2025/26

Audited Financial Statements

First Capital Money Plus Fund

Managed by
FIRST CAPITAL ASSET MANAGEMENT LIMITED

First Capital
A Janashakthi Group Company

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First Capital

Report of The Manager

We have pleasure in presenting to you the Audited Financial Statements of First Capital Money Plus Fund for the year ended 31 March 2026.

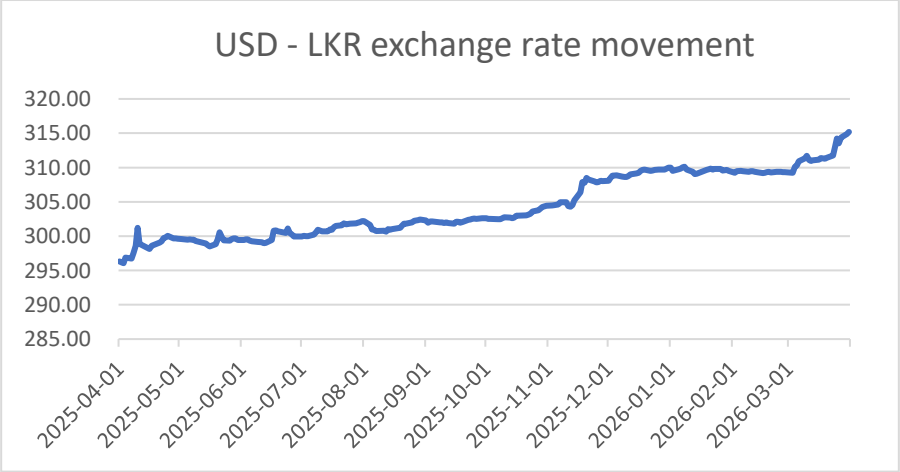
Economic and Industry Overview

The Sri Lankan economy continued its recovery during the year 2025/26, supported by sustained macroeconomic stability, improving investor confidence and continued implementation of structural reforms under the International Monetary Fund (IMF) programme. Economic growth moderated compared to the strong rebound witnessed during the previous year, the economy remained on a positive trajectory, supported by gradual improvements in private sector activity, tourism, remittance inflows and expanding domestic demand.

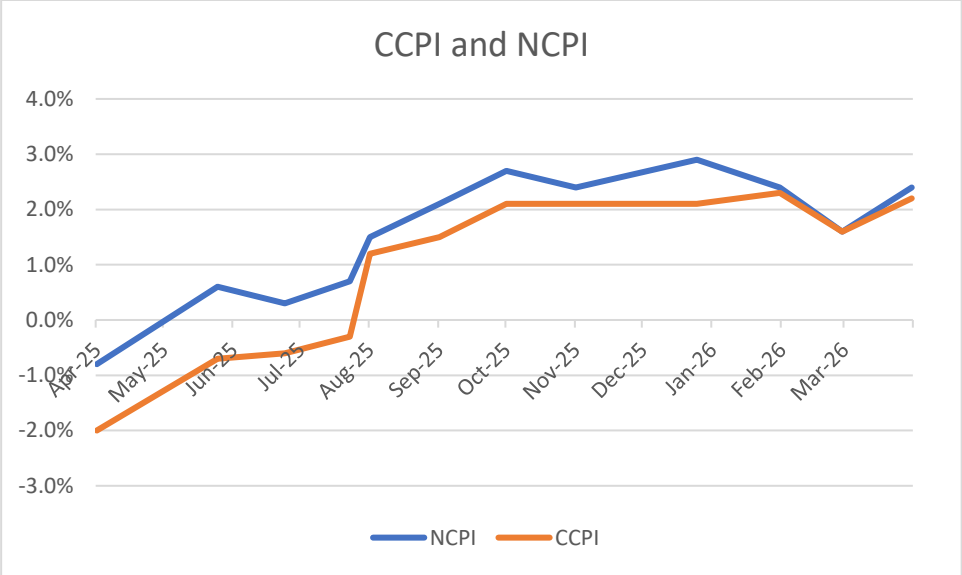
During the year, Sri Lanka successfully completed the fourth and fifth reviews under the IMF Extended Fund Facility programme, reinforcing policy credibility and unlocking additional external financing. Continued progress in implementing fiscal reforms, together with the successful completion of external debt restructuring, strengthened investor confidence during the period.

Inflation remained well below the Central Bank of Sri Lanka's medium-term target for much of the financial year owing to subdued domestic demand, favorable base effects and lower global commodity prices during the first half of the year. However, inflationary pressures gradually re-emerged towards the latter part of the period following adjustments to administered prices, stronger private sector credit growth and rising global energy prices amid heightened geopolitical tensions.

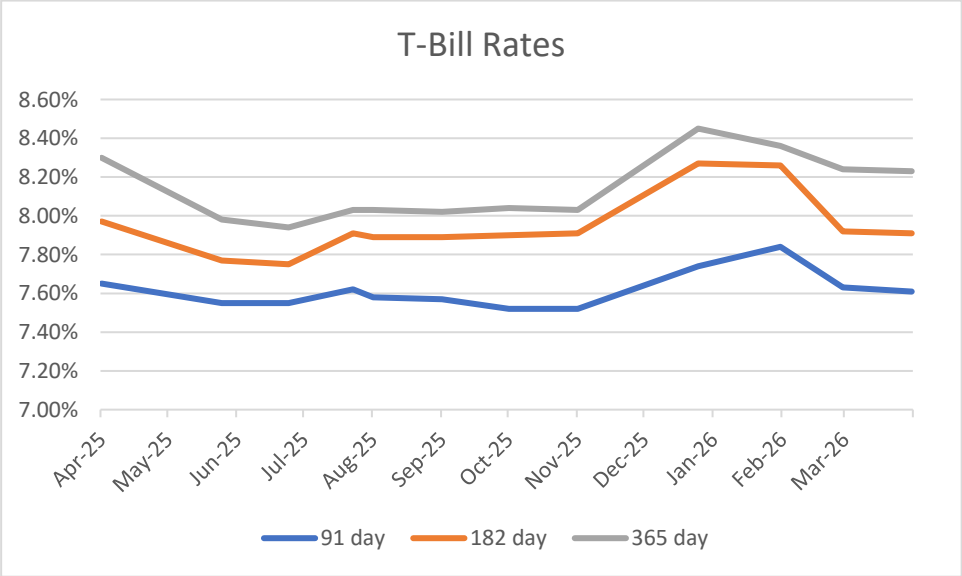
The Sri Lankan Rupee remained relatively stable throughout most of the financial year, supported by healthy foreign exchange inflows from tourism, workers' remittances and export earnings. Nevertheless, the currency experienced moderate depreciation during the final quarter of the year as global crude oil prices increased following escalating geopolitical tensions in the Middle East, leading to higher import expenditure and increased demand for foreign currency.



Gross official reserves continued to improve during the year, supported by sustained foreign exchange purchases by the Central Bank of Sri Lanka, continued multilateral disbursements and stronger tourism receipts. The improved external sector position contributed to maintaining confidence in the country's balance of payments despite increased import demand during the latter part of the year.



The Central Bank of Sri Lanka maintained an accommodative monetary policy stance during the first half of the financial year as inflation remained subdued. However, with inflation expectations gradually normalizing and private sector credit recording a strong recovery, monetary policy remained largely unchanged during the latter part of the year while the Central Bank of Sri Lanka continued to monitor evolving domestic and global developments. Treasury bill yields remained broadly stable during the first half before gradually increasing towards the end of the financial year, reflecting market expectations of firmer inflation and increased government borrowing requirements.



