



# ANNUAL REPORT 2024/2025

CT CLSA EQUITY FUND

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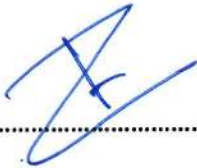
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## Declaration By Trustees and Management Company

*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 CLSA Asset Management (Pvt) Ltd the Managers of **CT CLSA Equity 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




## Fund Information- CT CLSA Equity Fund

<b>Fund Objective</b>	Is to achieve long term capital appreciation whilst providing unit holders with a regular dividend by investing in a portfolio of equities and fixed income securities.
<b>Fund Strategy</b>	To achieve long term capital appreciation with minimum level of risk, based principally on fundamental research.
<b>Fee Structure</b>	Front End Fee : 3% Management Fee : 1.75% p.a Trustee Fee : 0.25% p.a Exit Fee : Nil
<b>Fund Structure</b>	Minimum Subscription : Rs.1,000/- Fund Structure : Open Ended Switching : Allowed Dividend : - Initial Offer Price : Rs.10/- Inception date : 28-Feb-1992
<b>Liquidity</b>	Redemption period : Within T+1 days



## Service Providers

<b>Fund Manager</b>  CT CLSA Asset Management (Pvt) Limited 4-15, Majestic City 10 Station Road Colombo 04	<b>Trustee and Custodian</b>  Hatton National Bank PLC HNB Towers, 479, T B Jayah Mawatha, Colombo 10, Sri Lanka
<b>Registrar</b>  CT CLSA Asset Management (Pvt) Limited 4-15, Majestic City 10 Station Road Colombo 04	<b>Banker</b>  Hatton National Bank PLC HNB Towers, 479, T B Jayah Mawatha, Colombo 10, Sri Lanka
<b>Collection Agents</b>  Cargills Food City Supermarket Banking Service    Collection Bank Accounts Of CT CLSA Asset Management (Pvt) Limited  Hatton National Bank Account No. 003010528647 Branch. Head Office  Cargills Bank Account No. 0019500001191 Branch. Head Office	<b>Auditors</b>  Nihal Hettiarachchi & Company Chartered Accountants RNH House No.622B Kotte Rd, Sri Jayawardenepura Kotte

## Fund Fact Sheet

# CT CLSA

Commitment. Trust. Continuity

## CT CLSA EQUITY FUND

Fact Sheet – 28<sup>th</sup> March 2025

Why Invest?	Key Characteristics
<ul style="list-style-type: none"> <li>The client will gain access to <b>professional fund management expertise</b> without having to <b>invest significant amounts of time</b> and <b>expend administrative burden</b> on managing the funds.</li> <li>Can enter the equity market with minimal amounts.</li> <li>Fund managers carry out in-depth research on your behalf.</li> <li>Lower risk than directly investing in the stock market</li> </ul>	<b>Name of the Fund</b> CT CLSA Equity Fund (CEF)
	<b>Regulatory Authority</b> Securities and Exchange Commission of Sri Lanka (SEC)
	<b>Nature of the Fund</b> Open Ended Equity Fund
	<b>Trustee</b> Hatton National Bank PLC
	<b>Management Fee</b> 2.0% p.a.
	<b>Front End Fee</b> 3.0% p.a
	<b>Min. Inv</b> Rs. 1,000/-

### Fund Snapshot (28<sup>th</sup> March 2025)

Unit Price (LKR)	44.28
Fund NAV (LKR Mn)	352.7
YTD Performance	0.7%
Positions	24

### Top Shareholdings

JOHN KEELLS HOLDINGS

NATIONS TRUST BANK

HAYLEYS FABRIC

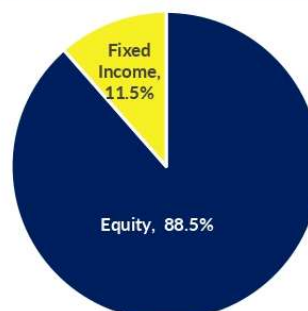
SAMPATH BANK

HEMAS HOLDINGS

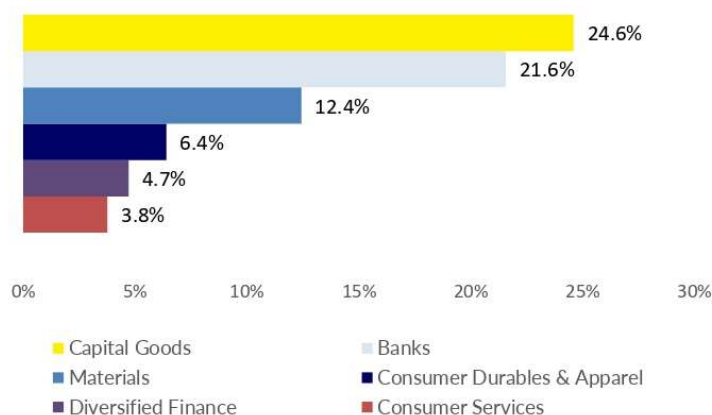
### Past Performance (%)

	CEF	ASPI	ASTRI	S&P SL20
1 Month	-1.8	-4.0	-2.9	-4.0
3 Month	0.7	-0.8	0.7	-2.6
6 Month	24.7	33.4	36.2	37.1
YTD	0.7	-0.8	0.7	-2.6
3 yr. CAGR	24.5	21.1	24.8	16

### Asset Allocation



### Portfolio & Sector Allocation

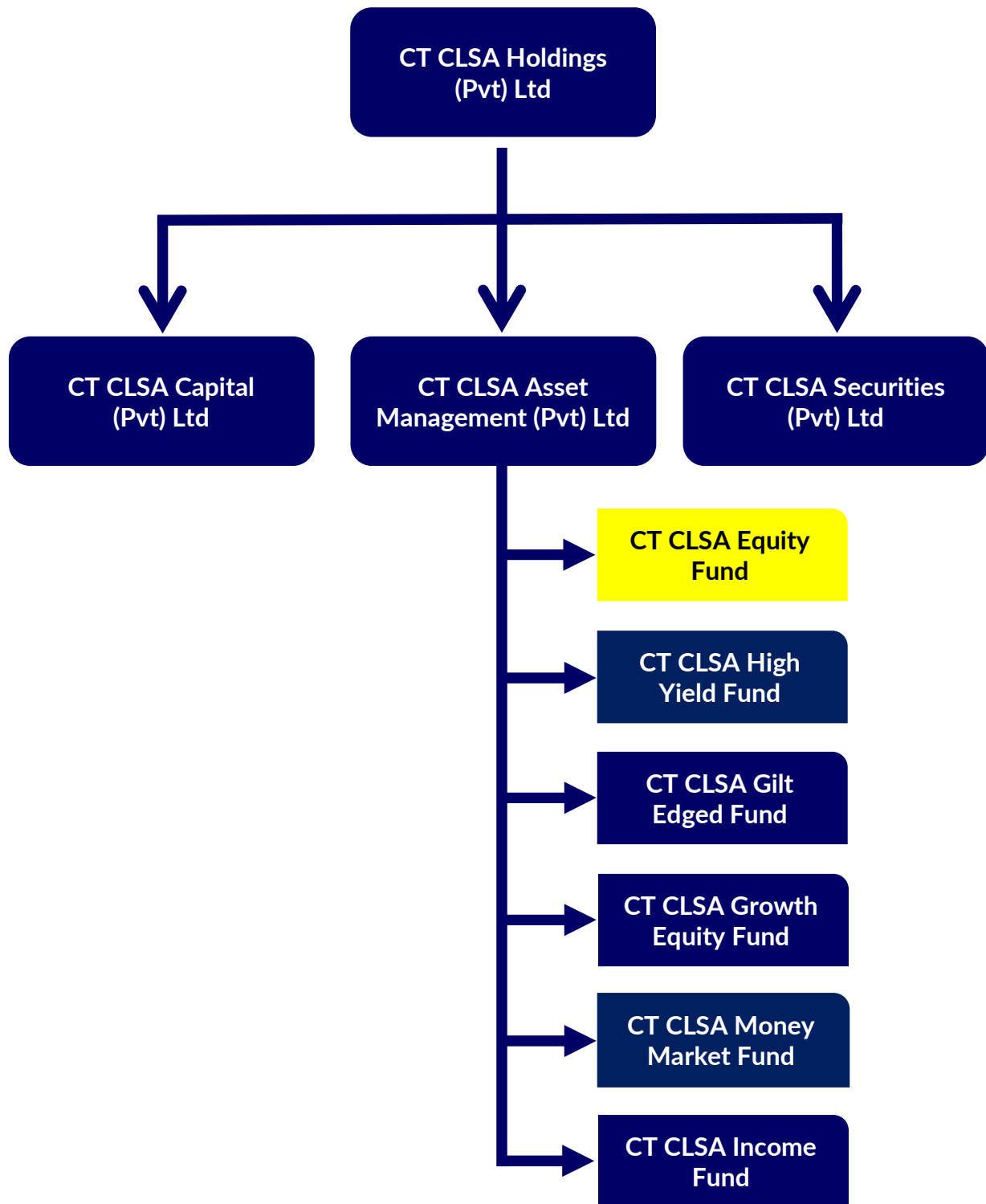


Current yields can fluctuate daily. Past Performance is not an indicator of future returns. Investors are advised to read and understand the contents of the Key Investor Information Document before investing, including but not limited to all fees/charges and risks. If required, please contact CT CLSA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

A CT HOLDINGS GROUP AND CLSA GROUP COMPANY

CT CLSA Asset Management (Pvt) Ltd

## Group Structure



## **Board of Directors of The Fund Management Company**



**Mrs. Cecilia Page**  
Chairperson

Cecilia Page is the Chairperson of CT CLSA Holdings Ltd, CT CLSA Securities (Private) Limited, C T CLSA Capital (Private) Limited, and CT CLSA Asset Management (Private) Limited. She has headed the CT CLSA Group since inception. She is also a Director of CT Holdings PLC. 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 Convergence Course in Accounting, UTS, Sydney, Bachelor of Business (Banking & Finance) / Bachelor of Laws, eUT, Brisbane.



### **Mr. Zakir Mohamedally** Director

Zakir has over 19+ years of experience in Sri Lanka's capital market and he joined CT CLSA 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 CLSA Group, he was working with PricewaterhouseCoopers (PWC) Sri Lanka.

Zakir is a Fellow Member of the Association of ACCA and is an 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 Director/Group Chief Operating Officer of CT CLSA Holdings, Director/CEO of CT CLSA Capital, and Director of CT CLSA Securities and CT CLSA Asset Management



### **Mr. Chanakya Dissanayake** Director

Chanakya co-heads global delivery at Acuity Knowledge Partners and is a member of the Executive Committee. Chanakya earlier managed operations at Acuity Knowledge Partners Sri Lanka delivery centre, and headed the investment research vertical globally. Prior to his appointment as Country Head, he lead strategic initiatives where he worked very closely with the Amba Research Senior Leadership team in seeking, evaluating, and overseeing the implementation of new ideas. Previously at Amba, he was the Global Head of Projects and Transitions team that manages new equity and fixed income analysis

engagements and supervised sell-side equity sector coverage teams, credit research teams, and buy-side/hedge fund teams at Amba. Prior to joining Amba, he worked as a Senior Equity Analyst at Frontier Research and at DFCC Stockbrokers. He is a CFA charter holder, a Fellow Member of the CIMA (UK), and a Fellow Member of the ACCA (UK)



### **Miss. Bimane Meepagala** Director / Chief Executive Officer

She offers a successful background in asset management and has over 19+ years of experience with in the capital markets in Sri Lanka. Prior to joining CT CLSA 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).



## **Fund Management Team**



**Miss. Bimane Meepagala**  
**Director / Chief Executive Officer**

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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).



**Mr. Pasan Abeygunawardane**  
**General Manager**

Pasan counts over 19 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 CLSA, 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 4 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 6 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).



**Miss. Sachinee Chanduka**  
Compliance Officer

Sachinee has over four years of experience in finance and accounting. Before joining CT CLSA 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 of Science.

