CT SMITH
ASSET MANAGEMENT

ANNUAL REPORT

2025/26

CT SMITH HIGH YIELD FUND

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Declaration By Trustees and Management Company

Declaration by Trustees and Managing Company as per SEC Circular No: 02/2009 on Guidelines for Trustees and Managing Companies of Collective Investment Schemes.

Hatton National Bank PLC, the Trustee and CT Smith Asset Management (Pvt) Ltd the Managers of **CT Smith High Yield Fund,** hereby declare that

1. The requirements of the Guidelines for Trustees and Managing Companies of Collective Investment Schemes set by the Securities and Exchange Commission of Sri Lanka have been complied with during the year.

2. The transactions were and will be carried out at an arm's length basis and on terms which are best available for the fund, as well as act, at all times, in the best interest of the fund's unit holders.

....

Director
Management Company

....

Director
Management Company

....

Trustee of the Fund

2. About the Fund

The CT Smith High Yield Fund (Formerly Known as – CT CLSA High Yield Fund) was established on 19th October 2011. The investment objective of the Fund is to maximize short-term return by investing in a portfolio of Money Market instruments and to provide a regular return while minimizing risk. The Fund is an open-ended unit trust which can offer units to investors on a continuing basis. With effect from 14 August 2025, CT Smith Asset Management (Private) Limited [formerly CT CLSA Asset Management] re-branded and re-launched Corporate Identity as CT Smith Asset Management (Pvt) Limited. The registered office of the management company is located at No. 4-07, Majestic City, Colombo 04. The Trustee of the Fund is Hatton National Bank having its place of business at No.479 T.B Jayah Mawatha, Colombo 01.

3. Fund Information - CT Smith High Yield Fund

Fund Objective		:	To provide investors with regular short-term returns and liquidity by investing in a portfolio of diversified short-term debt securities and money market instruments.
Fund Strategy		:	The fund may invest a minimum of 90% of the NAV in money market instruments permissible as stated under Appendix 5 of the CIS Code.
Fee Structure	Front End Fee	:	Nil
	Management Fee	:	0.60% p.a
	Trustee Fee	:	0.15% p.a
	Exit Fee	:	Nil
Fund Structure	Minimum Subscription	:	Rs.1,000/-
	Fund Structure	:	Open Ended
	Switching		Allowed
	Dividend	:	-
	Initial Offer Price	:	Rs.10/-
	Inception date	:	27-Feb-12
Liquidity	Redemption period	:	Within T+1 days

4. Service Providers

Fund Manager

CT SMITH ASSET MANAGEMENT (PVT) LIMITED
4-15, MAJESTIC CITY
10 STATION ROAD
COLOMBO 04

Trustee and Custodian

Hatton National Bank PLC
HNB Towers, 479, T B Jayah Mawatha,
Colombo 10, Sri Lanka

Registrar

CT SMITH ASSET MANAGEMENT (PVT) LIMITED
4-15, MAJESTIC CITY
10 STATION ROAD
COLOMBO 04

Banker

Hatton National Bank PLC
HNB Towers, 479, T B Jayah Mawatha,
Colombo 10, Sri Lanka

Collection Agents

Cargills Food City Supermarket Banking Service

Collection Bank Accounts of CT Smith Asset Management (Pvt) Limited

Cargills Bank
Account No. 0019500001191
Branch. Head Office

Hatton National Bank
Account No. 003010528647
Branch. Head Office

Auditors

Nihal Hettiarachchi & Company
Chartered
Accountants
RNH House
No.622B Kotte Rd,
Sri Jayawardenepura Kotte

5. Fund Fact Sheet

CT SMITH
ASSET MANAGEMENT

CT Smith High Yield Fund

Fact Sheet – 31st March 2026

Fund Snapshot *

Monthly return - Annualized (As at 31st March 2026)	8.22%
Unit Price (As at 31st March 2026)	20.4405
Fund NAV (LKR)	5,314,953,455.93
YTD Yield	1.99%
Average Maturity (Months)	5.1

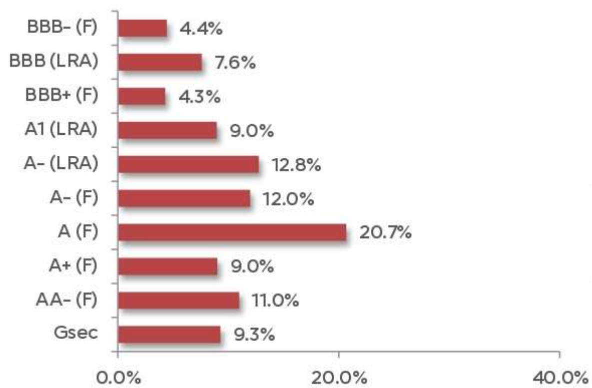
Fund Performances Vs Benchmark

	Fund	Benchmark (AWDR)*
1 month (Annualized)	8.22%	6.83%
3 months (Annualized)	8.07%	6.85%
YTD (Non – Annualized)	1.99%	1.68%

**AWDR - Average Weighted Deposit Rate*
(Data is provided as of 27th February 2026, as the March 2026 figure has not yet been updated.)

Ratings Composition

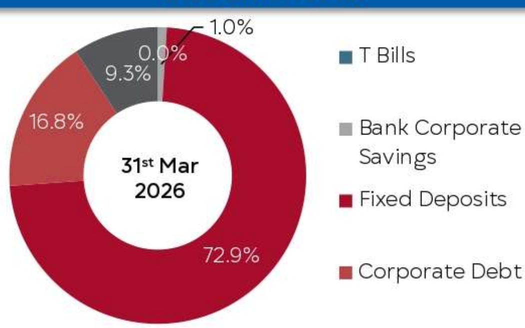
83.7% + in A- and above rated instruments



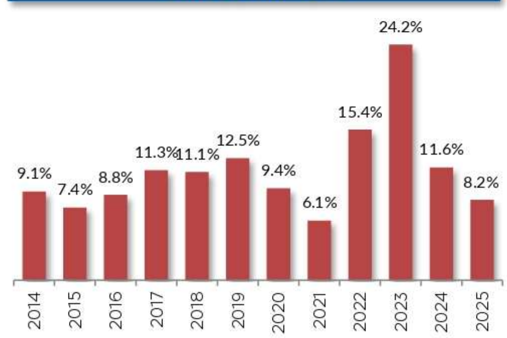
Maturity Profile

Under 1 Month	22.46%
1 Month to 3 Months	15.83%
3 Months to 6 Months	20.80%
6 Months to 1 Year	40.91%

Instrument Mix

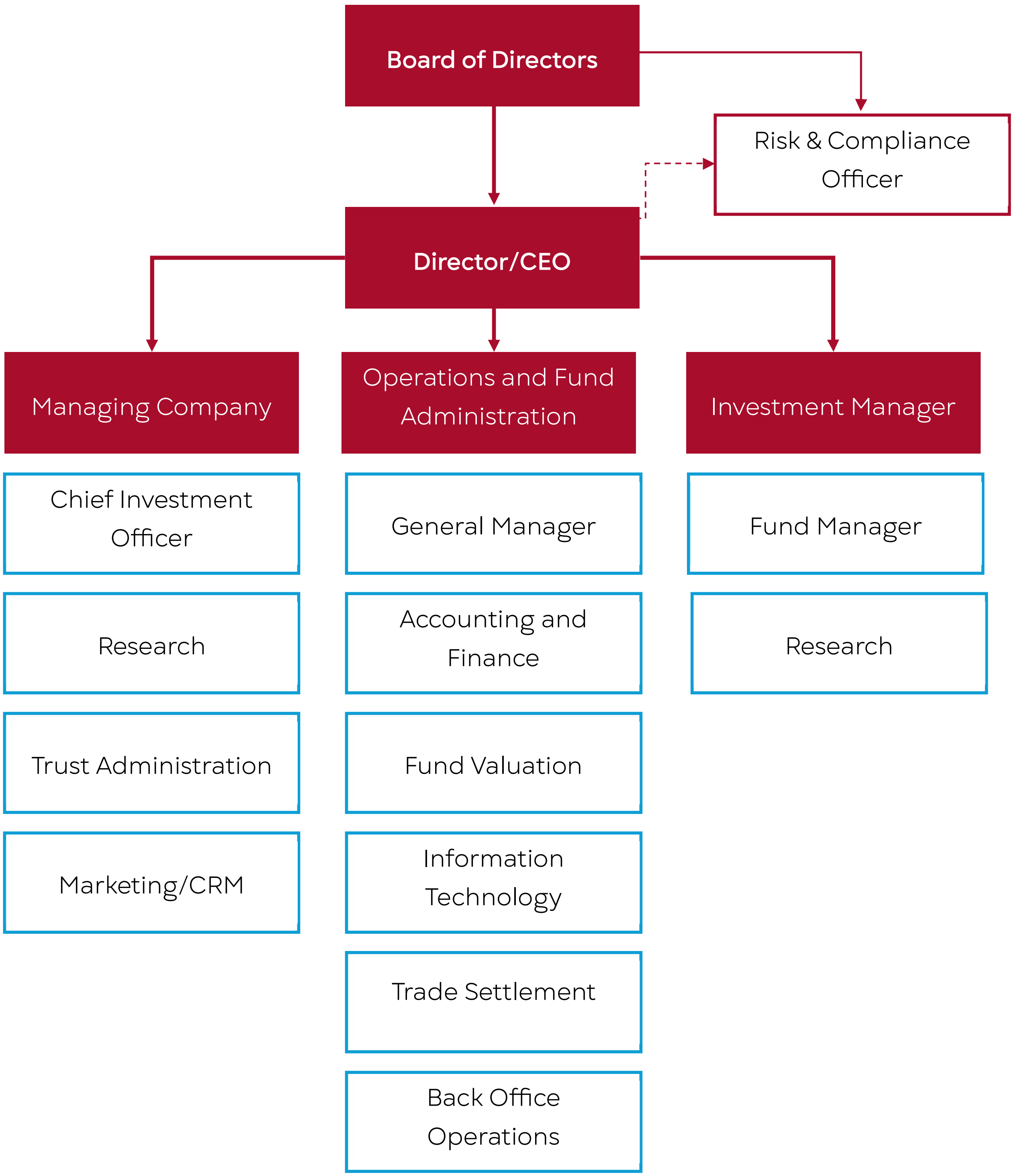


Annual Yield %

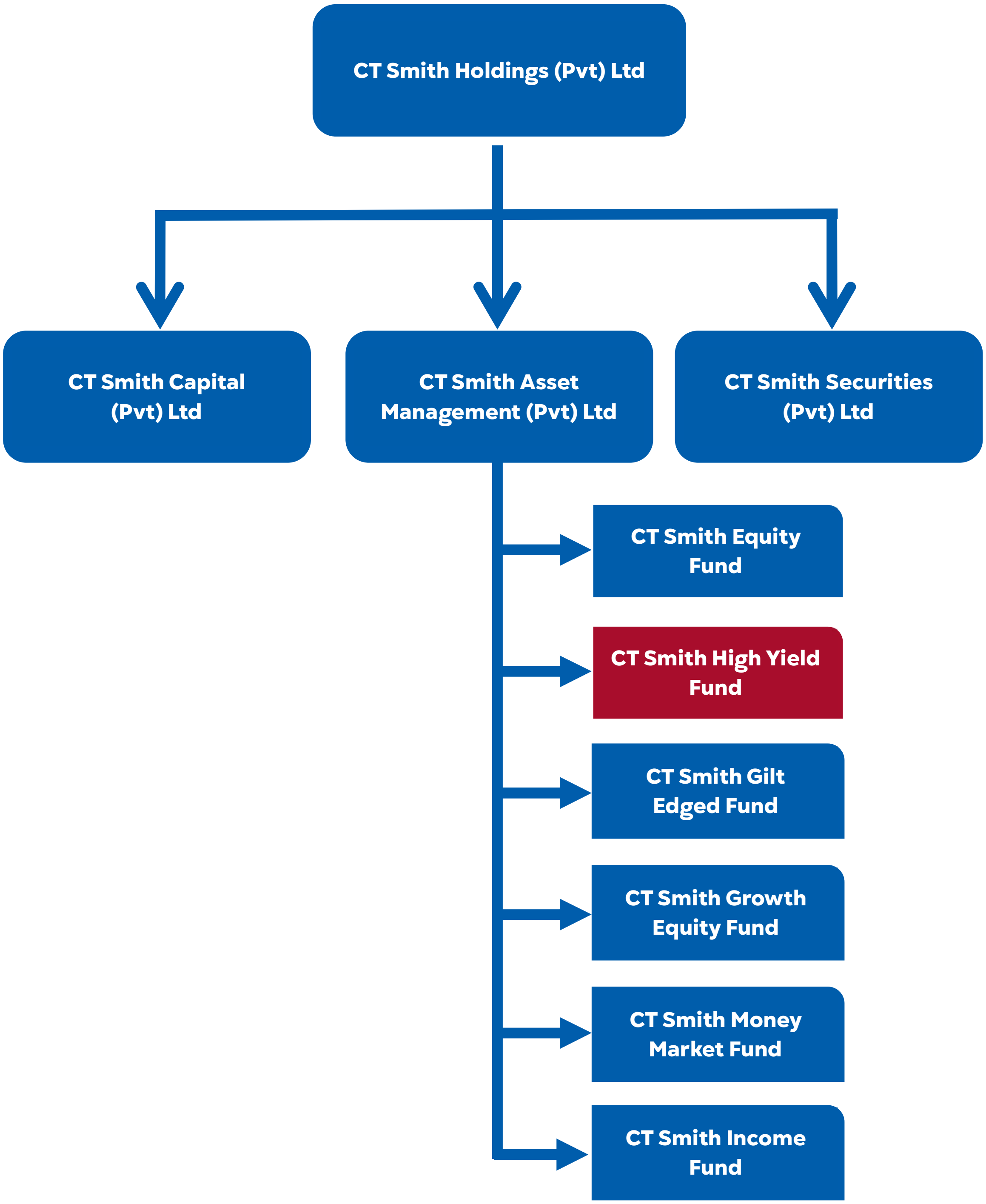


Current yields can fluctuate daily. Past Performance is not an indicator of future returns. Investors are advised to read and understand the contents of the Key Investor Information Document before investing including but not limited to all fees/charges and risks. If required, please contact CT Smith Asset Management (Pvt) Ltd for any clarifications before investing.

6. Organization Structure



7. Group Structure



8. Board of Directors of The Fund Management Company

Mrs. Cecilia Page
Chairperson

Cecilia Page is the Chairperson of CT Smith Holdings Ltd, CT Smith Securities (Private) Limited, CT Smith Capital (Private) Limited, and CT Smith Asset Management (Private) Limited. She has headed the CT Smith Group since inception. She is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants, UK

Mr. Joseph Page
Director

Joseph Page is Deputy Chairman/Managing Director of CT Land Development PLC, and a Director of CT Holdings PLC, Cargills (Ceylon) PLC, Kotmale Holdings PLC, and the Deputy Chairman of Ceylon Theatres (Pvt) Ltd. He has over 37 years of Management experience in the private sector

Mr. Simon Hemphel
Director

Simon Hemphel is an experienced financial services COO and banking executive with a background in Equities. Recent roles include operating as COO for a 1,000+ global equity operation across EMEA, APAC and North America. He has been appointed to a number of senior regulated roles, including Alternate Chief Executive of Macquarie's Hong Kong bank branch and as Director of its US registered Broker Dealer. He is a Passed US SEC Securities licensing exams for the Series 24, Series 7 and Series 99 and he possesses Masters of Finance (investment Banking), INSEAD, paris (Graduated on Dean's list), Chartered Accountant, Institute of Chartered Accounts of Australia & New Zealand, Grad. Dip. Applied Finance & Investment, Securities Institute of Australia, Sydney, Graduate Convercion Course in AccounUng, UTS, Sydney, Bachelor of Business (Banking & Finance) / Bachelor of Laws, eUT, Brisbane

Mr. Zakir Mohamedally
Director

Zakir has over 22 years of experience in Sri Lanka's capital market and he joined CT Smith Group in 2007. He has participated in several landmark transactions in Sri Lanka capital market worth over LKR 450 Billion covering both equity and debt in various industries. Prior to joining the CT Smith Group, he was working with PricewaterhouseCoopers (PWC) Sri Lanka. Zakir is a Fellow Member of the Association of ACCA Associate Member of the CIMA. He is also a member of the Institute of CMA of Sri Lanka and holds a Post Graduate Diploma in Marketing from the CIM UK.