Fund Performance

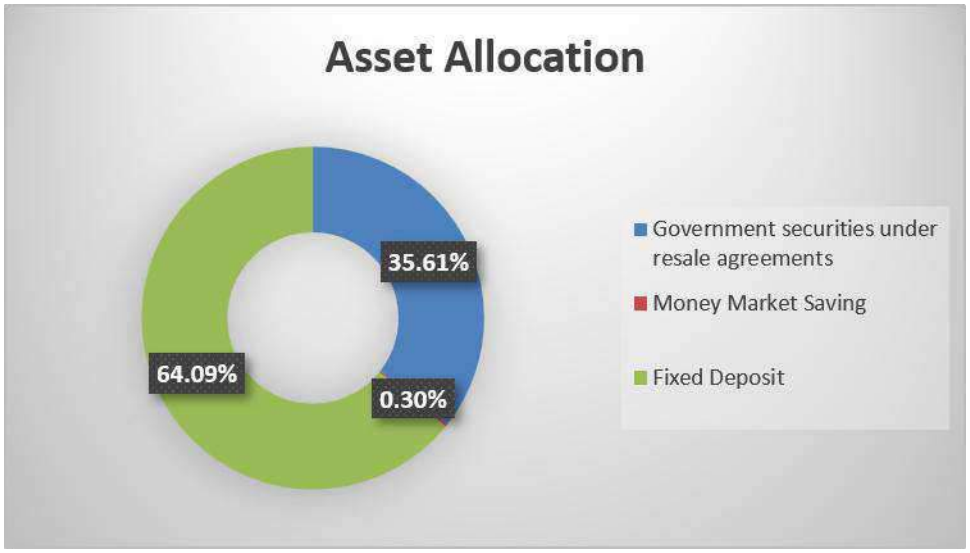
First Capital Money Plus Fund reported a Profit after Tax of Rs. 9 Mn for the year ended 31 March 2026 compared to Rs. 9.7 Mn in the previous year (2024/25). The decrease in Profit after Tax is mainly due to the increase in administration expenses amounting to Rs. 1.2 Mn (2024/25 – administration expenses of Rs. 0.8 Mn was reported). The Fund generated an annualized return of 7.25% for the period to 31 March 2026.

As at 31 March 2026, Funds under Management stood at Rs. 98.9 Mn, compared to Rs. 235.3 Mn as at 31 March 2025. Despite the decline in assets under management, the Fund continued to maintain investor confidence through its prudent investment strategy and disciplined risk management practices.

	Year to Date (01-04- 2025 to 31-03-2026)	**3 Months** (01-01-2026 to 31-03-2026)	**1 Month** (01-03-2026 to 31-03-2026)
Annualised Fund Return	7.25%	7.28%	7.30%
Average Weighted Deposit Rate (AWDR)	6.86%	6.82%	6.83%

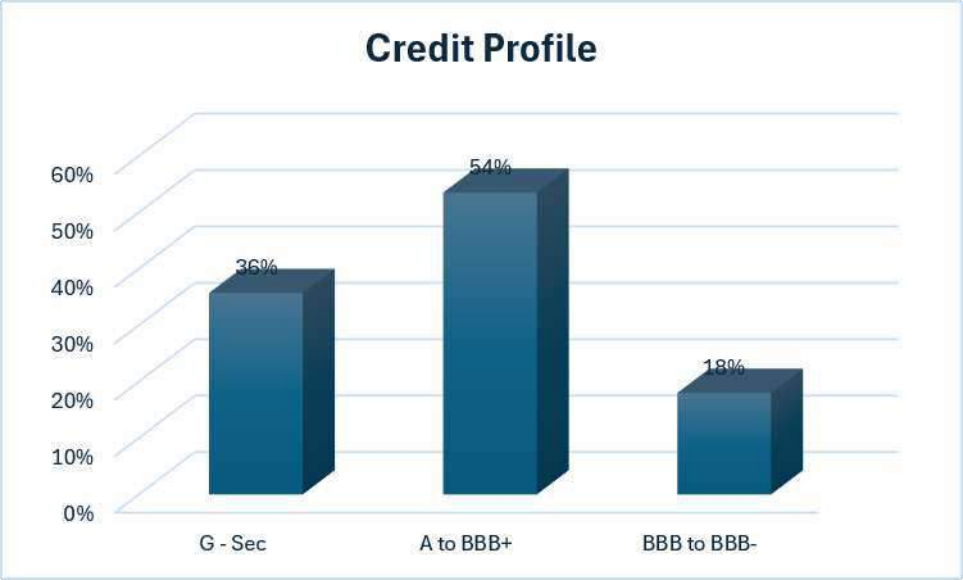
Asset Allocation as at 31 March 2026

At the end of the reporting period, 35.61% of the Fund's total assets were invested in Government securities under resale agreements, amounting to Rs. 35.31 million. A further 64.09% (Rs. 63.55 million) was invested in Fixed Deposits, while 0.30% (Rs. 0.29 million) was maintained in a Money Market Savings account. This asset allocation reflects the Fund's emphasis on capital preservation, liquidity management, and investment in high-quality income-generating instruments.



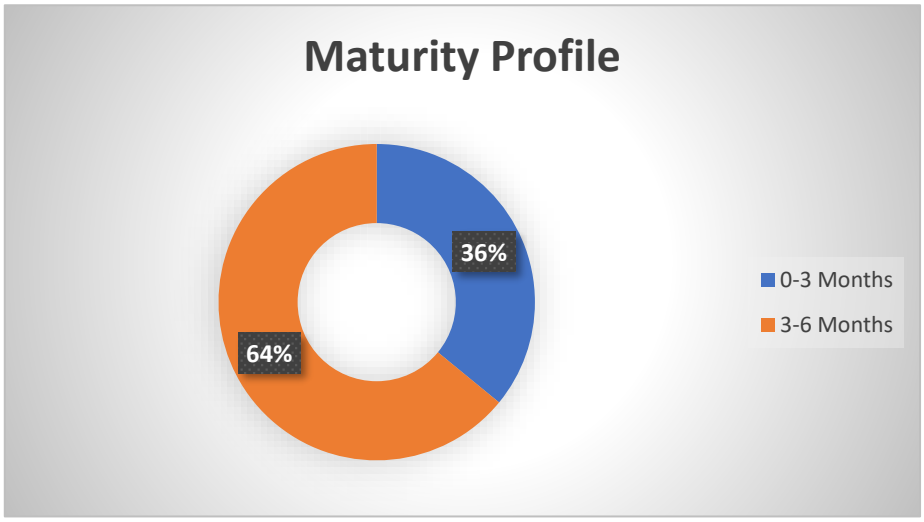
Credit Profile as at 31 March 2026

The Fund continued to pursue an investment strategy aimed at maximizing risk-adjusted returns through a diversified portfolio of Government securities and corporate debt instruments. As illustrated in the credit profile chart, 36% of assets were invested in Government securities, 54% in instruments rated A to BBB+, and 18% in instruments rated below BBB. All investment decisions were made following a rigorous assessment of credit quality, market conditions, and risk-return considerations.



Maturity Profile as at 31 March 2026

As illustrated in the maturity profile chart, 36% of the Fund's investments are scheduled to mature within 0 to 3 months, while the remaining 64% fall within the 3-to-6-month maturity range. The Fund maintains a prudent balance between liquidity and returns optimization through its investment in high-quality short-term instruments. Investments maturing within 0 to 3 months contribute significantly to the Fund's liquidity position, ensuring compliance with regulatory liquidity requirements and providing adequate funds to meet redemption requests, including withdrawals made through the ATM card facility.



