

PRESS RELEASE

✉ Communications Department, 30, Janadhipathi Mawatha, Colombo 01, Sri Lanka
☎ +94 11 2477424 / +94 11 2477423 📠 +94 11 2346257
@ communications@cbsl.lk / dcommunications@cbsl.lk 🌐 www.cbsl.gov.lk



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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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Value of EPF's Listed Equity Portfolio as at end 2021 records a market value of Rs. 112 billion, against cost of Rs. 84 billion: an increase of Rs. 28 billion

The Employees' Provident Fund (EPF) managed by the Monetary Board is Sri Lanka's largest superannuation fund. It maintains its investment portfolio with the long-term objective of maximizing the returns to its members while preserving the value of the Fund. It operates within certain given risk parameters and has invested 94 per cent of its funds in Government securities and the balance in listed and unlisted equities, corporate debentures, trust certificates and other money market instruments. Funds are invested in a diversified portfolio, across eligible asset classes as given in the Monetary Board approved Strategic Asset Allocation subject to stipulated limits. The market value of the EPF investment portfolio as at 31.12.2020 stood at Rs. 3,243 billion.

As stated above, in accordance with its Investment Policy, the EPF has invested around 3 per cent of its funds in listed and unlisted equities with a long-term perspective to generate adequate real rates of return. The performance of individual equities as well as the overall performance of the equity market and overall macro-economic conditions of the country fluctuate and these changes impact the market value of the listed equity portfolio compared to the previous year. The valuation of the portfolio and the determination of its profitability is carried out as per the Sri Lanka Financial Reporting Standards.

In keeping with the above Financial Reporting Standards, the market value of the listed equity portfolio of the EPF as at end December 2021 recorded a value of Rs.112 billion against its cost of Rs.84 billion, thereby reflecting a substantial unrealized gain of Rs.28 billion in the portfolio. In addition, the EPF also realised Rs. 4.7 billion during the year 2021 by way of scrip and cash dividends as well as capital gains. Further, the dividend income received during the 3-year period 2019 to 2021 was recorded at Rs. 2.5 billion on the unlisted equity investment portfolio of Rs. 9.6 billion.

In order to maintain transparency, EPF publishes the market value of its listed and unlisted equity portfolio on a quarterly basis in its website, and this information can be accessed through https://epf.lk/?page_id=2483.