Zakir serves as Group Managing Director of CT Smith Holdings, Director/CEO of CT Smith Capital, Director of CT Smith Securities and CT Smith Asset Management. He also serves as a non executive non independent Director of C T Holdings PLC, Cargills (Ceylon) PLC and CT Land Development PLC and. Zakir was appointed managing Director of Odeon holdings (Ceylon) (Pvt) Ltd the parent company of CT Holdings PLC in August 2025.

Miss. Bimanee Meepagala
Director / Chief Executive Officer

She offers a successful background in asset management and has over 20 years of experience with in the capital markets in Sri Lanka. Prior to joining CT Smith Asset Management, she served as the Chief Bancassurance Officer at Union Assurance PLC, one of the largest insurance companies in Sri Lanka. She also worked in the capacity of Vice President- Asset Management at NDB Wealth Management Limited; the largest private sector fund management Company in Sri Lanka for over 12 years.

She holds a Master of Arts in Financial Economics (MAFE) from the University of Colombo and a Bachelor of Arts Degree from the same University. She is also a Fellow Member of the Chartered Institute of Management Accountants (UK) FCMA, and a member of Chartered Global Management Accountant (CGMA).

9. Fund Management Team

Miss. Bimanee Meepagala
Director / Chief Executive Officer

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Mr. Pasan Abeygunawardane
General Manager

Pasan counts over 22 years of experience in both local and global markets. His academic and professional exposure encompasses accounting and finance, Stock Broking, capital market operation, portfolio administration, transfer agency, risk and compliance. He holds a Masters of Business Administration from Postgraduate Institute of management affiliated to University of Sri Jayewardenepura and a Bachelor of Science Degree from the same University. He is also an Associate Member of the Chartered Institute of Management Accountants (UK) ACMA, and a member of Chartered Global Management Accountant (CGMA).

Mr. Kuhan Vinayagasundaram
Chief Investment Officer

Kuhan possesses over a decade of combined experience in portfolio management and investment research covering an equity/fixed income universe spanning multiple sectors and geographies including Sri Lanka. He has extensive academic and professional exposure in accounting & finance, Investment research and valuations. Previously at CT Smith, his responsibilities included building fundamentally robust financial models, drafting investment research reports with commercially focused valuations and introducing new research products. He is a Member of the Association of Chartered Certified Accountants (ACCA UK) and a level 2 candidate of the CFA qualification.

Miss. Suresha Nilmini
Fund Manager

Suresha counts over 7 years of experience in Capital Markets, and Banking Sector. Her academic and professional exposure encompasses Investment and Portfolio Management, Financial Modelling and Forecasting, Business Valuation, Corporate Finance, Risk Management and Insurance, Economics, and Accounting. She holds a bachelor's degree in Finance (BSc Finance Special - First Class) from the University of Sri Jayewardenepura.

Miss. Hansini Aravinda
Senior Financial Analyst

Hansini Aravinda has over 9 years of professional experience working in diverse industries. Her academic and professional exposure encompasses project management, research, and analysis in capital markets and valuations. She is a passed finalist of CIMA (Chartered Institute of Management Accountants). Further, Hansini holds a first-class degree in Bachelor of Engineering (Hons) in Electronics and Communication Engineering offered by the University of Wolverhampton (UK) and reading Master of Financial Economics offered by University of Colombo, Faculty of Art.

Miss. Sachinee Chanduka
Compliance Officer

Sachinee has over six years of experience in finance and accounting. Before joining CT Smith AM, she lead the finance and accounting operations at VoiceD. Her skill set include compliance monitoring , financial statement preparation, financial analysis forecasting, revenue management, and payroll procedures. She holds a Bachelor of Science (Honors) in Finance and Insurance from the University of Colombo, Faculty Faculty of Science and reading MSc in Financial Mathematics offered by University of Colombo, Faculty of Science.

10. Investment Committee

Mr. Ravi Ratnasabapathy
FCMA(UK), MBA(UOSJ), FE(UOC)

Seasoned professional, 25 years experience across key sectors including telecommunications, agribusiness and power. Qualified accountant, FCMA (UK), with a Masters in Business Administration (PIM, Sri J) and a Masters in Financial Economics (Colombo).

An active member of the Sri Lanka Institute of Directors, well -z versed in the governance standards required of listed companies. Holds non-Executive board positions in two mid-cap CSE listed entities.

Currently an independent consultant, assignments have been successfully completed for international agencies including The International Trade Centre (a joint agency of the WTO and UN), the EU Delegation to Sri Lanka, the Asian Development Bank, and USAID projects.

Mr. Hiran Samarasinghe
CFA, FCCA(UK)

Hiran heads the Strategy function of the Sunshine group, focused, on new growth opportunities for the group. Sunshine Holdings is a diversified holding company with key focus areas in healthcare, FMCG, agriculture, and specialized retail.

Prior to joining Sunshine Holdings, he gained capital market experience with several International Banking Institutions working as an Equity Analyst for Amba Research. Prior to that he working as an Equity Analyst for Amba Research. Prior to that he was attached to PricewaterhouseCoopers as an Associate Consultant advising both local and international clients on valuation and strategy engagements. He is a CFA charter holder and a Fellow member of ACCA.

Mr. Zakir Mohamedally
Director

Zakir has over 22 years of experience in Sri Lanka's capital market and he joined CT Smith Group in 2007. He has participated in several landmark transactions in Sri Lanka capital market worth over LKR 450 Billion covering both equity and debt in various industries. Prior to joining the CT Smith Group, he was working with PricewaterhouseCoopers (PWC) Sri Lanka. Zakir is a Fellow Member of the Association of ACCA Associate Member of the CIMA. He is also a member of the Institute of CMA of Sri Lanka and holds a Post Graduate Diploma in Marketing from the CIM UK.

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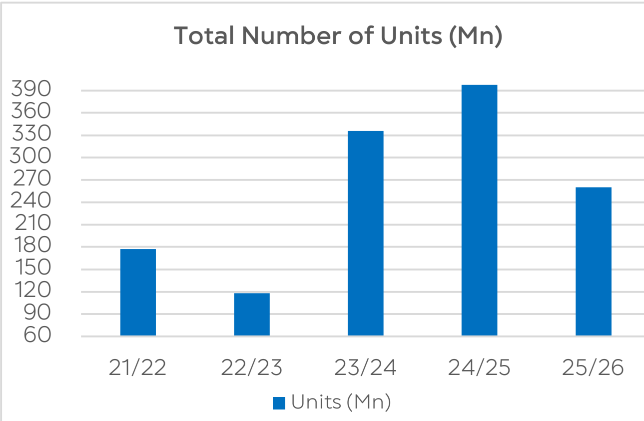
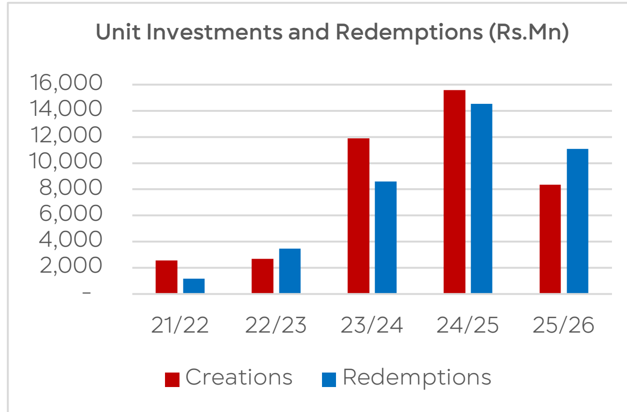
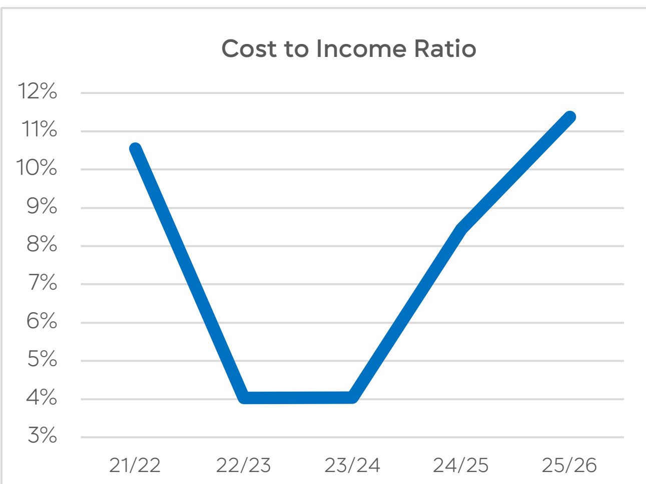
11. Financial Highlights

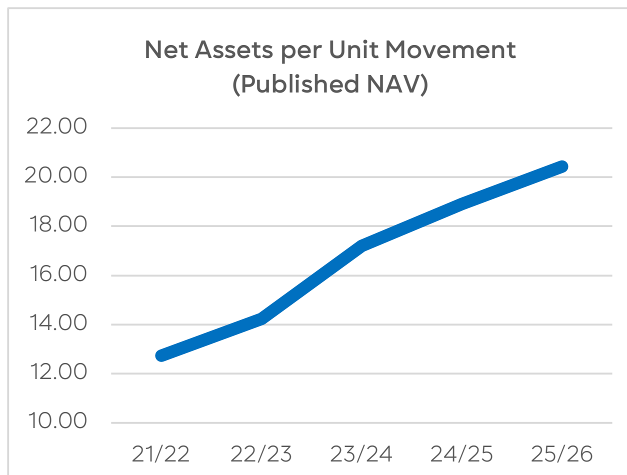
Indicator	31.03.2026	31.03.2025	Change %
Results for the Year			
Interest income	603,224,271	759,470,322	-21%
Profit for the year	534,614,142	695,388,758	-23%
Assets and Liabilities			
Financial assets at amortized cost	5,607,387,746	7,510,728,146	-25%
Net assets attributable to unitholders	5,315,163,981	7,520,240,769	-29%
Profitability and Efficiency Ratios			
Net profit margin	89%	92%	-3%
Return on Assets	11%	10%	6%
Cost to income ratio	11%	8%	35%
Investor Indicators/ Measures			
Total number of units	260,020,908	397,705,024	-35%
Total redemptions	11,076,088,119	14,526,271,095	-24%
Total unit investments	8,336,397,189	15,566,510,378	-46%
Net assets value per unit	20.4405	18.9087	8%
Total assets per unit	21.78	18.95	15%
Cash Flow generated from/ (used in)			
Operating activities	2,769,115,581	-1,092,009,193	-354%
Financing activities	-2,739,690,930	1,036,761,859	-364%

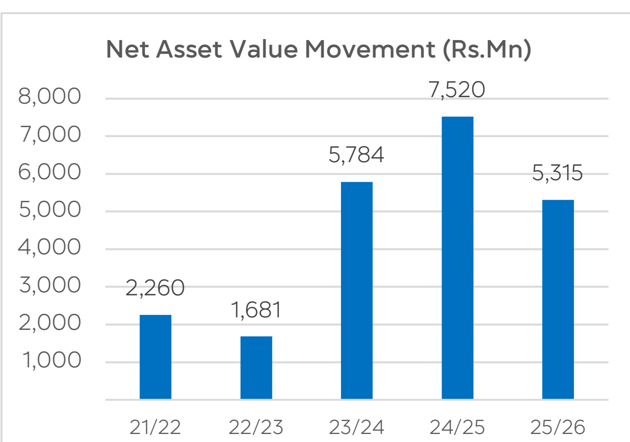
11.1. Financial Highlights (In Graph)

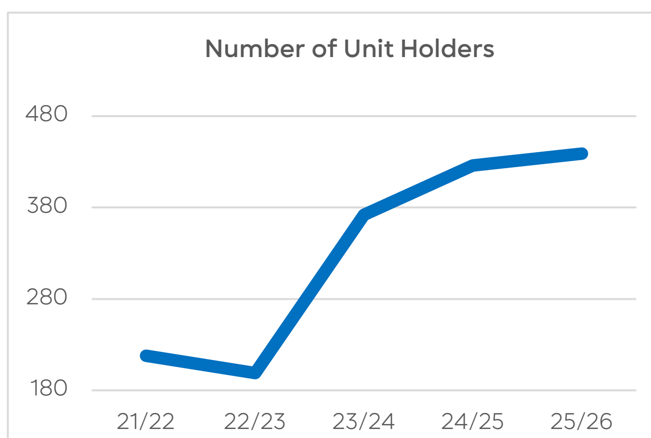












12. Stakeholder Interaction

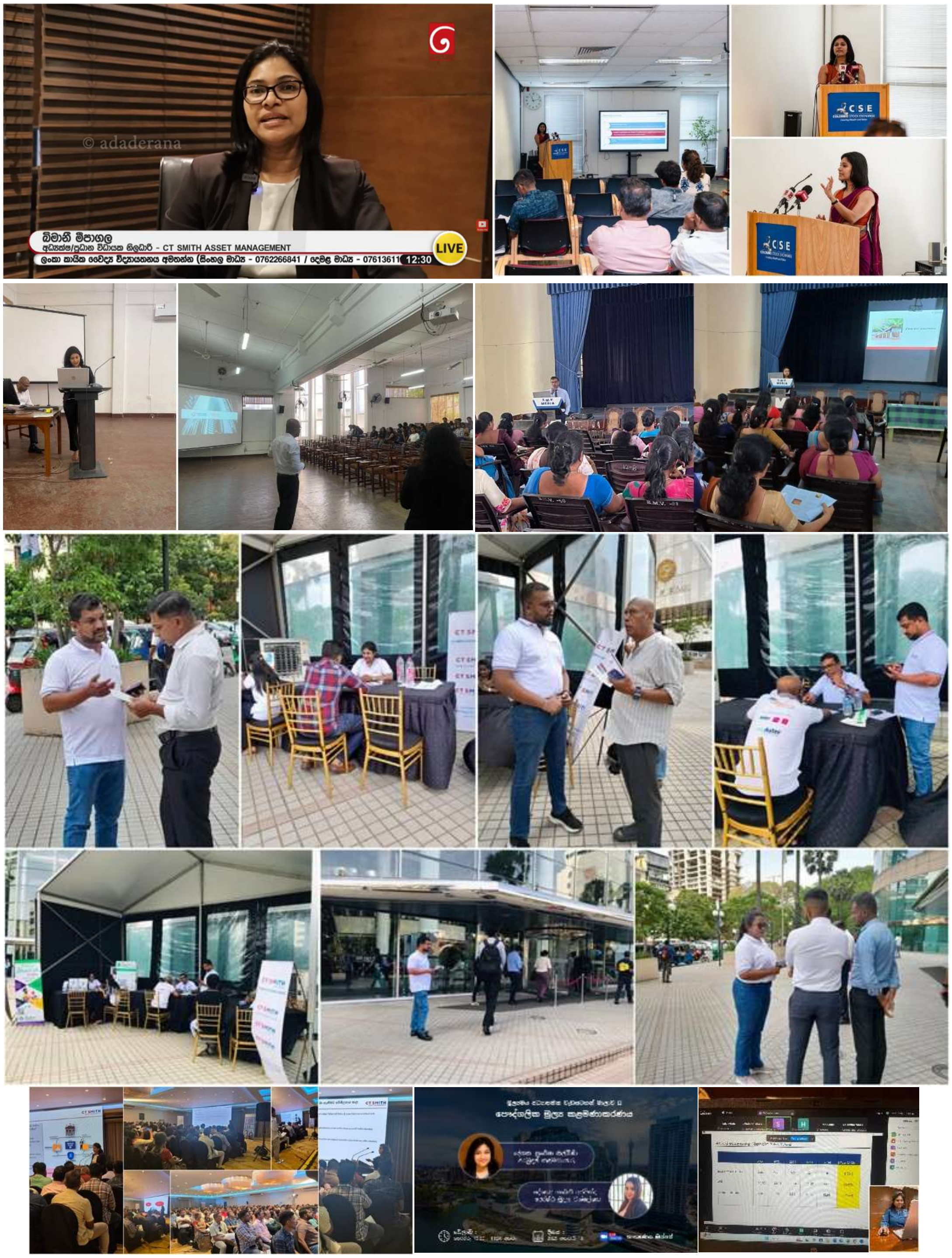
13. Our Commitment to Financial Literacy

During the year ended 2025/26, CT Smith Asset Management (Pvt) Limited (CT Smith AM) conducted various awareness sessions to improve the financial literacy of general public. These programs were focused on personal financial management and Unit Trust as an alternative investment option. The Summary of programs as follows.

