CT SMITH
ASSET MANAGEMENT

ANNUAL REPORT

2025/26

CT SMITH GILT EDGED FUND

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Declaration By Trustees and Management Company

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

Hatton National Bank PLC, the Trustee and CT Smith Asset Management (Pvt) Ltd the Managers of **CT Smith Gilt Edged 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.

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Director
Management Company

....

Director
Management Company

....

Trustee of the Fund

2. About the Fund

The CT Smith Gilt Edged Fund was established on 01st March 2013. The investment objective of the Fund is to maximize returns by investing in a portfolio of Government Securities and repurchase agreements and to provide a regular return while minimizing risk. The Fund is an open-ended unit trust which can offer units to investors on a continuing basis. With effect from 14 August 2025, CT Smith Asset Management (Private) Limited [formerly CT CLSA Asset Management] re-branded and re-launched Corporate Identity as CT Smith Asset Management (Pvt) Limited. The registered office of the management company is located at No. 4-07, Majestic City, Colombo 04. The Trustee of the Fund is Hatton National Bank having its place of business at No.479 T.B Jayah Mawatha, Colombo 01.

3. Fund Information - CT Smith Gilt Edged Fund

Fund Objective		:	To invest in Government Securities and repurchase agreements Government Securities.
Fund Strategy		:	The Fund shall invest minimum of 80% of the NAV in government securities, treasury bills, treasury bonds and repurchase agreement on government securities.
Fee Structure	Front End Fee	:	Nil
	Management Fee	:	0.30% p.a
	Trustee Fee	:	0.20% p.a
	Exit Fee	:	Nil
Fund Structure	Minimum Subscription	:	Rs.1,000/-
	Fund Structure	:	Open Ended
	Switching		Allowed
	Dividend	:	-
	Initial Offer Price	:	Rs.10/-
	Inception date	:	01-Mar-2013
Liquidity	Redemption period	:	Within T+1 days

4. Service Providers

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

5. Fund Fact Sheet

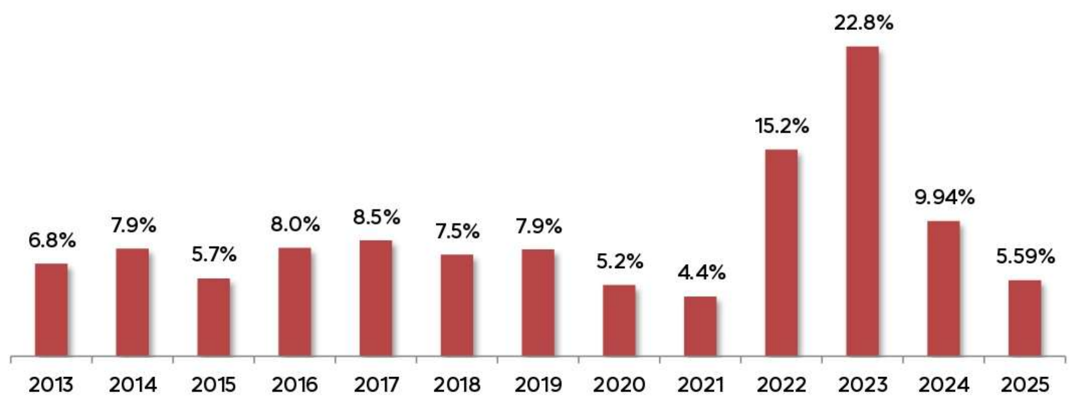
CT SMITH
ASSET MANAGEMENT

CT Smith Gilt Edged Fund

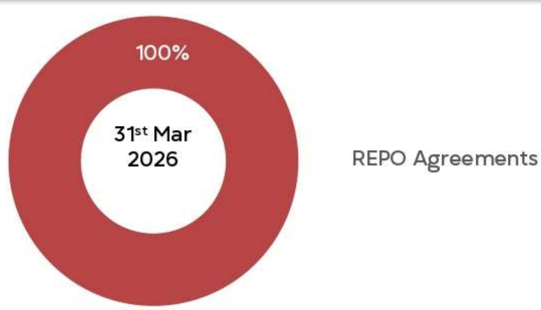
Fact Sheet – 31st March 2026

Fund Snapshot *	
Monthly return - Annualized (As at 31st March 2026)	6.33%
Unit Price (As at 31st March 2026)	18.0830
Fund NAV (LKR)	27,318,425.79
YTD Yield	0.48%
Average Maturity (Months)	2.8

