

Precision. Stability. Progress.



First Capital
Money Market Fund

Annual Report
2025/26

CONTENTS

ABOUT THE FUND

02	How to Navigate the report
04	First Capital Money Market Fund in Context
05	Integrated Annual Report of First Capital Money Market Fund
07	Why Invest in First Capital Money Market Fund
09	Group Structure
11	Awards and Recognition
12	Operational Structure
13	Structure of the Fund

LEADERSHIP

16	Chairman's Statement
18	Director/ Chief Executive Officer's Review
22	Board of Directors of the Fund Managing Company
24	Director/ Chief Executive Officer & Fund Managing Team

STRATEGY AND VALUE CREATION

28	Financial Highlights
30	Operational Highlights
31	Stakeholder Engagement
36	Materiality
40	Strategy and Resource allocation
46	Value Creation Model
48	Value Creation Through Sustainability
54	Sustainability Disclosure Index
60	Socio Economic Impact

MANAGEMENT DISCUSSION AND ANALYSIS

64	Operating Environment
66	Fund Manager's Report
70	Financial Capital
76	Manufactured Capital
84	Intellectual Capital
90	Human Capital
142	Social and Relationship Capital
145	Natural Capital

GOVERNANCE AND STEWARDSHIP

112	Annual Report of the Board of Directors
115	Statement of Directors' Responsibility
116	Directors' Statement on Internal Controls
119	Risk Management Report
126	Corporate Governance
133	Compliance Disclosures
137	Group Board Audit Committee Report
140	Group Remuneration Committee Report
145	Group Nomination and Governance Committee Report
151	Group Board Integrated Risk Management Committee Report

FINANCIAL INFORMATION

151	Table of Contents - Financial
152	Financial Calendar
153	Financial Performance Highlights
155	Independent Auditors' Report
157	Statement of Profit or Loss and Other Comprehensive Income
158	Statement of Financial Position
159	Statement of Changes in Unitholders' Funds
160	Statement of Cash Flows
161	Notes to the Financial Statements

SUPPLEMENTARY INFORMATION

198	Unitholder Information
200	Semi Annual Results
201	Five-Year Summary
202	Horizontal and Vertical Analysis of Income Statements Over Five Years
204	Horizontal and Vertical Analysis of Financial Position Over Five Years
206	Tri - lingual Financial Statements
210	Integrated Reporting – Content Index
211	GRI Content Index
213	Basis of Financial Ratios
214	Glossary of Financial and Business terms
217	Unitholder/ Stakeholder Feedback Form
219	Annexure A- Board of Directors of the Intermediary Parent Company
227	Notes
IBC	Corporate Information

Precision. Stability. Progress.

Every great journey begins with a clear plan. A carefully defined path ensures efficiency, safety, and purpose, while remaining adaptable to changing conditions.

During the year, market dynamics shifted. Interest rates declined, and investor sentiment evolved, prompting many to adjust their course. Yet, for those who placed their trust in us, the direction remained steady.

This stability is driven by disciplined investment strategies, a portfolio focused on high-quality fixed income instruments, and a strong emphasis on liquidity. Our approach is designed to manage risk effectively while delivering consistent outcomes.

Resilience remains central to our structure. Through diversification, prudent risk management, and robust governance, we continue to navigate changing conditions with confidence.

Trust underpins everything we do. Clear processes, regulatory compliance, and transparency ensure that stakeholders remain well-informed and assured.

We are equally committed to financial inclusivity. The Money Market Fund serves as an accessible entry point to capital markets, welcoming both individual and institutional investors.

At the same time, we continue to enhance accessibility through digital innovation, offering convenient and seamless ways for investors to engage with us.

First Capital Money Market Fund represents a steady path to stability, resilience, and sustainable progress.



First Capital
Money Market Fund

ABOUT US

HOW TO NAVIGATE THE ANNUAL REPORT



2023/24
TAGS Awards
Unit Trust Sector
Bronze Award



2024/25
TAGS Awards
Unit Trust Sector
Gold Award

THE CAPITALS



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social & Relationship
Capital



Natural Capital

KEY STAKEHOLDERS



Trustee



Shareholders &
Unitholders



Employees



Community and Civil
Society



Regulators



Business and Counter
Parties

ADDITIONAL NAVIGATION FEATURES



Interactive chatbot assistance is available for queries regarding this report and FCMMF's operations.



Summarised financial statements in Sinhala and Tamil are available on pages 206 to 209.



A QR code embedded in the report provides instant access to the full digital version via smartphone or tablet.



A QR code embedded in the report provides instant access to the Semi-Annual Financial Statements of the Fund.