Type of the Program	Program Name	Date	Calibrating institution	Audience
Educational	Financial Literacy Session	28 August 2025	University of Moratuwa	Undergraduates
	Financial Literacy Program and discussion for Journalists	29 October 2025	Unit Trust Association of Sri Lanka and CSE	Journalists, representatives from the Unit Trust Industry and members of the public
	High-growth career pathways within capital markets and the broader financial sector	14 March 2026	Faculty of Science, University of Colombo	Undergraduates
	Investing in Stock market through a Unit Trust	22 May 2025	CSE Panadura	Potential CSE Investors
	Investing in Stock market through a Unit Trust	27 May 2025	CSE Batticaloa	Potential CSE Investors
	Market Condition Analysis	12 June 2025	CSE Bandarawela	Potential CSE Investors
	Introductory Session to Unit Trust	27 August 2025	Securities and Exchange Commission (SEC)	Commerce stream teachers in the Kelaniya educational zone
	Investing in stock market through a unit trust	28 August 2025	CSE Bandarawela	Potential CSE Investors

Unit Trust Awareness Sessions	Access to Stock Market through Equity Unit Trust Funds	11 September 2025	CSE Negombo	Potential CSE Investors
	Investing in Unit Trust Funds	16 September 2025	SEC	Commerce stream teachers in the Kalutara educational zone
	Market Condition Analysis	17 September 2025	CSE Batticaloa	Potential CSE Investors
	Invest in Stock Market through Unit Trust funds	26 September 2025	CSE Panadura	Potential CSE Investors
	Unit Trust Awareness Campaign	28 October 2025	Unit Trust Association of Sri Lanka	General Public
	Introduction to the Unit Trust funds	17 November 2025	CSE Batticaloa	Potential CSE Investors
	Awareness session on Collective Investment Schemes	08 December 2025	SEC	SEC Employees
	Introduction to the Unit Trust funds	11 December 2025	CSE Bandarawela	Potential CSE Investors
	Introduction to the Unit Trust funds	20 January 2026	CSE Jaffna	Potential CSE Investors
	Investing in Stock Market through CIS Schemes	27 January 2026	CSE Ratnapura	Potential CSE Investors
	Introduction to Collective Investment Schemes	29 January 2026	CSE Panadura	Potential CSE Investors
	Introduction to Collective Investment Schemes	26 February 2026	CSE Panadura	Potential CSE Investors
	Awareness session on Equity Market Analysis Investment Schemes	28 February 2026	CSE Anuradhapura	Potential CSE Investors

	Awareness Session - Introduction to the Unit Trust funds	26 March 2026	CSE Batticaloa	Potential CSE Investors
	Awareness session on Introduction to Collective Investment Schemes	26 March 2026	CSE Panadura	Potential CSE Investors
	Awareness Session - Introduction to the Unit Trust funds	28 March 2026	CSE Anuradhapura	Potential CSE Investors
Macro Economy Discussions	Investor Forum	20 November 2025	SEC and CSE in Gampaha	Potential CSE Investors
	Economic impact of Cyclone "Ditwah" to Sri Lankan Economy	06 December 2025	TV Derana	General Public
	Outlook for 2026	31 December 2025	CA Sri Lanka	General Public
	Sri Lanka's Equity Outlook: Picking Winners in 2026	06 January 2026	Echelon	Echelon Readers and Followers
	Awareness Session - The Smarter Portfolio: Understanding Equities, Behaviour, and Diversification	05 February 2026	CA Sri Lanka	Members of CA Sri Lanka
	Newspaper Article on Maintaining Cost reflective Pricing amid crisis	10 March 2026	Daily FT News article	Daily FT News Readers
	The evolving landscape of Investing in Unit Trusts	10 March 2026	Sirasa TV	General Public

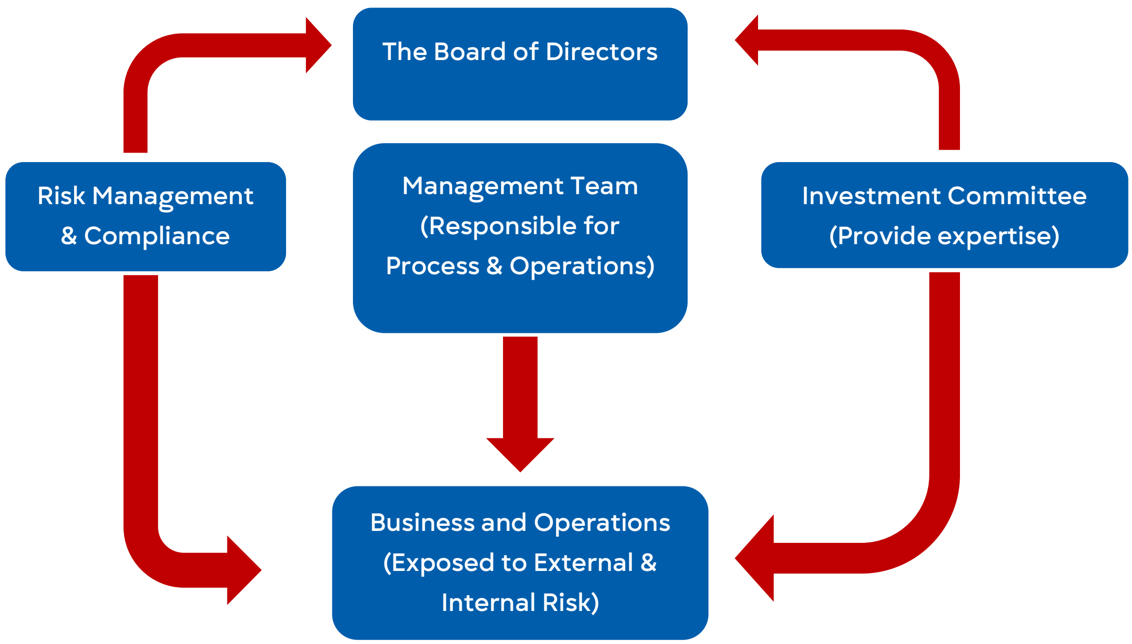

© adaderana
CT SMITH ASSET MANAGEMENT
LIVE
12:30
CSE

14. Governance and Risk Management Framework

14.1. Overview of Risk Management

Risk Management is the process of identification and assessment of risks arising due to factors which are internal and external to the entity, in order to mitigate such risks. Management of risk helps avoid or minimize unanticipated losses being incurred. It is not a one time or period assessment, rather it is a continuous process, which is also an integral part of normal business operations and the management of the entity.

14.2. Risk Management Structure



The function of Risk Management is delegated to the management team of the Company. Fund Managers are responsible for the management of investments portfolios, whereas the research division provides recommendations together with analysis at both macro and micro environment level. The Investment Committee share their insights and knowledge to enhance the quality of the decision-making process. The management team responsible for business and operations, identify and assess the risk involved in the Company and its environment, and adopt risk mitigating actions. Compliance conducts process / compliance audits periodically and provide recommendations to the Board of Directors and Management team in order to improve the internal controls on operations and process, as well as risk management practices.

15. Key Risk Categories

Overall macro-economic conditions and political factors affect the risk profiles of unit trusts. The variations of macro-economic variables like Gross Domestic Product (GDP), interest rate, inflation, exchange rates and changes in the political environment and government policies affect the performance and the variations of returns of the funds.

Unit trust funds are exposed to the following key risks, arising from the nature of its investment objectives and investment strategies.

Money Market Funds		
CT Smith High Yield Fund : Invest in a portfolio of securities that will mature within 397 days.	Default Risk : Loss of capital invested and interest entitled due to a default by the financial institution/ counter party.	Evaluation of financial stability, reputation of the institution which is performed as an ongoing practice as a part of investment process. Consider standard rating criteria in evaluating credit quality.
The investment objective of the fund is to provide an annual income by investing in a portfolio of securities which will mature within 397 days with a lower level of risk.	Interest Rate Risk : Changes to interest rates will cause the values of the instruments in the portfolio to vary which will have a direct bearing on the yield of the fund. This will have an impact on the comparative return of the fund.	Close monitoring of environmental conditions in financial sector. Internal financial institution/ counter party approval process.
		Closely monitoring the behaviour of interest rate determinant factors, and adopt an investment strategy in line with anticipated interest rate trends.
	Liquidity Risk : Insufficient liquidity of the fund to meet investors' redemptions. Losses due to distressed sale of	Maintenance of sufficient amount of allocation into more liquid instruments such as overnight repos and weekly repos.

	instruments caused by lack of marketability.	Maintenance of other assets with a routine maturity cycle.
	Know your clients (KYC)/ Anti-Money Laundering (AML)	Adhere to the relevant KYC documents and proper follow up procedures. Third party verifications on high-risk clients. Cash collections are done through the banks, hence not accepting the cash physically. KYC reviews are conducted on a periodic basis to ensure that existing customer information is kept updated.
Reputation Risk	Risk of losing the trust due to fraudulent activities or mis-selling	Strong Board oversight on matters of strategy, policy, execution and transparent reporting. Effective corporate governance and communication among staff members Proper cultural alignment to manage compliance in proactive and holistic manner. Quality public reporting

16. Compliance Disclosures

Regulatory Requirement	Compliance Status
Managing Company must renew licence by submitting an application three months prior to the expiry	Complied
Managing Company shall at all times maintain the minimum Shareholders' Funds as specified by the SEC from time to time.	Complied
A change in the shareholding of twenty per centum (20%) or more of the total shareholding of a Managing Company shall be made only with prior consent of the SEC.	Complied
Managing Company must maintain adequate systems and resources, enforce functional barriers to protect sensitive information, and ensure proper information recording for regulatory inspection.	Complied
Persons making investment decisions on behalf of the Managing Company shall possess the adequate qualification set out by SEC	Complied
Managing Company shall ensure that a minimum of two persons possessing qualifications and/or experience as set out by SEC, are employed by the Managing Company to make investment decisions in accordance with the investment objective and policy set out in the KIID and the trust deed of the CIS and to deal with Unit Holders.	Complied
A Managing Company and individuals dealing with Unit Holders must ensure CIS transactions align with its objectives, regulations, and risk profile while refraining from intentional cross trades involving personal or related accounts.	Complied
Managing Company shall disclose to the Commission all other business activities it is engaged in at the time of applying for its licence and inform the Commission in writing prior to engaging in any other business activity after obtaining a licence from the SEC.	Complied
Unless approved by the SEC a Managing Company shall be prohibited from buying or selling any securities in its own name or having equity interest in any entity wholly or partly, directly or indirectly engaged in the business of dealing in securities.	N/A

A Managing Company shall not invest the assets of the CIS in the securities issued by a related company of the Managing Company without the prior written consent of the Trustee. All such transactions shall be disclosed in the annual report of the CIS.	N/A
Transactions between the CIS and the Managing Company, its Key Management Person/employee or their immediate family members, as well as transactions with an associate, joint venture, subsidiary, or holding company of the Managing Company, require prior written consent from the Trustee and must be disclosed in the CIS annual report	Complied
A Managing Company may amend its KIID either by the substitution of a completely new memorandum or by the addition or deletion of any information contained therein with the prior approval of the Trustee	Complied
The Managing Company shall give the Unit Holders, not less than one-month prior written communication of any increase in the Managing Company's annual charges, up to the maximum permitted level specified in the trust deed.	Complied
A Managing Company shall maintain and retain for six years records of Unit Holders, including their register, nominees, beneficial owners, unit holdings with fractions, registration dates, and units in issue, with records of redeemed units retained for six years from the redemption date.	Complied
The Managing Company shall ensure that a Unit Holder's information is updated regularly and in any event on an annual basis.	Complied
Managing Company shall have an internal compliance manual applicable to its directors and employees which shall include amongst others adequate compliance procedures and practices	Complied
All advertisements and promotional material in respect of a CIS shall be prepared in accordance with the guidelines contained in Appendix 2 of the CIS Code and No advertisement or promotional material shall be issued or published by the Managing Company on behalf of a CIS, without the prior written approval of the Trustee.	Complied
A Managing Company shall maintain accurate accounting records and books reflecting its transactions and financial position in compliance with Sri Lanka Accounting Standards, ensure they are auditable, and retain them for at least six years.	Complied
Management Company shall provide the financial statements prepared monthly in conformity with the Sri Lanka Accounting Standards signed by a Director and the	Complied

Chief Executive Officer to the Commission before the twentieth (20th) day of the following month.	
An interim report and unaudited accounts shall be produced for each Scheme for the first six months of each annual accounting reporting period and shall contain the same information as required in the annual audited report and accounts but need not contain an auditor's report.	Complied
Interim report and unaudited accounts of a Scheme for a reporting period shall be published on the website of the Management Company and the investors shall be informed of such fact by way of a newspaper advertisement within three (3) calendar months from the end of the interim accounting period.	Complied
Annual report and audited accounts shall be submitted to the Commission by the Management Company within four calendar months after the end of the annual accounting period.	Complied
The annual report and audited accounts shall be forwarded to the Trustee for approval prior to it being submitted to the Commission.	Complied
The annual report and audited accounts shall be made available to current Unitholders of the Scheme and also be published on the website of the Management Company within four calendar months of the end of the last day of the financial year.	Complied
The annual report and audited accounts of a Scheme shall be a stand-alone document and shall not contain any extraneous or financial promotion material.	Complied
Ensure compliance with the CDD rules and related circulars issued by CBSL-FIU.	Complied
Make a quarterly compliance report including the content specified by the Rules approved by the board of Directors and Chief Executive Officer confirming compliance with the provisions of the SEC Act before the 20th day of the following month.	Complied
A money market scheme shall maintain the liquidity levels: 5% of its net asset value maturing on an overnight basis. 10% of its net asset value maturing on a weekly basis. 20% of its net asset value maturing on a monthly basis	 Complied Complied Complied