Annual Yield %



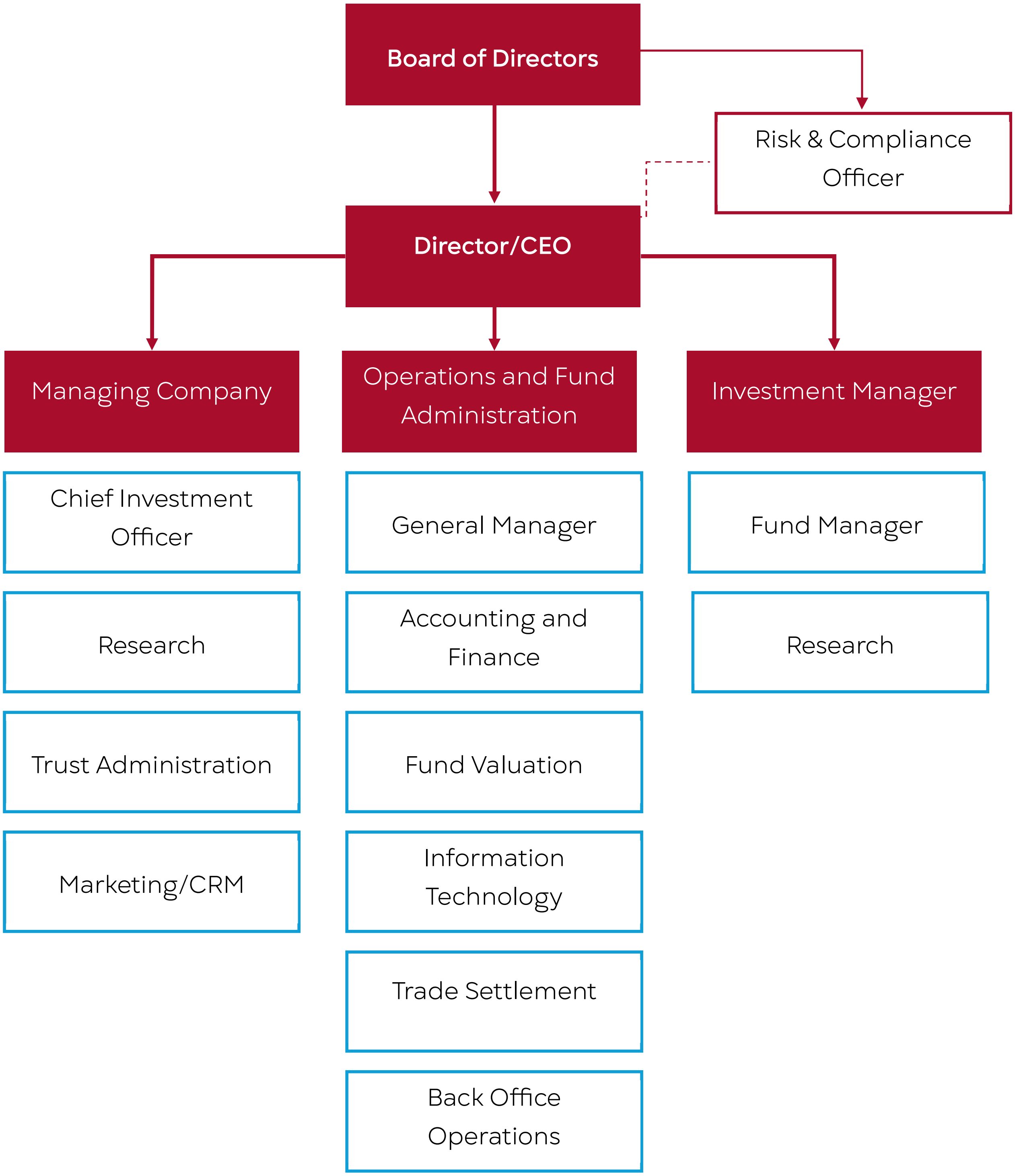
Instrument Mix



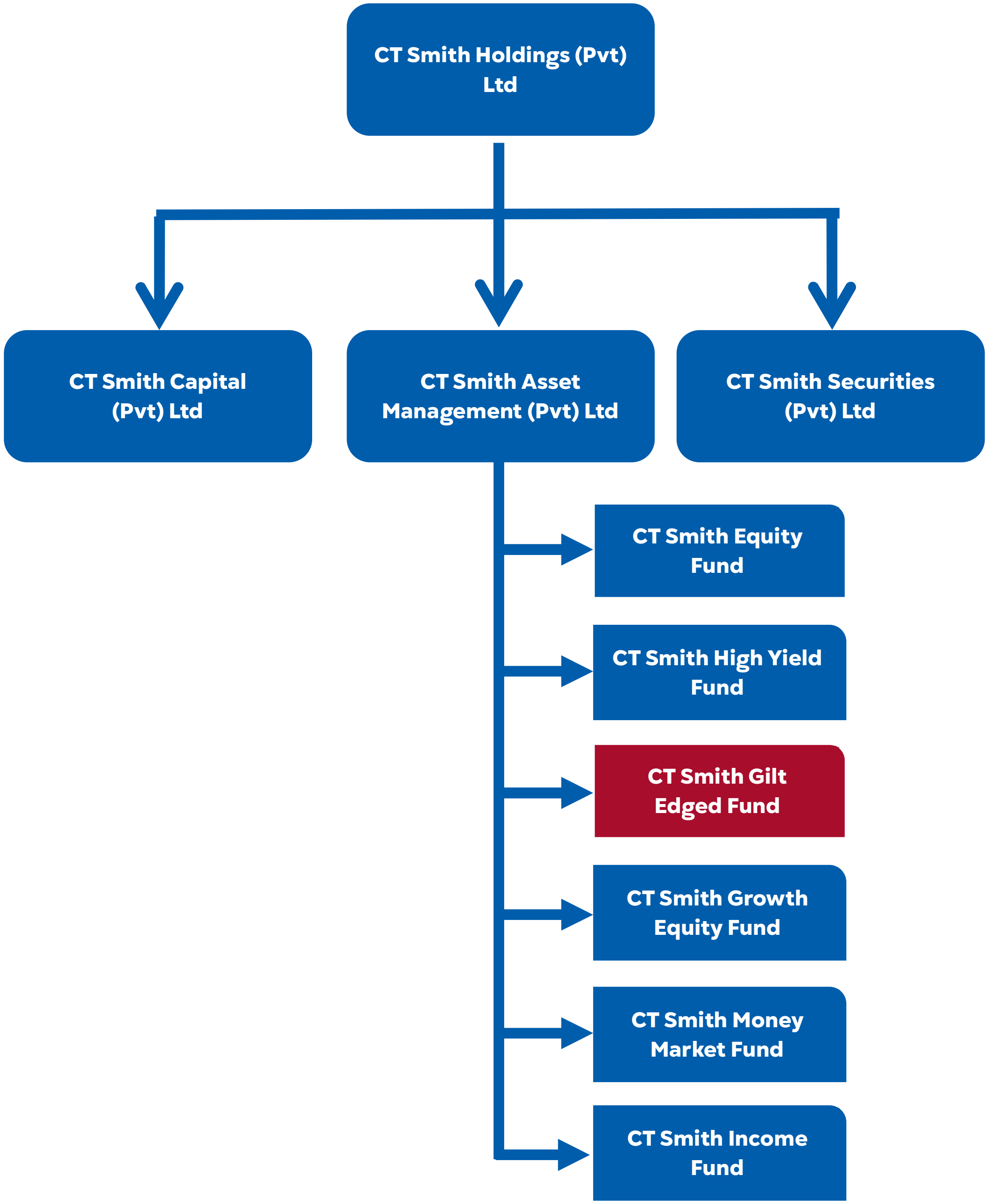
Maturity Profile	
Under 1 Month	-
1 Month to 3 Months	30.3%
3 Months to 6 Months	69.7%
6 Months to 1 Year	-

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

6. Organization Structure



7. Group Structure



8. Board of Directors of The Fund Management Company

Mrs. Cecilia Page
Chairperson

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

Mr. Joseph Page
Director

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

Mr. Simon Hemphel
Director

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

Mr. Zakir Mohamedally
Director

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

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

Miss. Bimanee Meepagala
Director / Chief Executive Officer

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

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

9. Fund Management Team

Miss. Bimanee Meepagala
Director / Chief Executive Officer

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Mr. Pasan Abeygunawardane
General Manager

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

Mr. Kuhan Vinayagasundaram
Chief Investment Officer

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

Miss. Suresha Nilmini
Fund Manager

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

Miss. Hansini Aravinda
Senior Financial Analyst

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

Miss. Sachinee Chanduka
Compliance Officer

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

10. Investment Committee

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

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

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

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

Mr. Hiran Samarasinghe
CFA, FCCA(UK)

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

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

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Director

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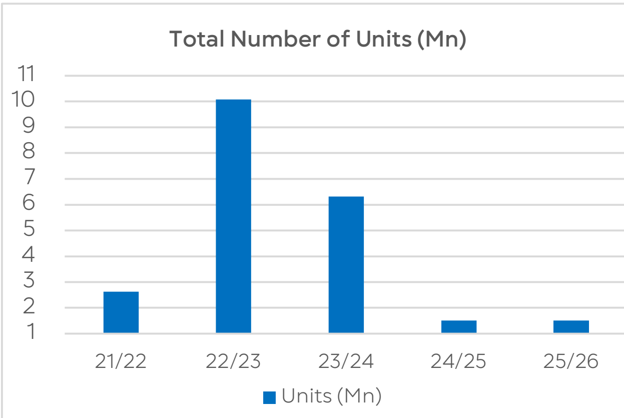
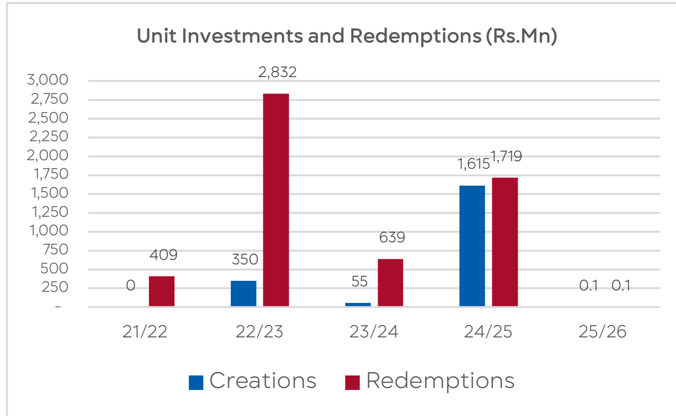
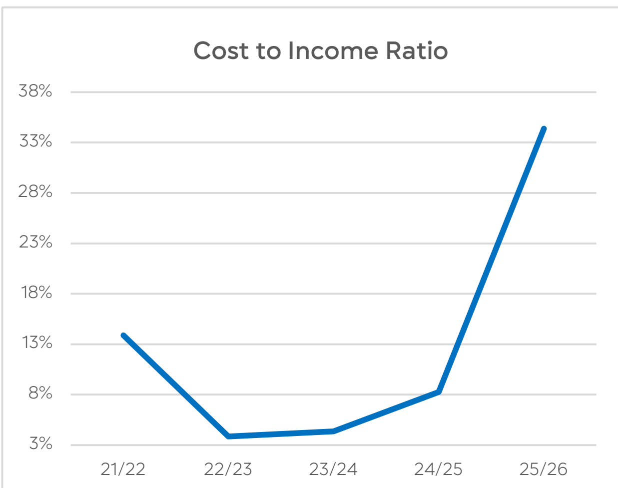
11. Financial Highlights

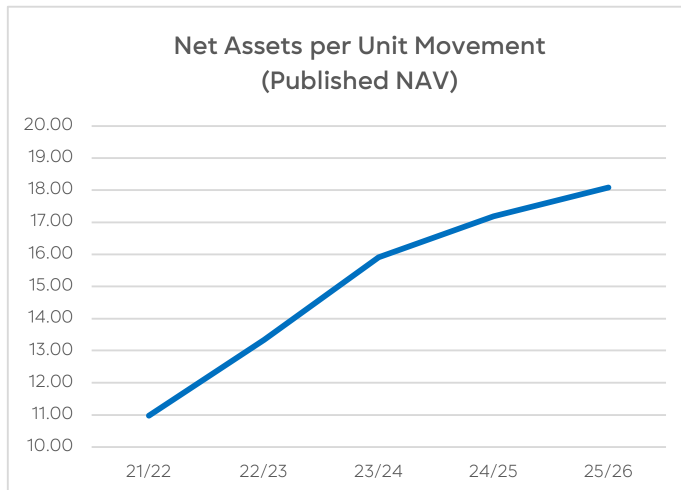
Indicator	31.03.2026	31.03.2025	Change %
Results for the Year			
Interest income	2,110,541	31,994,246	-93%
Profit for the year	1,384,908	29,356,259	-95%
Assets and Liabilities			
Financial assets at amortized cost	27,000,004	25,803,882	5%
Net assets attributable to unitholders	27,624,380	26,273,442	5%
Profitability and Efficiency Ratios			
Net profit margin	66%	92%	-28%
Return on Assets	8%	10%	-25%
Cost to income ratio	34%	8%	307%
Investor Indicators/ Measures			
Total number of units	1,510,721	1,512,563	0%
Total redemptions	98,987	1,718,996,017	-100%
Total unit investments	65,017	1,615,298,036	-100%
Net assets value per unit	18.0830	17.1820	5%
Total assets per unit	18.53	17.60	5%
Cash Flow generated from/ (used in)			
Operating activities	204,506	104,190,023	-100%
Financing activities	-33,970	-103,697,981	-100%

