



**CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED**  
**No. of Company : PV 315**

5<sup>th</sup> May 2020

Mr. Renuke Wijayawardhane  
Chief Regulatory Officer  
Colombo Stock Exchange  
#04-01, West Block, World Trade Centre  
Echelon Square  
Colombo 01

**Our Ref : GUAR/CSE/ANN/2020/02**

Dear Sir,

**CEYLON GUARDIAN INVESTMENT TRUST PLC**  
**DISCLOSURE REGARDING THE IMPACT OF COVID – 19**

Due to the severity of the pandemic, we have taken measures to safeguard the health of our employees while ensuring the continuity of our operations.

**Public Equity Investments**

The largest component of Guardian's assets lies with carefully selected investments in the Colombo Stock Exchange (CSE). The CSE has been closed since 20th March 2020, in response to the emergency measures taken by the government but experienced a steep decline of 18.26% for the limited time it was open during the month.

Companies across various sectors in the CSE will see reduced performances and earnings in the short term, however in the medium term these performances can recover as the country eventually begins to recover from the crisis. The impact on company performances will vary by sector as their supply chains, demand dynamics and operational abilities are affected or transformed. In the short term, our portfolios may lose further value, but will eventually recover with economic activity returning to some degree of normalcy.

The closure of the CSE has affected our business operationally as we are unable to transact to reshape the portfolio accordingly. However, as the market reopens eventually we expect operations to return to normalcy overtime. We will evaluate all other investments after taking the necessary precautions given the stressed environment.

Cont..2/-

**Regd. Office : No.61, Janadhipathi Mawatha, p.o. Box 24, Colombo 01, Sri Lanka.**  
**Telephone : +94-11-2039200 Fax : +94-11-2039300**  
**E-mail : carsons@carcumb.com Web site : www.carsoncumberbatch.com**  
**Directors : H. Selvanathan (Chairman), M. Selvanathan, S. K. Shah, K. C. N. Fernando,**  
**A. P. Weeratunge, Mrs. K. D. De Silva, K. Selvanathan, V. R. Wijesinghe, S. Selvanathan**



**A  
CARSON  
CUMBERBATCH  
COMPANY**

### **Unit Trust**

The unit trust business through our joint venture Guardian Acuity Asset Management Limited has experienced redemption pressures due to the demand for liquid cash by unit holders during the crisis and the assets under management will reduce accordingly. This was anticipated by us and precautionary measures were taken to accommodate these cash flows.

### **Private Equity**

The private equity investments held by the company are in two sectors, namely the Human Resources Information Systems (HRIS) sector and Online Travel Agency (OTA) sector. These are experiencing a challenged operating environment due to the Covid 19 induced slowdown.

The slowdown in economic activity will push customers of the HRIS sector in Sri Lanka and other international markets to delay spending on software in the short to medium term. This in turn will affect the topline performance and profitability of the investment in this sector.

International air travel has come to a complete standstill at the moment. Even after countries start to ease current restriction on travel, it may take several months more for air travel to return to some form of normalcy. A full recovery is only expected by some after only a vaccine has been successfully developed. As a result, the investment in the OTA sector has experienced a sharp slowdown in business and could take a long time to recover than other industries. Further the current situation will also delay fund raising activities planned by them.

Taking the above into consideration, as part of our annual process, we are reviewing the valuations of the two private equity investments and may have to revise valuations down if required.

The above disclosure is made based on the information available at this point of time, as the business environment will continue to evolve with many challenges in the coming months, which cannot be predicted.

Yours Faithfully,  
For and behalf of

**CEYLON GUARDIAN INVESTMENT TRUST PLC**  
Carson Management Services (Private) Limited

  
Director

Secretaries

-/sp