17. Limitation on Investment

Issuer and Class of Security	Requirement	Compliance Status
(A) Listed Entity Listed Equity Securities	Fifteen per centum (15%) of the NAV of the CIS; or percentage of the NAV which is equivalent to the 'Market Capitalization Percentage' of the Security; whichever is higher, subject to a maximum of ten per centum (10%) of the issued voting share capital of the Listed Entity. For this purpose, 'Market Capitalization Percentage' shall mean the Market Capitalization of the security as a percentage of the total Market Capitalization of the Exchange.	N/A
Unlisted Equity Securities	No investment shall be made in unlisted equity securities of a Listed Entity	N/A
(B) Listed Entity Listed Debt Securities	25% of NAV	N/A
Unlisted Debt Securities	If guaranteed (security) from a Licensed Commercial Bank; 15% of NAV	Complied

	If rated (entity/security) BBB – (minimum rating); 15% of NAV	
(C) Unlisted Entity Listed Debt Securities Unlisted Debt Securities	25% of NAV If guaranteed (security) from a Licensed Commercial Bank; 100/oof NAV. If rated (entity/security) BBB- (minimum rating); 10% of NAV.	N/A Complied
(D) Listed Entity - Aggregate Exposure Listed equity, listed debt and unlisted debt	Aggregate value of *investments* made in *securities* specified under (A) and (B) above in a listed entity shall not exceed twenty-five per centum (25%) of the NAV.	Complied
(E) Unlisted Entity - Aggregate Exposure Listed debt and unlisted debt securities (subject to disclosure Requirements)	Aggregate value of investments made in an unlisted entity as specified in 'C' above shall not exceed twenty-five per centum (25%) *of* the NAV,	Complied
(F) Total exposure with a Commercial Bank, Specialized Bank or a Finance Company Licensed by the CBSL Whether through investments inter a/la Equity,	No investment shall be made with a Commercial Bank, a Specialized Bank or a Finance Company licensed by the Central Bank of Sri Lanka unless such Banks and Finance Companies carry a minimum rating of BBB- or above rated by a Credit	Complied

Debt Security, Deposits, REPOS and Guarantees	Rating Agency licensed by the SEC and shall not exceed twenty-five per centum (25%) of the NAV.	
(G) Investment in Equity Securities through IPO's, Offers for Sale, and Rights Issues	Investments made in Initial Public Offers (IPOs), Offers for Sale and Rights Issues of Equity shall not exceed fifteen per centum (15%) of the NAV at the initial subscription.	N/A
(H) Investments in CIS	Investments in CIS's managed by: (i) the same managing company shall not exceed five per centum (5%) of NAV. (ii) other managing companies shall not exceed ten per centum (10%) of NAV.	N/A

18. Chief Executive Officers Report

I am pleased to present an overview of the performance of the CT Smith High Yield Fund for the year 2025/2026.

Economy at a Glance

Sri Lanka's economy in 2025 continued its growth momentum. Despite the positive growth trajectory in the fourth quarter of 2025 the devastating Cyclone Ditwah impacted the Sri Lankan economy, followed by the US – Iran war that impacted global economies including Sri Lanka which is a net importer of oil. Given the prudent buffers built on the external, monetary and fiscal fronts, we remain confident that the country will successfully navigate the near-term challenges and continue to remain resilient amidst the challenging global environment.

Given the increase in inflation interest rates are expected to remain rather elevated in the near term. This makes fixed income-based unit trust products such as the CT Smith High Yield Fund, an attractive proposition that enables unit holders to obtain a higher return while enjoying the flexibility of withdrawing cash with ease. Moreover, the legislative framework in place including the Central Bank Act and Fiscal Responsibility Act, provides capital market participants with the optimism to invest in markets confidently.

CT Smith's Commitment to Financial Education

At CT Smith AM we are committed to improving financial literacy among the Sri Lankan community by continuously engaging in financial literacy programs on timely topics such as "Personal Financial Management," "Unit Trust as an Alternative Investment Option," and "Current Market Trends." We believe these continuous investor education engagements will improve financial literacy and unit trust penetration levels in Sri Lanka. To reach a younger audience, we leveraged social media channels and WhatsApp broadcasting to engage with the youth and raise awareness regarding their savings and investment needs.

In 2025/2026, one of our key focus areas was to enhance financial literacy beyond the Western Province to promote shared financial growth for those under-represented in financial markets. We have leveraged our digital platforms and financial literacy programs to make unit trust investments more accessible to all Sri Lankans. We are breaking down barriers to entry and fostering financial literacy, thereby paving the way for collective prosperity where every Sri Lankan can participate in and benefit from the country's capital markets growth.

Outlook

Given the solid policy frame, we remain optimistic for FY 2026/2027. We believe the local economy will continue on its upward growth trajectory despite near term risks which may pose market volatility in the next few months. It's our belief that volatility presents opportunity and the team at CT Smith is well experienced to navigate uncertainty and take well informed investment decisions.

Appreciation

I take this opportunity to thank our valued unitholders for the confidence placed in us. We also place on record our appreciation for the unstinted support extended by the Securities and Exchange Commission of Sri Lanka, our Trustee Hatton National Bank, Board of Directors at CT Smith AM and the dynamic team at CT Smith AM who has made this a success a possibility.

While we celebrate yet another year of success, we remain grounded in our belief that the pursuit of excellence is an ongoing journey. In line with this, we are setting our sights on innovation, operational efficiency and client-centricity as we continue to build the future of capital markets in Sri Lanka.

Signed

Bimanee Meepagala

Director / Chief Executive Officer

CT Smith Asset Management (Pvt) Ltd

FUND MANAGER REPORT
High Yield Fund

Dear Investor,

We take pleasure in presenting the Annual Report of the CT Smith High Yield Fund for the year ended 31st March 2026.

The Net Asset Value per unit of your Fund appreciated by 8.18% during the financial year ended 31st March 2026 (FY26) compared to a gain of 9.88% during the twelve months ended 31st March 2025. Resultantly, the Net Asset Value per unit as at 31st March 2026 stood at LKR 20.4405

Economic Review

The Sri Lankan economy continued its healthy growth momentum in 2025 anchored by sustained fiscal discipline and accommodative monetary policy. Resultantly, the Sri Lankan economy recorded a growth of +5.0%[2] in 2025 compared to an expansion of +5.0%[2] recorded in the preceding year. The growth in real GDP was broad based with all three sectors of the economy witnessing YoY growth.

	2023		2024		2025	
	% Growth	% of GDP	% Growth	% of GDP	% Growth	% of GDP
Agriculture	1.6	7.8	0.6	7.5	1.4	8.4
Industry	-9.2	25.3	11.0	26.7	7.8	25.4
Services	-0.2	60.7	2.4	59.2	3.3	54.6
GDP	-2.3		5.0		5.0	

Source: Statistics Department

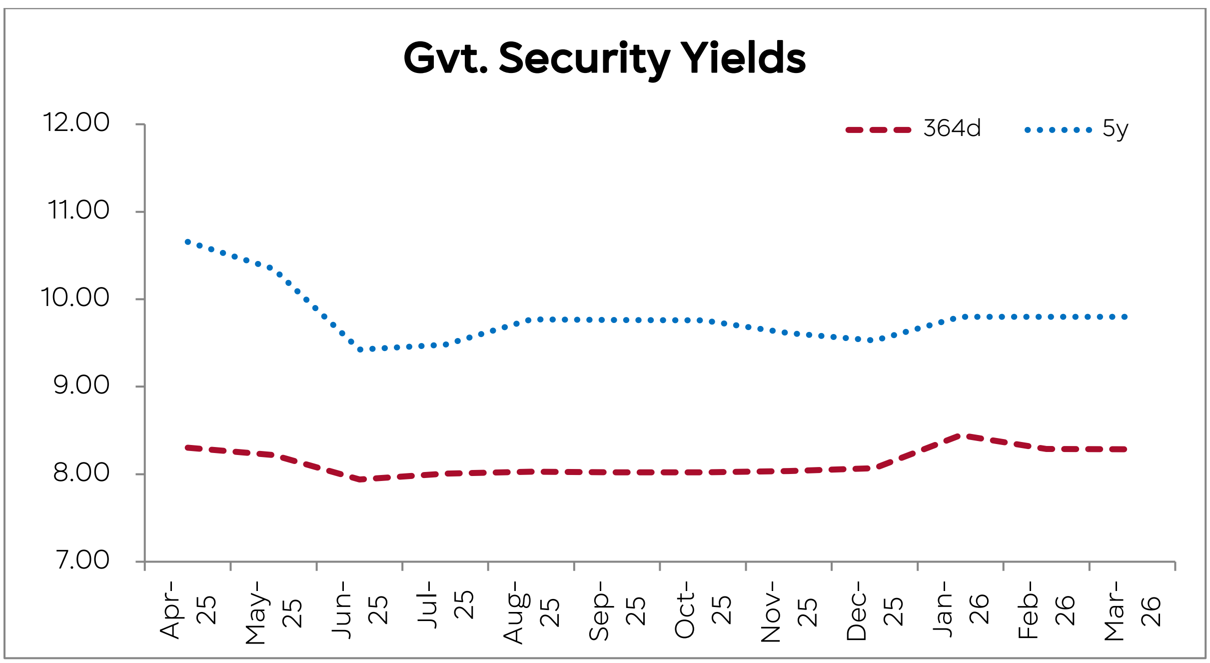
As per the World Economic Outlook (WEO) of the International Monetary Fund (IMF), global growth is projected to decelerate to 3.1%[3] in 2026E before improving to 3.2%[3] in 2027E largely due to the US/Israel's war on Iran and its resultant impact on global supply chains and headline inflation.

Interest Rate Environment

	Nov-24	May-25
Overnight Policy Rate (%)	8.00	7.75
Statutory Reserve Ratio (%)	2.00	2.00

Source: CBSL

The Central Bank of Sri Lanka maintained its accommodative monetary policy stance throughout FY26 delivering a solitary 25 bps rate cut in May 2025. Meanwhile, accelerated foreign exchange reserve building efforts kept banking sector liquidity at healthy levels. Moreover, single digit lending rates, stronger demand conditions and the removal of the vehicle import ban in February 2025 drove private sector credit growth momentum throughout FY26, recording +27.0% YoY[1] growth in March 2026.



Source: CBSL

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Pvt. Sector Credit Growth (%)	24.1	26.0	25.2	26.0	28.0	27.0

Source: CBSL

External Trade

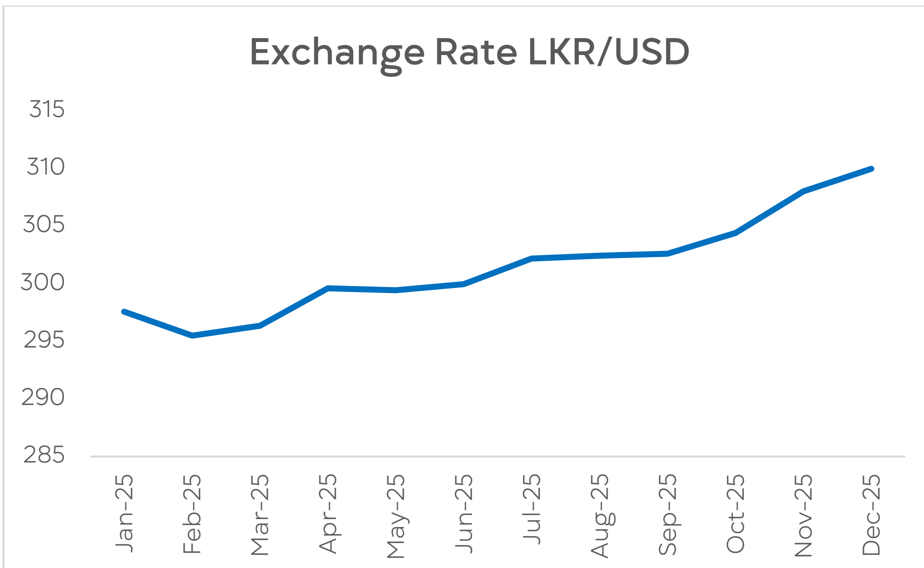
Merchandise Trade deficit continued to widen in 2025 to nearly USD 8bn[1] as the growth in imports outpaced the growth in exports. Industrial exports rose +5.2%[1] YoY in 2025 led by a notable increase in food, beverage and tobacco exports which grew +37.4%[1]. Sri Lanka's largest export sector, apparel and textiles, recorded a modest +5.0%[1] YoY growth. Consumer goods imports surged +59.2%[1] YoY owing to a 24-fold rise in personal vehicle imports following the removal of import restrictions. Meanwhile, intermediate goods imports declined marginally aided by -7.2%[1] YoY decline in fuel imports. Excluding personal vehicle and fuel, Sri Lanka's import bill rose +9.8%[1] YoY in 2025. Investment goods imports posted a healthy +18.6%[1] YoY growth indicative of improving capex spending appetite in the economy. Despite the widening of the merchandise trade deficit, the economy recorded a current account surplus for 2025 aided by a strong increase in contributions from Sri Lankans working abroad (+22.8%[1] YoY)

(In USD Mn)	2024	2025	YoY Growth (%)	Oct-25	Nov – 25	Dec-25
Exports	12,772	13,581	*6.3%*	1,150	1,058	1,158
Imports	18,841	21,480	*14.0%*	2,157	1,778	2,155
Trade Balance	-6,069	-7,899		-1,007	-720	-997
Worker's Remittances	6,575	8,076	*22.8%*	712	673	879
Tourism	3,169	3,219	*1.6%*	186	252	309
Current Account Balance	1,316	1,719	*30.6%*	-219	67	18

Source: CBSL

Exchange Rate Environment

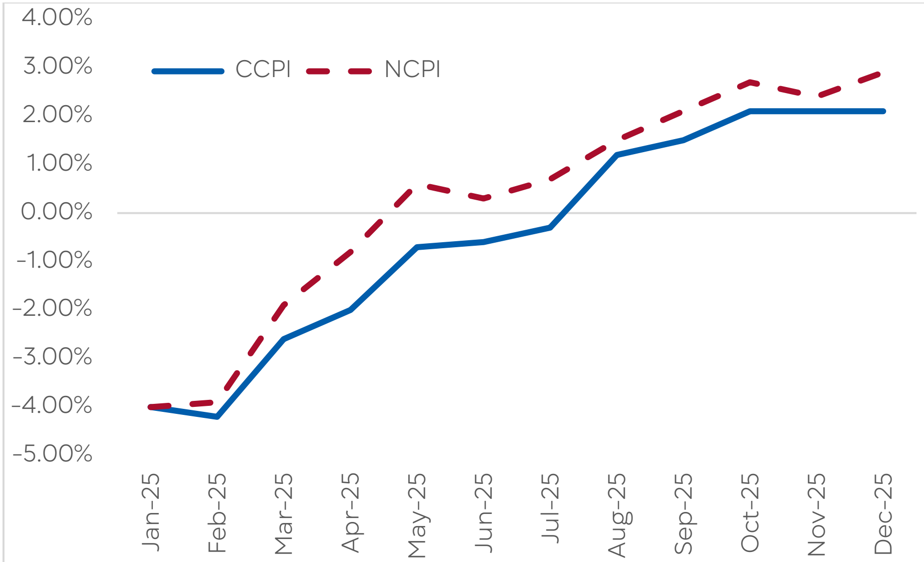
Following two consecutive years of double-digit appreciation against the USD, LKR slipped -5.6%[1] YoY to Rs.309.99 as of 31st December 2025. Although, Sri Lanka grew its external current account surplus in 2025, we attribute the LKR weakness to sustained dollar purchases by the CBSL to meet Net International Reserves targets under the IMF Program and elevated foreign currency debt repayments. Sri Lanka's gross official reserves improved to an estimated US6.9$bn[1] as of end May 2026 (including a PBoC Swap that has conditionality on usability).