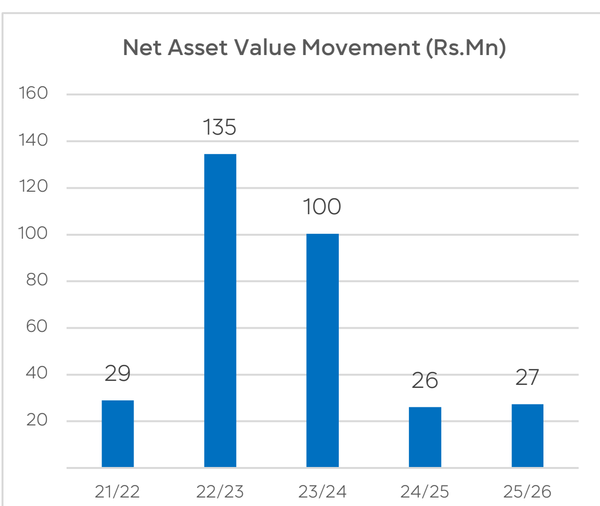
11.1. Financial Highlights (In Graph)

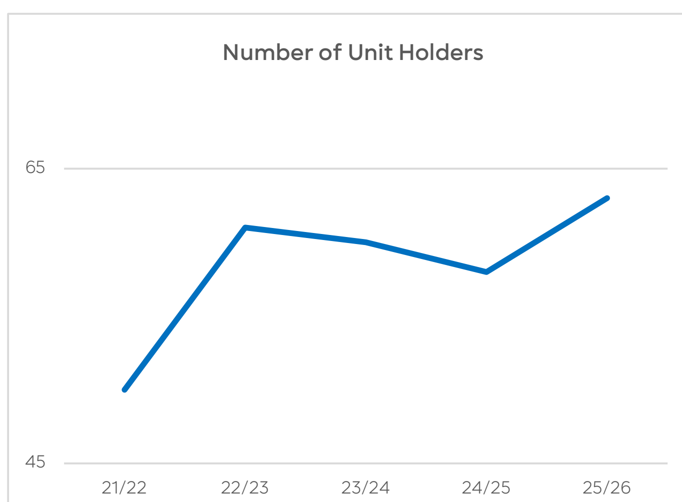












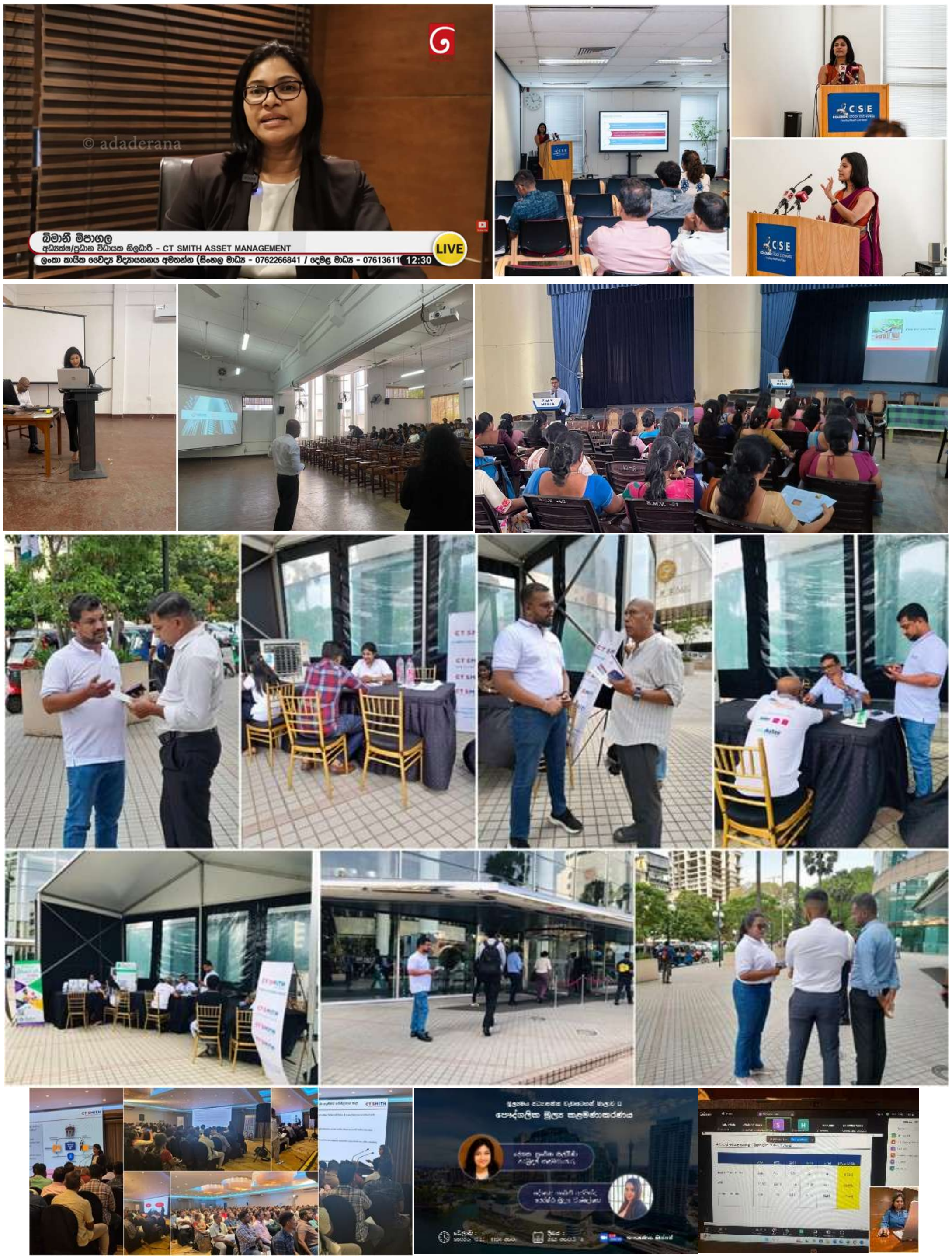
12. Stakeholder Interaction

13. Our Commitment to Financial Literacy

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

Type of the Program	Program Name	Date	Calibrating institution	Audience
Educational	Financial Literacy Session	28 August 2025	University of Moratuwa	Undergraduates
	Financial Literacy Program and discussion for Journalists	29 October 2025	Unit Trust Association of Sri Lanka and CSE	Journalists, representatives from the Unit Trust Industry and members of the public
	High-growth career pathways within capital markets and the broader financial sector	14 March 2026	Faculty of Science, University of Colombo	Undergraduates
Unit Trust Awareness Sessions	Investing in Stock market through a Unit Trust	22 May 2025	CSE Panadura	Potential CSE Investors
	Investing in Stock market through a Unit Trust	27 May 2025	CSE Batticaloa	Potential CSE Investors
	Market Condition Analysis	12 June 2025	CSE Bandarawela	Potential CSE Investors
	Introductory Session to Unit Trust	27 August 2025	Securities and Exchange Commission (SEC)	Commerce stream teachers in the Kelaniya educational zone
	Investing in stock market through a unit trust	28 August 2025	CSE Bandarawela	Potential CSE Investors
	Access to Stock Market through Equity Unit Trust Funds	11 September 2025	CSE Negombo	Potential CSE Investors
	Investing in Unit Trust Funds	16 September 2025	SEC	Commerce stream teachers in the Kalutara educational zone
	Market Condition Analysis	17 September 2025	CSE Batticaloa	Potential CSE Investors
	Invest in Stock Market through Unit Trust funds	26 September 2025	CSE Panadura	Potential CSE Investors
	Unit Trust Awareness Campaign	28 October 2025	Unit Trust Association of Sri Lanka	General Public