Future Outlook

Sri Lanka's economic recovery continued in 2025, with real GDP expanding by 5.0%, supported by stable monetary policy, continued progress under the IMF programme, and improving macroeconomic conditions.

Looking ahead, economic growth is expected to moderate to 3.0%-4.0% in year 2026 amid a more challenging operating environment. Escalating geopolitical tensions in the Middle East, tighter domestic monetary conditions, and persistent inflationary pressures are likely to weigh on household consumption and private sector activity. Meanwhile, slower-than-expected public capital expenditure may constrain investment-led growth. Inflation is expected to remain elevated in the near term, averaging between 6.0% and 8.0%, driven by higher fuel and utility prices, food inflation, and the pass-through effects of recent cost increases.

The global economic outlook remains challenging in the near term, with escalating geopolitical tensions in the Middle East posing significant downside risks to global growth. The potential disruption to energy markets and a sustained increase in oil prices could intensify inflationary pressures, tighten financial conditions, and weigh on economic activity across both advanced and emerging economies. Consequently, global growth expectations for year 2026 has been revised downward, reflecting the heightened uncertainty arising from these geopolitical developments.

Appreciations

We would like to express our gratitude to our esteemed unitholders for their confidence in us. Additionally, we wish to acknowledge the invaluable support received from the Securities and Exchange Commission of Sri Lanka and our Trustee, the Hatton National Bank PLC.

Private & Confidential

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF FIRST CAPITAL MONEY PLUS FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of First Capital Money Plus Fund ("the Fund"), which comprise the statement of financial position as at 31 March 2026 and the statement of profit or loss and other comprehensive income, statement of changes in Unitholders' Funds 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 31 March 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.

Other Information

The Fund Managing Company is responsible for the other information. The other information comprises the report of the Fund Manager but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information included in the Fund Manager's report 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on in this regard.

B. R. DE SILVA & CO. Chartered Accountants

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Fund Managing Company 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 the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. In preparing the financial statements, Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund 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 on whether the financial statements as a whole are free from material misstatements, 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 judgement and maintain professional skepticism throughout the audit. Also, we:

- Identify and assess the risks of material misstatements in 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 control 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 Fund's internal control.

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

- Conclude on the appropriateness of Fund Manager'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 Fund's ability to continue as a going concern. If we conclude that 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 Fund 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.

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.

Report on Other Legal and Regulatory Requirements

The financial statements are prepared and presented in accordance with and comply with the requirements of the Collective Investment Scheme code (CIS Code 2022) of the Securities and Exchange Commission of Sri Lanka and Trust Deed.

B.R. DE SILVA & CO.
Chartered Accountants
Colombo 05.

Date 05th June 2026

(LW/ST/us/837)

FIRST CAPITAL MONEY PLUS FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH,

	Note	2026 Rs.	2025 Rs.
Income	8	10,714,804	10,458,650
Direct expenses	9	(72,415)	-
Net trading income		**10,642,389**	**10,458,650**
Gain/(loss) on financial assets recognized through profit or loss - measured at fair value	10	(245,659)	245,659
		10,396,730	10,704,309
Administration expenses	11	(1,228,843)	(827,605)
Other operating expenses	12	(164,241)	(155,420)
Provision for impairment of financial assets at amortised cost	16.1	(5,642)	-
Profit before tax		8,998,004	9,721,284
Income tax expenses	13	-	-
Profit for the year		8,998,004	9,721,284
Other comprehensive income		-	
Total comprehensive income for the year		8,998,004	9,721,284

Figures in bracket indicate deductions.

The attached notes form an integral part of these financial statements.

FIRST CAPITAL MONEY PLUS FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH

	Note	31.03.2026 Rs.	31.03.2025 Rs.
Assets			
Cash at bank	14	34,499	68,003
Financial assets recognised through profit or loss - measured at fair value	15	-	66,518,930
Financial assets at amortised cost	16	99,156,920	168,897,885
Total assets		**99,191,419**	**235,484,818**
Unitholders' funds and liabilities			
Liabilities			
Accruals and other payables	17	270,856	162,615
Total liabilities		**270,856**	**162,615**
Unitholders' funds			
Net assets attributable to unitholders	18.1	98,920,563	235,322,203
Total unitholders' funds		98,920,563	235,322,203
Total unitholders' funds and liabilities		**99,191,419**	**235,484,818**
Net assets value per unit (Rs.)	18	1,164.48	1,085.73

The Managing Company of First Capital Money Plus Fund is responsible for the preparation and presentation of these financial statements in accordance with the Sri Lanka Accounting Standards.

The accounting policies and notes form an integral part of these financial statements.

Approved by the Fund Management Company on 5 June 2026

Mangala Jayashantha
Chief Financial Officer
First Capital Asset Management Limited
Fund Managing Company

Trustee of the Fund
Hatton National Bank PLC

Kayan Karunamoorthy
Director/Chief Executive Officer
First Capital Asset Management Limited
Fund Managing Company

Dilshan Wirasekara
Director
First Capital Asset Management Limited
Fund Managing Company

FIRST CAPITAL MONEY PLUS FUND
STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MARCH, 2026

		Unitholders' Funds Rs.
Balance as at 1st April 2024		-
Increase due to unit creation during the year	18.1	2,420,875,318
Decrease due to unit redemption during the year	18.1	(2,195,274,399)
Increase in net assets attributable to unitholders		9,721,284
Balance as at 31st March 2025		**235,322,203**
Balance as at 1st April 2025		235,322,203
Increase due to unit creation during the year	18.1	146,746,046
Decrease due to unit redemption during the year	18.1	(292,145,690)
Increase in net assets attributable to unitholders		8,998,004
Balance as at 31st March 2026		**98,920,563**

Figures in bracket indicate deductions.
The accounting policies and notes form an integral part of these financial statements.

B. R. DE SILVA & CO. Chartered Accountants

FIRST CAPITAL MONEY PLUS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH,

Accounting policy
The statement of cash flows have been prepared using the "'Indirect Method'" of preparing cash flows in accordance with the Sri Lanka Accounting Standard LKAS 7 - "Statement of Cash Flows".

	Note	2026 Rs.	2025 Rs.
Cash flows from operating activities			
Profit before taxation		8,998,004	9,721,284
Adjustment for :			
Gain/(Loss) on fair valuation of financial assets recognized - through profit or loss measured at fair value	10	245,659	(245,659)
Provision for impairment of financial assets at amortised cost	16.1	5,642	-
Operating profit before working capital changes		**9,249,305**	**9,475,625**
Increase/(Decrease) financial assets- at fair value through profit or loss		66,273,271	(66,273,271)
Increase/(Decrease) in financial asset at amortised cost		69,735,323	(168,897,885)
Increase in accrued expenses and other liabilities		108,241	162,614
Cash flows generated from/ (used in) operations		145,366,140	(225,532,917)
Tax Paid	13	-	-
Net cash flows generated from/ (used in) operating activities		**145,366,140**	**(225,532,917)**
Net cash flows from/(used in) investing activities		-	-
Cash flows from (Used in) financing activities			
Proceeds from units creations	18.1	146,746,046	2,420,875,318
Payments for units redemptions	18.1	(292,145,690)	(2,195,274,399)
Net cash flows generated from/ (used in) financing activities		**(145,399,644)**	**225,600,919**
Net increase/ (Decrease) in cash and cash equivalents for the year		**(33,504)**	**68,003**
Cash and cash equivalents at the beginning of the year	14	68,003	-
Cash and cash equivalents at the end of the year	14	**34,499**	**68,003**

Figures in bracket indicate deductions.
The accounting policies and notes form an integral part of these financial statements.