Source: CBSL

Inflation

The Headline inflation, as measured by the year-on-year change in the Colombo Consumer Price Index (CCPI, 2021=100) continued its deflationary path till July 2025 before turning mildly positive. Inflation remained below the lower bound of the CBSL's medium term target range of 3-7% as of end December 2025. Pass through of lower fuel prices and stable global commodity prices mitigated inflationary pressures despite a notable improvement in demand conditions. However, sharp increases in global energy prices following the onset of the war in Iran and its second order impacts have pushed headline inflation above the CBSL's medium-term target of 5.0% in April 2026 (+5.5%[2] in May 2026; CCPI, 2021=100)



Source: CBSL

Fiscal Accounts

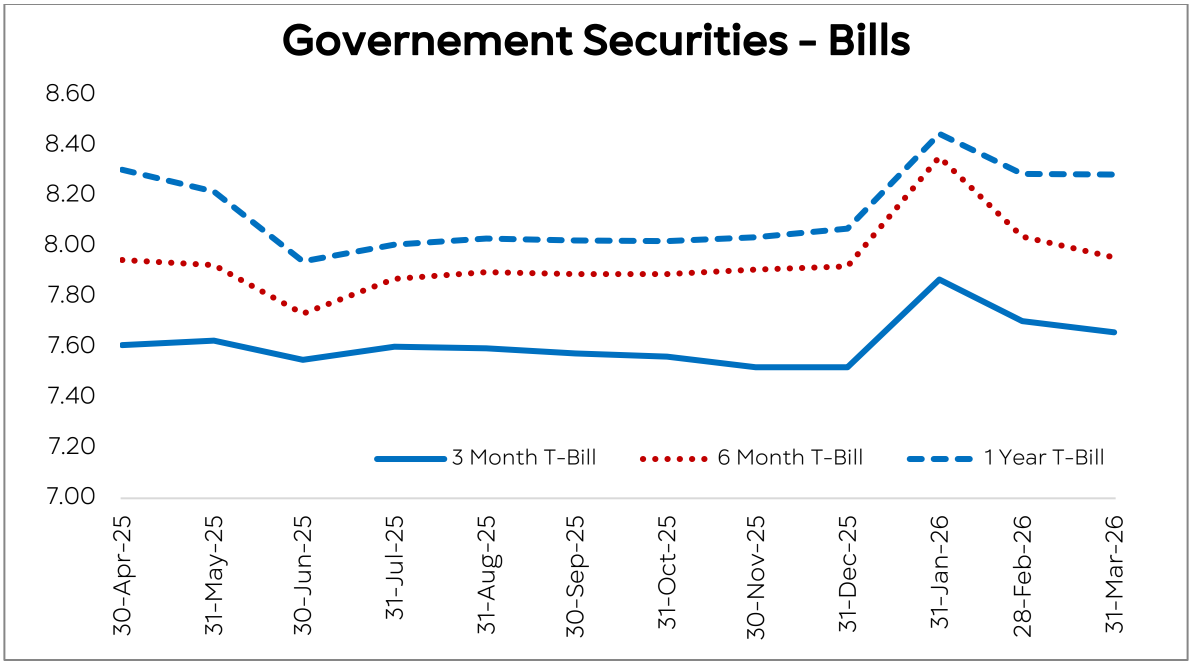
Fiscal revenue reached ~Rs.5.5tn[5] (16.7% of GDP) recording a notable growth of +34.1%[5] YoY driven by revenue generated from the resumption of motor vehicle imports and higher taxes on goods and services on the back of improved economic activities. Taxes on income improved +11.0% YoY aided by higher corporate profitability and better tax revenue collection/administration. Resultantly, the government of Sri Lanka comfortably met the IMF's quantitative performance targets in terms of tax revenue collection and primary surplus for 2025. Recurrent expenditure as a % of GDP reduced to 16.0%[5] amid a decline in interest payments and lower spending on goods and services. However, the government of Sri Lanka continued to underutilize its public investment budget with capex spending accounting for only 3.1% of GDP. Moreover, the government of Sri Lanka announced a supplementary budget re-allocating Rs.500bn towards Ditwah related reconstruction and relief efforts. Resultantly, the primary surplus for 2026E was revised down to 1.0% of GDP from the previously estimated 2.5%. As per the combined fifth and sixth review of the IMF EFF program, government revenue to GDP is projected to normalize to 15.2%[3] and 15.1%[3] by 2026E and 2027E, respectively, primarily due to an anticipated normalization of vehicle imports following the surge in 2025.

Item	2023 LKR Bn	2024 LKR Bn	2025 (Provisional) LKR Bn	2026 (Estimates) LKR Bn
Total Revenue	3,074	4,091	5,486	5,300
As a % of GDP	*11.1*	*13.6*	*16.7*	*15.4*
Total Expenditure	5,357	6,131	6,230	7,557
Primary Surplus / (Deficit)	173	650	1,756	360
As a % of GDP	*0.6*	*2.2*	*5.4*	*1.0*

Source: Ministry of Finance, Budget 2026 and Supplementary Budget 2026

High Yield Fund overview

The Central Bank of Sri Lanka (CBSL) maintained its accommodative monetary policy stance throughout FY26 delivering a solitary rate cut of 25bps in May 2025 and leaving the Statutory Reserve Ratio unchanged at 2.0%. Resultantly, the G-sec yields continued to ease with the 364-day treasury bill and the 5-year bond easing by 23bps and 81bps, respectively in the period between March 2025 and December 2025. Mildly positive inflation, fiscal outperformance and improved banking sector liquidity amid higher worker remittances and the CBSL's foreign exchange reserve building efforts anchored market interest rates to the policy rate. However, yields reversed this downward trend in late December 2025 - January 2026 due to supply chain disruptions caused by cyclone Ditwah and the GoSL's decision to re-allocate part of its treasury cash buffers towards rebuilding efforts. G-sec yields eased again in February and March as supply chain disruptions caused by cyclone Ditwah proved to be short-lived leading to a fairly stable financial year for Sri Lankan government securities despite the global uncertainties. As of end March 2026, The 91 days, 182 days and 364 days, Treasury bills yielded a primary auction yield of 7.64%[1], 7.95%[1] and 8.32%[1], respectively.



Source: CBSL

Asset Allocation

The fund continued to shift asset allocation towards Fixed Deposits and Corporate debt during FY26 as G-sec yields remained broadly stable during most of the financial year amid lower policy rates and reduced risk premia attached to fiscal missteps. Fund's investments in Fixed Deposits, Corporate Debt and Corporate Savings instruments fully meet the investment grade criteria as per ratings issued by Fitch Ratings and/or Lanka Ratings Agency. As of 31 March 2026, 83.7% of the funds' investments were in A- or above rated instruments.

Asset Type	Government Securities	Fixed Deposits	Corporate Debt	Cash	Corporate Saving
Allocation - March 2025	33.1%	56.6%	9.9%	0.0026%	0.4%
Allocation - March 2026	9.3%	72.9%	16.8%	0.0004%	1.0%

Fund Performance

The fund generated an after tax income of LKR 534 Million for the Financial Year ended 31st March 2026.

Performance as at 31st March, 2026				
Period	3 months	6 months	12 months	24 months
Performance	1.99%	4.03%	8.18%	18.86%

Outlook for the High Yield Fund

We are of the view that the policy easing cycle which began in mid-2023 has essentially come to an end with the CBSL delivering a policy rate hike in May 2026. As per the projections of the Central Bank of Sri Lanka, headline inflation is expected to remain above its medium target of 5% in the near term. However, with the worse of the US/Israel's war against Iran likely behind us, we expect supply chain bottlenecks and imported inflation to ease in the upcoming months. Additionally, cash buffers maintained by the treasury and a gradual improvement in money market liquidity should allow the CBSL to raise funds at primary auctions without significant interest rate pressures. We continue to remain reasonably confident that the Central Bank of Sri Lanka will execute its flexible inflation targeting regime by anchoring inflation expectations to the desired 5% levels over the medium term. However, downside risks to our forecast remain in the form of frequent and widespread geopolitical tensions which have occasionally caused volatility in crude oil prices and led to LKR weakness (amid repayment of external debt and a strong private sector credit momentum) which could exert upward pressure on inflation and market interest rates. As of 31 March 2026, the fund maintained an average duration of 5.1 months in order to take advantage of any upward pressure in deposit rates caused by the prevailing geopolitical uncertainities and continued growth momentum in private sector lending.

Sources

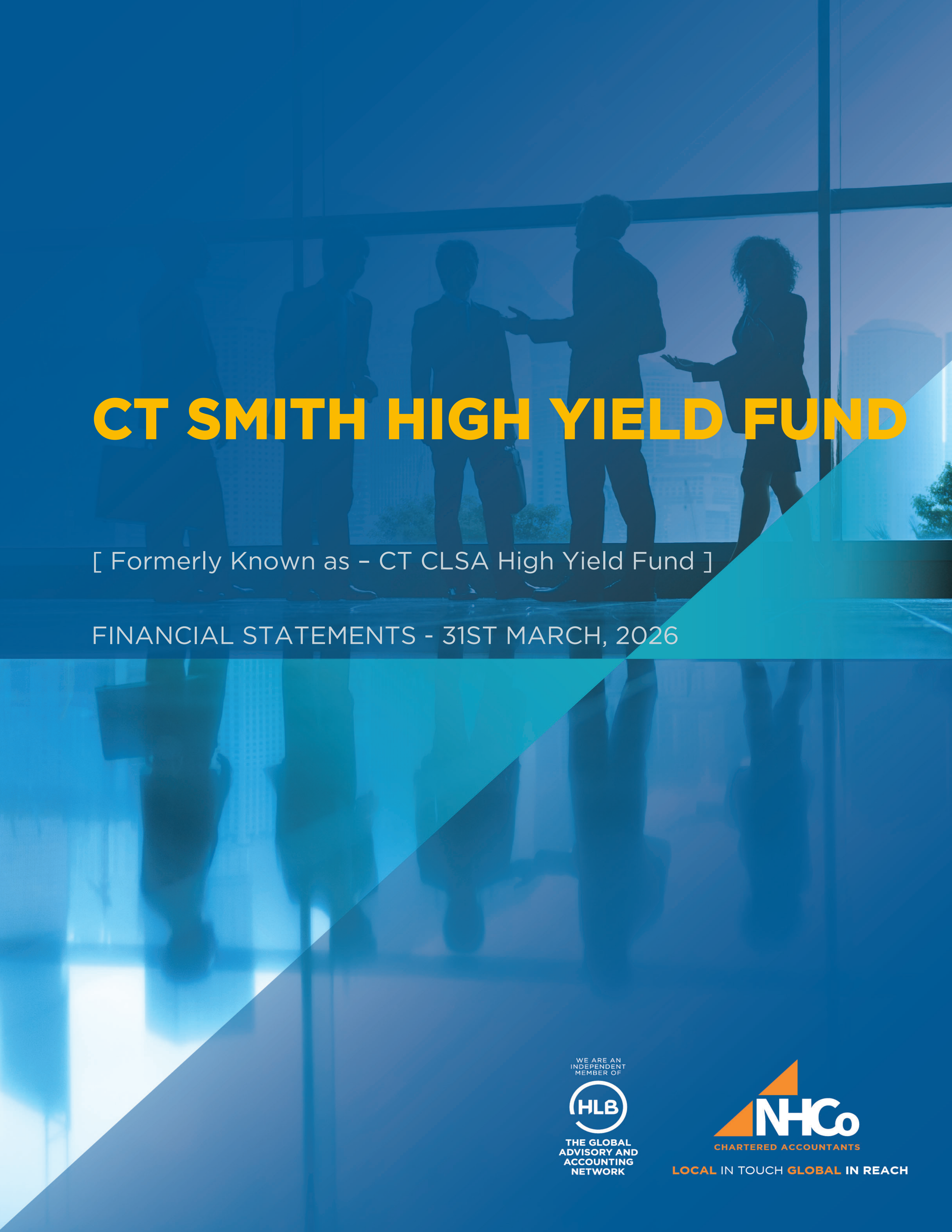
[1] The Central Bank of Sri Lanka (www.cbsl.gov.lk)

[2] The Department of Census and Statistics (www.census.gov.lk)

[3] International Monetary Fund (www.imf.org)

[4] Finance, Planning and Economic Development (www.treasury.gov.lk)

Auditor Financial Statement



CT SMITH HIGH YIELD FUND

[Formerly Known as – CT CLSA High Yield Fund]

FINANCIAL STATEMENTS - 31ST MARCH, 2026

WE ARE AN INDEPENDENT MEMBER OF

HLB THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

NHCo CHARTERED ACCOUNTANTS

LOCAL IN TOUCH GLOBAL IN REACH

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CT SMITH HIGH YIELD FUND [FORMERLY KNOWN AS CT CLSA HIGH YIELD FUND]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **CT Smith High Yield Fund [formerly known as CT CLSA High Yield Fund].**, (the Fund), which comprise the statement of financial position as at March 31, 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at March 31, 2026, 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.

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Erandi Weerasuriya FCA, BSc (Mgt.Pub)Sp,
Nadeeka Suranjana ACA, Bsc(Acc)Sp.

Tax Director :
Dinusha Ilankoon BB.Mgt Accountancy(Sp),CTA

Other Information

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance

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 Group'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 Group 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.

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 SLAuSs, 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 controls 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 internal controls of the Fund.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The financial statements have been prepared and presented in accordance with and comply with the requirements of the Unit Trust Deed and Collective Investment Scheme Code of Securities and Exchange Commission of Sri Lanka.

Nihal Hettiarachchi & Co

COLOMBO,
July 23, 2026

NIHAL HETTIARACHCHI & CO.,
Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH

	NOTES	2026 Rs.	2025 Rs.
INVESTMENT INCOME			
Income from investments	(05)	603,224,271	759,470,322
OPERATING EXPENDITURE			
Management fees		41,640,635	45,018,096
Trustee & custodian fees		16,946,531	18,292,481
Audit fees & tax fees		295,587	349,744
Audit fees (over) / under provision		(62,459)	15,000
Withholding tax expense		9,446,045	-
Bank charges		343,790	406,243
Total operating expenditure		68,610,129	64,081,564
Net operating profit		534,614,142	695,388,758
Profit before tax		534,614,142	695,388,758
Adjustment for prior year over / (under) provision for tax	(06)	-	-
Profit after tax		534,614,142	695,388,758
Total comprehensive income		534,614,142	695,388,758
Increase in net assets attributable to unit holders		534,614,142	695,388,758

The significant accounting policies and notes from pages 6 to 28 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH

	NOTES	2026 Rs.	2025 Rs.
ASSETS			
Current assets			
Cash and cash equivalents	(07)	56,057,767	26,647,633
Financial assets - at amortised cost	(08)	5,607,387,746	7,510,728,146
Other receivables - (Corporate Savings)	(09)	14,517	7,426
Total assets		5,663,460,030	7,537,383,205
EQUITY AND LIABILITIES			
Unit Holders' fund and liabilities			
Liabilities			
Accrued expenses and other payables	(10)	348,296,049	17,142,436
Total liabilities		348,296,049	17,142,436
Unit Holders Funds			
Net assets attributable to unit holders	(11)	5,315,163,981	7,520,240,769
Total unitholders' Funds and Liabilities		5,663,460,030	7,537,383,205

The Management Company is responsible for the preparation and presentation of these financial statements and these financial statements were approved by the Board of Directors of the Management Company. Signed for and on behalf of the Management Company and Trustee.