	Introduction to the Unit Trust funds	17 November 2025	CSE Batticaloa	Potential CSE Investors
	Awareness session on Collective Investment Schemes	08 December 2025	SEC	SEC Employees
	Introduction to the Unit Trust funds	11 December 2025	CSE Bandarawela	Potential CSE Investors
	Introduction to the Unit Trust funds	20 January 2026	CSE Jaffna	Potential CSE Investors
	Investing in Stock Market through CIS Schemes	27 January 2026	CSE Ratnapura	Potential CSE Investors
	Introduction to Collective Investment Schemes	29 January 2026	CSE Panadura	Potential CSE Investors
	Introduction to Collective Investment Schemes	26 February 2026	CSE Panadura	Potential CSE Investors
	Awareness session on Equity Market Analysis Investment Schemes	28 February 2026	CSE Anuradhapura	Potential CSE Investors
	Awareness Session - Introduction to the Unit Trust funds	26 March 2026	CSE Batticaloa	Potential CSE Investors
	Awareness session on Introduction to Collective Investment Schemes	26 March 2026	CSE Panadura	Potential CSE Investors
	Awareness Session - Introduction to the Unit Trust funds	28 March 2026	CSE Anuradhapura	Potential CSE Investors
Macro Economy Discussions	Investor Forum	20 November 2025	SEC and CSE in Gampaha	Potential CSE Investors
	Economic impact of Cyclone "Ditwah" to Sri Lankan Economy	06 December 2025	TV Derana	General Public
	Outlook for 2026	31 December 2025	CA Sri Lanka	General Public
	Sri Lanka's Equity Outlook: Picking Winners in 2026	06 January 2026	Echelon	Echelon Readers and Followers
	Awareness Session - The Smarter Portfolio: Understanding Equities, Behaviour, and Diversification	05 February 2026	CA Sri Lanka	Members of CA Sri Lanka
	Newspaper Article on Maintaining Cost reflective Pricing amid crisis	10 March 2026	Daily FT News article	Daily FT News Readers
	The evolving landscape of Investing in Unit Trusts	10 March 2026	Sirasa TV	General Public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CT SMITH ASSET MANAGEMENT
LIVE
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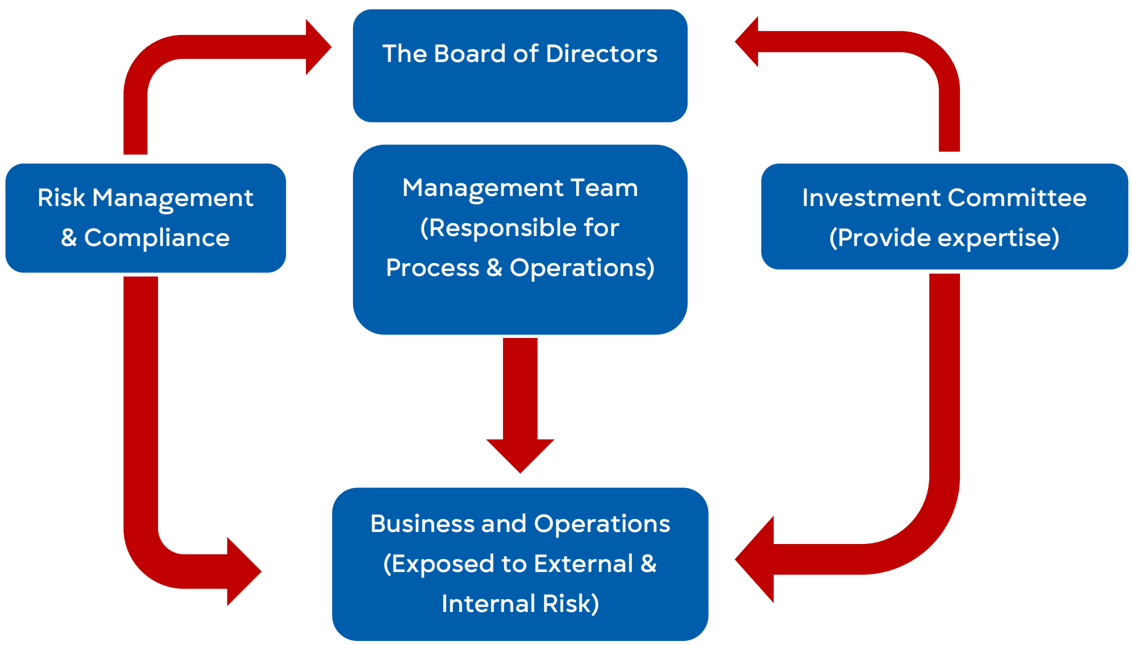
CSE

14. Governance and Risk Management Framework

14.1. Overview of Risk Management

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

14.2. Risk Management Structure



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

15. Key Risk Categories

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

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

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

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

16. Compliance Disclosures

Regulatory Requirement	Compliance Status
Managing Company must renew licence by submitting an application three months prior to the expiry	Complied
Managing Company shall at all times maintain the minimum Shareholders' Funds as specified by the SEC from time to time.	Complied
A change in the shareholding of twenty per centum (20%) or more of the total shareholding of a Managing Company shall be made only with prior consent of the SEC.	Complied
Managing Company must maintain adequate systems and resources, enforce functional barriers to protect sensitive information, and ensure proper information recording for regulatory inspection.	Complied
Persons making investment decisions on behalf of the Managing Company shall possess the adequate qualification set out by SEC	Complied
Managing Company shall ensure that a minimum of two persons possessing qualifications and/or experience as set out by SEC, are employed by the Managing Company to make investment decisions in accordance with the investment objective and policy set out in the KIID and the trust deed of the CIS and to deal with Unit Holders.	Complied
A Managing Company and individuals dealing with Unit Holders must ensure CIS transactions align with its objectives, regulations, and risk profile while refraining from intentional cross trades involving personal or related accounts.	Complied
Managing Company shall disclose to the Commission all other business activities it is engaged in at the time of applying for its licence and inform the Commission in writing prior to engaging in any other business activity after obtaining a licence from the SEC.	Complied
Unless approved by the SEC a Managing Company shall be prohibited from buying or selling any securities in its own name or having equity interest in any entity wholly or partly, directly or indirectly engaged in the business of dealing in securities.	N/A
A Managing Company shall not invest the assets of the CIS in the securities issued by a related company of the Managing Company without the prior written consent of the Trustee. All such transactions shall be disclosed in the annual report of the CIS.	N/A

Transactions between the CIS and the Managing Company, its Key Management Person/employee or their immediate family members, as well as transactions with an associate, joint venture, subsidiary, or holding company of the Managing Company, require prior written consent from the Trustee and must be disclosed in the CIS annual report	Complied
A Managing Company may amend its KIID either by the substitution of a completely new memorandum or by the addition or deletion of any information contained therein with the prior approval of the Trustee	Complied
The Managing Company shall give the Unit Holders, not less than one-month prior written communication of any increase in the Managing Company's annual charges, up to the maximum permitted level specified in the trust deed.	Complied
A Managing Company shall maintain and retain for six years records of Unit Holders, including their register, nominees, beneficial owners, unit holdings with fractions, registration dates, and units in issue, with records of redeemed units retained for six years from the redemption date.	Complied
The Managing Company shall ensure that a Unit Holder's information is updated regularly and in any event on an annual basis.	Complied
Managing Company shall have an internal compliance manual applicable to its directors and employees which shall include amongst others adequate compliance procedures and practices	Complied
All advertisements and promotional material in respect of a CIS shall be prepared in accordance with the guidelines contained in Appendix 2 of the CIS Code and No advertisement or promotional material shall be issued or published by the Managing Company on behalf of a CIS, without the prior written approval of the Trustee.	Complied
A Managing Company shall maintain accurate accounting records and books reflecting its transactions and financial position in compliance with Sri Lanka Accounting Standards, ensure they are auditable, and retain them for at least six years.	Complied
Management Company shall provide the financial statements prepared monthly in conformity with the Sri Lanka Accounting Standards signed by a Director and the Chief Executive Officer to the Commission before the twentieth (20th) day of the following month.	Complied
An interim report and unaudited accounts shall be produced for each Scheme for the first six months of each annual accounting reporting period and shall contain the same information as required in the annual audited report and accounts but need not contain an auditor's report.	Complied

Interim report and unaudited accounts of a Scheme for a reporting period shall be published on the website of the Management Company and the investors shall be informed of such fact by way of a newspaper advertisement within three (3) calendar months from the end of the interim accounting period.	Complied
Annual report and audited accounts shall be submitted to the Commission by the Management Company within four calendar months after the end of the annual accounting period.	Complied
The annual report and audited accounts shall be forwarded to the Trustee for approval prior to it being submitted to the Commission.	Complied
The annual report and audited accounts shall be made available to current Unitholders of the Scheme and also be published on the website of the Management Company within four calendar months of the end of the last day of the financial year.	Complied
The annual report and audited accounts of a Scheme shall be a stand-alone document and shall not contain any extraneous or financial promotion material.	Complied
Ensure compliance with the CDD rules and related circulars issued by CBSL-FIU.	Complied
Make a quarterly compliance report including the content specified by the Rules approved by the board of Directors and Chief Executive Officer confirming compliance with the provisions of the SEC Act before the 20th day of the following month.	Complied
A minimum liquidity level of 3% of the net asset value shall be maintained in cash or near-cash instruments.	Complied

17. Limitation on Investment

Issuer and Class of Security	Requirement	Compliance Status
(A) Listed Entity Listed Equity Securities	Fifteen per centum (15%) of the NAV of the CIS; or percentage of the NAV which is equivalent to the 'Market Capitalization Percentage' of the Security; whichever is higher, subject to a maximum of ten per centum (10%) of the issued voting share capital of the Listed Entity. For this purpose, 'Market Capitalization Percentage' shall mean the Market Capitalization of the security as a percentage of the total Market Capitalization of the Exchange.	N/A
Unlisted Equity Securities	No investment shall be made in unlisted equity securities of a Listed Entity	N/A
(B) Listed Entity Listed Debt Securities Unlisted Debt Securities	25% of NAV If guaranteed (security) from a Licensed Commercial Bank; 15% of NAV If rated (entity/security) BBB – (minimum rating); 15% of NAV	N/A Complied
(C) Unlisted Entity Listed Debt Securities Unlisted Debt Securities	25% of NAV If guaranteed (security) from a Licensed Commercial Bank; 100/oof NAV. If rated (entity/security) BBB- (minimum rating); 10% of NAV.	N/A Complied
(D) Listed Entity - Aggregate Exposure Listed equity, listed debt and unlisted debt	Aggregate value of *investments* made in *securities* specified under (A) and (B) above in a listed entity shall not exceed twenty-five per centum (25%) of the NAV.	Complied