1. REPORTING ENTITY

First Capital Money Plus Fund ("the Fund") is an Open-Ended Unit Trust approved by the Securities and Exchange Commission of Sri Lanka on 02 January 2024.

The registered office/ place of business of the Fund is located at No. 2, Deal Place, Colombo 3. First Capital Asset Management Limited is the Managing Company of First Capital Money Plus Fund while Hatton National Bank PLC has been appointed as the Trustee.

They Key Investor Information Document and the Trust Deed related to the Fund are available on the website of First Capital www.firstcapital.lk/products/unit-trusts.

1.1. Principal activities

The Fund engages in investment in short-term fixed income securities on behalf of its unitholders. The operations of the Fund commenced on 15 April 2024.

The objective of the First Capital Money Plus Fund is to yield superior returns to unitholders while minimizing their risk through investments in fixed income securities placed according to the parameters stated in the Collective Investment Scheme Code (CIS Code 2022) of the Securities and Exchange Commission of Sri Lanka.

There were no significant changes in the nature of the principal activities of the Fund during the year under review.

1.2. Approval of financial statements

The financial statements of the Fund for the year ended 31 March 2026 were authorized for issue by the Fund Managing Company on 5th June 2026.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The financial statements of the Fund have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS and LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka in compliance with the requirements of the Collective Investment Scheme Code (CIS Code 2022) of the Securities and Exchange Commission of Sri Lanka.

Statement of Compliance (Contd...)

These SLFRSs and LKASs are available at the website of CA Sri Lanka - www.casrilanka.com.

The Fund is in compliance with the minimum number of unitholders requirement of fifty throughout the year (Number of Unitholders as at 31 March 2026 is 300).

The statement of financial position is presented on a liquidity basis and assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

2.1.1. Fund managers' responsibility for the financial statements

The Fund Manager is responsible for the preparation and fair presentation of these Financial Statements in accordance with SLFRS and LKAS and CIS Code 2022 of the Securities and Exchange Commission of Sri Lanka.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Financial Statements of the Fund at 31 March 2026 comprises of;

- The Statement of Profit or Loss and Other Comprehensive Income (SOPLOCI) providing information on the performance for the year under review
- Statement of Financial Position (SOFP) providing information on the financial position of the Fund as at the year end
- Statement of Changes in Unitholders' Fund providing the movement in the unitholders' funds during the year under review
- Statement of Cash Flows, which provides information to the users, on the ability of the Fund to generate cash and cash equivalents and utilisation of those cash flows

- Notes to the Financial Statements, which comprise of Accounting Policies and other explanatory notes and information

2.2. Basis of measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the financial assets at fair value through profit or lo/ Following are the bases of measurement of financial instruments by the Fund.

Category	Basis of measurement	Note
Financial assets measured at fair value through profit or loss	Fair value	Note 15
Financial assets at amortised cost	Amortised cost	Note 16

2.3. Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees (LKR), which is the Fund's functional currency.

2.4. Use of estimates and judgments

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

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

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

Critical Accounting Estimate/ Judgment	Disclosure Note
Going concern	Note 2.4.1
Classification of financial assets	Note 3.3.3
Fair value of financial instruments	Note 15
Impairment losses on financial assets	Note 16.1

2.4.1. Going concern

The Fund Management Company has made an assessment of the Fund's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.4.2. Determination of fair values

'Fair value' is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk. Most of the Fund's accounting policies and disclosures require the determination of fair value for both financial assets and liabilities.

2.4.3. Fair value of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3. MATERIALITY AND PRESENTATION

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.

Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern. Where appropriate, the significant accounting policies are disclosed in the succeeding notes.

Assets and liabilities are offset and the net amount reported in the SOFP, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Income Statement, unless required or permitted by Sri Lanka Accounting Standards.

3.1. Material accounting policies

The material accounting policies set out below have been applied consistently to all periods presented in the Financial Statements of the Fund, unless otherwise indicate.

3.2. Index of material accounting policy information

Accounting Policy	Note
Material accounting policies - General	
Financial instruments	Note 3.3
Material accounting policies - Recognition of income and expenses	
Direct income	Note 08
Direct expenses	Note 09
Gain / (Loss) on fair valuation of financial assets recognized through profit or loss - measured at fair value	Note 3.3.11
Administration expenses	Note 11
Income tax expenses	Note 13
Material accounting policies - Recognition of assets and liabilities	
Financial assets recognized through profit or loss - measured at fair value	Note 15
Financial assets at amortised cost	Note 16
Securities sold under re-purchase agreements	Note 3.3.7

3.3. Financial instruments

3.3.1. Initial recognition

Financial assets and liabilities are initially recognised on the trade date, i.e. the date that the Fund becomes a party to the contractual provisions of the instrument. This includes purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

3.3.2. Initial measurement of financial instrument

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. 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.

B. R. DE SILVA & CO. Chartered Accountants

3.3.3. Classification and subsequent measurement of financial assets

The Fund classifies all its financial assets in the following measurement categories:
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Assessment of whether Contractual Cash Flows are Solely Payments of Principal and Interest ("SPPI").

3.3.4. Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether Management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Fund's Management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

3.3.5. Financial Assets

Financial assets are classified appropriately as financial assets recognised through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets at amortised cost. All the financial assets are recognised at fair value at their initial recognition.

Financial Assets - Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI test)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial Assets - Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI test) (cont.)

Subsequent measurement

Financial assets at FVTPL	A financial asset is measured at fair value through profit or loss if: (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; or (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or (c) At initial recognistion, it is irrevocably designated as measured at FVTPL when doing so eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within unrealised gains/(loss) during the period in which it arises. FVTPL at SOFP comprise of investment in Government Securities and Corporate Debt Securities.
Financial assets at amortised cost	A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Debt instruments at amortised cost in the SOFP comprise of investments in Investment in government securities purchased under resale agreement and fixed deposits. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in realised gain/(loss) on debt instruments held at amortised cost. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3.3.6. Identification, measurement and assessment of impairment

Fund assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instruments not held at fair value through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate.

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

The Fund uses the ratings from either Fitch Rating Lanka Limited or Lanka Rating Agency 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 lifetime ECL calculation.

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

For debt instruments at amortised cost issued by Sovereign, the Fund applies the low-risk simplification. The Fund considers evidence of impairment for financial asset at amortised cost at both a specific asset and collective level. All individually significant financial asset at amortised cost is assessed for specific impairment. All individually significant financial asset at amortised cost found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Financial assets at amortised cost that are not individually significant are collectively assessed for impairment by grouping together financial assets at amortised cost with similar risk characteristics.

Identification, measurement and assessment of impairment (Contd...)

In assessing collective impairment, the Fund uses historical trends of the probability of default, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical data.

Impairment loss on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment loss is recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.3.7. Sale and repurchase agreements

Securities sold subject to repurchase agreements (repos) remain on the SOFP, the counterparty liability is included under borrowings. Securities purchased under agreements to resell (reverse repos) are recorded as loans and advances. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

3.3.8. De-recognition

A financial asset is de-recognised when,

1. The rights to receive cash flows from the asset have expired.
2. The Fund has transferred its rights to receive cash f lows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either,
   - The Fund has transferred substantially all the risks and rewards of the asset; or
   - The Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

3.3.9. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the SOFP if, and only if:

- there is a currently enforceable legal right to offset the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.3.10. Provision

A provision is recognised if, as a result of a past event, the Fund 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.