## Investment Committee



**Mr. Chanakya Dissanayake**  
CFA, FCMA(UK), FCCA (UK)

Chanakya co-heads global delivery at Acuity Knowledge Partners and is a member of the Executive Committee. Chanakya earlier managed operations at Acuity Knowledge Partners Sri Lanka delivery centre, and headed the investment research vertical globally. Prior to his appointment as Country Head, he lead strategic initiatives where he worked very closely with the Amba Research Senior Leadership team in seeking, evaluating, and overseeing the implementation of new ideas. Previously at Amba, he was the Global Head of Projects and Transitions team that manages new equity and fixed income analysis engagements and supervised sell-side equity sector coverage teams, credit research teams, and buy-side/hedge fund teams at Amba. Prior to joining Amba, he worked as a Senior Equity Analyst at Frontier Research and at DFCC Stockbrokers. He is a CFA charter holder, a Fellow Member of the CIMA (UK), and a Fellow Member of the ACCA (UK)



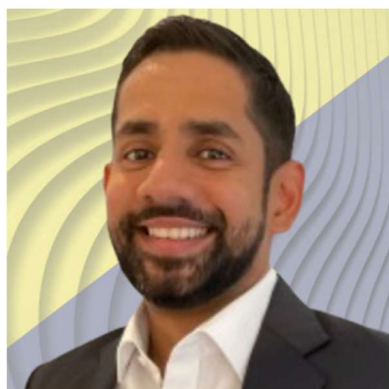
**Mr. Ravi Ratnasabapathy**  
FCMA(UK), MBA(UOSJ),

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-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 Investor Relations and Strategy function of the Sunshine group, primarily focused on managing a transparent investor relations function, and seeking 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 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

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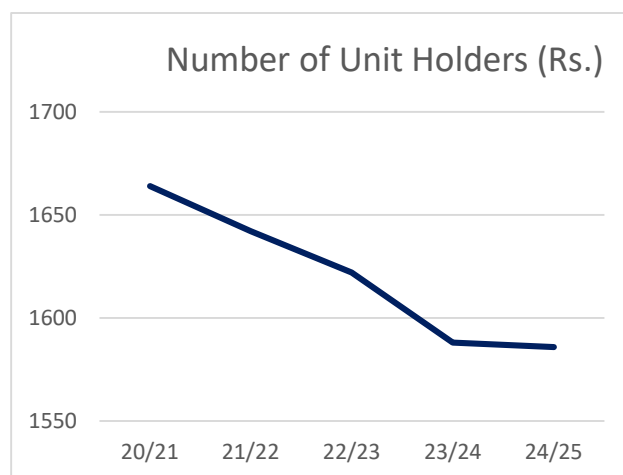
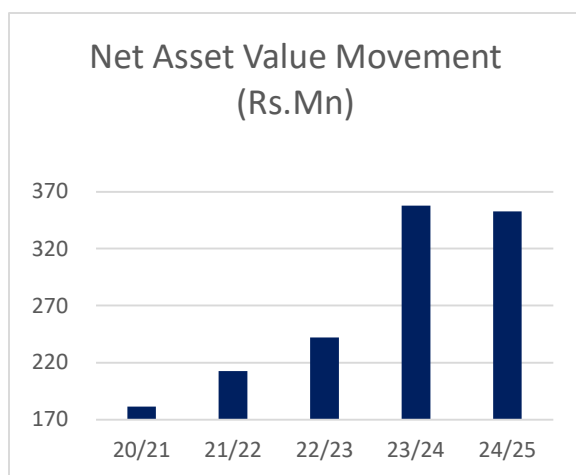
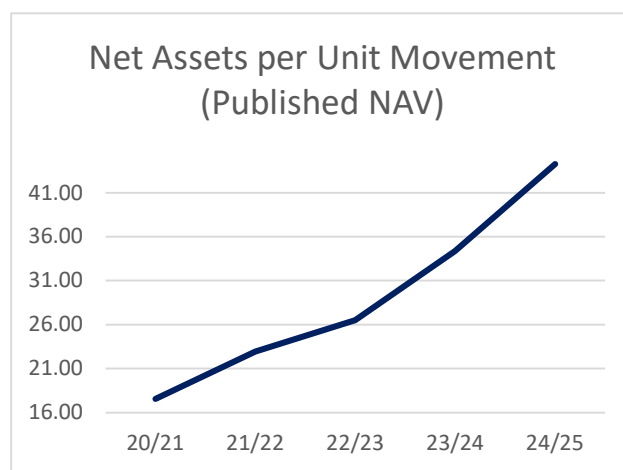
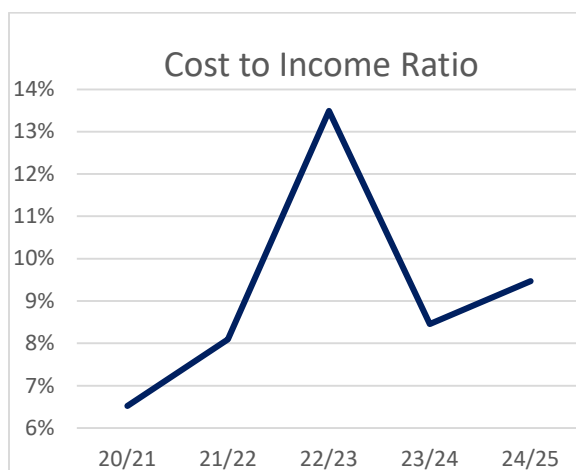
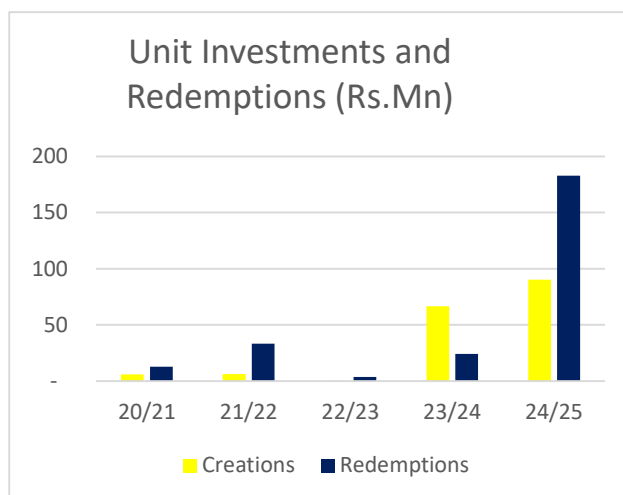
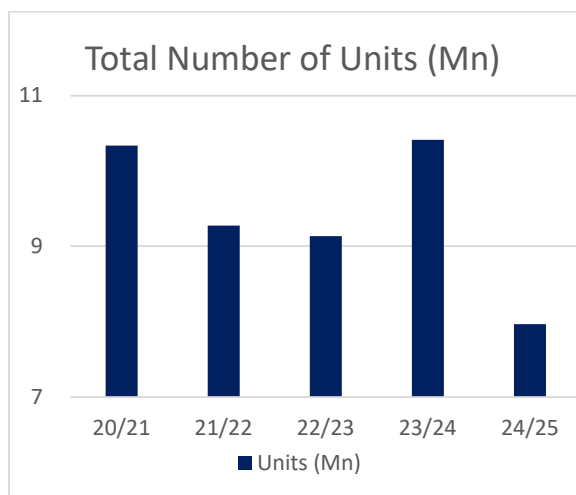
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Zakir serves as Director/Group Chief Operating Officer of CT CLSA Holdings, Director/CEO of CT CLSA Capital, and Director of CT CLSA Securities and CT CLSA Asset Management

## Financial Highlights

Indicator	31.03.2025	31.03.2024	Change %
<b>Results for the Year</b>			
Interest income	96,441,804	80,529,474	20%
Profit for the year	87,313,393	73,722,110	18%
<b>Assets and Liabilities</b>			
Financial assets at amortised cost	20,026,137	29,107,468	-31%
Net assets attributable to unitholders	352,829,385	358,303,442	-2%
<b>Profitability and Efficiency Ratios</b>			
Net profit margin	91%	92%	-1%
Return on Assets	27%	22%	22%
Annualised fund return			
Cost to income ratio	9%	8%	12%
<b>Investor Indicators/ Measures</b>			
Total number of units	7,965,322	10,409,980	-23%
Total redemptions	182,965,545	24,090,038	660%
Total unit investments	90,178,095	66,731,008	35%
Net assets value per unit	44.27	34.37	29%
Total assets per unit	44.62	34.86	28%
<b>Cash Flow generated from/ (used in)</b>			
Operating activities	91,590,096	-36,099,954	-354%
Financing activities	-92,787,450	42,640,971	-318%

## Financial Highlights (In Graphs)



## Our Commitment to Financial Literacy

### FinLit Programs carried out by CT CLSA AM

During the year ended 31.03.2025, CT CLSA Asset Management (Pvt) Limited (CT CLSA 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.

Program Name	Mode	Date	Calibrating institution	Audience
Current Market Analysis and Future Investment Opportunities	Webinar (Sinhala Medium)	August 08,2024	Colombo Stock Exchange Ambalantota Branch	Potential CSE Investors
Current Market Situation and its Opportunities	Webinar (Sinhala Medium)	October 05,2024	Colombo Stock Exchange Ratnapura Branch	Potential CSE Investors
Equity as an Asset Class	Webinar (English Medium)	October 19,2024	CT CLSA - Virtual Financial Education Series - Part 1	Potential CT CLSA AM clients, Existing clients
Stock market Investments through Equity Unit Trust Funds	Webinar (Sinhala Medium)	February 26, 2024	Colombo Stock Exchange Negombo Branch	Potential CSE Investors
Personal Financial Management	Webinar (Sinhala Medium)	January 18,2025	CT CLSA - Virtual Financial Education Series - Part 2	Potential CT CLSA AM clients, Existing clients
Investing in Stock market through a Unit Trust Management company	Webinar (Sinhala Medium)	March 10,2025	Colombo Stock Exchange Ratnapura Branch	Potential CSE Investors
Unit Trusts as a pathway to Equities	Webinar (English Medium)	March 26,2025	Colombo Stock Exchange Negombo Branch	Potential CSE Investors



Our Commitment to  
Financial Literacy

## Media programs conducted to Reach a broader audience

Program Name	Mode	Date	Calibrating institution	Audience
Having Trouble with your Personal Finances?	Ada Derana 24 - The Nightly business Report (Sinhala Medium)	December 26,2024	Ada Derana 24 - The Nightly business Report	General Public
How to achieve a financial success in year 2025?	Ada Derana 24 - ada derana morning TV Program (Sinhala Medium)	January 15,2025	Ada Derana 24 morning TV Program	General Public
2025 Will Be Good for Equities: Investor's Guide Roundtable	Echelon Magazine	January 10,2025	Echelon Magazine	General Public
Sri Lanka's Macro Economy and Capital Market in 2025	Sri Lanka's Macro Economy and Capital Market in 2025	February 01,2025	CA Sri Lanka	General Public/CA Members and Students
The Role of Capital Markets in the Resurgence of the Sri Lankan Economy	Public Lecture and Panel Discussion (English Medium)	March 6, 2025	Faculty of Science, University of Colombo (UOC)	University academic staff, undergraduate students and a distinguished gathering





## Enhancing our Distribution Network



During the year 2024, CT CLSA signed a merchant agreement with Cargills Bank which benefits its Unitholders. This initiative leverages Cargills Bank's extensive island wide supermarket banking network via the Cargills Food City supermarket chain.

Cargills Bank will act as the collection agent of the Unit Trust Funds managed by CT CLSA Asset Management and the Unitholders can now subscribe to its Unit Trust Funds at 530 supermarkets island wide through the Cargills supermarket chain including Cargills Food City, Cargills Express and Cargills Food Hall outlets.

This partnership underscores CT CLSA Asset Management's commitment to promote inclusivity by bringing essential financial services closer to Unitholders across all 25 districts in Sri Lanka. As one of the pioneer unit trust management companies in the country, CT CLSA continue to expand the reach with the aim of serving its valued Unitholders across our Unit Trust Funds.