Director
(CT Smith Asset Management (Pvt)Ltd)

Director
(CT Smith Asset Management (Pvt)Ltd)

Trustee
(HNB Bank PLC)

July 23, 2026

The significant accounting policies and notes from pages 6 to 28 form an integral part of these financial statements.

STATEMENT OF CHANGES IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED 31 MARCH

	Unit Capital Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01st April 2024	4,507,262,472	1,277,350,256	5,784,612,728
Decrease due to unit redemption during the year	(14,526,271,095)	-	(14,526,271,095)
Increase in net assets attributable to unit	15,566,510,378	695,388,758	16,261,899,136
Dividend distribution to Unit Holders	-	-	-
Balance as at 31 March 2025	5,547,501,755	1,972,739,014	7,520,240,769
Balance as at 01st April 2025	5,547,501,755	1,972,739,014	7,520,240,769
Decrease due to unit redemption during the year	(11,076,088,119)	-	(11,076,088,119)
Increase in net assets attributable to unit	8,336,397,189	534,614,142	8,871,011,331
Dividend distribution to Unit Holders	-	-	-
Balance as at 31 March 2026	2,807,810,825	2,507,353,156	5,315,163,981

The significant accounting policies and notes from pages 6 to 28 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH

		2026 Rs.	2025 Rs.
Cash flows from operating activities			
Net interest received		603,785,982	790,618,980
Interest (Write-off) / written back		(568,802)	1,194,013
Net investments in repurchase agreements		1,289,815,438	(515,000,000)
Net investments in commercial paper		96,014,164	(101,065,822)
Net investments in fixed deposits		117,435,593	(2,995,000,000)
Net investment in assets backed securities		(279,729,406)	191,384,344
Net investment in treasury bills		679,804,610	1,594,771,551
Investment in treasury bond		-	318,614,640
Withdrawal of treasury bond		-	(318,614,640)
Advanced received in creations		335,470,950	-
Fees and expenses paid		(72,927,465)	(58,912,259)
Net cash generated from / (absorbed in) operating activities		2,769,101,064	(1,092,009,193)
Cash flows from financing activities			
Payments for redemptions by unit holders		(11,076,088,119)	(14,529,748,519)
Proceeds from applications by unit holders		8,336,397,189	15,566,510,378
Net cash (absorbed in) /generated from financing activities		(2,739,690,930)	1,036,761,859
Net increase / (decrease) in cash and cash equivalents		29,410,134	(55,247,334)
Cash and cash equivalents at the beginning of the year		26,647,633	81,894,967
Net Cash inflow		56,057,767	26,647,633
Cash and cash equivalents at the end of the year	(Note 7)	56,057,767	26,647,633

The significant accounting policies and notes from pages 6 to 28 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(01) GENERAL INFORMATION

CT Smith High Yield Fund (Formerly Known as – CT CLSA High Yield Fund) ('the Fund') is an open-ended Collective Investment Scheme (CIS) approved by The Securities & Exchange Commission of Sri Lanka on 28 December 2011.

CT Smith Asset Management (Private) Limited (Former name – CT CLSA Asset Management (Pvt) Ltd) is the managing company of CT Smith High Yield Fund (Formerly Known as – CT CLSA High Yield Fund) while Hatton National Bank has been appointed as the Trustee, from 31 January 2019.

The registered office and place of the business is of the Collective Investment Scheme (CIS) is located at 4-15, Majestic City, No 10, Station Road, Colombo 4.

The principal place of operation in Sri Lanka of the Trustees is Hatton National Bank PLC, a bank duly incorporated in the said Republic of Sri Lanka having its Head office at No. 479 T.B. Jayah Mawatha, Colombo 10.

1.1 Principal activities

The CT Smith High Yield Fund is an Open-Ended Money Market Fund investing in Government Securities, Investment Grade Short Term Corporate Debt & Bank Deposits.

1.2 Date of authorization for issue

The financial statements of the fund for the year ended 31 March 2026 were authorized for issue by the fund Management Company and the Trustee on 23rd July, 2026.

(02) BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements which comprise the statement of financial position as at 31 March 2026, statement of profit or loss and other comprehensive income, statement of in net assets attributable to unit holders and statement of cash flows 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 and the requirements of the Trust Deed and Collective Investment Scheme (CIS) Code of 2022.

(a) Accounting Standards and amendments to existing standards effective for the year ended 31.03.2026 and Accounting Standards issued but not yet effective as of the reporting date 31.03.2026

i. There are no standards, amendments to standards, or interpretations effective for the year ended 31.03.2026 that have a material impact on the financial statements of the fund.

ii. There are no new standards, amendments to standards, or interpretations issued but not yet effective that would have an impact on the financial statements of the fund.

Notes to the financial statements continued on page 7.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(02) BASIS OF PREPARATION (CONTINUED)

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements.

2.3 Statements of cash flows

The statements of cash flows have been prepared using the “Direct Method” of preparing cash flows in accordance with the Sri Lanka Accounting Standard LKAS 7 – “Statement of Cash Flows”. Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.4 Functional and presentation currency

The financial statements are presented in Sri Lanka Rupees, which is the Collective Investment Scheme (CIS)’s functional currency.

2.5 Comparative Information

The comparative information is re-classified wherever necessary to conform with the current year’s classification in order to provide a better presentation. The details of such re-classifications have been provided in the notes to the financial statements.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with the Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the relevant Notes as follows.

- Recognition and measurement of financial instruments (Note 4(i))
- Identification, measurement and assessment of impairment (Note 4(ii))

Notes to the financial statements continued on page 8.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(02) BASIS OF PREPARATION (CONTINUED)

2.7 Going concern

The management has made an assessment of the Collective Investment Scheme (CIS)'s ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Collective Investment Scheme (CIS)'s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(03) MATERIALITY AND AGGREGATION

Each material class of similar item is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

(04) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently throughout the period of financial statements, unless otherwise indicated.

a) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to financial assets of one entity and a financial liability or equity instrument of another entity.

i. Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets contractual cash flow characteristics and the Collective Investment Scheme (CIS) business model for managing them. At initial recognition, the Fund measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of profit or loss.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Notes to the financial statements continued on page 9.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Financial instruments – initial recognition and subsequent measurement (Continued)

i. Financial Assets (Continued)

Initial recognition and measurement

The Collective Investment Scheme (CIS)'s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Collective Investment Scheme (CIS) commits to purchase or sell the assets.

Subsequent measurement

For purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and loss (debt instrument)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de recognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gain and losses recognized in profit or loss when the asset is derecognized, modified or impaired.

The Collective Investment Scheme (CIS)'s financial assets at amortized cost includes fixed deposits, commercial papers and repurchase agreements.

Derecognition

Financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the assets have expired or
- The Collective Investment Scheme (CIS)'s has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Collective Investment Scheme (CIS) has transferred substantially all the risks and rewards of the asset, or (b) the Collective Investment Scheme (CIS) has neither transferred or retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the financial statements continued on page 10.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Financial instruments – initial recognition and subsequent measurement (Continued)

ii. Impairment

The Collective Investment Scheme (CIS) recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months *(a 12-month ECL)*.For those credit exposures from which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (*a lifetime ECL*).

The Collective Investment Scheme (CIS) uses the ratings from either Fitch rating Lanka Limited or ICRA Lanka Limited as applicable to determine the significant deterioration in credit risk and to estimate the ECLs.

Consistent with the policies of the Fund, investments when rated below BBB- are considered as non-investment grade investments and the Fund considers such investments as having incurred significantly deteriorated credit risk. Such investments are considered for life time ECL calculation.

Further, movements within the ratings of the investment grade stipulate significant deterioration of credit risk. Significant deterioration is measured through a two notches downgrade of the external credit rating of the counterparty since the origination of the instrument.

For debt instruments at Amortized cost, the Collective Investment Scheme (CIS) applies the low credit risk simplification. At every reporting date. The Collective Investment Scheme (CIS) evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Collective Investment Scheme (CIS) reassesses the external credit rating of the debt instrument. In addition, the Collective Investment Scheme (CIS) considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

It is the Collective Investment Scheme (CIS)'s policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The group uses the ratings from the Fitch rating Lanka Limited or ICRA Lanka both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Notes to the financial statements continued on page 11.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Dividend Payable

Dividend Payable is recognized at the time the dividend is recommended and declared by the Board of Directors.

c) Provision

A provision is recognized if, as a result of a past event, the Collective Investment Scheme (CIS) has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

d) Commitments and contingencies

All discernible risks are accounted for in determining the amount of all known liabilities.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligation where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the statement of financial position but are disclosed unless they are remote.

e) Interest

Interest income and expenses are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability. (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability When calculating the effective interest rate, the Collective Investment Scheme (CIS) estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Interest income and expenses presented in the statement of comprehensive income include interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis and fair value changes in qualifying derivatives.

Fai value changes on all other financial assets and liabilities carried at fair value through profit or loss, are presented in net trading income in the statement of comprehensive income.

f) Expenses

All expenses, including management fees and trustee fees, are recognized in profit or loss on accruals basis.

g) Income tax expenses

According to the provisions of the Inland Revenue Act No. 24 of 2017 (with effect from 01 April 2018), if the unit trust conducts an eligible investment business. It will be treated as “pass-through vehicle” and the tax on income earned by the unit trust will be payable by the unit holders. Therefore, the adjusted profit calculated for the period from 01 April 2020 to 31 March 2021 will not be considered as a part of assessable income of the unit trust for the Y/A 2020/2021.

Notes to the financial statements continued on page 12.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Offsetting

Current tax assets and liabilities and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority, there is a legal right and intentions to settle on a net basis and it is allowed under the tax law of the relevant jurisdiction.

i) Distributions

In accordance with the trust deed, the Fund distributes income adjusted for amounts determined by CT Smith Asset Management (Private) limited, to unit holders by cash or reinvestment. The distributions are recognized in the statement of changes in unit holder's funds.

j) Increase/Decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders.

k) Application and redemptions

Applications received for units in the Fund are recorded at creation price. Redemptions from the fund are recorded at redemption price of units redeemed.

l) Offsetting income and expenses

Income and expenses are not offset unless required or permitted by the Sri Lanka Accounting Standards.

m) Offsetting assets and liabilities

Assets and liabilities are offset and the net amount reported in the statements of financial position only where there is;

- A current enforceable legal right to offset the asset and liability; and
- An intention to settle on a net basis, or to relies the asset and settle the liability simultaneously.

n) Events occurring after the reporting period

Events occurring after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date the financial statements are authorized for issues.

All material and important events that occurred after the reporting date have been considered and appropriate disclosures are made in the financial statements.

Notes to the financial statements continued on page 13.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2026 Rs.	2025 Rs.
(05) INCOME FROM INVESTMENTS		
Interest income on T.Bills primary	18,791,998	244,035,147
Interest on repurchase agreements	100,948,252	153,298,897
Interest on commercial papers	68,191,691	57,443,750
Interest income on corporate savings	1,978,961	3,450,546
Interest income on asset backed securities	28,381,966	40,115,702
Interest on fixed deposits	385,500,205	240,106,631
Interest income on government bonds	-	19,825,636
Interest (write -off) / written back	(568,802)	1,194,013
	603,224,271	759,470,322
(06) INCOME TAX EXPENSE		
(6.1) Current tax expense		
Adjustment for prior year over / (under) provision for tax	-	-
	-	-

CT Smith High Yield Fund is a Collective Investment Scheme (CIS) licensed by the Securities and Exchange Commission of Sri Lanka. Collective Investment Scheme (CIS) is defined as "Pass through vehicle" and is not taxed as an entity from the year of assessment 2018/19 onwards in accordance with the Inland Revenue Act, No. 24 of 2017 and the amendments thereto. The fund has calculated its income tax expense at the rate of 10% up to 31 March 2018 in accordance with the previous Inland Revenue Act, No. 10 of 2006 amendment thereon.

		2026 Rs.	2025 Rs.
(07) CASH AND CASH EQUIVALENTS			
Favourable balances			
Current accounts			
Cash at bank - HNB		25,000	25,000
Corporate savings account	(Note 7.1)	56,032,767	26,622,633
Cash and cash equivalents for the purpose of statement of cash flow		56,057,767	26,647,633

(7.1) Investments in Corporate Savings

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2026 Amortised Cost Rs.
Hatton National Bank	8.00%	3/31/2025	4/1/2026	34,799,774	34,799,774
Cargills Bank Limited	8.75%	3/31/2025	4/1/2026	21,222,993	21,222,993
DFCC Bank	6.00%	3/31/2025	4/1/2026	10,000	10,000
				56,032,767	56,032,767

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2025' Amortised Cost Rs.
Hatton National	8.00%	3/31/2024	4/1/2025	5,730,000	5,730,000
Cargills Bank Lir	8.75%	3/31/2024	4/1/2025	20,882,632	20,882,632
DFCC Bank	6.00%	3/31/2024	4/1/2025	10,000	10,000
				26,622,633	26,622,633

Notes to the financial statements continued on page 14.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(08) FINANCIAL ASSETS - AT AMORTISED COST

		2026 Rs.	2025 Rs.
T. Bills primary	(Note 8.1)	-	679,804,611
Repurchase agreements	(Note 8.2)	528,362,672	1,818,178,110
Commercial papers	(Note 8.3)	509,943,999	605,958,164
Asset Backed Securities	(Note 8.4)	420,624,589	140,895,183
Fixed deposits	(Note 8.5)	4,148,456,486	4,265,892,078
		5,607,387,746	7,510,728,146

(8.1) Investment in T.Bills Primary

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2026 Amortised Cost Rs.
-	-	-	-	-	-
				-	-

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2025 Amortised Cost Rs.
Wealth Trust Securities Ltd	9.90%	5/10/2024	5/9/2025	45,495,900	49,529,893
Wealth Trust Securities Ltd	9.79%	11/18/2024	5/16/2025	190,812,400	197,690,268
Wealth Trust Securities Ltd	8.92%	12/6/2024	6/6/2025	95,730,400	98,451,683
Wealth Trust Securities Ltd	9.03%	12/6/2024	12/5/2025	91,717,900	94,357,250
Wealth Trust Securities Ltd	9.08%	12/6/2024	12/5/2025	91,675,800	94,328,567
Capital Alliance	9.95%	8/5/2024	8/1/2025	136,527,450	145,446,949
				651,959,850	679,804,611

(8.2) Investment in repurchase agreements

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2026 Amortised Cost Rs.
DFCC	8.70%	1/2/2026	5/4/2026	50,000,000	51,060,685
Wealth Trust Securities Ltd	8.25%	10/27/2025	4/27/2026	50,000,000	51,763,015
DFCC	7.80%	3/17/2026	4/6/2026	150,000,000	150,480,822
HNB Securities Ltd	7.70%	3/31/2026	4/2/2026	175,000,000	175,036,918
HNB PLC	7.75%	3/31/2026	4/2/2026	100,000,000	100,021,233
				525,000,000	528,362,672

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2025 Amortised Cost Rs.
Capital Alliance	8.05%	3/14/2025	6/13/2025	150,000,000	150,595,479
Capital Alliance	8.08%	3/18/2025	8/18/2025	150,000,000	150,464,877
Pan Asia Banking	8.05%	3/24/2025	4/1/2025	50,000,000	50,088,219
Pan Asia Banking	8.00%	3/28/2025	4/1/2025	125,000,000	125,109,589
HNB Securities Limited	8.00%	3/7/2025	4/7/2025	100,000,000	100,547,945
HNB Securities Limited	7.95%	3/28/2025	4/1/2025	235,000,000	235,204,740
First Capital Treasuries Ltd.	10.00%	10/16/2024	10/15/2025	50,000,000	52,287,671
First Capital Treasuries Ltd.	8.80%	12/23/2024	4/23/2025	500,000,000	511,934,247
First Capital Treasuries Ltd.	8.75%	12/27/2024	4/28/2025	50,000,000	51,138,699
First Capital Treasuries Ltd.	8.50%	1/22/2025	7/23/2025	235,000,000	238,776,096
First Capital Treasuries Ltd.	8.10%	1/30/2025	4/30/2025	150,000,000	152,030,548
				1,795,000,000	1,818,178,110