(E) Unlisted Entity - Aggregate Exposure Listed debt and unlisted debt securities (subject to disclosure Requirements)	Aggregate value of investments made in an unlisted entity as specified in 'C' above shall not exceed twenty-five per centum (25%) *of* the NAV,	Complied
(F) Total exposure with a Commercial Bank, Specialized Bank or a Finance Company Licensed by the CBSL Whether through investments inter a/la Equity, 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

18. Chief Executive Officers Report

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

Economy at a Glance

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

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

CT Smith's Commitment to Financial Education

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

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

Outlook

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

Appreciation

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

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

Signed

Meepagala

…………………………………………

Bimanee Meepagala

Director / Chief Executive Officer

CT Smith Asset Management (Pvt) Ltd

FUND MANAGER REPORT
Gilt Edged Fund

Dear Investor,

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

The Net Asset Value per unit of your Fund appreciated by 5.30% during the financial year ended 31st March 2026 (FY26) compared to 8.28% during the twelve months ended 31st March 2025. Consequently, the Net Asset Value per unit as of 31st March 2026 was LKR 18.08

Economic Review

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

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

Source: Statistics Department

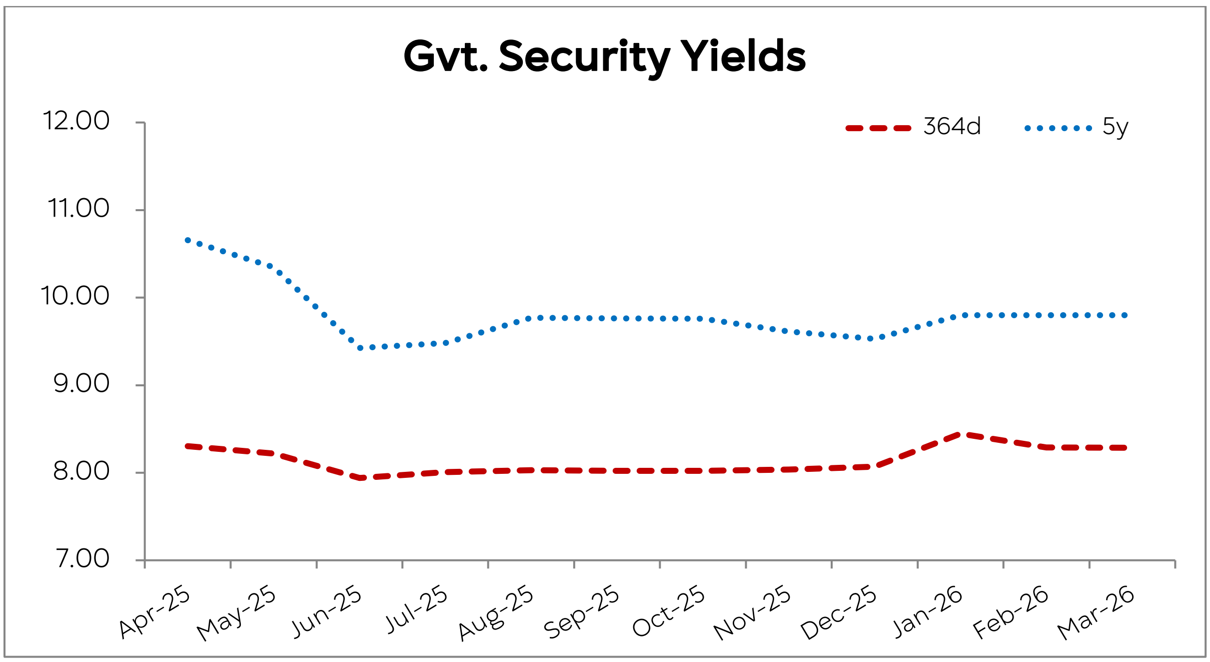
As per the World Economic Outlook (WEO) of the International Monetary Fund (IMF), global growth is projected to decelerate to 3.1%[3] in 2026E before improving to 3.2%[3] in 2027E largely due to the US/Israel's war on Iran and its resultant impact on global supply chains and headline inflation.

Interest Rate Environment

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

Source: CBSL

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



Source: CBSL

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

Source: CBSL

External Trade

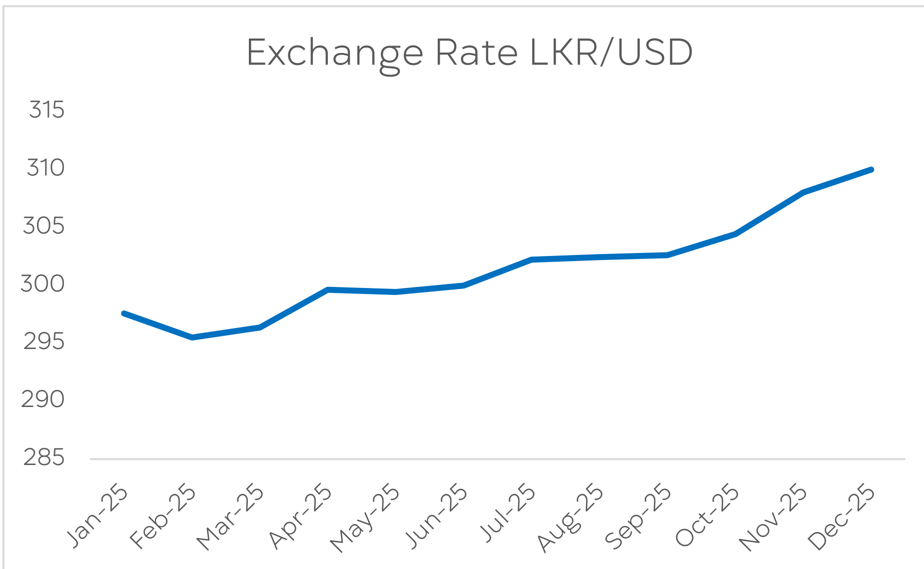
Merchandise Trade deficit continued to widen in 2025 to nearly USD 8bn[1] as the growth in imports outpaced the growth in exports. Industrial exports rose +5.2%[1] YoY in 2025 led by a notable increase in food, beverage and tobacco exports which grew +37.4%[1]. Sri Lanka's largest export sector, apparel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

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

Source: CBSL

Exchange Rate Environment

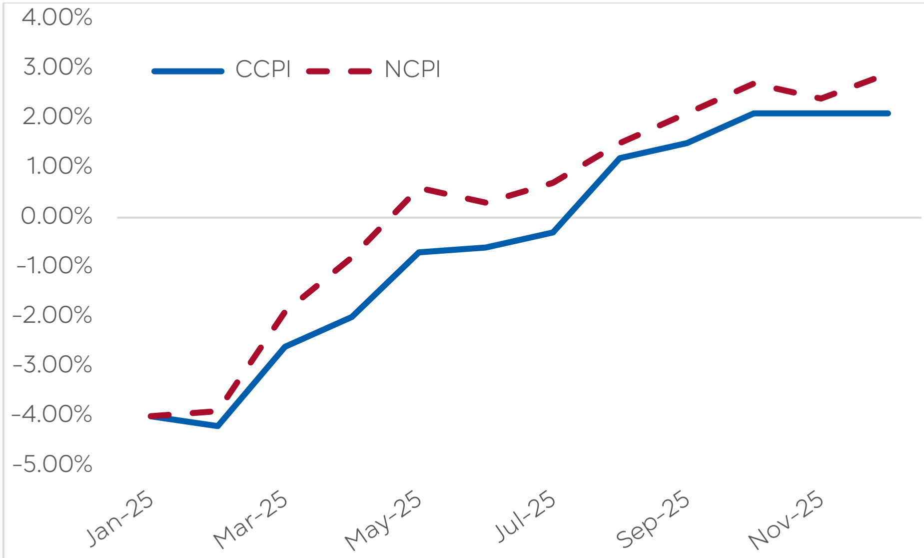
Following two consecutive years of double-digit appreciation against the USD, LKR slipped -5.6%[1] YoY to Rs.309.99 as of 31st December 2025. Although, Sri Lanka grew its external current account surplus in 2025, we attribute the LKR weakness to sustained dollar purchases by the CBSL to meet Net International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



