

### Fund Manager's View of the Market – March 2026

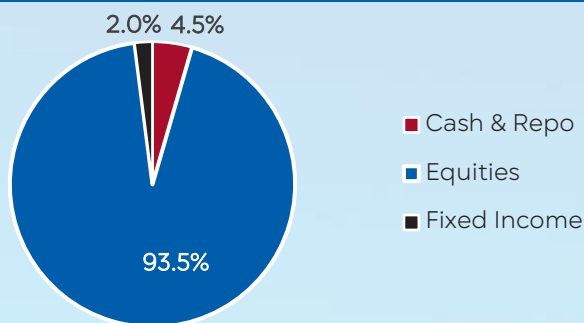
In March 2026, the Colombo Stock Exchange (CSE) fell **-11.2%** MoM (**-6.9%** YTD) as investor sentiments turned risk-off amid the breakout of the Middle east war. The average daily turnover declined to Rs.4,706mn (vs. Rs.5,616mn in February) as investors remained on the sidelines assessing the potential impact of the conflict on the Sri Lankan economy and listed companies.

Net foreign selling moderated to **Rs.3,654mn** in March with foreign selling observed in JKH, CINS and MELS.

Your Fund declined **-11.9%** MoM in March (**-4.8%** YTD) as risk-off sentiments led to a broad-based decline. The Fund raised its equity allocation to ~94% as of end-March (vs. ~92% in February) increasing exposure to existing portfolio companies.

As we noted in our previous newsletter, despite the continuing blockade of the strait of Hormuz and the resultant spike in energy/commodity prices, equity markets locally and globally, are reversing the negative price action seen in the early part of the conflict as a fragile ceasefire sustains and global energy supplies sequentially improve. However, we recognize that the situation remains fluid and a resumption of a hot war can not be ruled out yet. We remain constructive on equities for 2026E led by a healthy earnings growth outlook for portfolio companies, single digit interest rates and reasonable valuations

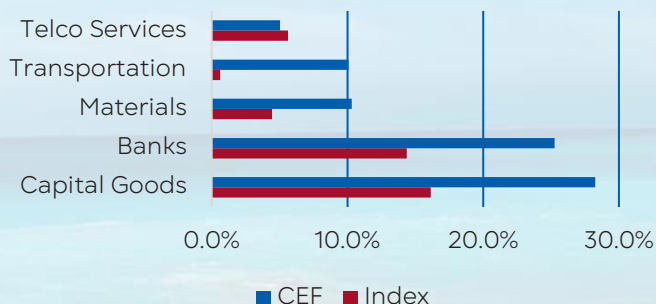
### Asset Allocation (as a % of NAV) – 31 Mar 2026



### Fund Details – 31 Mar 2026

Category	Balanced Fund
AUM	545.5mn
NAV per Unit (Rs.)	62.93
5 Year CAGR – CEF	29.1%
5 Year CAGR – ASPI	24.2%
Inception Date	Feb-1992
3M 6M 12M Returns – CEF	-4.8%   0.5%   42.1%
3M 6M 12M Returns – ASPI	-6.9%   -3.3%   33.2%

### Sector Exposures (as a % of Equity) – 31 Mar 2026



### Risk and Return Characteristics – 31 Mar 2026

3 Year CAGR – CEF	33.6%
3 Year CAGR – ASPI	31.3%
Over/Under Performance (alpha)	2.3%
Tracking Error (annualized)*	5.7%
Information Ratio (annualized)*	0.40
TTM Max Drawdown – CEF   ASPI	-15.3%   -15.5%

\*Tracking Error is a measure of return fluctuation relative to the Index a low figure is desirable; Information Ratio is a measure of Risk Adjusted Return - a figure above 0.5 is desirable

Top 5 Holdings	As a % of NAV	Relative to Index	Price to Book Value <sup>^</sup>	Gross Dividend Yield <sup>^</sup>	YTD Price Movement	6m Price Movement	Est. Portfolio Contribution – Mar 2026
Nations Trust Bank – Voting	10.1%	Overweight	1.0x	2.4%	-7.3%	-6.5%	-1.3%
Digital Mobility Solutions	9.4%	Overweight	14.8x	2.2%	-8.0%	-6.0%	-1.2%
Access Engineering	8.1%	Overweight	1.8x	3.0%	-9.0%	9.5%	-1.3%
Hemas Holdings	5.5%	Overweight	1.7x	3.2%	-14.7%	-10.0%	-0.7%
Hatton National Bank – Voting	5.0%	Overweight	0.8x	4.9%	2.9%	4.3%	-0.4%