3.3.11. Gain/(Loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value

Gain/loss) on Fair Valuation of Financial assets is the unrealised gain/ (loss) on fair valuation (marked to market valuation) of government securities, commercial papers, securitised paper and debentures. The fair valuation gain(loss) is presented in profit or loss in the statement of profit or loss and other comprehensive income.

4. 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.

5. UNITHOLDERS' FUNDS

Unitholders' funds have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unit holders at the reporting date.

6. FINANCIAL RISK MANAGEMENT

Risks arising from holding financial instruments are inherent in the fund's activities, and are managed through a process of ongoing identification, measurement and monitoring. The fund is exposed to credit risk, market risk, and liquidity risk.

Financial instruments of the fund comprise investments in government securities, treasury bills/bonds repurchase agreements under government securities, fixed deposits, and commercial papers for the purpose of generating a return on the investment made by unit holders, in addition to cash at bank and other financial instruments such as receivables and payables, which arise directly from its operations.

Fund managers' responsibility for financial risk management

The fund manager is responsible for identifying and controlling the risk that arises from these financial instruments. Fund Manager's financial risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Financial Risk Management Policies of the Fund translates overall risk appetite on business activities in

A holistic approach to provide the guidance required for convergence of strategic and risk perspectives of the Fund.

The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities. The Fund Manager, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The fund manager agrees on policies for managing each of the risks identified below.

The risks are measured using a method that reflects the expected impact on SOPLOCI and SOFP of the fund from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below.

The fund manager also monitors information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits.

These mandate limits reflect the investment strategy and market environment of the fund, as well as the level of risk that the fund is willing to accept, with additional emphasis on selected industries. This information is prepared and reported to relevant parties within the fund manager on a regular basis as deemed appropriate, including the fund manager, other key management, investment committee, and ultimately the trustee of the fund.

Concentration of risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause theiability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions.

Fund managers' responsibility for financial risk management (Contd...)

Market risk

Market risk represents the risk that the value of the fund's investments portfolios will fluctuate as a result of changes in market prices. However, the fund's exposure to price risk and currency risk are deemed negligible as all its investments are short term fixed income securities denominated in Sri Lankan Rupees. While market risk cannot be eliminated the fund manager will attempt to reduce this risk by diversifying the fund's investment portfolio in line with investment objectives of the fund.

Liquidity risk

Liquidity risk represents the risk that the Unit Trust will not have adequate financial resources to meet the Unit Trust's obligations as and when they fall due. This risk arises from mismatches in the timing of cash flows. 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 Unit Trust's reputation.

Credit risk

Credit risk is the risk of financial loss to Unit Trust if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Unit Trust's advances to clients, investment in corporate debt securities, other securities.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's involvement with financial instruments, including processes, 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 behaviour.

7. NEW AMENDMENTS TO THE SRI LANKA ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued following new amendments to the Sri Lanka Accounting Standards which will become applicable for financial periods beginning after on or after 1 January 2027. Accordingly, the Fund has not applied the following new amendments to the standard in preparing these financial statements. The said new amendments to the standard are not expected to have a material impact on the Fund's financial statements.

New SLFRS/ amendment to the existing SLFRS	Summary of the requirements/ Objectives
SLFRS 18 Presentation and Disclosure in Financial Statement	SLFRS 18 will replace LKAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements. • Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations, and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change. • Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements. • Enhanced guidance is provided on how to group information in the financial statements. • In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

Accounting policy

Interest Income and Expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the statement of profit or loss and other comprehensive income include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis; and
- interest on financial assets measured at fair value through profit or loss are calculated on an effective interest basis.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Fund's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Gain/(loss) on sale of financial assets measured at fair value though profit or loss

Gain/(loss) on Sale of Financial Assets measured at fair value through profit or loss comprises realised trading gains on disposal of government securities, commercial papers, securitised papers and debentures, are presented in direct income as sale of financial assets at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

		2025/26	2024/25
		Rs.	Rs.
8.	**Income**		
	Interest income on financial assets recognised - through profit or loss measured at fair value	1,288,612	6,106,532
	Interest income on financial investments at amortised cost	9,426,192	4,141,128
	Gain on sale of financial assets at recognised through profit or loss- measured at fair value	-	210,990
		10,714,804	10,458,650
9.	**Direct expenses**		
	Interest expense on repo borrowings	72,415	-
		72,415	-

10. **Gain/loss on financial assets recognised through profit or loss -measured at fair value**

	2025/26	2024/25
	Rs.	Rs.
Treasury Bill	(181,806)	181,806
Commercial Papers	(63,853)	63,853
Total	**(245,659)**	**245,659**

Gain/ (Loss) on fair valuation of financial investments has been accounted for in accordance with the SLFRS 09.

11. Administration expenses

Accounting policy

The management and trustee fees of the Fund as per the trust deed is as follows,

Management fee	-	0.5 % p.a. of net asset value of the Fund calculated on a daily basis.
Trustee fee	-	0.15 % p.a. of net asset value of the Fund calculated on a daily basis.

Management fee	783,975	635,448
Trustee fee	235,193	192,157
Audit Fee	209,675	-
	1,228,843	827,605

12. Other operating expenses

Bank charges	164,241	155,420
	164,241	155,420

13. Income tax expenses

Accounting policy

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of Inland Revenue Act.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The Fund is not liable to pay income tax as at the reporting date in accordance with the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto. The fund's income generated through investment business are treated as "pass through vehicles" under the provisions of Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto.

13.1 Reconciliation between current tax expense and the accounting profit

Accounting profit from ordinary activities before tax	8,998,004	9,721,284
Less:- Exempted income	(8,998,004)	(9,721,284)
Taxable profit	-	-
Income tax provision for the year	-	-

14. Cash at bank

Accounting policy

Cash and cash equivalents in the statement of financial position comprise of cash at bank.

	Note	31.03.2026 Rs.	31.03.2025 Rs.
Hatton National Bank (Note 14.1)	14.1	34,499	68,003
		34,499	68,003

The above balance represents as at 31 March 2026 is with credit rating of "AA-".

14.1 Bank balances are maintained only to settle day to day operations. Excess cash balances are reviewed on a daily basis and transferred the same to investment account. Remaining cash at bank represent current account balance with banks, which are due on demand. Accordingly no impairment provision is required.

15. Financial assets recognised through profit or loss- measured at fair value

Accounting policy

A financial asset is classified at fair value through Profit or Loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through Profit or Loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition, transaction costs are recognised in Profit or Loss as incurred.

Financial assets at fair value through Profit or Loss are measured at fair value, and subsequent therein are recognised in Profit or Loss.

Following assets represent financial assets at fair value though profit or loss,

* Investment in government securities
* Investment in commercial papers

		31.03.2026 Rs.	31.03.2025 Rs.
Government securities - Treasury bills	15.1	-	42,650,813
Commercial papers	15.2	-	23,868,117
		-	66,518,930

15.1 Government securities

	Value - Net as at 31 March 2026 (Rs.)	Percentage exposure to each issuer against the Net Value	Value - Net as at 31 March 2025 (Rs.)	Percentage exposure to each issuer against the Net Value of the Fund
Treasury Bill	-	-	42,650,813	18%

15.2 Commercial papers

Name of the issuer	Issuer credit rating	Value - Net as at 31 March 2026 (Rs.)	Percentage exposure to each issuer against the Net Value	Value - Net as at 31 March 2025 (Rs.)	Percentage exposure to each issuer against the Net Value of the Fund
LOLC Holdings PLC	A	-	-	23,868,117	10%
Total		-		23,868,117	

16. Financial assets at amortised cost

Accounting policy

A financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect c

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost of the Fund comprise of the followings.