Source: CBSL

Inflation

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



Source: CBSL

Fiscal Accounts

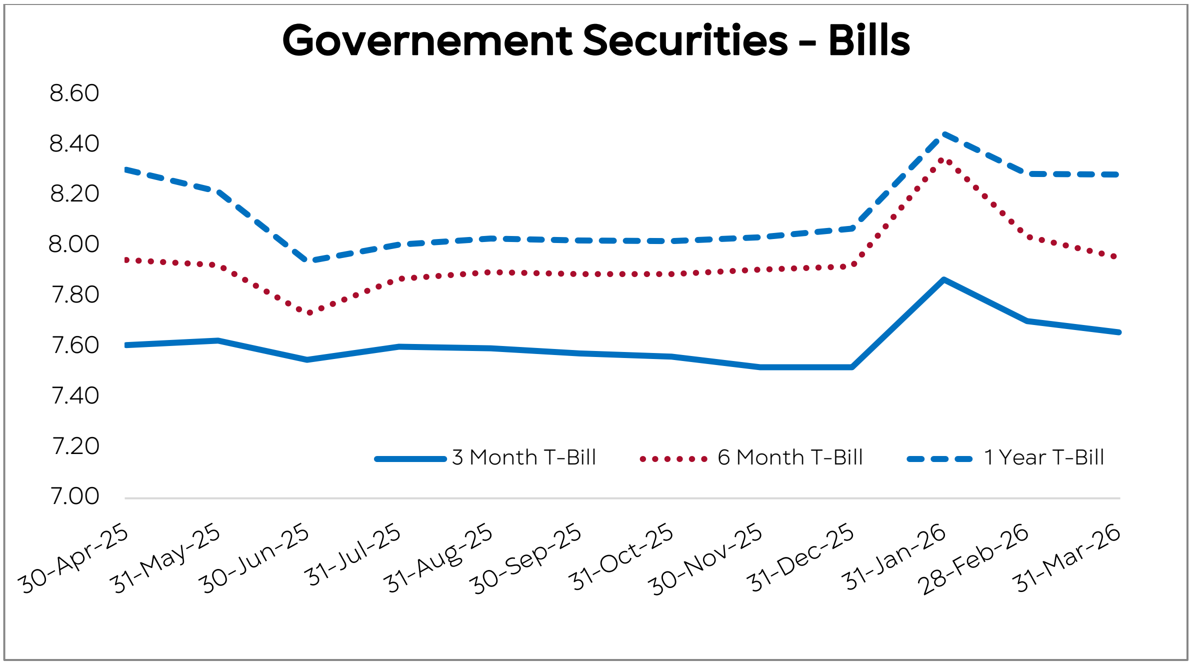
Fiscal revenue reached ~Rs.5.5tn[5] (16.7% of GDP) recording a notable growth of +34.1%[5] YoY driven by revenue generated from the resumption of motor vehicle imports and higher taxes on goods and services on the back of improved economic activities. Taxes on income improved +11.0% YoY aided by higher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

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

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

Government Securities Market

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



Source: CBSL

Resultantly, Weighted Average Yield Rates (WAYR) of the 91, 182, and 364 days treasury bills rose to 7.64%, 7.95% and 8.32% at the primary auctions as of end March 2026 reflecting a slight YoY increase. Meanwhile, 2 year and 5 year bonds recorded average yields of 9.00% and 9.91% in the secondary market as of end March 2026 with the yield curve exhibiting “bear flattening” characteristics.

Tenure of the T Bonds	Yield as at 31 Mar 2025	Yield as at 30 Sep 2025	Yield as at 31 Mar 2026
2 Years	8.79	8.52	9.00
5 Years	10.34	9.62	9.91

Source: CBSL, Ministry of Finance

Asset Allocation & Duration of the Portfolio

The fund maintained its strategy of investing in short term Repurchase Agreements in FY26 in order to secure consistent returns whilst protecting its unitholders from heightened market volatility.

Fund Performance

The fund generated an after-tax income of LKR 1.3mn for the Financial Year ended 31st March 2026.

Annual Performance				
Period	FY25	FY24	FY23	FY22
Performance	5.30%	8.28%	18.87%	21.60%

Expectations, Outlook and Strategy

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

Sources

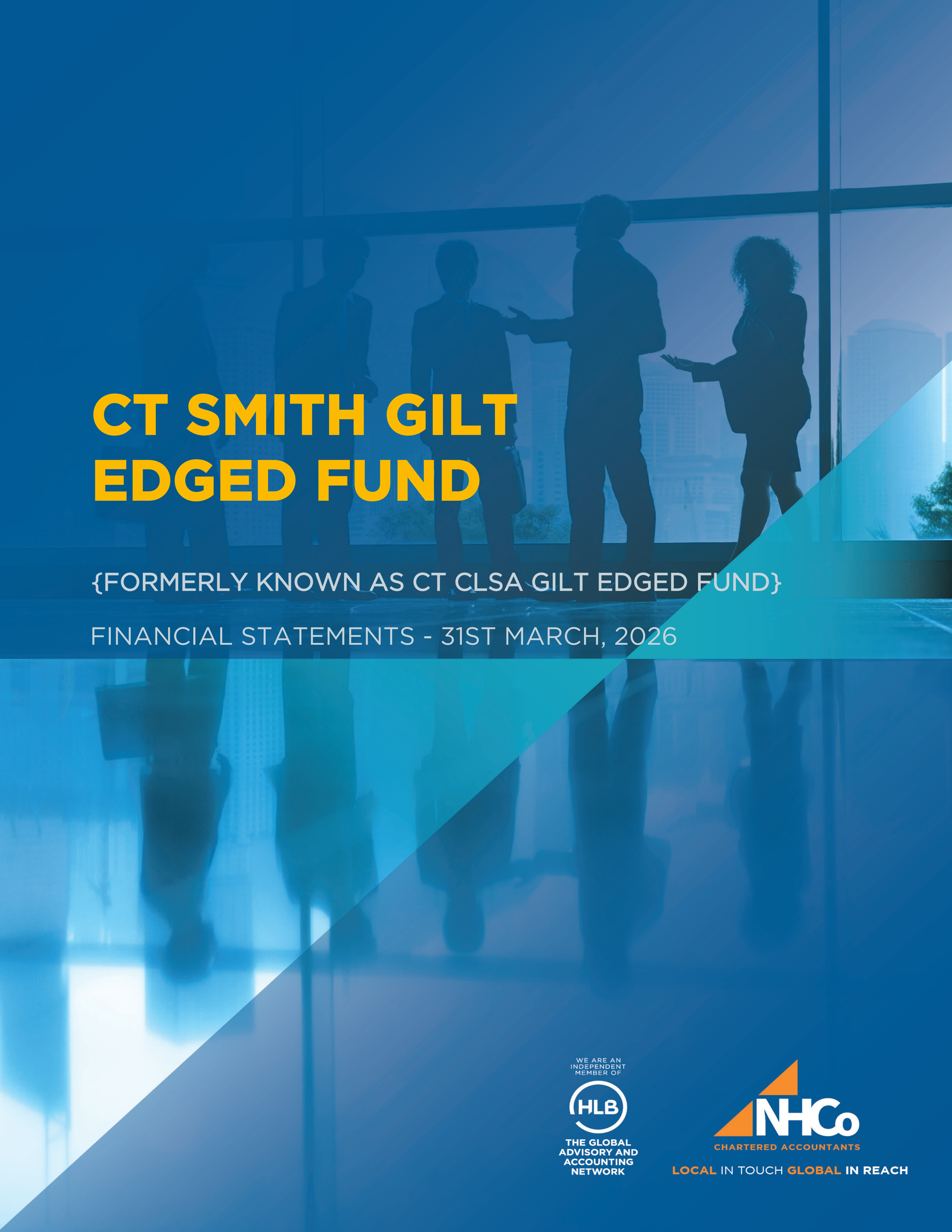
[1] The Central Bank of Sri Lanka (www.cbsl.gov.lk)

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

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

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

Auditor Financial Statements



CT SMITH GILT EDGED FUND

{FORMERLY KNOWN AS CT CLSA GILT EDGED FUND}

FINANCIAL STATEMENTS - 31ST MARCH, 2026

WE ARE AN INDEPENDENT MEMBER OF

HLB

THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

NHCo

CHARTERED ACCOUNTANTS

LOCAL IN TOUCH GLOBAL IN REACH

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CT SMITH GILT EDGED FUND {FORMERLY KNOWN AS CT CLSA GILT EDGED FUND}

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at March 31, 2026, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the fund in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Erandi Weerasuriya FCA, BSc (Mgt.Pub)Sp,
Nadeeka Suranjana ACA, Bsc(Acc)Sp.
Tax Director :
Dinusha Ilankoon BB.Mgt Accountancy(Sp),CTA

Other Information

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Fund.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

Nihal Hettiarachchi & Co

COLOMBO,
July 23, 2026

NIHAL HETTIARACHCHI & CO.,
Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH

	NOTES	2026 Rs.	2025 Rs.
INVESTMENT INCOME			
Interest income	(05)	2,110,541	31,994,246
Net investment income		2,110,541	31,994,246
OPERATING EXPENDITURE	(06)	(725,633)	(2,637,987)
Net Operating Profit Before Taxation		1,384,908	29,356,259
Income tax expense	(07)	-	-
Increase in net assets attributable to unit holders		1,384,908	29,356,259
Other comprehensive income / (expenses)		-	-
Total comprehensive income for the year		1,384,908	29,356,259

Figures in brackets indicate deductions.

The accounting policies and notes from 6 to 25 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH

	NOTES	2026 Rs.	2025 Rs.
ASSETS			
Cash and cash equivalents	(08)	991,267	820,731
Financial assets - at amortized cost	(09)	27,000,004	25,803,882
Total Assets		27,991,271	26,624,613
LIABILITIES AND UNIT HOLDERS' FUNDS			
Liabilities			
Accrued expenses and other payables	(10)	366,891	351,171
Total liabilities		366,891	351,171
Unit holders' funds			
Net assets attributable to unit holders		27,624,380	26,273,442
Total unit holders' funds and liabilities		27,991,271	26,624,613

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

Director
(CT Smith Asset Management (Pvt) Ltd)

Director
(CT Smith Asset Management (Pvt) Ltd)

Trustee
(HNB Bank PLC)

July 23, 2026

The accounting policies and notes from 6 to 25 form an integral part of these financial statements.