STRATEGIC PILLARS



Transformative Client Experience



Transformative Execution



Transformative Growth

MATERIAL MATTERS



Economic Outlook



Market Volatility



Geopolitical Conflict



Rating Upgrade



Digital Transformation



Brand Image



Financial Inclusion



Ethical Service Standards



Data Protection



Operational Efficiency



Client Centricity



Cyber Security



Talent Acquisition & Attraction



Regulatory Development



Employee Wellbeing



Heightened Importance of Risk Management



Retention & Brain-drain



ABOUT US

First Capital Money Market Fund in Context

First Capital Asset Management Limited, distinguishes itself as a frontrunner in the unit trust industry, offering a wide array of funds across all regulated asset classes. In 2025/26, its flagship unit trust- the First Capital Money Market Fund (FCMMF/ The Fund) delivered above average benchmark return while recording significant volume of Funds.

First Capital Holdings PLC is the intermediary parent company of First Capital Asset Management Limited, a limited liability company incorporated and domiciled in Sri Lanka established on 26 October 1998. Act as the Fund Managing Company of FCMMF.

FCMMF is approved by the Securities and Exchange Commission of Sri Lanka (SEC) under the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 and subsequent amendments there to. FCMMF is structured as an “Open-ended Money Market Fund” approved by the SEC on 16 September 2014, where the investments made by Unitholders are placed exclusively in a portfolio of Fixed Income Instrument under the guidelines and rules of Collective Investment Scheme (CIS) Code - 2022.

Functioning as a collective investment scheme, the FCMMF strategically pools resources from diverse investors to invest in a varied portfolio of securities, which are eligible under the CIS Code 2022, Trust Deed and Key Investor Information Document (KIID). This approach brings notable advantages, including improved diversification, effective risk management, and promising yield prospects.

The success of FCMMF stems from a meticulously planned strategy since its inception. First Capital understands the importance of empowering individuals with knowledge, and endeavours to provide essential insights, tools, and expert guidance, aiming to foster sustainable wealth-building strategies. The focus extends beyond short-term financial stability to developing enduring financial literacy, equipping individuals to thrive in the complex landscape of personal finance.

Our Values



INTEGRITY

Uphold the highest ethical standards. Honesty and transparency while balancing the interests of all our stakeholders in a fair and equitable manner



COLLABORATIVE

Always work as one team across all functions to deliver the best possible experiences to our stakeholders



RESPECT

Treat others with dignity and fairness. Respect everyone's time, space, and opinions, even if they differ. Foster a safe inclusive environment that empowers growth



PERFORMANCE DRIVEN

Maintain a consistently high level of quality across all of your work and deliver results on all your commitments



INNOVATION

Embrace curiosity, challenge the ordinary, and create extraordinary solutions. Together, let's drive progress in a changing world.

CORE IDEOLOGIES



Our Vision

Improving lives through financial empowerment



Our Mission

We empower lives through capital markets by driving responsible access, informed decisions, and sustainable wealth creation



Our Core Values

Our core values define not only how we work, but how we lead, collaborate and grow while upholding the “**PERFORMANCE FIRST**” ideology