Notes to the financial statements continued on page 15.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(08) FINANCIAL ASSETS - AT AMORTISED COST (CONTINUED)

(8.3) Investments in commercial papers

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2026 Amortised Cost Rs.
LOLC Holdings PLC	11.15%	1/26/2026	4/24/2026	100,000,000	101,787,055
LOLC Holdings PLC	11.15%	1/30/2026	4/30/2026	104,967,040	106,727,424
LOLC Holdings PLC	10.35%	3/3/2026	4/2/2026	100,000,000	100,740,096
LOLC Holdings PLC	10.35%	3/6/2026	4/6/2026	100,000,000	100,663,534
LOLC Holdings PLC	10.50%	3/31/2026	4/30/2026	100,000,000	100,025,890
				504,967,040	509,943,999

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2025 Amortised Cost Rs.
LOLC Holdings PLC	11.00%	2/21/2025	5/21/2025	150,000,000	151,674,864
LOLC Holdings PLC	11.00%	2/28/2025	5/28/2025	125,000,000	126,145,205
LOLC Holdings PLC	9.75%	3/3/2025	4/3/2025	175,000,000	176,287,868
LOLC Holdings PLC	9.50%	3/11/2025	4/11/2025	151,065,822	151,850,226
				601,065,822	605,958,164

(8.4) Investments in Asset Back Securities

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2026 Amortised Cost Rs.
Singer Finance PLC	10.10%	12/2/2025	8/29/2026	50,000,000	51,494,246.58
Richard Pieris Finance Limited	9.13%	7/31/2025	6/1/2026	10,000,000	10,549,300.82
Richard Pieris Finance Limited	9.17%	7/31/2025	7/1/2026	10,000,000	10,551,707.40
Richard Pieris Finance Limited	9.20%	7/31/2025	8/1/2026	10,000,000	10,553,512.33
Richard Pieris Finance Limited	9.24%	7/31/2025	9/1/2026	20,000,000	21,111,837.81
ABANS Finance Securities	10.00%	8/4/2025	4/5/2026	42,000,000	44,485,477.45
ABANS Finance Securities	10.00%	8/4/2025	5/5/2026	40,000,000	42,367,123.29
ABANS Finance Securities	10.20%	8/4/2025	6/5/2026	38,000,000	40,293,742.47
ABANS Finance Securities	10.20%	8/4/2025	7/5/2026	36,000,000	38,173,019.18
Mahindra Ideal Securities	9.20%	8/21/2025	9/1/2026	20,000,000	21,011,747.95
Brown & Company securities	11.50%	9/29/2025	7/29/2026	25,000,000	26,304,383.56
Brown & Company securities	11.50%	10/30/2025	8/30/2026	30,000,000	31,301,547.95
Brown & Company securities	11.60%	10/30/2025	9/30/2026	20,000,000	20,875,243.84
Siyapatha Finance PLC	10.15%	11/28/2025	12/2/2026	50,000,000	51,551,698.63
				401,000,000	420,624,589

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2025 Amortised Cost Rs.
Singer Finance PLC	11.15%	10/30/2024	12/1/2025	50,000,000	52,219,938.52
Asia Asset Finanace PLC	12.40%	4/30/2024	5/6/2025	80,000,000	88,675,244.48
				130,000,000	140,895,183

Notes to the financial statements continued on page 16.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(08) FINANCIAL ASSETS - AT AMORTISED COST (CONTINUED)

(8.5) Investments in fixed deposits

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2026 Amortised Cost Rs.
LB FINANCA PLC	11.17%	3/4/2026	3/4/2027	350,000,000	352,699,162
Vallibel Finance PLC	10.00%	6/5/2025	7/5/2026	100,000,000	107,397,260
Vallibel Finance PLC	10.00%	6/7/2025	6/7/2026	109,000,000	117,009,260
Vallibel Finance PLC	10.00%	6/10/2025	6/10/2026	54,500,000	58,464,315
Vallibel Finance PLC	10.00%	6/12/2025	6/12/2026	163,500,000	175,312,315
Vallibel Finance PLC	10.00%	6/13/2025	6/13/2026	250,000,000	268,000,000
Siyapatha Finance PLC	10.00%	5/16/2025	5/16/2026	100,000,000	107,890,411
Siyapatha Finance PLC	10.02%	12/2/2025	12/2/2026	109,450,000	112,694,998
Singer Finance PLC	9.95%	6/12/2025	6/12/2026	54,500,000	58,417,751
Singer Finance PLC	9.95%	6/13/2025	6/13/2026	100,000,000	107,164,000
People's Leasing & Finance PLC	11.17%	1/31/2026	1/31/2027	383,075,000	389,405,498
People's Leasing & Finance PLC	11.17%	2/14/2026	2/14/2027	54,657,500	55,349,985
People's Leasing & Finance PLC	11.17%	3/3/2026	3/3/2027	54,639,041	55,075,461
Alliance Finance Company PLC	10.00%	11/1/2025	11/1/2026	54,725,000	56,762,569
Alliance Finance Company PLC	11.18%	1/31/2026	1/31/2027	109,450,000	111,260,333
Alliance Finance Company PLC	11.18%	2/23/2026	2/23/2027	55,167,500	55,730,199
Alliance Finance Company PLC	11.18%	2/23/2026	2/23/2027	100,000,000	101,019,984
Alliance Finance Company PLC	11.18%	3/4/2026	3/4/2027	55,118,750	55,544,200
Mercantile Investment & Finance PLC	9.94%	7/28/2025	7/28/2026	100,000,000	106,053,868
Mercantile Investment & Finance PLC	9.94%	8/1/2025	8/1/2026	50,000,000	52,977,915
Mercantile Investment & Finance PLC	8.80%	10/2/2025	10/2/2026	36,389,797	37,818,989
Mercantile Investment & Finance PLC	11.18%	1/22/2026	1/22/2027	54,612,500	55,651,302
C/F				2,498,785,089	2,597,699,776

Notes to the financial statements continued on page 17.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(08) FINANCIAL ASSETS - AT AMORTISED COST (CONTINUED)

(8.5) Investments in fixed deposits (Continued)

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2026 Amortised Cost Rs.
B/F				2,498,785,089	2,597,699,776
Mahindra Ideal Finance Limited	10.00%	5/2/2025	5/2/2026	55,062,500	59,597,236
Mahindra Ideal Finance Limited	10.00%	6/2/2025	6/2/2026	25,000,000	26,867,800
Mahindra Ideal Finance Limited	10.10%	3/14/2025	3/14/2026	50,000,000	54,762,110
Mahindra Ideal Finance Limited	10.00%	6/2/2025	6/2/2026	52,193,750	56,093,266
Mahindra Ideal Finance Limited	9.95%	6/4/2025	6/4/2026	27,306,250	29,322,765
Mahindra Ideal Finance Limited	10.00%	10/15/2025	10/15/2026	100,000,000	104,142,466
Mahindra Ideal Finance Limited	10.00%	11/1/2025	11/1/2026	50,000,000	51,861,644
Mahindra Ideal Finance Limited	10.00%	12/11/2025	12/11/2026	54,770,000	56,269,047
Mahindra Ideal Finance Limited	11.18%	1/22/2026	1/22/2027	27,250,000	27,768,331
Mahindra Ideal Finance Limited	11.18%	1/26/2026	1/26/2027	75,000,000	76,343,897
Central Finance Company PLC	10.02%	12/5/2025	12/5/2026	50,000,000	51,445,351
HNB Finance Ltd	10.00%	4/2/2025	4/2/2026	50,000,000	54,492,405
HNB Finance Ltd	10.00%	4/28/2025	4/28/2026	50,000,000	54,171,519
HNB Finance Ltd	10.00%	11/21/2025	11/21/2026	55,362,500	57,150,785
HNB Finance Ltd	10.00%	12/1/2025	12/1/2026	110,725,000	114,028,549
ABANS Finance PLC	10.25%	4/30/2025	4/30/2026	100,000,000	108,492,055
ABANS Finance PLC	11.17%	2/25/2026	2/25/2027	54,635,000	55,161,674
Asia Asset Finance PLC	10.20%	5/10/2025	5/10/2026	132,150,000	142,985,141
Asia Asset Finance PLC	10.20%	5/17/2025	5/17/2027	55,062,500	59,480,202
Asia Asset Finance PLC	10.00%	6/4/2025	6/4/2026	81,918,750	87,998,692
Asia Asset Finance PLC	11.18%	2/22/2026	6/5/2026	220,016,986	222,321,776
				3,975,238,325	4,148,456,486

Notes to the financial statements continued on page 18.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(08) FINANCIAL ASSETS - AT AMORTISED COST (CONTINUED)

(8.5) Investments in fixed deposits (Continued)

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	Amortised Cost Rs.
ABANS Finance PLC	10.30%	2/25/2025	2/25/2026	50,000,000	50,469,144
ABANS Finance PLC	10.10%	3/10/2025	3/10/2026	50,000,000	50,289,164
ABANS Finance PLC	10.10%	3/21/2025	3/21/2026	100,000,000	100,289,164
Singer Finance PLC	10.00%	6/11/2024	6/11/2025	300,000,000	322,956,164
Singer Finance PLC	10.00%	6/12/2024	6/12/2025	50,000,000	53,813,014
Asia Asset Finance PLC	10.25%	6/4/2024	6/4/2025	75,000,000	81,022,577
Asia Asset Finance PLC	10.25%	1/22/2025	2/22/2026	200,000,000	203,681,575
Asia Asset Finance PLC	10.25%	1/23/2025	2/23/2026	50,000,000	50,907,055
Alliance Finance Company PLC	10.00%	6/5/2024	6/5/2025	100,000,000	107,808,219
Alliance Finance Company PLC	10.50%	11/1/2024	11/1/2025	50,000,000	52,063,322
Alliance Finance Company PLC	11.25%	12/2/2024	12/2/2025	100,000,000	103,513,699
Alliance Finance Company PLC	10.60%	1/22/2025	2/22/2026	350,000,000	356,652,939
Alliance Finance Company PLC	10.60%	1/23/2025	2/23/2026	50,000,000	50,936,646
Alliance Finance Company PLC	10.50%	1/31/2025	2/28/2026	50,000,000	50,824,905
Alliance Finance Company PLC	10.50%	1/31/2025	1/31/2026	100,000,000	101,639,726
Mercantile Investment & Finance PLC	10.75%	7/19/2024	7/19/2025	50,000,000	53,581,370
Mercantile Investment & Finance PLC	10.75%	8/1/2024	8/1/2025	50,000,000	53,399,503
Mercantile Investment & Finance PLC	10.25%	1/22/2025	1/22/2026	50,000,000	50,920,394
Mercantile Investment & Finance PLC	10.25%	6/4/2024	6/4/2025	25,000,000	27,007,526
Mercantile Investment & Finance PLC	10.50%	7/19/2024	7/19/2025	25,000,000	26,749,041
Mercantile Investment & Finance PLC	10.50%	11/1/2024	11/1/2025	50,000,000	52,063,322
Mercantile Investment & Finance PLC	9.75%	12/2/2024	6/2/2025	50,000,000	51,522,603
C/F				1,975,000,000	2,052,111,071

Notes to the financial statements continued on page 19.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(08) FINANCIAL ASSETS - AT AMORTISED COST (CONTINUED)

(8.5) Investments in fixed deposits (Continued)

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2025 Amortised Cost Rs.
B/F				1,975,000,000	2,052,111,071
Mercantile Investment & Finance PLC	10.60%	12/11/2024	12/11/2025	50,000,000	51,531,192
Mercantile Investment & Finance PLC	10.30%	1/17/2025	1/17/2026	50,000,000	50,991,904
Mercantile Investment & Finance PLC	10.00%	1/22/2025	1/22/2026	25,000,000	25,448,973
Mercantile Investment & Finance PLC	10.10%	3/14/2025	4/14/2026	50,000,000	50,236,241
HNB Finance Ltd	11.00%	10/21/2024	11/21/2025	50,000,000	52,315,625
HNB Finance Ltd	11.00%	11/1/2024	12/1/2025	100,000,000	104,327,711
HNB Finance Ltd	9.50%	12/2/2024	4/2/2025	100,000,000	102,983,471
People's Leasing & Finance PLC	10.50%	1/31/2025	1/31/2026	350,000,000	355,739,041
People's Leasing & Finance PLC	9.00%	2/7/2025	8/7/2025	100,000,000	101,241,507
People's Leasing & Finance PLC	10.35%	2/14/2025	8/14/2025	50,000,000	50,619,582
People's Leasing & Finance PLC	8.80%	2/14/2025	2/14/2026	50,000,000	50,526,795
People's Leasing & Finance PLC	10.30%	2/28/2025	2/28/2026	50,000,000	50,428,932
People's Leasing & Finance PLC	10.30%	3/6/2025	3/6/2026	150,000,000	151,045,521
Vallibel Finance PLC	10.00%	6/7/2024	6/7/2025	100,000,000	107,756,164
Vallibel Finance PLC	10.00%	6/10/2024	6/10/2025	50,000,000	53,839,041
Vallibel Finance PLC	10.00%	6/12/2024	6/12/2025	150,000,000	161,439,041
Asia Asset Finance PLC	11.25%	5/7/2024	5/7/2025	150,000,000	164,450,086
Asia Asset Finance PLC	11.25%	5/10/2024	5/10/2025	120,000,000	131,454,658
Asia Asset Finance PLC	11.25%	5/17/2024	5/17/2025	50,000,000	54,670,291
Mahindra Ideal Finance Limited	11.25%	5/2/2024	5/2/2025	50,000,000	54,889,897
Siyapatha Finance PLC	10.50%	12/2/2024	4/2/2025	100,000,000	103,279,452
Siyapatha Finance PLC	10.00%	12/27/2024	12/27/2025	100,000,000	102,472,603
Siyapatha Finance PLC	11.25%	5/13/2024	5/13/2025	75,000,000	82,093,281
				4,095,000,000	4,265,892,078

Notes to the financial statements continued on page 20.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2026 Rs.	2025 Rs.
(09) OTHER RECEIVABLES		
Other receivables	14,517	7,426
	14,517	7,426
(10) ACCRUED EXPENSES AND OTHER PAYABLES		
Advanced received in creations	335,575,950	105,000
Management fee payable	8,823,526	11,868,655
Trustee fees payable	3,529,410	4,747,462
Audit fees payable	295,588	349,744
Custodian fee payable	71,575	71,575
	348,296,049	17,142,436

(11) NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

Movements in the number of units and net assets attributable to unit holders during the year were as

	31.03.2026 Units	31.03.2025 Units	31.03.2026 Rs.	31.03.2025 Rs.
Opening capital balance	397,705,024	336,021,567	7,520,240,769	5,784,612,728
Applications	423,568,427	1,131,225,491	8,336,397,189	15,566,510,378
Redemptions	(561,252,543)	(1,069,542,034)	(11,076,088,119)	(14,526,271,095)
Increase / (decrease) in net assets attributable to unit	-	-	534,614,142	695,388,758
Distributions to unit holders	-	-	-	-
Closing balance	260,020,908	397,705,024	5,315,163,981	7,520,240,769

Published net assets per unit

	2026 Rs.	2025 Rs.
Net assets	5,314,953,456	7,520,082,115
Total no. of units	260,020,908	397,705,024
Net assets per unit (Rs.)	20.44	18.91

As stipulated in the Trust deed, each unit enables the right of an individual to share in the Fund and does not extend his rights 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.