**CT CLSA Claims compliance with the CFA Institute Asset Manager Code since July 2024**



**CFA Institute**

**ASSET MANAGER CODE**

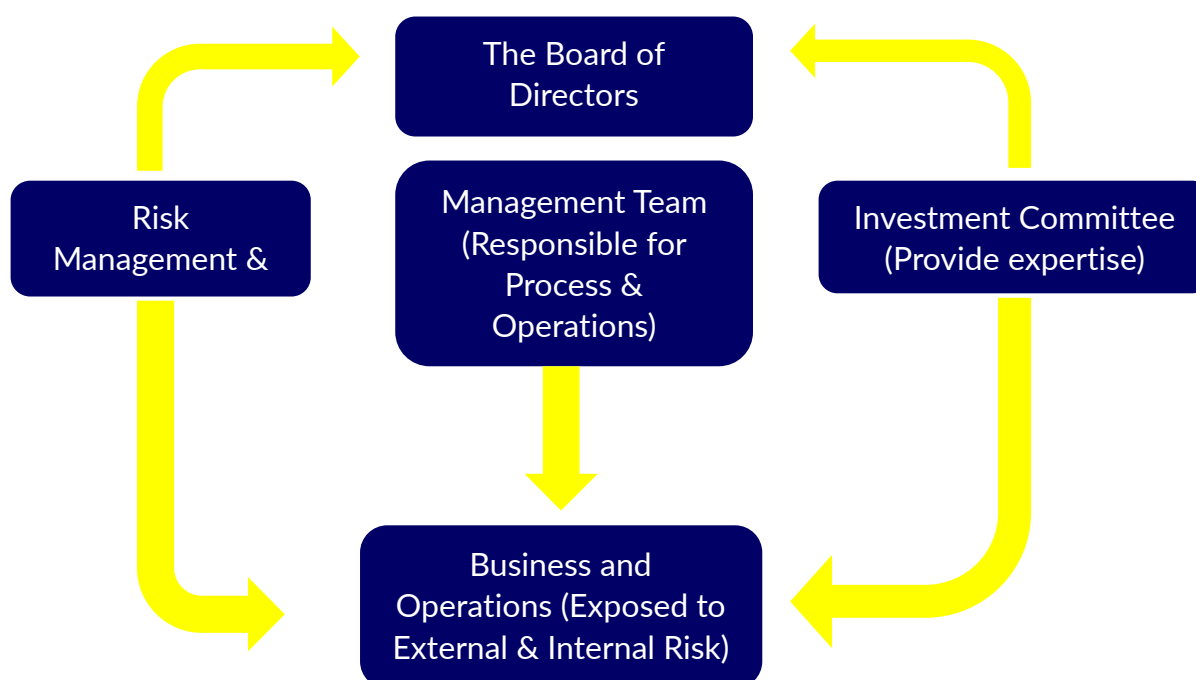
*\*This claim has not been verified by CFA Institute*

## Governance and Risk Management Framework

### 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.

### 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.

## 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.

Equity Funds		
Fund Description	Risk faced by the funds	Risk mitigating strategies
<p>CT CLSA Equity Fund :</p> <p>Investments would focus on medium to long term holdings of liquid, high growth stocks of well managed companies exposed to key economic sectors of the country.</p> <p>The main investment objective of the Fund is to achieve long term capital appreciation through share market investments.</p>	<p>Macro-economic risks :</p> <p>Share prices are sensitive to developments in the global and local economy, such as a change in interest rates, value of currency, inflation rate, government policies, tax rates, and central bank policies. All these tend to influence the prices of equity securities and investor sentiment, Including that of both foreign and local investors</p>	<p>Monitoring of macro-economic variables, policy changes and assess the impact on economy and capital markets.</p> <p>Implementation of a structured investment process which considers macro environmental impacts.</p> <p>Monitoring global factors which impact capital markets worldwide and in Sri Lanka.</p> <p>Shifting of asset allocations, stock allocations in line with economic trends, and industry changes.</p>
	<p>Liquidity risks:</p> <p>Liquidity is the tradability of the securities in the market. Less liquidity of securities could affect the fund manager's ability to transact, which in turn, could affect the fund's overall performance. This might be due to poor market sentiment of a security, or low levels of publicly traded quantities.</p>	<p>Investing in companies with a reasonable free float.</p> <p>Focus on highly traded stocks when investing.</p> <p>Monitor market turnover of the stocks which we focus on.</p> <p>Determine the top shareholders in the company</p>



	<p>General security risks :</p> <p>Companies may not perform as per the investors' expectations; and earning levels and entity growth may reduce due to company specific factors, structural /policy changes in the industry, etc. This could lead to underperformance of the stocks in the fund's investment portfolio.</p>	<p>The investment process follows a bottom-up approach. The investment in stocks is focused on the Company's fundamentals, growth, management and competitive position in the industry.</p> <p>Monitoring sector exposure and single company exposure as diversification and a mitigation strategy.</p>
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## 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

## Limitation on Investment

Requirement		Compliance Status
(A) Listed Entity Listed Equity Securities	<p>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,</p> <p>subject to a maximum of ten per centum (10%) of the issued voting share capital of the Listed Entity.</p> <p>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.</p>	Complied
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	Complied
Unlisted Debt Securities	<p>If guaranteed (security) from a Licensed Commercial Bank; 15% of NAV</p> <p>If rated (entity/security) BBB – (minimum rating); 15% of NAV</p>	N/A
(C) Unlisted Entity Listed Debt Securities	25% of NAV	N/A
Unlisted Debt Securities	<p>If guaranteed (security) from a Licensed Commercial Bank; 100% of NAV.</p> <p>If rated (entity/security) BBB- (minimum rating); 10% of NAV.</p>	N/A
(D) Listed Entity - Aggregate Exposure Listed equity, listed debt and unlisted debt	Aggregate value of <i>investments</i> made in <i>securities</i> 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, Debt Security, Deposits, REPOS and Guarantees	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 Rating Agency licensed by the SEC and shall not exceed twenty-five per centum (25%) of the NAV.	Complied
(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

## **Chief Executive Officer's Report**

I am pleased to present an overview of the performance of the CT CLSA Equity Fund for the year 2024/2025.

### **Economy at a Glance**

Sri Lankan economy posted remarkable recovery, posting an economic growth of +5.00% in 2024. Most macroeconomic variables showed positive performances with a notable strength in the fiscal pillar of the economy. After the presidential election in September 2024, we saw equity markets reverting back to its lost momentum and re-rating to the new normal economic cycle. The low-interest rate environment and the tax efficiency in equity market investments saw investors switching to equity to generate higher returns. Given the optimism in the economy, our team at CT CLSA Asset Management (CT CLSA AM) has been focused on generating above average risk adjusted returns to its unitholders while being strongly grounded by prudent investment strategies and strong risk management practices which we hold close to our hearts.

### **Broadening our Reach.**

The financial year ending March 2025 was a milestone year for us at CT CLSA Asset Management (CT CLSA AM) as we partnered with Cargills Bank to access the latter's extensive countrywide supermarket banking network via the Cargills Food City supermarket chain. In this partnership, Cargills Bank will act as the collection agent of the unit trust funds managed by CT CLSA AM and the unitholders will be able to subscribe to unit trust funds at over 530 supermarkets countrywide through the Cargills supermarket chain including Cargills Food City, Cargills Express and Cargills Food Hall outlets. This partnership underscores CT CLSA AM's commitment to promote inclusivity by bringing essential financial services closer to unitholders across all 25 districts in Sri Lanka.

### **CT CLSA AM's Commitment to Financial Education**

At CT CLSA AM we are committed to improving the financial literacy amongst the Sri Lankan community by continuously engaging in programs on timely topics such as "Personal Financial Management", and "Unit Trust as an Alternative Investment Option". Moreover, we also collaborated with the Securities and Exchange Commission (SEC) and the Colombo Stock Exchange (CSE) on their regional awareness sessions to improve financial literacy beyond the Western Province. We believe these types of continuous investor education and engagements would improve financial literacy and the unit trust penetration levels in Sri Lanka. These efforts were complemented by regular publication of fact sheets, newsletters and yield posters which provide fund related information to existing and potential investors. In order to take our message across to younger audiences, we have leveraged social media channels and WhatsApp broadcasting to engage with the youth and create the required awareness on their savings and investment needs and have brought in focused attention on Systematic Investment Schemes (SIPs) as a lifestyle choice.

I am also proud to bring to your attention that CT CLSA AM is the only asset manager in Sri Lanka which provides fund manager reviews in all three languages to its existing and potential unitholders to enable better understanding of the products we offer in their native language.

## Outlook

CT CLSA AM's outlook for the financial year ahead remains optimistic. We believe the local economy will continue on its upward growth trajectory despite rising global geopolitical risks which may result in market volatility in the near term. We at CT CLSA AM firmly believe that volatility brings in opportunity and our well-structured investment process enables us to capitalize on volatility for long term above average returns. We firmly believe the unit trust industry will have a greater role to play with increased financial literacy programs, broader distributions networks, growing middle class and the aging population creating opportunities for alternate investment products in addition to the savings products offered by the traditional financial services sector. Increased focus on investments makes products such as CT CLSA Equity Fund a life style choice to ensure capital growth remaining a vital focus area.

## 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 CLSA AM and the dynamic team at CT CLSA AM who has made this a success.

As a long-term fund management house, we are mindful that "Past performance is no guarantee of future results, and would continue to challenge ourselves to remain agile and nimble to capture market opportunities. We strive to continuously upgrade our service delivery to our valued unit holders while maintaining the highest level of work ethic. We will move forward with resilience, dynamism and strive for greater heights in the coming year.



Bimane Meepagala

Director / Chief Executive Officer

CT CLSA Asset Management ( Pvt ) Ltd

## Fund Manager's Review

### Economic Review

After two consecutive years of contractions, the Sri Lankan economy returned to growth in 2024 aided by a low base effect and the continuation of accommodative monetary policy by the Central bank of Sri Lanka. Resultantly, the Sri Lankan economy recorded a growth of +5.0%<sup>2</sup> in 2024 compared to the contraction of -2.3%<sup>2</sup> recorded in the preceding year. The growth in real GDP was broad based with all three sectors of the economy witnessing YoY growth.

	2022		2023		2024	
	% Growth	% of GDP	% Growth	% of GDP	% Growth	% of GDP
<b>Agriculture</b>	-4.1	7.5	1.6	7.8	1.2	7.5
<b>Industry</b>	-16.0	27.2	-9.2	25.3	11.0	26.7
<b>Services</b>	-2.6	59.3	-0.2	60.7	2.4	59.2
<b>GDP</b>	<b>-7.3</b>		<b>-2.3</b>		<b>5.0</b>	

*Source: Statistics Department*

As per the World Economic Outlook (WEO) of the International Monetary Fund (IMF), global growth is projected to decelerate to 2.8%<sup>3</sup> in 2025E before improving to 3.0%<sup>3</sup> in 2026E amid uncertainties introduced by the trade and tariff policies of the new US administration and heightened geopolitical tensions in the middle east and other parts of the world.