* Investment in government securities purchased under re-sale agreements
* Bank deposits

		31.03.2026 Rs.	31.03.2025 Rs.
Fixed Deposits	16.1	63,554,465	-
Government Securities under resale agreements		35,307,495	116,430,411
Bank Deposits-(Call Deposit)		294,960	52,467,474
		99,156,920	168,897,885

16.1. Investments in fixed deposits

		63,560,107	-
Less :- Provision for impairment	16.3	(5,642)	-
		63,554,465	-

16.2 Investments in fixed deposits (Net of provision for impairment)

Name of the issuer	Issuer credit rating	Value - Net as at 31 March 2026	Percentage exposure to each issuer against the Net Value	Value - Net as at 31 March 2025	Percentage exposure to each issuer against the Net Value of the Fund
		Rs.		Rs.	
Lanka Orix Finance Company PLC	A	10,654,026	10.74%	-	-
HNB Finance PLC	A	10,592,362	10.68%	-	-
Mercantile Investment & Finance PLC	BBB-	10,649,731	10.74%	-	-
Siyapatha Finance PLC	A	10,408,564	10.49%	-	-
Singer Finance (Lanka) PLC	BBB+	10,651,016	10.74%	-	-
Vallibel Finance PLC	BBB+	10,598,766	10.69%	-	-
Total		63,554,465		-	

16.3. Movement in provision for expected credit loss

Balance at the beginning of the period	-	-
Provision for the period	5,642	-
Balance at the end of the period	5,642	-

16.4 Provision for impairment in investment in fixed deposit represents "Stage 1", "Stage 2" and "Stage 3" expected credit losses (ECL) in accordance with SLFRS 9. Accordingly, individual impairment provision has been derived

	31.03.2026 Rs.	31.03.2025 Rs.
Stage 1 - 12 months expected loss	5,642	-
Stage 2 - Life time expected loss, not credit impaired	-	-
Stage 3 - Life time expected loss, credit impaired	-	-
Total	5,642	-

17. Accruals and other payables

Accounting policy

Financial liabilities of the Fund are measured at amortised cost, and includes all financial liabilities, other than those measured at fair value through profit or loss. The financial liabilities of the Fund include accrued expenses and other payables.

a) Initial recognition and measurement

The Fund determines the classification of its financial liabilities at initial recognition.

The Fund's financial liabilities comprise of accrued expenses and other payables in the SOFP.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the SOCI when the liabilities are derecognised as well as through the EIR amortisation process.

	31.03.2026	31.03.2025
	Rs.	Rs.
Management fee payable	47,062	105,090
Trustee fee payable	14,119	31,527
Other payables	-	25,998
Admin and Audit fee	209,675	-
	270,856	162,615

18 Net assets per unit

Net assets attributable to unitholders (Rs.)	98,920,563	235,322,203
Total number of units	84,948	216,741
Net assets per unit (Rs.)	**1,164.48**	**1,085.73**

18.1 Movements in the number of units and net assets during the year is as follows:

	No. of Units	Rs.
Balance as at 1 April 2024	-	-
Increase due to unit creation during the year	2,401,288	2,420,875,318
Decrease due to unit redemption during the year	(2,184,547)	(2,195,274,399)
Increase in net assets attributable to unit holders	-	9,721,284
Income distribution to unit holders	-	-
Balance as at 31 March 2025	216,741	235,322,203
Balance as at 1 April 2025	216,741	235,322,203
Increase due to unit creation during the year	131,529	146,746,046
Decrease due to unit redemption during the year	(263,322)	(292,145,690)
Increase in net assets attributable to unit holders	-	8,998,004
Income distribution to unit holders	-	-
Balance as at 31 March 2026	84,948	98,920,563

19. Analysis of financial instrument by measurement basis

The following tables compare the fair values of the financial instruments with their carrying values.

As at 31st March 2026	Financial Assets/ liabilities - FVTPL	Financial Assets/ liabilities at amortised cost	Total carrying amount	Fair Value
	Rs.	Rs.	Rs.	Rs.
Financial Assets measured at fair value				
Financial asset recognised at FVTPL	-	-	-	-
Financial Assets not measured at fair value				
Cash at bank	-	34,499	34,499	34,499
Financial assets - at amortised cost	-	99,156,920	99,156,920	99,156,920
Total	-	99,191,419	99,191,419	99,191,419
Liabilities not measured at fair value				
Accrued expenses and other liabilities	-	270,856	270,856	270,856
Total	-	270,856	270,856	270,856

As at 31st March 2025	Financial Assets/ liabilities - FVTPL	Financial Assets/ liabilities at amortised cost	Total carrying amount	Fair Value
	Rs.	Rs.	Rs.	Rs.
Financial Assets measured at fair value				
Financial asset recognised at FVTPL	66,518,930	-	66,518,930	66,518,930
Financial Assets not measured at fair value				
Cash at bank	-	68,003	68,003	68,003
Financial assets - at amortised cost	-	168,897,885	168,897,885	168,897,885
Total	66,518,930	168,965,888	235,484,818	235,484,818
Liabilities not measured at fair value				
Accrued expenses and other liabilities	-	162,615	162,615	162,615
Total	-	162,615	162,615	162,615

20. Determination of fair value and hierarchy of fair value

Level 1 - Inputs that are quoted market prices (unadjusted) in an active market for identical instruments.

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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

Level 3 - Inputs that are unobservable

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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20. **Determinination of fair value and hierarchy of fair value (Contd)**

Due to the nature of short term maturity, carrying value of the financial assets at amortised cost are approximated to their fair value.

Fund has not transferred any financial assets during the year 2025-26

Following table represents the fair value measurement of the fund according to fair value hierarchy

Financial instrument category	Fair value technique	Fair value hierarchy
Government securities		
Treasury bills	Valued using the CBSL yield curve	Level 1*
Corporate debt		
Commercial papers	comparable market yield (Government Securities)	Level 2

CBSL - Central Bank of Sri Lanka

*The fair values of treasury bills have been derived using the market yields published by Central Bank of Sri Lanka. Accordingly, investments in treasury bills and bonds have been classified as level 1.

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

As at 31st March 2026	Total carrying Amount	Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs	Total fair value
		Level 1	Level 2	Level 3	
	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value through profit or loss - measured at fair value					
- Investment in Government securities					
- Treasury Bills	-	-	-	-	-
- Investment in commercial papers	-	-	-	-	-
	-	-	-	-	-
Financial assets not measured at fair value					
- Financial assets - at amortised cost	99,156,920	-	-	99,156,920	99,156,920
	99,156,920 #	-	-	99,156,920	99,156,920

As at 31st March 2025	Total carrying Amount	Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs	Total fair value
		Level 1	Level 2	Level 3	
	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value through profit or loss - measured at fair value					
- Investment in Government securities					
- Treasury Bills	42,650,813	42,650,813	-	-	42,650,813
- Investment in commercial papers	23,868,117	-	23,868,117	-	23,868,117
	66,518,930	42,650,813	23,868,117	-	66,518,930
Financial assets not measured at fair value					
- Financial assets - at amortised cost	168,897,885	-	-	168,897,885	168,897,885
	235,416,815	42,650,813	23,868,117	168,897,885	234,716,815

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20. **Determinination of fair value and hierarchy of fair value (Contd.)**

20.1. **Measurement of fair values**

20.1.1. (a) **Valuation techniques and significant unobservable inputs**

The following table show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant Unobservable inputs
Investment in Debenture	The valuation model is based on Yield Curve of the Government Securities. Yields relating to Government Securities based on the maturities of the respective debentures is interpolated in the valuation considering the initial risk premiums (at the time of issue) of the investee companies are constant as at the reporting date.	Risk premium of the investee companies (5.20%)

20.1.1. (b) **Reconciliation of level 2 fair values**

	Commercial Papers	Total
	Rs.	Rs.
Balance as at 01 April 2025	23,868,117	23,868,117
Purchases	-	-
Sales / Matured	(24,361,883)	(24,361,883)
Interest accrued	557,619	557,619
Gain/ (Loss) on fair valuation of financial assets	(63,853)	(63,853)
Balance as at 31 March 2026	-	-

	Commercial Papers	Total
	Rs.	Rs.
Balance as at 01 April 2024	-	-
Purchases	23,000,000	23,000,000
Sales / Matured	-	-
Interest accrued	804,264	804,264
Gain/ (Loss) on fair valuation of financial assets	63,853	63,853
Balance as at 31 March 2025	23,868,117	23,868,117

21. 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.

