised cost	-	7,451	7,451
Total assets	17,142,771	-	17,142,771
Net assets attributable to unit holders	17,132,985	-	17,132,985

There is no impact on the Fund's increase in net assets attributable to unit holders and increase in net assets attributable to unit holders before tax, total assets, total equity, or the operating, investing, and financing cash flows for the year ended 31st December 2023.