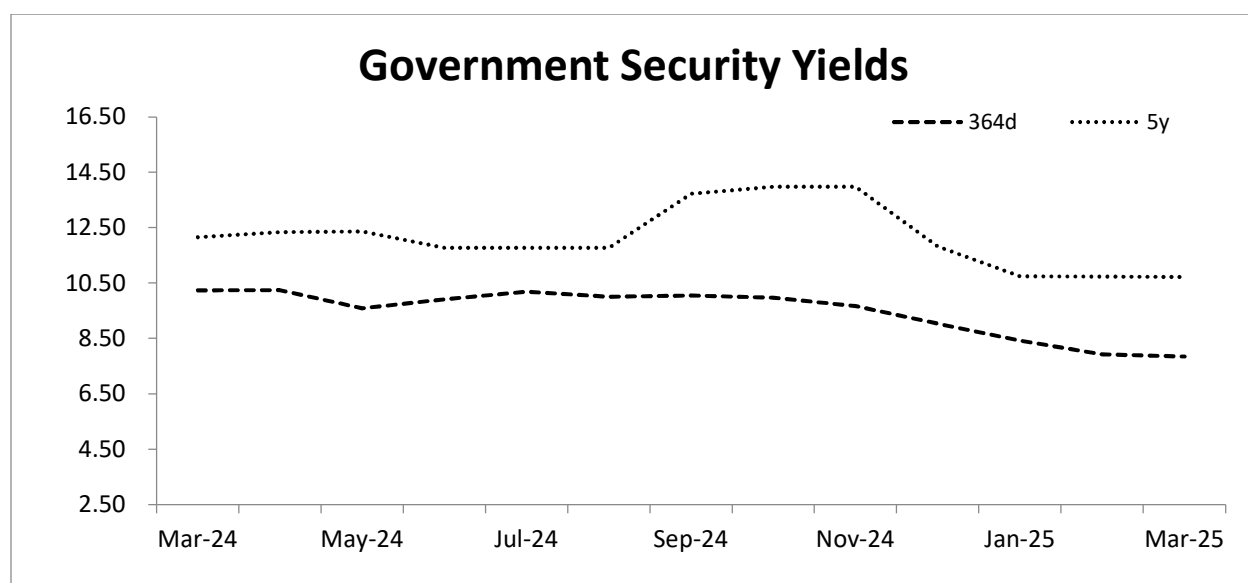


## Interest Rate Environment

	Mar-24	Jul-24	Nov-24
<b>SDFR (%)</b>	8.50	8.25	8.00
<b>SLFR (%)</b>	9.50	9.25	
<b>SRR (%)</b>	2.00	2.00	2.00

Source: CBSL

The Central Bank of Sri Lanka continued its accommodative monetary policy stance in FY25 as price pressures subsided amid a higher base effect, benign commodity prices and administrative price cuts although consumer demand witnessed a gradual uptick aided by a recovering economy. Meanwhile, healthy levels of banking sector liquidity supported lower yields. Private Sector credit growth momentum continued to strengthen MoM throughout FY25 and recorded a +14.0% YoY1 growth in March 2025 as single digit lending rates gradually increased demand for fresh credit.



Source: CBSL

	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
<b>Pvt. Sector Credit Growth (%)</b>	9.2	9.5	10.7	11.4	12.8	14.0

Source: CBSL

## External Trade

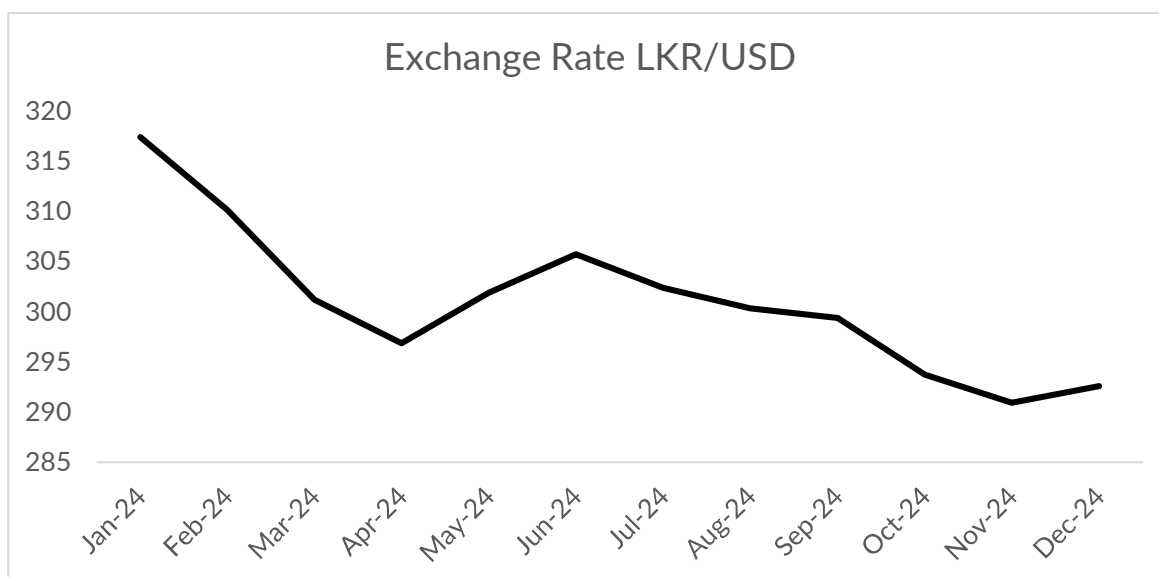
Merchandise Trade deficit widened in 2024 to more than USD 6bn1 as the growth in imports outpaced the growth in exports. Industrial exports grew +7.2%1 YoY in 2024 aided by an improvement in the exports of petroleum products (+97.2%) likely due to increased bunker fuel demand arising from the Red sea crisis. Additionally, Food, beverages and tobacco sector also contributed double digit growth to the exports basket whilst the country's largest export sector, apparel and textiles, grew a modest +4.9%. Consumer goods and Investment goods imports posted healthy double-digit growth of +13.9% and +25.6%, respectively amid improved disposable incomes and higher economic activity. Despite the widening of the merchandise trade deficit, the economy recorded a current account surplus for 2024 amid improved tourism earnings (+53.2%) and higher contributions from Sri Lankans working abroad (+10.1%).

(In US \$Mn)	2023	2024	YoY Growth (%)	Oct-24	Nov-24	Dec-24
Exports	11,911	12,772	7.2%	1,158	994	1,102
Imports	16,811	18,841	12.1%	1,702	1,496	1,924
<b>Trade Balance</b>	<b>-4,900</b>	<b>-6,069</b>		<b>-544</b>	<b>-502</b>	<b>-823</b>
Worker's Remittances	5,970	6,575	10.1%	588	530	614
Tourism	2,068	3,169	53.2%	186	273	362
<b>Current Account Balance</b>	<b>1,440</b>	<b>1,316</b>	<b>-8.6%</b>	<b>109</b>	<b>167</b>	<b>-509</b>

Source: CBSL

## Exchange Rate Environment

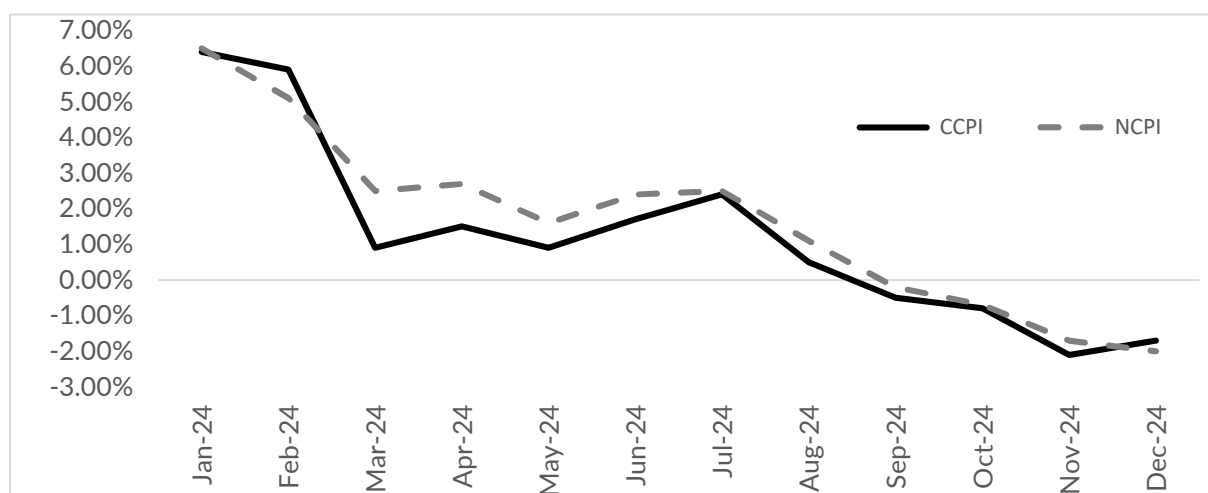
On the back of a double-digit appreciation in 2023, LKR continued to strengthen +10.7%1 YoY to Rs.292.58 as of 31st December 2024 amid improved macro and political stability. The strength in LKR was despite record buying of USD by the Central Bank of Sri Lanka in 2024 as a part of its reserve building targets under the ongoing IMF program. Resultantly, the gross official reserves improved to an estimated US\$6.3bn1 as of end May 2025 (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) and the National Consumer Price Index (NCPI, 2021=100), continued to decelerate in 2024, reaching deflationary conditions in September 2024. Administrative price cuts on energy, appreciation of the LKR and lower fuel prices tamed inflationary pressures despite a rebound in economic activity. Headline inflation is expected to gradually rise towards Central Bank of Sri Lanka's medium-term target of 5.0% in 2H2025E (-0.7%2 in May 2025; CCPI, 2021=100)



Source: CBSL

## Fiscal Accounts

Fiscal revenue reached Rs.4tn5 (13.5% of GDP) recording a growth of +32.2%5 YoY as indirect taxes such as value added tax and excise duties grew significantly on the back of increased economic activities. Taxes on income improved YoY aided by higher corporate profitability and better tax revenue collection/administration. The aforementioned revenue raising measures enabled the government of Sri Lanka to meet IMF's quantitative performance targets in terms of tax revenue collection and primary surplus for 2024. Recurrent expenditure as a % of GDP increased marginally to 17.9%5 as interest expenditure rose +9.5%5 YoY and subsidies and transfers saw a notable YoY pickup. However, government spending on capex continued to remain lackluster accounting for only 2.7% of GDP. As per the third review of the IMF, government revenue to GDP is projected to rise to 15.1%3 and 15.3%3 by 2024 and 2025, respectively, predominantly aided by the lifting of import bans on motor vehicles.

Item	2022	2023	2024 (Provisional)	2025 (Estimates)
	LKR Bn	LKR Bn	LKR Bn	LKR Bn
<b>Total Revenue</b>	2,013	3,074	4,091	4,990
<b>As a % of GDP</b>	<b>8.3</b>	<b>11.1</b>	<b>13.6</b>	<b>15.1</b>
<b>Total Expenditure</b>	4,472	5,357	6,131	7,190
<b>Primary Surplus / (Deficit)</b>	-895	173	650	750
<b>As a % of GDP</b>	<b>-3.7</b>	<b>0.6</b>	<b>2.2</b>	<b>2.3</b>

*Source : Ministry of Finance*

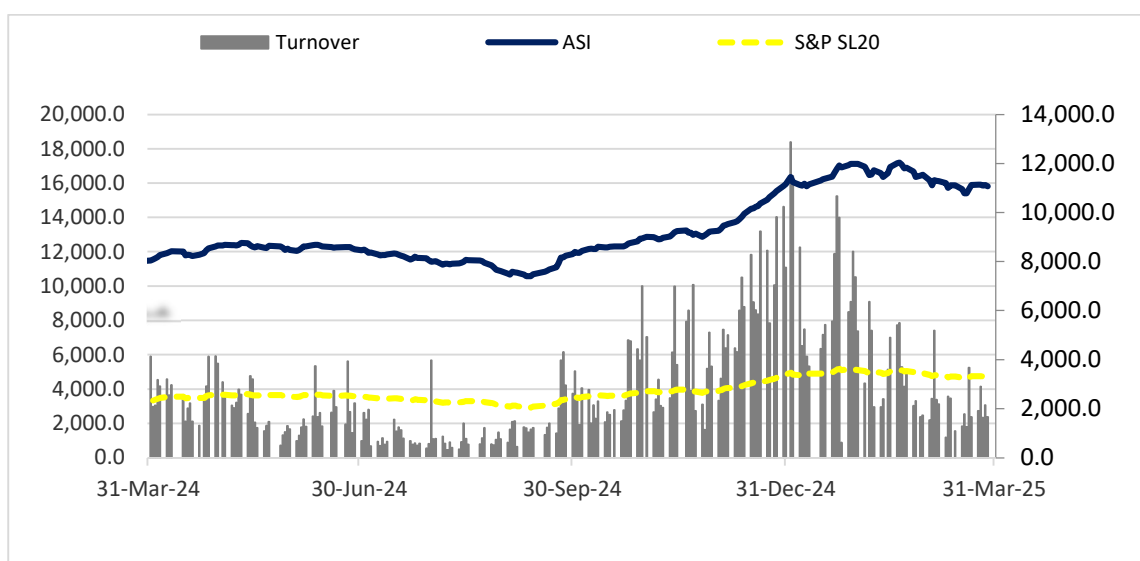
## Market Review

The Colombo Stock Exchange (CSE) maintained an upward trajectory in 1H2024 aided by the low interest-rate regime which increased the appeal for equity investments. However, in 3Q2024, CSE gave up majority of its YTD gains amid heightened investor uncertainty ahead of the presidential elections. Contrary to market expectations, CSE rallied post elections as the newly elected president, Mr. Anura Kumara Dissanayake, and his government decided to continue with the existing IMF program and successfully concluded the International Sovereign Bond (ISB) Restructure which was in its final stages of negotiations. Resultantly, ASPI capped off a spectacular year of gains (+49.7%4) reclaiming its previous all-time high in December. The more liquid S&P SL20 Index witnessed an appreciation of +58.5%4 YoY. Moreover, the average daily turnover of the market increased +32.0%4 YoY to Rs.2,240mn4 whilst the market

capitalization of the index rose to Rs.5,696bn4 (23.6% of nominal GDP) as of 31 December 2024. Foreign participation in the market continued to remain below 10% whilst 19,019 new CDS accounts were opened during the year (706,864 CDS accounts as of 31 Dec 2024)