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

	Unit capital Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01 April 2024	(73,155,225)	173,770,389	100,615,164
Increase due to unit creation during the year	1,615,298,036	-	1,615,298,036
Decrease due to unit redemption during the year	(1,718,996,017)	-	(1,718,996,017)
Increase in net assets attributable to unit holders	-	29,356,259	29,356,259
Balance as at 31 March 2025	(176,853,206)	203,126,648	26,273,442
Balance as at 01 April 2025	(176,853,206)	203,126,648	26,273,442
Increase due to unit creation during the year	65,017	-	65,017
Decrease due to unit redemption during the year	(98,987)	-	(98,987)
Increase in net assets attributable to unit holders	-	1,384,908	1,384,908
Unit holders' funds as at 31 March 2026	(176,887,176)	204,511,556	27,624,380

Figures in brackets indicate deductions.

The accounting policies and notes from 6 to 25 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH

	2026 Rs.	2025 Rs.
Cash flows from operating activities		
Interest received	2,714,419	33,116,281
Net investments in repurchase agreements	(1,800,000)	73,800,000
Fees and expenses paid	(709,913)	(2,726,258)
Net cash flow generated from operating activities	204,506	104,190,023
Cash flows from financing activities		
Amount received on unit creations	65,017	1,615,298,036
Amount paid on unit redemptions	(98,987)	(1,718,996,017)
Net cash flow used in financing activities	(33,970)	(103,697,981)
Net increase in cash and cash equivalents	170,536	492,042
Cash and cash equivalents at the beginning of the financial year	820,731	328,689
Cash and cash equivalents at the end of the financial year	991,267	820,731

Figures in brackets indicate deductions.

The accounting policies and notes from 6 to 25 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(01) GENERAL INFORMATION

CT Smith Gilt Edged Fund {Formerly Known as CT CLSA Gilt Edged Fund} is an open-ended Collective Investment Scheme (CIS), approved by the Securities and exchange Commission of Sri Lanka. The fund was launched on 01 March 2013.

CT Smith Asset Management (Pvt) Ltd (Former name - CT CLSA Asset Management (Pvt) Ltd) is the managing company of CT Smith Gilt Edged Fund while Hatton National Bank has been appointed as the Trustee, from 31st January 2019.

The registered office and place of business of the Collective Investment Scheme (CIS), is located at 4-15, Majestic City, 10, Station Road, Colombo 4.

The principal place of operations of the Trustee, Hatton National Bank PLC, a bank duly incorporated in the said Republic of Sri Lanka at 479 T. B. Jayah Mawatha, Colombo 10.

1.1. Principal activities

The CT Smith Gilt Edged Fund (Formally – CT CLSA Gilt Edged Fund) is an Open-Ended Money Market Fund investing in Government Securities, Investment Grade Short Term Corporate Debt & Bank Deposits.

1.2. Date of authorization for issue

The financial statements of the fund for the year ended 31 March 2026 was authorized for issue by the Fund Management company and the Trustee on 23 July 2026.

(02) BASIS OF PREPARATION

a) Statement of compliance

The financial statements which comprise the statement of financial position as at 31 March 2026, statement of profit or loss and other comprehensive income, statement of in net assets attributable to unit holders and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information have been prepared and presented in accordance with Sri Lanka Accounting Standards and the requirements of the Trust Deed and Collective Investment Scheme (CIS) Code of 2022.

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

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

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

Notes to the financial statements continued on page 7.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(02) BASIS OF PREPARATION (CONTINUED)

b) 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

c) 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.

d) Functional and presentation currency

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

e) Comparative information

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

f) Use of estimates and judgments

The preparation of financial statements in conformity with the Sri Lanka Accounting Standards requiring 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 statements are described in the relevant Notes as follows

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

g) Going concern

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

Notes to the financial statements continued on page 8.

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.

a) 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 Financial assets

4.1.1 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 unit trust business model for managing them. At initial recognition, the Fund measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of profit or loss.

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

The Collective Investment Scheme's (CIS), 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 amortised 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 Unit trust commits to purchase or sell the asset.

Notes to the financial statements continued on page 9.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Financial assets (Continued)

4.1.2 Subsequent measurement

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

- Financial assets at amortised 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 amortised cost are subsequently measured using the effective interest (EIR) method and 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), financial assets at amortised 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.

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), statement of financial position) when:

- The rights to receive cash flows from the asset have expired
  Or
- The Collective Investment Scheme (CIS), 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 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 assets (Continued)

4.1.3. Impairment

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

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next12-months (a 12 month ECL). For those credit exposures from which there has been significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL)

The Collective Investment Scheme (CIS), uses the ratings from either Fitch Ratings 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 the evaluation, the unit trust reassesses the external credit rating of the debt instrument. In addition, the Collective Investment Scheme (CIS), considered that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

It is the Collective Investment Scheme's (CIS), 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 instruments has been significantly increased in credit risk and to estimate ECLs.

Notes to the financial statements continued on page 11.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Financial assets (Continued)

4.1.3. Impairment (Continued)

b) Dividend payable

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

c) 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 the obligation.

d) Commitment and contingencies

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

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

e) Interest

Interest income and expenses are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discount the estimated future cash payments and receipts through the excepted 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 estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Interest income and expenses presented in the statement of comprehensive income include interest on financial asset and financial liabilities measured at amortised cost calculated on and 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.

f) Expenses

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

Notes to the financial statements continued on page 12.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Financial assets (Continued)

4.1.3. Impairment (Continued)

g) 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 2025 to 31 March 2026 will not be considered as a part of assessable income of the unit trust for the Y/A 2025/2026.

h) Offsetting

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

i) Distributions

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

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

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

k) Applications and redemptions

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

l) Offsetting income and expenses

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

Notes to the financial statements continued on page 13.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(04) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Financial assets (Continued)

4.1.3. Impairment (Continued)

m) 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.

n) Events occurring after the reporting period

Events occurring after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date the financial statements are authorized for 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 on page 14.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2026 Rs.	2025 Rs.
(05) INVESTMENT INCOME		
Interest on repurchase agreements	2,110,541	31,994,246
	2,110,541	31,994,246
(06) OPERATING EXPENSES		
Management fees	98,456	1,250,616
Trustee fees	64,613	831,439
Custodian fees	290,299	290,277
Audit fees	254,612	238,640
Audit fees under provision	9,000	11,960
Bank charges	8,653	15,055
	725,633	2,637,987

(07) TAXATION

According to the provisions of the Inland Revenue Act No. 44 of 2022 (with effect from 19 December 2022), 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 2025 to 31 March 2026 will not be considered as a part of assessable income of the unit trust for the Y/A 2025/2026.

(08) CASH AND CASH EQUIVALENTS

	31.03.2026 Rs.	NAV as a percentage	31.03.2025 Rs.	NAV as a percentage
Cash at bank – current account at HNB	991,267	3.59%	820,731	3.12%
	991,267		820,731	

Notes to the financial statements continued on page 15.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(09) FINANCIAL ASSETS- AT AMORTIZED COST

	31.03.2026 Rs.	NAV as a percentage	31.03.2025 Rs.	NAV as a percentage
Investment in repurchase agreements **(Note 9.1)**	26,500,000	95.93%	24,700,000	89.41%
Interest receivable on repurchase agreement	500,004	1.81%	1,103,882	4.00%
	27,000,004	97.74%	25,803,882	93.41%

This represent investment in Resale agreements entirely backed by Government securities. No impairment provisions derived through these investments.

(9.1) Investments in repurchase agreements

31 March 2026

Name of Institution	Interest Rate	Investment Date	Maturity Date	Cost (Rs.)	Amortized Cost (Rs.)
DFCC Bank PLC	8.70%	2-Jan-2026	4-May-2026	8,000,000	8,169,710
DFCC Bank PLC	8.40%	8-Jan-2026	8-Jul-2026	15,000,000	15,286,521
DFCC Bank PLC	8.30%	5-Feb-2026	5-Aug-2026	3,500,000	3,543,774
				26,500,000	27,000,004

31 March 2025

Name of Institution	Interest Rate	Investment Date	Maturity Date	Cost (Rs.)	Amortized Cost (Rs.)
First Capital Treasuries	8.00%	3-Feb-2025	5-May-2025	3,200,000	3,239,978
First Capital Treasuries	10.50%	1-Oct-2024	1-Apr-2025	7,500,000	7,892,671
First Capital Treasuries	10.00%	8-Oct-2024	8-Apr-2025	14,000,000	14,671,233
				24,700,000	25,803,882

Notes to the financial statements continued on page 16.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2026 Rs.	2025 Rs.
(10) ACCRUED EXPENSES AND OTHER PAYABLES		
Management fees	24,391	24,786
Trustee fees	16,291	16,170
Custodian fees	71,597	71,575
Audit fees and tax consultation fee	254,612	238,640
	366,891	351,171

(11) CAPITAL MANAGEMENT

The trust's capital is represented by redeemable units with no par value and is reflected in the statement of financial position as amount attributable to unit holders. In accordance with the accounting policies and the risk management policy in note 16, the Trust endeavours to invest contributions received in appropriate investments, while maintaining sufficient liquidity to meet any withdrawal requests. The terms and conditions attached to units in the Collective Investment Scheme (CIS), can be found in the trust deed.