\*Risk measures are calculated on a rolling 3 year basis. <sup>^</sup>based on current book value and TTM dividends

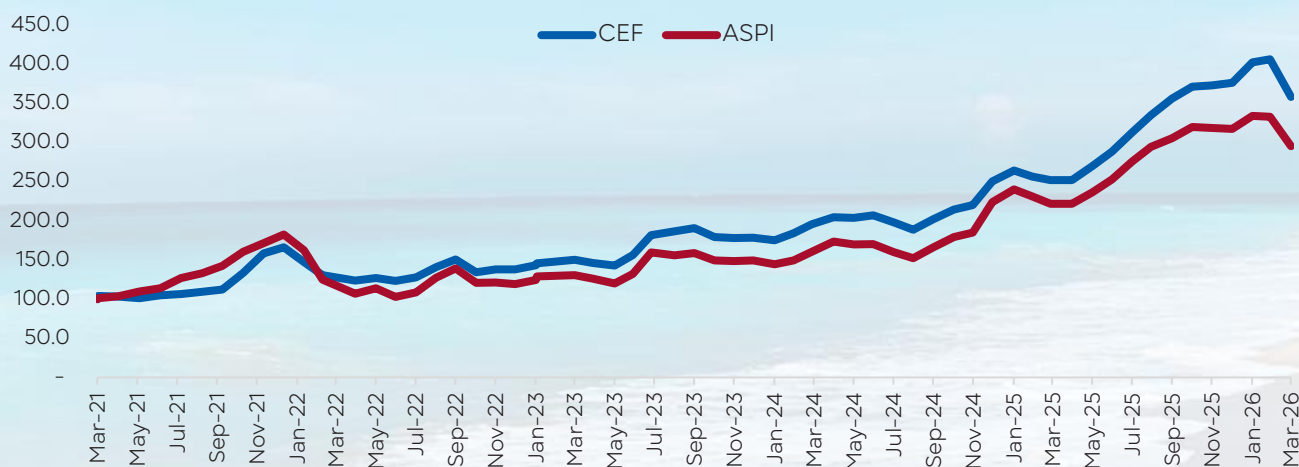
### About CT Smith Equity Fund

CT Smith Equity Fund is a balanced fund that invests in CSE listed equities and LKR denominated fixed income securities. The fund aims to generate alpha over its benchmark (the All share Price Index of the Colombo Stock Exchange) with a medium to long term investment horizon through active stock selection. The fund's investment objective is to provide its unitholders superior risk adjusted returns whilst limiting downside volatility through risk management practices. The fund's investment philosophy is centered around investing in securities with strong fundamental qualities such as sustainable earnings growth, superior free cash flow generation, structural revenue growth and industry leadership in terms of price, cost or differentiation, combined with reasonable valuations.

### CT Smith Equity Fund – Monthly Performance Matrix – 2022-2026 YTD

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ASPI
2022	4.9%	-11.2%	-11.5%	-5.3%	2.5%	-2.7%	3.5%	10.4%	6.8%	-10.6%	2.7%	-0.1%	-12.9%	-30.6%
2023	4.0%	1.7%	3.0%	-2.7%	-2.5%	9.5%	16.3%	2.7%	2.3%	-6.1%	-0.7%	0.2%	29.2%	25.5%
2024	-1.7%	5.0%	6.3%	4.5%	-0.4%	1.7%	-4.3%	-4.9%	7.2%	6.1%	2.6%	13.7%	40.4%	49.7%
2025	5.5%	-2.9%	-1.8%	0.0%	7.1%	6.8%	8.4%	7.1%	6.4%	4.2%	0.5%	0.9%	50.4%	41.9%
2026	7.0%	0.9%	-11.9%										-4.8%	-6.9%

### CT Smith Equity Fund NAV vs ASPI – Indexed to March 2021



#### Trustee

Hatton National Bank

#### Management Fee

2.0%

#### Front End Fee

3.0%

#### Minimum Investment

Rs.1,000

### Disclaimer

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 Explanatory Memorandum before investing including but not limited to all fees/charges and risks. If required, please contact CT Smith Asset Management (Ltd) for any clarifications prior to investing.