Market Indicators	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
ASPI (% YoY)	25.0	4.5	23.0	38.2
ASTRI (% YoY)	25.2	4.5	26.9	46.4
S&P SL20 (% YoY)	6.4	-11.5	23.7	42.7
Market Capitalization (Rs bn)	3,826.5	3,903.5	4,535.0	5,696.0
Average Daily Turnover (Rs mn)	4,798.5	2,143.5	1,579.9	2,240.0
Market PER (X)	8.8	5.0	9.9	8.3
Net Foreign Flow (Rs bn)	-36.6	33.0	48.9	-12.7

Source: CSE Data



Source: CSE Data

### CT CLSA Equity Performance

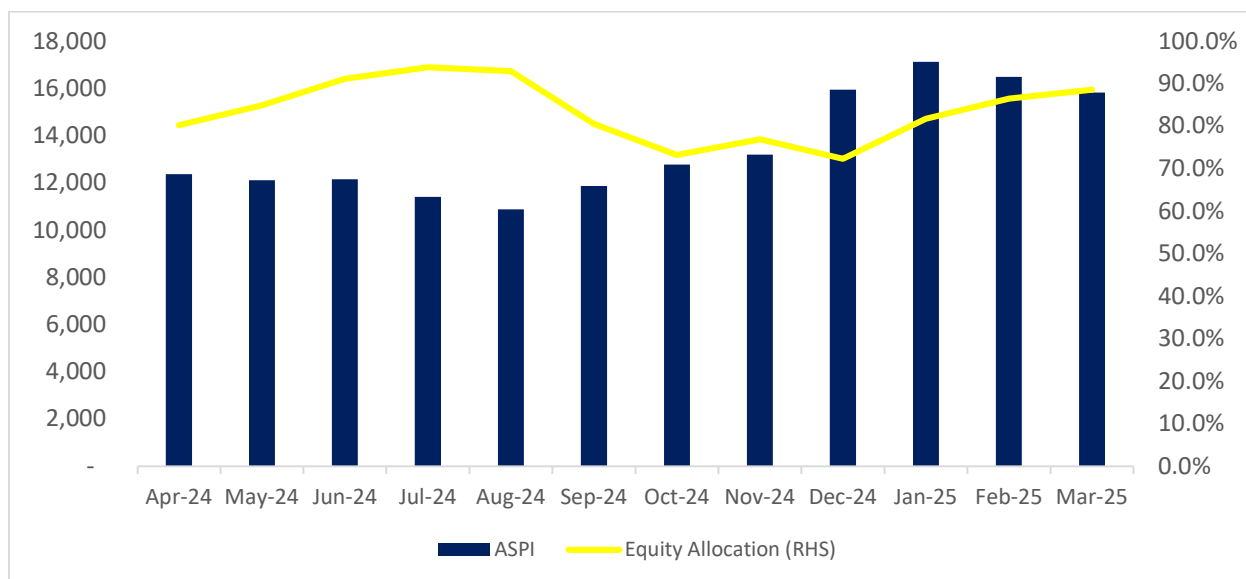
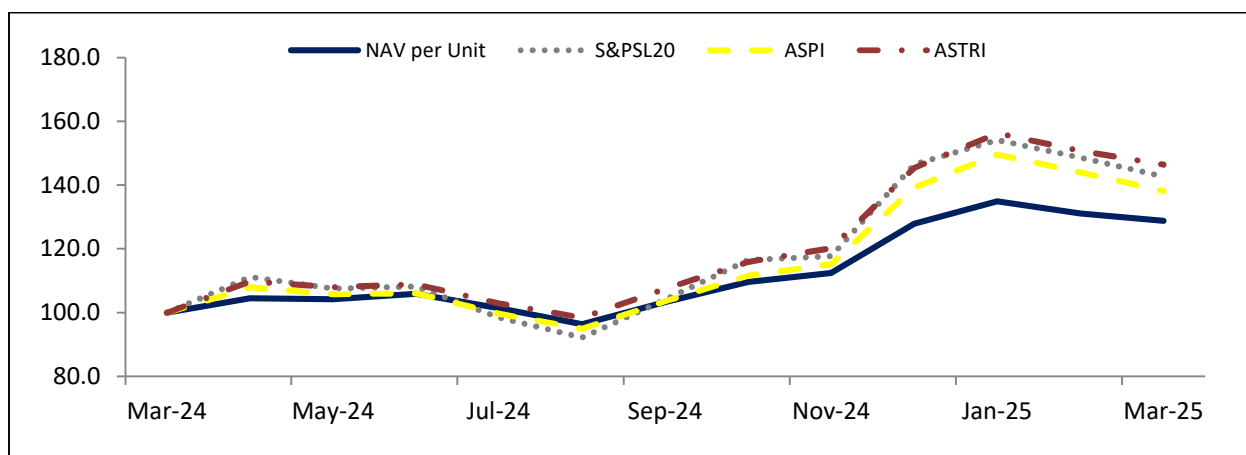
CT CLSA Equity Fund registered a gain of +28.8% during the financial year under review (versus ASPI's +38.2%) whilst posting an annualized gain of +28.4% over the past five years (versus ASPI's 28.2%). During FY25, the fund continued to maintain a higher strategic tilt towards equities whilst making regular tactical decisions on asset allocation based on price movements and market developments, often partially realizing gains during market strength and accumulating positions during market weakness. The fund maintained its overweight positions in the Capital Goods, Banks and Material sectors which benefitted from the recovery in economic activities, upward repricing of assets following the finalization of the restructuring of ISBs and a revival in consumer and construction demand from a low base. The fund's strategy to maintain

a diversified portfolio enabled it to maintain a tracking error of 5.6% during FY25, protecting unit holders from excessive volatility witnessed in market returns during 2024.

Top 5 Sectors	Weight (%)
Capital Goods	24.6%
Banks	21.6%
Materials	12.4%
Consumer Durables & Apparel	6.4%
Diversified Finance	4.7%

Top 5 Stock Positions	Weight (%)
John Keells Holdings	7.6%
Nations Trust Bank - Voting	7.6%
Hayleys Fabric	5.4%
Sampath Bank	5.3%
Hemas Holdings	4.8%

Source: CSE Data & CEF Valuation Sheet



Source: CT CLSA Asset Management

## Expectations, Outlook, and Strategy

Improved macro and political stability in Sri Lanka, the discipline shown on the fiscal front since the economic crisis in 2022 and low-moderate levels of inflation in 2H2025E are expected to keep market interest rates broadly under check for the remainder of 2025E. The anticipated continuation of the low interest rate regime bodes well for the prospects of SL Equities which enjoy the added advantage of being tax efficient as only dividends earned on equities attract income tax. In this backdrop, we expect domestic fund flows to continue its shift towards equities in the immediate near term. From a valuation perspective, although the index has inclined +76.6% since the beginning of the policy easing cycle in mid 2023, this has been backed by a strong recovery in corporate earnings in 2024 (+42.5% YoY). The market continues to trade at a discount to its historical mean and there is scope for further upward re-rating as we project corporate earnings to witness double-digit growth in 2025E

We will continue to overweight equities in the fund over the near term to capture price upside stemming from both upward valuation re-ratings and improved outlook on earnings growth. The fund aims to reduce the number of portfolio holdings as the index valuation catches up to its historical mean and the fund will adopt higher active weights on its high conviction picks within the Banking, Capital goods and Materials sectors. The valuation discount that persists in the banking sector despite mid-teen RoEs projected over the medium term, sustained demand led volume recovery in consumption and green-shoots of recovery in the construction sector are expected to generate alpha for the fund over the medium term. The fund's investment strategy of holding a well-diversified portfolio of companies backed by fundamental qualities such as sustainable earnings growth, strong free cash flow generation, nimble and able management teams and reasonable valuations is geared towards generating above average risk adjusted returns to its unitholders over the medium term.

### Sources :

- 1 The Central Bank of Sri Lanka ([www.cbsl.gov.lk](http://www.cbsl.gov.lk))
- 2 The Department of Census and Statistics ([www.census.gov.lk](http://www.census.gov.lk))
- 3 International Monetary Fund ([www.imf.org](http://www.imf.org))
- 4 Colombo Stock Exchange ([www.cse.lk](http://www.cse.lk))
- 5 Ministry of Finance, Planning and Economic Development ([www.treasury.gov.lk](http://www.treasury.gov.lk))

## **Auditor Financial Statement**



# CT CLSA EQUITY FUND

FINANCIAL STATEMENTS - 31ST MARCH, 2025



LOCAL IN TOUCH GLOBAL IN REACH

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF CT CLSA EQUITY FUND

### Report on the Audit of the Financial Statements

#### Opinion


We have audited the financial statements of **CT CLSA Equity Fund.**, (the Fund), which comprise the statement of financial position as at March 31, 2025, 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, 2025, 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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#### Tax Director :

Dinusha Ilankoon BB.Mgt Accountancy(Sp),CTA

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



WE ARE AN INDEPENDENT MEMBER OF  
THE GLOBAL ADVISORY  
AND ACCOUNTING NETWORK

## 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.

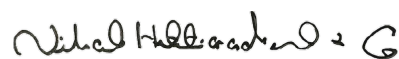
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

COLOMBO,  
July 21, 2025



NIHAL HETTIARACHCHI & CO.,  
Chartered Accountants

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH

	NOTES	2025 Rs.	2024 Rs.
<b>INVESTMENT INCOME</b>			
Profit from investments	(05)	61,695,402	41,058,795
<b>OTHER INCOME</b>			
Net unrealized gain on financial assets - at fair value through profit or loss		33,206,056	37,201,424
Net unrealized gain on treasury bond - at fair value through profit or loss		1,540,346	2,269,255
<b>Total investment income</b>		<b>96,441,804</b>	<b>80,529,474</b>
<b>OPERATING EXPENDITURE</b>			
Management fee		7,234,960	5,398,861
Trustee fee		1,033,044	908,263
Custodian charge		290,277	284,919
Audit fee		269,342	270,617
Audit fees under/over provision		187,952	(219,681)
Other expenses	(06)	112,836	164,385
<b>Total operating expenditure</b>		<b>9,128,411</b>	<b>6,807,364</b>
<b>Net operating profit</b>		<b>87,313,393</b>	<b>73,722,110</b>
<b>Profit before tax</b>		<b>87,313,393</b>	<b>73,722,110</b>
Adjustment for prior year over / (under) provision for tax	(07)	-	-
<b>Profit after tax</b>		<b>87,313,393</b>	<b>73,722,110</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>87,313,393</b>	<b>73,722,110</b>
<b>Increase in net assets attributable to unit holders</b>		<b>87,313,393</b>	<b>73,722,110</b>

The significant accounting policies and notes from pages 6 to 29 form an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

### AS AT 31ST MARCH

	NOTES	2025 Rs.	2024 Rs.
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	(08)	10,877,644	12,074,998
Financial assets - at amortised cost	(09)	20,026,137	29,107,468
Financial assets - at fair value through profit or loss	(10)	323,490,472	315,363,226
Other receivables	(11)	1,009,131	6,350,105
<b>Total assets</b>		<b>355,403,384</b>	<b>362,895,797</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Unit Holders' fund and liabilities</b>			
<b>Liabilities</b>			
Accrued expenses and other payables	(12)	2,573,999	4,592,355
<b>Total liabilities</b>		<b>2,573,999</b>	<b>4,592,355</b>
<b>Unit Holders Funds</b>			
Net assets attributable to unit holders	(13)	352,829,385	358,303,442
<b>Total unitholders' Funds and Liabilities</b>		<b>355,403,384</b>	<b>362,895,797</b>

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  
(Management Company)



Director  
(Management Company)



Trustee  
(HNB Bank PLC)

July 21, 2025

The significant accounting policies and notes from pages 6 to 29 form an integral part of these financial statements.