21.1 Risk management framework

The Board of Directors of the fund manager has the overall responsibility for the establishment and oversight of the Unit Trust's risk management framework. The Managing Company has established a Board Integrated Risk Management Committee (BIRMC) of the fund manager 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.

Unit Trust's risk management policies are established to identify and analyse the risk confronted by the Unit Trust, 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.

21.1(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect 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 of the fund manager.
- The operational authority for managing market risk is vested with the Investment assets and liability Committee (IC) of the fund manager.
- Interest rate risk is managed within the approved limits by the Investment assets and liability Committee of the fund manager.

21. **Financial risk management (Contd.)**

21.1.(b). **Liquidity risk**

Liquidity risk is the risk that the Unit Trust will not have adequate financial resources to meet Unit Trust'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 Unit Trust's reputation.

Maturity analysis of the financial assets and financial liabilities

	Carrying amount Rs.	Less than 30 days Rs.	31 - 90 days Rs.	91 - 180 days Rs.	181 - 396 days Rs.
Assets					
Cash at bank	34,499	34,499	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-	-
Financial assets - at amortised cost	99,156,920	35,602,455	-	63,554,465	-
Total financial assets	99,191,419	35,636,954	-	63,554,465	-
Liabilities					
Accrued expenses and other liabilities	270,856	270,856	-	-	-
Total financial liabilities	270,856	270,856	-	-	-

As at 31 March 2025	Carrying amount Rs.	Less than 30 days Rs.	31 - 90 days Rs.	91 - 180 days Rs.	181 - 396 days Rs.
Assets					
Cash at bank	68,003	68,003	-	-	-
Financial assets at fair value through profit or loss	66,518,930	3,198,074	48,606,817	14,714,040	-
Financial assets - at amortised cost	168,897,885	152,554,049	16,343,836	-	-
Total financial assets	235,484,818	155,820,126	64,950,653	14,714,040	
Liabilities					
Accrued expenses and other liabilities	162,615	162,615	-	-	-
Total financial liabilities	162,615	162,615	-	-	-

21. Financial risk management (Contd.)

21.1.(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 Unit Trust's investment in corporate debt securities and 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
- Establishing the authorisation structure for the approval and renewal of credit facilities.
- Limiting concentration of exposures to counterparties.
- Reviewing compliance through regular audits by internal audit.

Credit quality by class of financial assets

As at 31 March 2026	12 Month expected credit losses	Life time expected credit losses not credit impaired	Life time expected credit losses credit impaired	Total
	Rs.	Rs.	Rs.	Rs.
Assets				
Cash at bank	34,499	-	-	34,499
Financial assets at fair value through profit or loss	-	-	-	-
	-	-	-	-
Financial assets - at amortised cost	63,554,465	-	-	63,554,465
Total financial assets	63,588,964	-	-	63,588,964

Credit quality analysis of financial investments

As at 31 March 2026

	Risk Status	Amortised Cost	FVTPL	Total
Government securities	Risk free	35,307,495	-	35,307,495
Debt instruments having credit ratings*				
AA+ to A+	Low risk	-	-	-
A to BBB+	Medium risk	52,904,734	-	52,904,734
Below BBB	High risk	10,649,731	-	10,649,731
Total		63,554,465	-	63,554,465

21. Financial risk management (Contd.)

21.1.(c) Credit risk(Contd.)

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	68,003	-	-	68,003
Financial assets - at amortised cost	168,897,885	-	-	168,897,885
Total financial assets	168,965,888	-	-	168,965,888

Credit quality analysis of financial investments

As at 31 March 2025

	Risk Status	Amortised Cost	FVTPL	Total
Government securities	Risk free	116,430,411	42,650,813	159,081,224
Debt instruments having credit ratings*				
AA+ to A+	Low risk	52,467,474	-	52,467,474
A to BBB+	Medium risk	-	23,868,117	23,868,117
Below BBB	High risk	-	-	-
		52,467,474	23,868,117	76,335,591

Analysis of concentration risk

The following table shows the risk concentration by sector for the components of the Statement of Financial Position.

	Cash at Bank	Financial assets recognised through profit or loss - measured at fair value	Financial assets - at amortised cost	Total Financial Assets
	Rs.	Rs.	Rs.	Rs.
As at 31 March 2026				
Sector wise breakdown				
Government	-	-	35,307,495	35,307,495
Corporate	34,499	-	63,849,425	63,883,924
Total	34,499	-	99,156,920	99,191,419

21. Financial risk management (Contd.)

21.1.(c) Credit risk(Contd.)

	Cash at Bank	Financial assets recognised through profit or loss - measured at fair value	Financial assets - at amortised cost	Total Financial Assets
	Rs.	Rs.	Rs.	Rs.
As at 31 March 2025				
Sector wise breakdown				
Government	-	42,650,813	116,430,411	159,081,224
Corporate	68,003	23,868,117	52,467,474	76,403,594
Total	68,003	66,518,930	168,897,885	235,484,818

21.1.(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risks is measured using sensitivity analysis. However, due to the short term nature of the, it is reasonably expected that the fluctuation in interest rate will not materially impact the net assets value of the fund.

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

	Increase/ (decrease) in basis points	Effect on the profit for the year ended 31.03.2026	Effect on the profit for the year ended 31.03.2025
Increased in interest	+0.5%	-	(59,263)
Decreased in interest	-0.5%	-	59,378

	Floating interest rate	Fixed interest rate	Total
	Rs.	Rs.	Rs.
As at 31 March 2026			
Assets			
Commercial Papers	-	-	-
Government securities	-	-	-
Total financial assets	-	-	-

	Floating interest rate	Fixed interest rate	Total
	Rs.	Rs.	Rs.
As at 31 March 2025			
Assets			
Commercial Papers	-	23,868,117	23,868,117
Government securities	-	42,650,813	42,650,813
Total financial assets	-	66,518,930	66,518,930

E. R. DE SILVA & CO. Chartered Accountants

21. **Financial risk management (Contd.)**

21.1. (e) **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 behaviour.

The Unit Trust's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the business reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Unit Trust's standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of the transaction
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures.
- Development of business contingency plans
- Training and professional development
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective

Compliance with Unit Trust's internal controls and procedures is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the business unit with summaries submitted to the Board Audit Committee. During the year, the First Capital Group achieved ISO/IEC 27001:2022 certification for its Information Security Management System, further strengthening the operational and information security controls applicable to the Managing Company's operations.

22. Related party disclosures

Accounting policy

The company carried out transactions in the ordinary course of business on arm's length basis with parties who are defined as related parties as per the Sri Lanka Accounting Standard- LKAS 24 'Related Party Disclosers'.