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

	31.03.2026 Units	31.03.2025 Units	31.03.2026 Rs.	31.03.2025 Rs.
Opening balance	1,512,563	6,323,559	26,273,442	100,615,164
Units issued during the year	3,698	99,966,553	65,017	1,615,298,036
Units redeemed / cancelled during the period	(5,540)	(104,777,549)	(98,987)	(1,718,996,017)
Increase in net assets attributable to unit holders	-	-	1,384,908	29,356,259
Distribution to unit holders	-	-	-	-
Closing balance	1,510,721	1,512,563	27,624,380	26,273,442

As stipulated within the trust deed, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

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 an 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.

Notes to the financial statements continued on page 17.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2026 Rs.	2025 Rs.
(11) CAPITAL MANAGEMENT (CONTINUED)		
(11.1) Published net assets per unit		
Net assets (Rs.)	27,318,426	25,988,846
Total no. of units	1,510,721	1,512,563
Net assets per unit (Rs.)	18.08	17.18

(12) ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS

Summary of Financial Assets and Liabilities

As at 31 March 2026	Measured at Fair Value	Carried at Cost	Amortized Cost	Total
Assets				
Cash and cash equivalents	-	991,267	-	991,267
Financial assets - at amortized cost	-	-	27,000,004	27,000,004
Total	-	991,267	27,000,004	27,991,271
Liabilities				
Accruals and other payables	-	366,891	-	366,891
Total	-	366,891	-	366,891

As at 31 March 2025	Measured at Fair Value	Carried at Cost	Amortized Cost	Total
Assets				
Cash and cash equivalents	-	820,731	-	820,731
Financial assets - at amortized cost	-	-	25,803,882	25,803,882
Total	-	820,731	25,803,882	26,624,613
Liabilities				
Accruals and other payables	-	351,171	-	351,171
Total	-	351,171	-	351,171

Notes to the financial statements continued on page 18.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(13) FINANCIAL RISK MANAGEMENT

Overview

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

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

This note presents information about the unit trust's exposure to each of the above risks and the objectives, policies and processes for measuring and managing risk.

(13.1) Risk management framework

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

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

(a) Market Risk

Market risk is the risk which reflect changes in market prices, changing interest rates affecting the unit trust's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risk includes the following elements.

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

Notes to the financial statements continued on page 19.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(13) FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity Risk

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

Management of liquidity risk includes the following elements:

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

Maturity analysis of the financial assets and financial liabilities

As at 31 March 2026	Carrying amount	Up to 3 months	3 months to 1 year	One to 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Assets					
Cash at bank	991,267	-	-	-	991,267
Financial assets at amortised cost	-	8,169,710	18,830,295	-	27,000,004
financial assets	991,267	8,169,710	18,830,295	-	27,991,271

Notes to the financial statements continued on page 20.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(13) FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity Risk (Continued)

As at 31 March 2025	Carrying amount	Up to 3 months	3 months to 1 year	One to 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Assets					
Cash at bank	820,731	-	-	-	820,731
Financial assets at amortised cost	-	3,239,978	22,563,904	-	25,803,882
financial assets	820,731	3,239,978	22,563,904	-	26,624,613

(c) Credit Risk

Credit risk is the risk of financial loss to the unit trust if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Collective Investment Scheme's (CIS), investment in reverse repo agreements.

Management of credit risk includes the following components:

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

Notes to the financial statements continued on page 21.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(13) FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit Risk (Continued)

Credit quality by class of financial assets

As at 31 March 2026	12 Month Expected Credit Losses	Life Time Expected Credit Losses not credit impaired	Life Time Expected Credit Losses credit impaired	Total
	Rs.	Rs.	Rs.	Rs.
Assets				
Cash at bank and in hand	991,267	-	-	991,267
Financial assets - at amortised cost	27,000,004	-	-	27,000,004
Total financial assets	27,991,271	-	-	27,991,271

As at 31 March 2025	12 Month Expected Credit Losses	Life Time Expected Credit Losses not Credit Impaired	Life Time Expected Credit Losses Credit Impaired	Total
	Rs.	Rs.	Rs.	Rs.
Assets				
Cash at bank and in hand	820,731	-	-	820,731
Financial assets - at amortised cost	25,803,882	-	-	25,803,882
Total financial assets	26,624,613	-	-	26,624,613

Notes to the financial statements continued on page 22.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(13) FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Operational Risk

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

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

Notes to the financial statements continued on page 23.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(14) RELATED PARTY TRANSACTIONS

a) Responsible entity

The responsible entity of CT Smith Gilt Edged Fund is CT Smith Asset Management (Pvt) Ltd.

b) Key management personnel

(i) Directors

Key management personnel include persons who were directors of CT Smith Asset Management (Pvt) Ltd at any time during the financial year.

- Ms. Cecilia Page
- Mr. Zakir Mohamedally
- Mr. Joseph Page
- Ms. Bimanee Meepagala
- Mr. Simon Hempel
- Mr. Chanakya Vatsala Herath Dissanayke

(ii) Other key management personnel

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

c) Key management personnel unit holdings

The key management personnel of CT Smith Asset Management (Pvt) Limited held units in the fund as follows:

31 March 2026 Unit holders	No of units held at opening	No of units held at closing	Fair value of investment	Interest Held	Distribution paid or payable by the fund
			Rs.		Rs.
Ms. Hansini Aravinda	75	75	1,356	0.0000%	-

Notes to the financial statements continued on page 24.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(14) RELATED PARTY TRANSACTIONS (CONTINUED)

d) Key management personnel compensation

Key management personnel are paid by CT Smith Asset Management (Pvt) Limited. Payments are made from the Funds to CT Smith 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 that are 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 unit holding

The management company and other related party held units in the fund as follows:

31 March 2026	No of opening units	No of closing units	Fair value of investment	% of Holdings	Distribution paid or payable by the fund
			Rs.		Rs.
Unit holders					
CT Smith Asset Management (Pvt) Ltd	921,997	921,997	16,672,472	61.03%	-

Notes to the financial statements continued on page 25.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(14) RELATED PARTY TRANSACTIONS (CONTINUED)

g) Transactions with and amounts due to related parties

The fee was 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 disclosed below:

	Charge for the year		Balance outstanding	
	2025/2026	2024/2025	31-03-26	31-03-25
	Rs.	Rs.	Rs.	Rs.
Management fees	(98,456)	(1,250,616)	24,391	24,786
Trustee fees	(64,613)	(831,439)	16,291	16,170
Custodian fee	(290,299)	(290,277)	71,597	71,575
	(453,368)	(2,372,332)	112,279	112,531

(15) COMMITMENTS AND CONTINGENCIES

There were no material commitments or contingent liabilities outstanding at the end of the reporting date.

(16) EVENTS AFTER REPORTING DATE

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

DETAIL NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH

RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENTS AND THE PUBLISHED NET ASSET VALUE

		2026 Rs.	2025 Rs.
Net asset value as per financial statements		27,624,380	26,273,442
Audit fee adjustment		(30,387)	(46,359)
Audit fee payable adjustment		(284,596)	(250,197)
Audit fee Under / Over provision adjustment		9,030	11,960
Published net asset value as at 31st March 2026		27,318,426	25,988,846
Number of units outstanding		1,510,721	1,512,563
Net asset value per unit	(Note - 11.1)	18.08	17.18

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21. Five Year Summary

Year ended 31 March					
Trading Results	**2025/2026**	**2024/2025**	**2023/2024**	**2022/2023**	**2021/2022**
Gross income	2,110,541	31,994,246	22,520,254	40,574,302	14,345,694
Profit for the year	1,384,908	29,356,259	21,544,767	39,015,938	12,356,865
Statements of Financial Position					
Assets					
Cash at bank	991,267	820,731	328,689	1,988,784	237,313
Financial assets at amortised cost	27,000,004	25,803,882	100,725,918	136,291,881	4,526,511
Unitholders' funds and liabilities	27,991,271	26,624,613	101,615,164	138,280,665	29,381,547
Liabilities					
Accrual and other payables	366,891	351,171	439,443	3,727,411	471,489
Total Liabilities	366,891	351,171	439,443	3,727,411	471,489
Unitholders' funds					
Net assets attributable to unitholders	27,624,380	26,273,442	100,615,164	134,553,254	28,910,058
Total Unitholders' Funds and Liabilities	27,991,271	26,624,613	101,054,607	138,280,665	29,381,547
Other Financial Information					
Net assets value per unit	18.08	17.18	15.91	13.34	10.98

Financial Instruments as at 31 March 2026, 31 March 2025, 31 March 2024, 31 March 2023 and 31 March 2022 have been presented in accordance with SLFRS 9.

Note :-

Note :-

CT SMITH
ASSET MANAGEMENT

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