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

	Unit Capital	Retained Earnings	Total Equity
	Rs.	Rs.	Rs.
Balance as at 01st April 2023	24,490,864	217,449,498	241,940,362
Net decrease due to creation and redemption of units	42,640,970	-	42,640,970
Increase in net assets attributable to unit	-	73,722,110	73,722,110
Balance as at 31 March 2024	67,131,834	291,171,608	358,303,442
Balance as at 01st April 2024	67,131,834	291,171,608	358,303,442
Net increase due to creation and redemption of units	(92,787,450)	-	(92,787,450)
Increase in net assets attributable to unit	-	87,313,393	87,313,393
Balance as at 31 March 2025	(25,655,616)	378,485,001	352,829,385



The significant accounting policies and notes from pages 6 to 29 form an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH

	2025 Rs.	2024 Rs.
<b>Cash flows from operating activities</b>		
Interest received	5,237,875	11,487,757
Dividends received	11,202,267	9,980,080
Operating expenses paid	(8,452,471)	(6,282,011)
Decrease in financial investments - at fair value through profit or loss	66,253,835	(58,864,228)
Net unrealized gain on treasury bond	1,540,346	2,269,255
Decrease /( Increase) in other receivables	4,946,719	(2,263,529)
Decrease in other payables	(2,694,296)	(2,911,583)
Net investments in treasury bill	4,062,400	46,676,668
Net investments in bonds	4,474,490	(11,147,295)
Net investments in repurchase agreements	5,018,931	(25,045,068)
<b>Net cash generated from / (used in) operating activities</b>	<b>91,590,096</b>	<b>(36,099,954)</b>
<b>Cash flows from financing activities</b>		
Amounts received on unit creations	90,178,095	67,151,384
Amounts paid on unit redemptions	(182,965,545)	(24,510,413)
<b>Net cash (used in) / generated from financing activities</b>	<b>(92,787,450)</b>	<b>42,640,971</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,197,354)</b>	<b>6,541,017</b>
Cash and cash equivalents at the beginning of the year	12,074,998	5,533,981
<b>Cash and cash equivalents at the end of the year (Note - 8)</b>	<b>10,877,644</b>	<b>12,074,998</b>

CHARTERED ACCOUNTANTS

The significant accounting policies and notes from pages 6 to 29 form an integral part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

### (01) GENERAL INFORMATION

CT CLSA Equity Fund ( Formerly Known as – Comtrust Equity Fund ) ('the Fund') is an open-ended Collective Investment Scheme (CIS) licensed by the Securities and Exchange Commission of Sri Lanka. The trust invests mainly in fixed income securities and listed securities in Colombo stock Exchange and is domiciled in Sri Lanka.

The Hatton National Bank PLC appointed as the trustee of CT C L S A Asset Management (Private) Limited since 4 January 2019, The principal place of operations is located at 479, T.B. Jaya Mawatha, Colombo 10.

#### 1.1. Principal activities

The investment objective of the Fund is to achieve long term capital appreciation whilst providing unit holders with regular dividends by investing in a portfolio of equities and fixed income securities.

#### 1.2. Date of authorization for issue

The financial statements of the fund for the year ended 31 March 2025 were authorized for issue by the Fund Management company and the Trustee on 21<sup>st</sup> July, 2025.

### (02) BASIS OF PREPARATION

#### 2.1. Statement of compliance

The financial statements which comprise the statement of financial position as at 31 March 2025, 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 31.03.2025 and Accounting Standards issued but not yet effective as of the reporting date 31.03.2025

- i. There are no standards, amendments to standards, or interpretations effective for the year ended 31.03.2025 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.

#### 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.

Notes to the financial statements continued on page 7.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### (02) BASIS OF PREPARATION (CONTINUED)

#### 2.3. Statement of cash flows

The statement of cash flows has 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 Lankan Rupees, which is the Collective Investment Scheme’s (CIS’s) functional currency.

#### 2.5. Comparative information

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

Estimates 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 recognized in the financial statement are described in the relevant Note as follows.

- Recognition and measurement of financial instruments (Note 4.1.1)
- Identification, measurement and assessment of impairment (Note 4.1.2)

#### 2.7. Going concern

The management has made an assessment of the Collective Investment Scheme’s (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’s (CIS’s) ability to continue as a going concern. Therefore, the financial statements continue to be prepared on going concern basis.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### (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.

#### 4.1. Financial instruments — initial recognition and subsequent measurement

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

##### 4.1.1. Financial assets

###### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortized 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 cost that are directly attributable to the acquisition of the financial asset. Transaction cost of financial asset 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 flow 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.

The Collective Investment Scheme's (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.

Purchases 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's (CIS') commits to purchase or sell the asset.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### (04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 4.1. Financial instruments — initial recognition and subsequent measurement (Continued)

##### 4.1.1 Financial assets (Continued)

###### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (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. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Collective Investment Scheme's (CIS's) financial assets at amortized cost includes Fixed Deposits, Commercial papers and repurchase agreements.

###### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the unit units had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the statement of profit or loss when the right of payment has been established.

###### *Derecognition*

A financial asset (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 Collective Investment Scheme's (CIS's) statement of financial position) when:

- the rights to receive cash flows from the asset have expired
- or
- the unit trust 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 unit trust has transferred substantially all the risks and rewards of the asset, or (b) the unit trust has neither transferred nor 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)

#### 4.1 Financial instruments — initial recognition and subsequent measurement (Continued)

##### 4.1.2. Impairment

The unit trust 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 exposure 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 unit trust 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 unit trust applies the low credit risk simplification. At every reporting date, the unit trust 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 unit trust reassesses the external credit rating of the debt instruments. In addition, the unit trust considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

It is the unit trust'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.

#### 4.2. Dividend Payable

Dividend payable is recognized at the time the dividend recommended and declared by the board of directors.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### (04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 4.3. Provision

A provision is recognized if, as a result of a past event, the unit trust 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 these obligations.

#### 4.4. 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 obligations 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.

#### 4.5. Interest

Interest income and expenses are recognized in profit or loss using the effective interest method. This 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 unit trust estimate 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.

Fair 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.

#### 4.6. Expenses

All expenses, including management fees and trustee fee, is recognized in profit or low on accrual basis.

#### 4.7. Income tax expenses

According to the provision 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 2019 to 31 March 2020 will not be considered as a part of assessable income of the unit trust for the Y/A 2019/2020.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### (04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 4.8. 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.

#### 4.9. Distributions

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

#### 4.10. Increase/decrease in net assets attributable to unit holders

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

#### 4.11. Applications 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.

#### 4.12. Offsetting income and expenses

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

#### 4.13. Offsetting assets and liabilities

Assets and liabilities are offset and the net amount reported in the statement 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 realize the asset and settle the liability simultaneously.

#### 4.14. 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 issue.

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)**

		2025 Rs.	2024 Rs.
<b>(05) PROFIT FROM INVESTMENTS</b>			
Dividend income		11,981,217	8,030,943
Interest income on financial assets - at amortised cost	(Note - 5.1)	4,064,670	5,694,536
Net realized gain on sale of financial assets -at fair value through profit or loss	(Note - 5.2)	45,649,515	27,333,316
		<u>61,695,402</u>	<u>41,058,795</u>
<b>(5.1) Interest income on financial assets - at amortised cost</b>			
Interest on repurchase agreements		2,793,931	918,329
Interest income on corporate savings		950,136	1,357,427
Interest income on treasury bills primary		122,067	3,418,780
Balance adjustment		198,536	-
		<u>4,064,670</u>	<u>5,694,536</u>
<b>(5.2) Net realized gain on sale of financial assets -at fair value through profit or loss</b>			
Realized gain from disposal of equity shares		49,729,409	28,041,957
Brokerage fees		(4,335,738)	(4,016,253)
Interest income on government bonds		255,844	3,307,612
		<u>45,649,515</u>	<u>27,333,316</u>
<b>(06) OTHER EXPENSES</b>			
Bank charges		62,845	78,854
WHT tax expense		49,991	68,266
Other expenses		-	17,265
		<u>112,836</u>	<u>164,385</u>
<b>(07) INCOME TAX EXPENSE</b>			
<b>(7.1) Current tax expense</b>			
Adjustment for prior year over / (under) provision for tax		-	-
		<u>-</u>	<u>-</u>

CT CLSA Equity 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.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## (08) CASH AND CASH EQUIVALENTS

## Favourable balances

## Current accounts

Cash at Bank - HNB

Corporate Savings Account

(Note - 8.1)

Cash and cash equivalents for the purpose of statement of cash flows.

2025 Rs.	2024 Rs.
25,000	25,000
10,852,644	12,049,998
10,877,644	12,074,998

## (8.1) Investments in Corporate Savings

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2025 Amortised Cost Rs.
Hatton National Bank Ltd.	6.50%	31-Mar-25	1-Apr-25	10,852,644	10,852,644
				10,852,644	10,852,644

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2024 Amortised Cost Rs.
Hatton National Bank Ltd.	6.50%	31-Mar-24	1-Apr-24	12,039,998	12,039,998
DFCC Bank	6.00%	31-Mar-24	1-Apr-24	10,000	10,000
				12,049,998	12,049,998

## (09) FINANCIAL ASSETS - AT AMORTISED COST

Investments in treasury bills primary

(Note - 9.1)

Investments on Repurchase Agreement

(Note - 9.2)

2025 Rs.	2024 Rs.
-	4,062,400
20,026,137	25,045,068
20,026,137	29,107,468

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****(09) FINANCIAL ASSETS - AT AMORTISED COST (CONTINUED)****(9.1) Investments in treasury bill**

Name of Institution	Yield	Investment	Maturity	Cost	31.03.2025 Amortised Cost Rs.
		Date	Date	Rs.	Rs.
Wealth Trust Securities Ltd	23.27%	8-May-23	3-May-24	-	-
				-	-

Name of Institution	Yield	Investment	Maturity	Cost	31.03.2024 Amortised Cost Rs.
		Date	Date	Rs.	Rs.
Wealth Trust Securities Ltd	23.27%	8-May-23	3-May-24	4,062,400	4,064,311
				4,062,400	4,064,311

**(9.2) Investment in repurchase agreements**

Name of Institution	Yield	Investment	Maturity	Cost	31.03.2025 Amortised Cost Rs.
		Date	Date	Rs.	Rs.
Wealth Trust Securities Ltd	7.95%	26-Mar-25	2-Apr-25	20,000,000	20,026,137
				20,000,000	20,026,137

Name of Institution	Yield	Investment	Maturity	Cost	31.03.2024 Amortised Cost Rs.
		Date	Date	Rs.	Rs.
Wealth Trust Securities Ltd	9.40%	25-Mar-24	1-Apr-24	25,000,000	25,045,068
				25,000,000	25,045,068

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## (10) FINANCIAL ASSETS - AT FAIR VALUE THROUGH PROFIT OR LOSS

		2025 Rs.	2024 Rs.
Investment on treasury bonds	(Note 10.1)	11,272,900	15,747,390
Investment in equity shares	(Note 10.2)	312,217,572	299,615,836
		<u>323,490,472</u>	<u>315,363,226</u>

## (10.1) Investments in treasury bonds

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2025 Fair Value Rs.
Government of Sri Lanka	26.00%	10-May-23	15-Sep-27	4,238,390	6,141,515
Government of Sri Lanka	15.48%	2-Oct-23	1-Jun-26	4,523,400	5,131,385
				<u>8,761,790</u>	<u>11,272,900</u>