22.1. Directorships in other companies

The Directors of First Capital Asset Management Limited (Managing Company of the Unit Trusts) are also Directors of the following group companies (as of 31 March 2026).

Name of the company	Relationship	Dr. Nishan de Mel	Mr. Kavin Karunamoorthy	Mr. Dilshan Wirasekara	Mr. Kuda Banda Herath
Janashakthi Limited *	Ultimate Parent	-	-	-	-
Janashakthi Insurance PLC **	Subsidiary of the Ultimate Parent	Director	-	-	-
Janashakthi Corporate Services Limited **	Subsidiary of the Ultimate Parent	-	-	-	-
Janashakthi Finance PLC ***	Subsidiary of the Ultimate Parent	-	-	-	-
First Capital Holdings PLC**	Intermediary Parent	-	-	Managing Director/CEO	Director
First Capital Limited**	Immediate Parent	-	-	Managing Director/CEO	Director
First Capital Treasuries PLC**	Subsidiary of the Immediate Parent	Director	-	Director	-
First Capital Markets Limited	Subsidiary of the Immediate Parent	-	-	Managing Director/CEO	-
First Capital Equities (Private) Limited	Subsidiary of the Immediate Parent	-	-	Director	-
First Capital Trustee Services (Private) Limited	Subsidiary of the Immediate Parent	-	-	Managing Director/CEO	-
First Capital Advisory Services (Private) Limited	Subsidiary of the Immediate Parent	-	-	Director	-
Verite Research (Pvt) Limited	Related Company via Key Management	Director	-	-	-
Sarvodaya Development Finance PLC**	Related Company via Key Management	-	-	-	-

Mr. Kavin Karunamoorthy has been appointed as Director/Chief Executive Officer of First Capital Asset Management Limited with effect from 9 December 2025.

* Janashakthi Limited was listed on the Colombo Stock Exchange subsequent to the year end of 31 March 2026.

**Mr. Ramesh Schaffter represents as a Director of First Capital Holdings PLC (Immediate Listed Parent) Company and is also a Director of Janashakthi Limited (Ultimate Parent Company), First Capital Limited, First Capital Treasuries PLC, Janashakthi Insurance PLC, Janashakthi Corporate Services Limited and Sarvodaya

*** Mr. Prakash Schaffter represents as a Director of Janashakthi Finance PLC and is also a Director of Janashakthi Limited (Ultimate Parent Company).

22. Related party disclosures (Contd.)

First Capital Asset Management Limited manages licensed Unit Trusts namely First Capital Wealth Fund, First Capital Fixed Income Fund, First Capital Gilt Edged Fund, First Capital Money Market Fund, First Capital Equity Fund and First Capital Money Plus Fund which are also treated as Related Parties of the Company.

The Fund carries out transactions with parties who are defined as related parties as per Sri Lanka Accounting Standard (LKAS 24), "Related Party Disclosure", in the ordinary course of its business. The details of such transactions are reported below. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Fund and is comparable with what is applied to transactions between the Fund and its unrelated customers. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

22.2 Transaction with managing company

Transactions for the year ended

Name of the company	Nature of the transaction	Transaction amount 2025/2026	Transaction amount 2024/2025
		Rs.	Rs.
First Capital Asset Management Limited	Management fee charged	783,979	635,448
	Undertaken of Audit Fee	-	150,000

Amounts owed (to)/by the related party	Nature of the transaction	Amounts owed (to) / by the related party as at 31-03-2026	Amounts owed (to) / by the related party as at 31-03-2025
		Rs.	Rs.
First Capital Asset Management Limited	Management fee payable	(47,062)	(105,090)

22.3 Transaction with ultimate parent company/ parent company/ immediate parent company, subsidiaries of the immediate parent of the managing company

Nature of transaction	Year ended 31.03.2026		Year ended 31.03.2025	
	2025/2026	Amounts owed (to)/by the related party as at 31-03-2026	2024/2025	Amounts owed (to)/by the related party as at 31-03-2025
	Rs.	Rs.	Rs.	Rs.
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	4,036,920	-	3,343,007	-
Interest expense	-	-	-	-
Gain/ (loss) on sale of financial investments - held for trading	-	-	210,990	-
Benefit accrued/ realised on Unit Trust	2,077,218	-	3,644,667	-
Statement of Financial Position				
Investment in Unit Trust	-	-	-	(123,644,667)
Repo Investments	-	-	-	116,430,411

22. Related party disclosures (Contd.)

22.4 Transactions with key management personnel (KMP) and their close family members (CFM)

According to Sri Lanka Accounting Standard LKAS 24 - "Related Party Disclosures', Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Accordingly, the Board of Directors of First Capital Asset Management Limited (Managing company) has been classified as KMPs of the entity.

Close Family Members of a Key Management Person are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Entity. They may include:
a. The individual's domestic partner and children;
b. Children of the individual's domestic partner; and
c. Dependants of the Individual or the individual's domestic partner

Close Family Members are related parties to the Entity.

Transactions with KMP/CFM	Year ended 31.03.2026		Year ended 31.03.2025	
	2025/26	Amounts owed (to) / by the Related Party as at 31-03-2026	2024/25	Amounts owed (to) / by the Related Party as at 31-03-2025
	Rs.	Rs.	Rs.	Rs.
Investment in Unit Trust	-	(2,137,204)	-	(3,464,979)
Benefit accured/ realised on Unit Trust	211,974	-	630,765	-

23. Capital commitments and contingent liabilities

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

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

There were no material capital commitments and contingent liabilities as at the reporting date which require

24. Events occurred after the reporting period

Accounting Policy
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 authorised 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.

There were no material events after the reporting period, which require adjustments to or disclosures in the disclosure in the financial statements.

25 Reconciliation between the net asset value as per Financial Statement and the Monthly report

	Year ended 31.03.2026		Year ended 31.03.2025	
	Units Price	Value	Units Price	Value
	Rs.	Rs.	Rs.	Rs.
Net Asset Value of the Fund as per Monthly Return	1,164.55	98,926,205	1,084.60	235,076,544
Add : Gain on fair valuation of financial asset - at fair value through profit or loss	-	-	1.13	245,659
Less : Impairment provision for financial asset - at amortised cost	(0.07)	(5,642)		-
Net Asset Value of the Fund as per Audited Financial Statements	1,164.48	98,920,563	1,085.73	235,322,203

CORPORATE INFORMATION

NAME OF THE FUND (UNIT TRUST)
First Capital Money Plus Fund

FUND MANAGING COMPANY
First Capital Asset Management Limited (PB 187)

TRUSTEE OF THE FUND
Hatton National Bank PLC

REGISTERED OFFICE OF FUND MANAGING COMPANY
First Capital Asset Management Limited
No. 2, Deal Place
Colombo 3

BOARD OF DIRECTORS OF FUND MANAGING COMPANY
Dr. Nishan de Mel
Mr. Kavin Karunamoorthy
Mr. Dilshan Wirasekara
Mr. Kuda Banda Herath

SECRETARIES
Ms. Heidy Seneviratne
No. 02, Deal Place
Colombo 03.

EXTERNAL AUDITORS
M/s B. R. De Silva & Co
Chartered Accountants
No. 22/4, Vijaya Kumaranatunga Mawatha
Colombo 5

INTERNAL AUDITORS
M/s Ernst & Young
No. 109, Rotunda Towers
Galle Road
Colombo 3

PRINCIPAL BANKERS
Hatton National Bank PLC

First Capital

A Janashakthi Group Company