Figures in brackets indicate deductions.

Notes to the financial statements continued on page 21.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(11) NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)

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 equity. 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.

(12) DISTRIBUTIONS TO UNIT HOLDERS

	2026 Rs.	2025 Rs.
The distributions for the year were as follows:		
Distributions	-	-
	-	-

(13) RELATED PARTY DISCLOSURE

(a) Responsible entity

The responsible entity of CT Smith High Yield Fund is CT Smith Asset Management (Private) Limited.

(b) Key management personnel

Directors
- Ms. Cecilia Page
- Mr. Zakir Mohamedally
- Mr. Joseph Page
- Ms. Bimanee Meepagala
- Mr. Simon Hempel
-Mr.Chanakya dissanayake

Other key management personnel

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

(c) Key management personnel compensation

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

(d) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interest existing at year end.

Notes to the financial statements continued on page 21.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(13) RELATED PARTY DISCLOSURE (CONTINUED)

(e) Related Party Unitholding

The Management Company or any related parties have invested in the CT Smith High Yield Fund.

Unit holders name	No.of Units held opening	No.fo units held closing	Fair value of Investment Rs.	% of Holdings	Distribution paid of payable by the fund Rs.
CT Smith Asset Management(Pvt) Ltd	933,200	1,170,832	23,932,391	0.4503%	-
CT Smith Securities (Pvt) Ltd	-	-	-	0.0000%	-
CT Smith Capital (Pvt) Ltd	-	-	-	0.0000%	-
CT Smith Holdings (Pvt) Ltd	-	-	-	0.0000%	-
Kuhan Vinayagasundaram	9,655	29,504	603,077	0.0113%	-
Bimanee Meepagala	-	20	409	0.0000%	-

(f) Related party investments

Cargills Bank PLC	-	-	21,222,993	0.3993%	-

(g) 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		Balance outstanding	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Management fees	41,640,635	45,018,096	8,823,526	11,868,655
Trustee fees	16,656,254	18,002,204	3,529,410	4,747,462
Custodian fee	290,277	290,277	71,575	71,575
	58,587,166	63,310,577	12,424,511	16,687,692

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Notes to the financial statements continued on page 23

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(14) ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS

Summary of Financial Assets And Liabilities

As at 31 March 2026	Measured at Fair Value	Carried at Cost	Amortized Cost	Cost
Assets				
Cash and cash equivalents	-	56,057,767	-	56,057,767
Financial assets - at amortized cost	-	-	5,607,387,746	5,607,387,746
Other receivable - (Corporate Savings)	-	-	14,517	14,517
Total	-	56,057,767	5,607,402,263	5,663,460,030
Liabilities				
Accruals and other payables	-	348,296,049	-	348,296,049
Total	-	348,296,049	-	348,296,049

As at 31 March 2025	Measured at Fair Value	Carried at Cost	Amortized Cost	Cost
Assets				
Cash and cash equivalents	-	26,647,633	-	26,647,633
Financial assets - at amortized cost	-	-	7,510,728,146	7,510,728,146
Other receivable - (Corporate Savings)	-	-	7,426	7,426
Total	-	26,647,633	7,510,735,572	7,537,383,205
Liabilities				
Accruals and other payables	-	17,142,436	-	17,142,436
Total	-	17,142,436	-	17,142,436

Notes to the financial statements continued on page 24.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(15) FINANCIAL RISK MANAGEMENT

Overview

The unit trust has exposure to the following risks via financial instruments.

- Market Risk
- Liquidity Risk
- Credit Risk
- Operational Risk

This note presents information about the Collective Investment Scheme's (CIS's) exposure to each of the above risks and the objectives, policies and processes for measuring and managing risk.

(15.1) Risk management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Collective Investment Scheme's (CIS's) risk management framework. The Managing Company has established an Investment Committee (IC) which is tasked with reviewing wide-ranging risk categories that includes market, liquidity, credit and operational risk. The committee members have been assigned the responsibility to manage these risks prudently.

(15.1) (a) Market risk

Market risk represents the risk that the value of the Trust's investments portfolios will fluctuate as a result of changes in market prices. In general, market risk occurs on account of price risk, currency risk, and interest rate risk. However, the Fund's exposure 10 price risk and currency risk is deemed negligible as all its investments are short-term fixed income securities denominated in Sri Lankan Rupees. Therefore, interest rate will be the principal source of market risk for the fund.

Management of market risk includes the following elements.

- Overall authority for managing market risk is vested with the Board of Directors.
- The operational authority for managing market risk is vested with the Investment Cornminee (IC).
- Interest rate risk is managed within the approved limits by the Investment Cornminee.

Notes to the financial statements continued on page 25.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(15) FINANCIAL RISK MANAGEMENT (CONTINUED)

(15.1) (a) Market risk (Continued)

(i) Interest rate risk

The table below summarises the Fund's exposure to interest rate risks. TI includes the Fund's assets at fair values, categorised by the earlier of contractual repricing or maturity dates.

31st March 2026	Floating interest rate Rs.	Fixed interest rate Rs.	Non- interest bearing Rs.	Total Rs.
Financial assets				
Cash and cash equivalents	-	56,057,767	-	56,057,767
Loans and receivables	-	5,607,387,746	-	5,607,387,746
Total exposure	-	5,663,445,513	-	5,663,445,513

31st March 2025	Floating interest rate Rs.	Fixed interest rate Rs.	Non- interest bearing Rs.	Total Rs.
Financial assets				
Cash and cash equivalents	-	26,647,633	-	26,647,633
Loans and receivables	-	7,510,728,146	-	7,510,728,146
Total exposure	-	7,537,375,779	-	7,537,375,779

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.

	Increase/ (decrease) on basis points	Effect on the profit for the year 2025/26	Effect on the profit for the year 2024/25
LKR	25%	133,653,536	173,847,189
LKR	25%	(133,653,536)	(173,847,189)

Since the Fund had not held financial instruments with variable interest rates as at 31 March 2026 and 31 March 2025, it was not exposed to cash flow interest rate risks.

Financial instruments with fixed rates exposed the Fund to fair value interest rate risks. Ho·wever, due to the short term nature of the instruments, it was reasonably expected that fluctuations in the interest rates will not materially impact the Net Asset Value of the fund.

(15.1) (b) Liquidity Risk

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

Notes to the financial statements continued on page 25.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(15) FINANCIAL RISK MANAGEMENT (CONTINUED)

(15.1) (b) Liquidity Risk (Continued)

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 nonnal and stressed conditions, without incurring unacceptable losses or risking damage to the Collective Investment Scheme's (CIS's) reputation.

Maturity analysis of the financial assets and financial liabilities

As at 31 March 2026

	Carrying amount Rs.	Upto 3 months Rs.	3 months to 1 year Rs.	1 year to 5 year Rs.	Total
Assets					
Cash at bank	56,057,767	56,057,767	-	-	56,057,767
Financial assets at amortised cost	5,607,387,746	1,038,306,671	4,569,081,075	-	5,607,387,746
Other receivables - (Corporate Savings)	14,517	14,517	-	-	14,517
Total financial assets	5,663,460,030	1,094,378,955	4,569,081,075	-	5,663,460,030
Liabilities					
Accruals and other payables	348,296,049	348,296,049	-	-	348,296,049
Total Liabilities	348,296,049	348,296,049	-	-	348,296,049

As at 31 March 2025	Carrying amount Rs.	Upto 3 months Rs.	3 months to 1 year Rs.	1 year to 5 year Rs.	Total Rs.
Assets					
Cash at bank	26,647,633	26,647,633	-	-	26,647,633
Financial assets at amortised cost	7,510,728,146	4,077,940,204	3,432,787,942	-	7,510,728,146
Other receivables - (Corporate Savings)	7,426	7,426	-	-	7,426
Total financial assets	7,537,383,205	4,104,595,263	3,432,787,942	-	7,537,383,205
Liabilities					
Accruals and other payables	17,142,436	17,142,436	-	-	17,142,436
Total Liabilities	17,142,436	17,142,436	-	-	17,142,436

Notes to the financial statements continued on page 27.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(15) FINANCIAL RISK MANAGEMENT (CONTINUED)

(15.I) (c) Credit Risk

Credit risk is the risk of financial loss to the Collective Investment Scheme (CIS) if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the unit trust's 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.
- Reviewing compliance through regular audits by internal audit.

Credit quality by class of financial assets

As at 31 March 2026	12 Month Expected Credit Losses Rs.	Expected Credit Losses Not Credit Impaired Rs.	Life Time Expected Credit Losses Credit Impaired Rs.	Total Rs.
Assets				
Cash at bank	56,057,767	-	-	56,057,767
Financial assets at amortised cost	5,607,387,746	-	-	5,607,387,746
Total financial assets	5,663,445,513	-	-	5,663,445,513

As at 31 March 2025	12 Month Expected Credit Losses Rs.	Life Time Expected Credit Losses Not Credit Impaired Rs.	Life Time Expected Credit Losses Credit Impaired Rs.	Total Rs.
Assets				
Cash at bank	26,647,633	-	-	26,647,633
Financial assets at amortised cost	7,510,728,146	-	-	7,510,728,146
Total financial assets	7,537,375,779	-	-	7,537,375,779

(i) Debt securities

It is the trust's policy to enter into financial instruments with reputable counter-parties. As such, the Fund invests in debt securities which have an investment grade categorisation as rated by Fitch and ICRA.

Notes to the financial statements continued on page 28.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(15) FINANCIAL RISK MANAGEMENT (CONTINUED)

Repurchase agreements			31.03.2026 Rs.	31.03.2025 Rs.
Rating				
Risk free-REPO Government Securities			528,362,672	1,818,178,110
			528,362,672	1,818,178,110
Commercial papers		Rating Agency		
Rating				
A	Lanka Orix Leasing Company PLC	ICRA	509,943,999	605,958,164
			509,943,999	605,958,164
Asset Back Securities				
Rating				
A	Siyapatha Finance PLC	Fitch	51,551,699	-
CCC+	Bank of Ceylon	Fitch	20,875,244	-
BBB	Brown & Co. SEC	Fitch	31,301,548	
A-	National Development Bank PLC	Fitch	26,304,383	-
BBB+	Singer Finance PLC	Fitch	51,494,245	52,219,939
A	Richard Pieris Finance Ltd	Fitch	52,766,357	-
AA-	Mahindra Ideal Finance Limited	Fitch	21,011,749	-
A-	Abans Finance PLC	Fitch	165,319,363	-
A+	Asia Asset Finanace PLC	Fitch	-	88,675,244
			420,624,588	140,895,183
Fixed deposits				
Rating				
A	HNB Finance Ltd	Fitch	279,843,256	259,626,807
BBB+	Singer Finance PLC	Fitch	-	376,769,178
A	People's Leasing & Finance PLC	Fitch	499,830,944	759,601,377
A+	Alliance Finance Company PLC	LRA	380,317,286	823,439,455
BBB-	Mercantile Invesment & Finance PLC	Fitch	252,502,074	493,452,068
A	Siyapatha	Fitch	386,167,158	287,845,336
AA-	Mahindra ideal Finance Limited	Fitch	543,028,567	54,889,897
A+	Asia Asset Finance PLC	Fitch	512,785,812	686,186,241
A-	Vallibel Finance PLC	LRA	726,183,152	323,034,247
A-	Abans Finance PLC	Fitch	163,653,728	201,047,473
A-	LB Finance PLC	Fitch	352,699,162	-
A	Central Finance Company PLC	Fitch	51,445,350	-
			4,148,456,487	4,265,892,078
Corporate Savings		Rating Agency		
Rating				
AA-	HNB	Fitch	34,799,774	5,730,000
A	DFCC	Fitch	10,000	10,000
A	Cargills Bank Ltd	Fitch	21,222,993	20,882,632
Total			56,032,767	26,622,633

In accordance with the Fund's policy, the investment manager monitors the Fund's credit position on a daily basis.

Notes to the financial statements continued on page 28.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(15) FINANCIAL RISK MANAGEMENT (CONTINUED)

(15.1) (d) Operational Risk

Operational risk is the risk of direct or indirect loss ansmg from a wide variety of causes associated with the company'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 behavior.

The unit trust'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 business unit. This responsibility is supported by the development of overall Unit Trust's standards for the management of operational risk in the following areas:

- 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 Collective Investment Scheme's (CIS's) internal controls and procedures is supported by a programme of periodic reviews undertaken by Investment Committee. The results of reviews are discussed with the management of the business unit with summaries submitted to the Fund administrator of the fund manager.

Analysis of concentration risk

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

Notes to the financial statements continued on page 30.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(15) FINANCIAL RISK MANAGEMENT (CONTINUED)

(15.1) (d) Operational Risk (Continued)

As at 31 March 2026	Cash at Bank	Financial assets - at amortised cost	Total Financial Assets
Sector wise breakdown			
Government	-	-	-
Corporate	56,057,767	5,607,387,746	5,663,445,513
Total	56,057,767	5,607,387,746	5,663,445,513

As at 31 March 2025	Cash at Bank	Financial assets - at amortised cost	Total Financial Assets
Sector wise breakdown			
Government	-	679,804,611	679,804,611
Corporate	26,647,633	6,830,923,535	6,857,571,168
Total	26,647,633	7,510,728,146	7,537,375,779

(16) COMMITMENTS AND CONTINGENT LIABILITIES

There were no material contingent liabilities and commitments at the end of the reporting date, that require disclosure in the financial statements.

(17) EVENTS OCCURRING AFTER THE REPORTING PERIOD

There were no material events occurring after the reporting date 31st March, 2026 that require adjustment to or disclosure in the financial statements.

DETAIL NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH

NET ASSET VALUE RECONCILIATION

		2026 Rs.	2025 Rs.
Audited net asset value as at 31st March		5,315,163,981	7,520,240,769
JE adjustments		(210,525)	(158,654)
Published net asset value published as at 31st March	(Note - 11)	5,314,953,456	7,520,082,115
Net assets		5,314,953,456	7,520,082,115
Total no. of units		260,020,908	397,705,024
Net assets per unit (Rs.)		20.44	18.91

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21. Five Year Summary

Year ended 31 March					
Trading Results	25/26	24/25	23/24	22/23	21/22
Gross income	603,224,271	759,470,322	855,868,772	338,286,670	118,054,007
Profit for the year	534,614,142	695,388,758	821,277,140	324,651,977	105,600,867
Statements of Financial Position					
Assets					
Cash at bank	56,072,284	26,647,633	81,894,967	120,916,273	87,523,957
Financial assets at amortized cost	5,607,387,746	7,510,728,146	5,718,161,227	1,567,478,521	2,169,892,513
Other receivables	-	7,426	7,113	2,216,887	7,087,455
Unitholders' funds and liabilities					
Liabilities					
Accrual and other payables	348,296,049	17,142,436	15,450,579	9,780,414	4,422,079
Total Liabilities	348,296,049	17,142,436	15,450,579	9,780,414	4,422,079
Unitholders' funds					
Net assets attributable to unitholders	5,315,163,981	7,520,240,769	5,784,612,728	1,680,831,267	2,260,081,846
Total Unitholders' Funds and Liabilities	5,663,460,030	7,537,383,205	5,800,063,307	1,690,611,681	2,264,503,925
Other Financial Information					
Net assets value per unit	18.91	18.91	17.21	14.24	12.74

Note :-

Note :-

CT SMITH
ASSET MANAGEMENT

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