Name of Institution	Yield	Investment Date	Maturity Date	Cost Rs.	31.03.2024 Fair Value Rs.
Government of Sri Lanka	26.00%	10-May-23	15-Sep-27	4,238,390	6,102,965
Government of Sri Lanka	12.25%	14-Aug-23	15-May-30	4,716,345	4,672,530
Government of Sri Lanka	15.48%	2-Oct-23	16-Jun-26	4,523,400	4,971,895
				<u>13,478,135</u>	<u>15,747,390</u>

## (10.2) Investments in equity shares

Company	No. of shares	Cost as at 31.03.2025 Rs.	Market value as at 31.03.2025 Rs.	No. of shares	Cost as at 31.03.2024 Rs.	Market value as at 31.03.2024 Rs.
<b>Banks</b>						
Pan Asia Banking Corporation Limited	-	-	-	447,500	8,965,867	9,531,750
Sampath Bank PLC	153,122	9,380,522	18,757,445	317,122	17,584,372	25,369,760
Nations Trust Bank Ltd	140,781	16,347,490	26,748,390	171,398	15,769,415	18,425,285
Commercial Bank of Ceylon PLC	100,120	12,404,825	14,767,700	-	-	-
Hatton National Bank PLC	51,930	13,681,926	15,838,650	-	-	-
	<u>445,953</u>	<u>51,814,763</u>	<u>76,112,185</u>	<u>936,020</u>	<u>42,319,654</u>	<u>53,326,795</u>
<b>C/F</b>	<u>445,953</u>	<u>51,814,763</u>	<u>76,112,185</u>	<u>936,020</u>	<u>42,319,654</u>	<u>53,326,795</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## (10) FINANCIAL ASSETS - AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

## (10.2) Investments in equity shares (Cont.)

Company	No. of shares	Cost as at 31.03.2025 Rs.	Market value as at 31.03.2025 Rs.	No. of shares	Cost as at 31.03.2024 Rs.	Market value as at 31.03.2024 Rs.
<b>B/F</b>	445,953	51,814,763	76,112,185	936,020	42,319,654	53,326,795
<b>Diversified Financials</b>						
People's Leasing & Finance PLC	929,130	10,432,655	16,631,427	1,536,941	13,172,801	16,906,351
Softlogic Life Insurance PLC	57,290	3,988,924	4,147,796	83,486	6,092,669	5,518,425
	<u>986,420</u>	<u>14,421,580</u>	<u>20,779,223</u>	<u>1,620,427</u>	<u>19,265,471</u>	<u>22,424,776</u>
<b>Materials</b>						
Tokyo Cement Co. (Lanka) PLC - Non Voting	121,981	5,467,548	9,636,499	300,966	13,314,764	15,499,749
Ceylon Glass Company PLC	382,749	9,814,054	13,128,291	377,749	8,297,093	11,143,596
Caltex Lubricant Lanka PLC	-	-	-	72,000	7,410,579	7,758,000
Haycarb PLC	152,215	11,655,734	12,496,852	77,215	5,386,787	5,906,948
	<u>656,945</u>	<u>26,937,336</u>	<u>35,261,642</u>	<u>827,930</u>	<u>34,409,223</u>	<u>40,308,293</u>
<b>Food &amp; Staples Retailing</b>						
Cargills (Ceylon) PLC	-	-	-	23,780	5,825,440	8,560,800
	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,780</u>	<u>5,825,440</u>	<u>8,560,800</u>
<b>Consumer Durables &amp; Apparel</b>						
Hayleys Fabric PLC	422,418	16,028,272	19,008,810	482,338	15,156,169	19,824,092
Textured Jersey	70,224	2,658,796	3,581,424	107,724	4,114,311	4,050,422
	<u>492,642</u>	<u>18,687,068</u>	<u>22,590,234</u>	<u>590,062</u>	<u>19,270,480</u>	<u>23,874,514</u>
<b>C/F</b>	<u>2,581,960</u>	<u>111,860,747</u>	<u>154,743,284</u>	<u>3,998,219</u>	<u>121,090,268</u>	<u>148,495,178</u>

Notes to the financial statements continued on page 18.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## (10) FINANCIAL ASSETS - AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

## (10.2) Investments in equity shares (Cont.)

Company	No. of shares	Cost as at 31.03.2025 Rs.	Market value as at 31.03.2025 Rs.	No. of shares	Cost as at 31.03.2024 Rs.	Market value as at 31.03.2024 Rs.
<b>B/F</b>	2,581,960	111,860,747	154,743,284	3,998,219	121,090,268	148,495,178
<b>Retailing</b>						
John Keells Holdings PLC	1,332,040	21,168,812	26,907,208	116,215	18,050,109	22,545,710
Aitken Spence PLC	144,573	8,762,992	11,580,297	272,084	15,845,970	18,011,960
Asian Hotels and Properties PLC	32,500	1,858,778	1,722,500	155,000	8,475,405	9,455,000
Access Engineering PLC	440,084	12,949,913	16,943,234	360,084	6,510,072	8,137,898
Hemas Holdings PLC	141,740	10,593,229	17,008,800	201,740	14,381,156	16,219,896
Singer (Sri Lanka) Limited	-	-	-	223,141	3,373,570	3,592,570
	<u>2,090,937</u>	<u>55,333,724</u>	<u>74,162,039</u>	<u>1,328,264</u>	<u>66,636,282</u>	<u>77,963,034</u>
<b>Food Beverage &amp; Tobacco</b>						
Distilleries Company of Sri Lanka PLC	-	-	-	239,323	5,297,764	6,437,789
	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,323</u>	<u>5,297,764</u>	<u>6,437,789</u>
<b>Utilities</b>						
Windforce	507,797	9,559,248	12,694,925	538,654	9,155,315	10,557,618
	<u>507,797</u>	<u>9,559,248</u>	<u>12,694,925</u>	<u>538,654</u>	<u>9,155,315</u>	<u>10,557,618</u>
<b>Capital Goods</b>						
ACL Cables PLC	102,210	9,624,167	12,469,620	162,620	13,121,299	13,676,342
Hayles Limited	98,363	8,487,555	13,475,731	206,537	15,860,095	16,956,688
JAT Holding Limited	320,000	8,231,168	8,608,000	-	-	-
	<u>520,573</u>	<u>26,342,890</u>	<u>34,553,351</u>	<u>369,157</u>	<u>28,981,394</u>	<u>30,633,030</u>
<b>Household &amp; Personal Product</b>						
BPPL Holding PLC	526,600	11,448,540	10,005,400	562,250	12,403,886	11,245,000
	<u>526,600</u>	<u>11,448,540</u>	<u>10,005,400</u>	<u>562,250</u>	<u>12,403,886</u>	<u>11,245,000</u>
<b>C/F</b>	<u>6,227,867</u>	<u>214,545,149</u>	<u>286,158,999</u>	<u>7,035,867</u>	<u>243,564,908</u>	<u>285,331,649</u>

Notes to the financial statements continued on page 19.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## (10) FINANCIAL ASSETS - AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

## (10.2) Investments in equity shares (Cont.)

Company	No. of shares	Cost as at 31.03.2025 Rs.	Market value as at 31.03.2025 Rs.	No. of shares	Cost as at 31.03.2024 Rs.	Market value as at 31.03.2024 Rs.
<b>B/F</b>	6,227,867	214,545,149	286,158,999	7,035,867	243,564,908	285,331,649
<b>Telecommunication service</b>						
Dialog Axiata PLC	616,216	6,517,254	8,811,889	651,258	6,492,292	7,619,719
	616,216	6,517,254	8,811,889	651,258	6,492,292	7,619,719
<b>Real Estate</b>						
Prime Lands Residencies PLC	630,614	6,272,415	7,378,184	318,114	2,451,852	2,672,158
	630,614	6,272,415	7,378,184	318,114	2,451,852	2,672,158
<b>Auto Mobile and Components</b>						
Kelani Tyres Ltd	-	-	-	57,033	3,850,059	3,992,310
	-	-	-	57,033	3,850,059	3,992,310
<b>Transportation</b>						
Digital Mobility Solutions Lanka Limited	135,000	7,802,672	9,868,500	-	-	-
	135,000	7,802,672	9,868,500	-	-	-
<b>Market value of equity investments</b>	7,609,697	235,137,490	312,217,572	8,062,272	256,359,111	299,615,836

Notes to the financial statements continued on page 20.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	2025 Rs.	2024 Rs.
<b>(11) OTHER RECEIVABLES</b>		
Dividend receivable	778,950	-
Interest income - corporate savings	1,933	108,684
CDS receivables	-	4,946,719
Treasury bonds interest receivable	228,248	440,221
Treasury bills interest receivable	-	854,481
	<u>1,009,131</u>	<u>6,350,105</u>
<b>(12) ACCRUED EXPENSES AND OTHER PAYABLES</b>		
Management fee payable	1,954,099	1,501,124
Trustee fees payable	278,983	253,934
Audit fees payable	269,342	70,449
Custodian fee payable	71,575	72,552
Trade creditors equity	-	2,689,700
Unit redemption payable	-	4,596
	<u>2,573,999</u>	<u>4,592,355</u>

**(13) NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

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

	31.03.2025 Units	31.03.2024 Units	31.03.2025 Rs.	31.03.2024 Rs.
Opening capital balance	10,409,980	9,131,589	358,303,442	241,940,362
Applications	2,108,179	2,071,020	90,178,095	66,731,008
Redemptions	(4,552,837)	(792,629)	(182,965,545)	(24,090,038)
Increase / (decrease) in net assets attributable to unit holders	-	-	87,313,393	73,722,110
Distributions to unit holders	-	-	-	-
<b>Closing balance</b>	<u>7,965,322</u>	<u>10,409,980</u>	<u>352,829,385</u>	<u>358,303,442</u>

Notes to the financial statements continued on page 21.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****(13) NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)**

	31.03.2025 Rs.	31.03.2024 Rs.
<b>Published net assets per unit</b>		
Net assets	352,629,585	357,835,035
Total no. of units	7,965,322	10,409,980
<b>Published net assets per unit (Rs.)</b>	<b>44.27</b>	<b>34.37</b>

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.

**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.

**(14) RELATED PARTY DISCLOSURE****(a) Responsible entity**

The responsible entity of CT CLSA Equity Fund is CT CLSA Asset Management (Private) Limited.

**(b) Key management personnel****Directors**

- Mrs. Cecilia Muttukumaru
- Mr. Zakir Mohamedally
- Mr. Joseph Page
- Ms. Bimane Meepagala
- Ms. Miriam Pietersz
- Mr. Simon Hempel

**Other key management personnel**

- |                              |                   |
|------------------------------|-------------------|
| - Ms. Hansini Aravinda       | Financial analyst |
| - Mr.Kushan Vinayagasundaram | Fund manager      |



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****(14) RELATED PARTY DISCLOSURE (CONTINUED)****(c) Key Management Personnel unit holdings**

Unitholder	No of Units Held		Fair Value of Investment	Interest	Dividend Paid / Payable
	31-Mar-24	31-Mar-25	(Rs)	Held %	(Rs)
Nil	Nil	Nil	Nil	Nil	Nil

**(d) Key management personnel compensation**

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

**(e) 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.

**(f) Related Party Unitholding**

The Management Company and other related parties have not invested in the CT CLSA Equity Fund.

Cargills Ceylon PLC	-	0%
CT CLSA Securities (Pvt) Ltd	11,797,030	17%

**(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	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Management fees	7,234,960	5,398,861	1,954,099	1,501,124
Trustee fees	1,033,044	908,263	278,983	253,934
Custodian fee	290,277	284,919	71,575	72,552
	<u>8,558,281</u>	<u>6,592,043</u>	<u>2,304,657</u>	<u>1,827,610</u>

**(h) The following amounts were invested in instruments offered by related parties as at the end of the financial year.**

Company	Yield	Investment Date	Maturity Date	Cost	Amortized value
31-Mar-25				(Rs.)	(Rs.)
Nil	Nil	Nil	Nil	Nil	Nil
				-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****(16) ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS****Summary of Financial Assets And Liabilities**

<b>As at 31 March 2025</b>	<b>Measured at Fair Value</b>	<b>Carried at Cost</b>	<b>Amortized Cost</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	-	25,000	10,852,644	10,877,644
Other receivables	-	1,009,131	-	1,009,131
Financial assets - at amortized cost	-	-	20,026,137	20,026,137
Financial assets - at fair value through profit or loss	323,490,472	-	-	323,490,472
<b>Total</b>	<b>323,490,472</b>	<b>1,034,131</b>	<b>30,878,781</b>	<b>355,403,384</b>
<b>Liabilities</b>				
Accruals and other payables	-	2,573,999	-	2,573,999
<b>Total</b>	<b>-</b>	<b>2,573,999</b>	<b>-</b>	<b>2,573,999</b>
<b>As at 31 March 2024</b>	<b>Measured at Fair Value</b>	<b>Carried at Cost</b>	<b>Amortized Cost</b>	<b>Cost</b>
<b>Assets</b>				
Cash and cash equivalents	-	25,000	12,049,998	12,074,998
Other receivables	-	6,350,105	-	6,350,105
Financial assets - at amortized cost	-	-	29,107,468	29,107,468
Financial assets - at fair value through profit or loss	315,363,226	-	-	315,363,226
<b>Total</b>	<b>315,363,226</b>	<b>6,375,105</b>	<b>41,157,466</b>	<b>362,895,797</b>
<b>Liabilities</b>				
Accruals and other payables	-	4,592,355	-	4,592,355
<b>Total</b>	<b>-</b>	<b>4,592,355</b>	<b>-</b>	<b>4,592,355</b>

**(16.1) Determining of fair value and hierarchy of fair value**

The following tables show an analysis of financial instruments at fair value and by level of fair value hierarchy.

<b>As at 31 March 2025</b>	<b>Level 1 Rs.</b>	<b>Level 2 Rs.</b>	<b>Level 3 Rs.</b>	<b>Total fair value Rs.</b>
<b>Financial assets measured at fair value</b>				
Financial assets recognised through profit or loss - measured at fair value				
- Investment in listed shares	312,217,572	-	-	312,217,572
- Investment on treasury bonds	-	-	11,272,900	11,272,900
	<b>312,217,572</b>	<b>-</b>	<b>11,272,900</b>	<b>323,490,472</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****(16) ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS (CONTINUED)****(16.1) Determining of fair value and hierarchy of fair value (Continued)**

As at 31 March 2024	Level 1	Level 2	Level 3	Total fair value
<b>Financial assets measured at fair value</b>				
Financial assets recognised through profit or loss - measured at fair value				
- Investment in listed shares	299,615,836	-	-	299,615,836
- Investment on treasury bonds	-	-	15,747,390	15,747,390
	<u>299,615,836</u>	<u>-</u>	<u>15,747,390</u>	<u>315,363,226</u>

Level 1 - Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - Financial instruments are measured at fair value on a regular basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by the market transactions involving comparable securities.

Level 3 - Financial instruments that are not supported by observable market prices information. The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the responsible entity. The responsible entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include; investment-grade corporate bonds and certain non-US sovereign obligations, certain listed equities, certain unlisted unit trusts, and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. The fund has not held any such investment in its portfolio.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### (17) FINANCIAL RISK MANAGEMENT

#### Overview

The Collective Investment Scheme (CIS) has exposure to the following risks via financial instruments.

- Capital Risk
- 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.

#### (17.1) Risk management framework

Risks arising from holding financial instruments are inherent in the Fund's activities, and are managed through a process of ongoing identification, measurement and monitoring. The Fund's overall risk management program focuses on ensuring compliance with the Fund's Explanatory Memorandum and seeks to maximize the returns derived for the level of risk to which the Fund is exposed. 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.

The Fund is exposed to credit risk, market risk (principally price risk), and liquidity risk. The Fund Manager, who is responsible for identifying and controlling each of these risks, agrees on policies for managing them. The Manager also monitors information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept. This information is prepared and reported to relevant parties within the Manager on a regular basis as deemed appropriate, including the Fund Manager, other key management, and ultimately the Trustees of the Fund.

#### (17.1) (a) Capital risk

The Fund considers its net assets attributable to unit holders as capital, net assets attributable to unit holders are classified as 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.

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

#### (17.1) (b) Market risk

Market risk represents the risk that the value of the Fund'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 is not exposed to currency risk as all its investments are in securities denominated in Sri Lankan Rupees. Therefore, price risk and interest rate risk will be the principal sources of market risk for the Fund.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## (17) FINANCIAL RISK MANAGEMENT (CONTINUED)

## (17.1) (b) Market risk (Continued)

This risk is managed by ensuring that all investments activities are undertaken in accordance with established mandate limits and investments strategies. As such, unit holders can manage this risk through their choices of investment portfolios to participate in.

## (i) Interest rate risk

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarizes the Fund's exposure to interest rate risk. It includes the Fund's assets and liabilities at fair values, categorized by the earlier of contractual re-pricing or maturity dates

31st March 2025	Floating interest rate Rs.	Fixed interest rate Rs.	Non- interest bearing Rs.	Total Rs.
<b>Financial assets</b>				
Cash and cash equivalents	-	-	10,877,644	10,877,644
Other receivables	-	-	1,009,131	1,009,131
Financial assets held at fair value through profit and loss	-	-	323,490,472	323,490,472
Investments carried at amortized cost	-	20,026,137	-	20,026,137
<b>Total exposure</b>	-	20,026,137	335,377,247	355,403,384
<b>31st March 2024</b>	<b>Floating interest rate Rs.</b>	<b>Fixed interest rate Rs.</b>	<b>Non- interest bearing Rs.</b>	<b>Total Rs.</b>
<b>Financial assets</b>				
Cash and cash equivalents	-	-	12,074,998	12,074,998
Other receivables	-	-	6,350,105	6,350,105
Financial assets held at fair value through profit and loss	-	-	315,363,226	315,363,226
Investments carried at amortized cost	-	29,107,468	-	29,107,468
<b>Total exposure</b>	-	29,107,468	333,788,329	362,895,797

Since the Fund had not held financial instruments with variable interest rates as at 31st March 2025 and 31 March 2024, it was not exposed to cash flow interest rate risks.

Financial instruments with fixed rates exposed the Fund to fair value interest rate risks. However, 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****(17) FINANCIAL RISK MANAGEMENT (CONTINUED)****(ii) Price risk**

Price risk is the risk that the fair value of the Fund's investment in trading securities will fluctuate as a result of changes in the price of the Fund's investments in trading securities listed in the Colombo Stock Exchange. Price risk exposure arises from the Fund's investment portfolio.

The table below shows the impact on the statement of profit or loss and other comprehensive income and statement of financial position due to a reasonably possible change in the price of the Fund's investment in trading securities listed in the Colombo Stock Exchange with all other variables held constant. This risk is managed by ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

Change in price of the Funds' investments in equity portfolio	31.03.2025 Increases / (decreases) on Net assets	31.03.2024 Increases / (decreases) on Net assets
+10%	3,122,176	2,996,158
-10%	(3,122,176)	(2,996,158)

The above figures are calculated across the entire investment portfolio on an annual basis and do not reflect the changes in individual securities separately.

**(17.1) (c) Liquidity Risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on stock exchange.

Due to the nature of a Collective Investment Scheme (CIS), it is unlikely that a significant number of unit holders would exit at the same time. However to control liquidity risk, the Fund invests in financial instruments, such as overnight Repo investments, which under normal market conditions are readily convertible to cash. In addition, the Fund invests within established limits to ensure there is no concentration of risk.

Payables have no contractual maturities but are typically settled within 30 days. Due to the short term nature of these financial instruments, carrying value approximates fair value. The effect of discounting is not significant as there is little difference between undiscounted and discounted cash flows.

	31.03.2025 Rs.	31.03.2024 Rs.
Investments less than one year	343,121,353	340,800,213

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****(17) FINANCIAL RISK MANAGEMENT (CONTINUED)****(17.1) (d) Credit Risk**

Credit risk is the risk that the counterparty to the financial statement will fail to discharge an obligation and cause the Fund to incur a financial loss.

The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in debt securities, fixed deposits, cash and cash equivalents, amounts due from brokers and other receivables.

The Fund invests in debt securities which have an investment grade categorization as rated by a reputed rating agency. An analysis of debt by rating is set out in the table below.

Analysis of concentration risk

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

<b>As at 31 March 2025</b>	<b>Government Rs.</b>	<b>Corporate Rs.</b>	<b>Total Rs.</b>
<b>Assets</b>			
Cash and cash equivalents	-	10,877,644	10,877,644
Other receivables	-	1,009,131	1,009,131
Financial assets - at amortized cost	11,272,900	-	11,272,900
Financial assets - at fair value through profit or loss	-	323,490,472	323,490,472
<b>Total financial assets</b>	<b>11,272,900</b>	<b>335,377,247</b>	<b>346,650,147</b>
<b>As at 31 March 2024</b>	<b>Government Rs.</b>	<b>Corporate Rs.</b>	<b>Total Rs.</b>
<b>Assets</b>			
Cash and cash equivalents	-	12,074,998	12,074,998
Other receivables	-	6,350,105	6,350,105
Financial assets - at amortized cost	15,747,390	4,062,400	19,809,790
Financial assets - at fair value through profit or loss	-	315,363,226	315,363,226
<b>Total financial assets</b>	<b>15,747,390</b>	<b>337,850,729</b>	<b>353,598,119</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### (17) FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (17.1) (e) Operational Risk

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

The Collective Investment Scheme's (CIS'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 Collective Investment Scheme's (CIS'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 Internal Audit. The results of internal audit reviews are discussed with the management of the business unit with summaries submitted to the Invest Committee.

### (18) 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.

### (19) EVENTS OCCURRING AFTER THE REPORTING PERIOD

There were no material events occurring after the reporting date 31st March, 2025 that require adjustment to or disclosure in the financial statements.



## DETAIL NOTES TO THE FINANCIAL STATEMENTS

### 31ST MARCH

#### NET ASSET VALUE RECONCILIATION

		Rs. 2025	Rs. 2024
Audited net asset value as at 31st March		352,829,385	358,303,442
Adjustment for during the year of Audit Fee		(12,760)	(387,810)
Other adjustments		(187,040)	(500,974)
Adjustments for the Net increase due to creation and redemption of units		-	420,377
Published net asset value published as at 31st March	(Note - 13)	<u>352,629,585</u>	<u>357,835,035</u>
Net assets		352,629,585	357,835,035
Total no. of units		<u>7,965,322</u>	<u>10,409,980</u>
Net assets per unit (Rs.)		<u>44.27</u>	<u>34.37</u>



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## Five Year Summary - Financial Statements

(All Figures in LKR)					
Year ended 31 March					
Trading Results	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
Gross income	96,441,804	80,529,474	37,841,694	63,092,137	56,604,714
Profit for the year	87,313,393	73,722,110	32,734,012	58,230,689	52,913,743
Statements of Financial Position					
Assets					
Cash at bank	10,877,644	12,074,998	5,533,981	3,058,545	3,831,761
Financial assets at amortised cost	20,026,137	29,107,468	55,339,163	116,204,559	15,305,609
Other receivables	1,009,131	6,350,105	8,521,322	6,223,693	8,310,731
Unitholders' funds and liabilities					
Liabilities					
Accrual and other payables	2,573,999	4,592,355	6,978,584	1,560,730	1,274,552
Total Liabilities	2,573,999	4,592,355	6,978,584	1,560,730	1,274,552
Unitholders' funds					
Net assets attributable to unitholders	352,829,385	358,303,442	241,940,362	212,642,534	181,442,845
Total Unitholders' Funds and Liabilities	355,403,384	362,895,797	248,918,946	214,203,264	182,717,397
Other Financial Information					
Net assets value per unit	44.27	34.37	26.49	22.93	17.56

Financial Instruments as at 31 December 2024, 31 December 2023, 31 December 2022, 31 December 2021 and 31 December 2020 have been presented in accordance with SLFRS 9.

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Commitment. Trust. Continuity

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