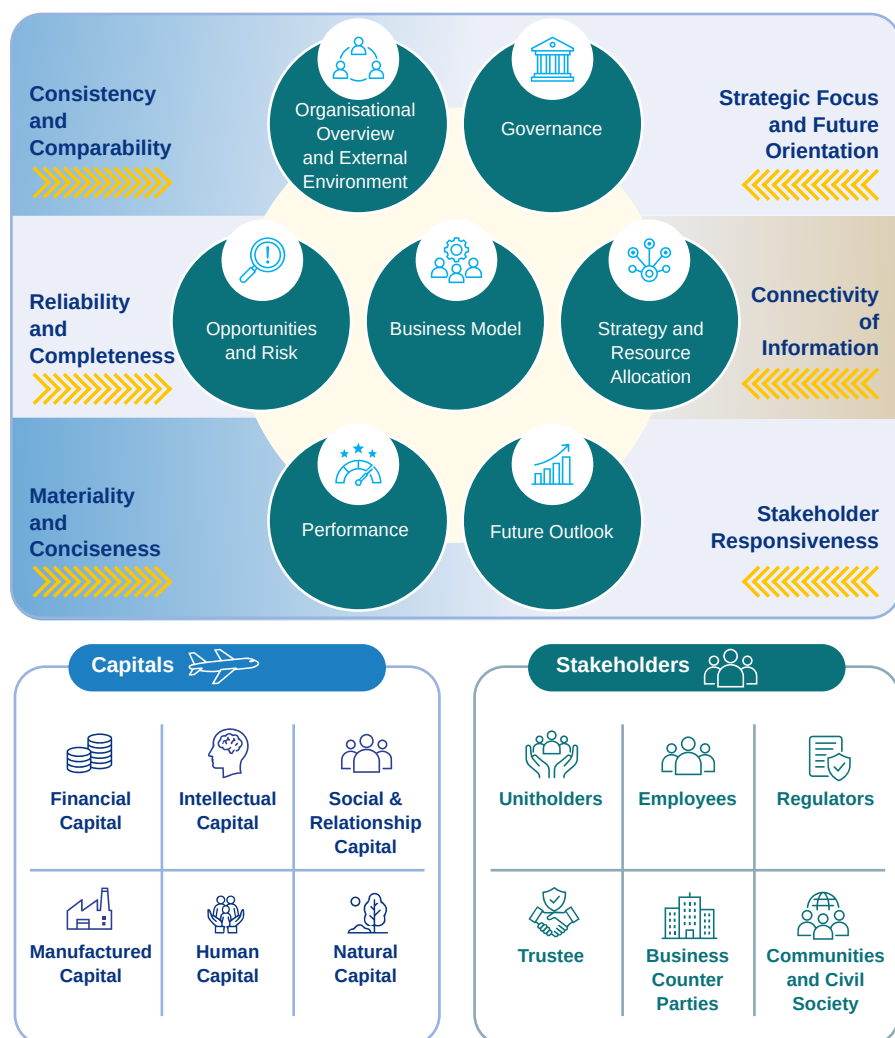
ABOUT US

INTEGRATED ANNUAL REPORT OF FIRST CAPITAL MONEY MARKET FUND

The report, which follows the integrated format, has been structured to inform stakeholders about the correlation between the Fund strategy, business model, operating context, material risks and opportunities, governance as well as operational and financial performance. Based on this approach, the report seeks to provide a holistic overview of the Fund's strategy and material risks to enable stakeholders to understand how these are managed through effective allocation of resources through various forms of capital.

There are no restatements pertaining to previous reports.

Notable elements in the Annual Report 2025-26



Increased **Transparency** regarding the resource and illustrate how an organisation uses various resources to create value over time for stakeholders through the six capitals, disclosure of material matters and process of stakeholder engagement.

Demonstrating **Accountability** through following the Integrated Reporting Framework <IR>, and creating inclusive value for stakeholders and the community, through value added statement.

Improving **Governance** disclosures with respect to the Collective Investment Scheme (CIS) Code – 2022 and Securities and Exchange Commission, Act of Sri Lanka Act No. 19 of 2021.

Enumerating the commitment on **Sustainability** through aligning capitals with UN SDGs & providing Tri-lingual Financial Statements.

Process Disclosures

The following processes were followed in the preparation and approval of our reports:

- A cross-functional project team combining finance, fund management team, risk and compliance, research and branding disciplines supported by internal and external advisors, ensures that a comprehensive information gathering and preparation process is followed.
- A gap analysis was conducted of the previous year's annual report, our debut in integrated reporting.
- Internal and external feedback on processes, content and focused application of the International <IR> Framework was used to improve this integrated report.
- Guidance on the reporting approach and content planning is provided by the Awards Committee. Information and perspectives of executives and senior management are gathered by the project team to support content planning.
- Several drafts of the report are reviewed by the senior management and feedback incorporated by the project team under the Awards Committee's oversight, prior to the review by the Board Audit Committee.
- The Risk and Compliance division follows a risk identification process to determine the risk grading of material matters. Together with matters gathered by

ABOUT US

INTEGRATED ANNUAL REPORT OF FIRST CAPITAL MONEY MARKET FUND

operating context assessment and identification of internal and external stakeholder matters of legitimacy, issues identified through an enterprise risk perspective is pivotal to the preparation of the integrated report. Issues that are reported as material are reviewed, filtered and finalised by the Awards Committee.

- Information included in this report is sourced through diverse internal and external sources. The Board of Directors, Board sub-committees, the Chief Executive Officer and senior management are consulted to gather deep and broad insights and to validate perspectives underlying decision-making.
- Components of the integrated report pertain to both financial and non-financial data. Such information across the report is checked and aligned for consistency by the project team with oversight by the Awards Committee.

MATERIALITY AND THE PRECAUTIONARY PRINCIPLE

The principle of Materiality has been used to determine the content included in this report. The Materiality section on pages 36 to 39 describes how Material Matters are identified, assessed and integrated in the Fund's strategy in order to generate value to deliver positive outcomes for stakeholders. It should be noted that, in the case of social and environmental topics, the Fund also applies the precautionary principle. The reason for the adoption of the precautionary principle is to highlight the Fund's desire to go beyond business to address the impact on society and the environment caused by its operations and to mobilise appropriate corrective action to mitigate any potential negative impacts.

ASSURANCE

The Fund has adopted the combined assurance approach where information obtained from both internal and external sources has been verified using the internal control framework, Management Committee assurance, compliance and internal audit reviews. M/s B. R. De Silva & Co, have provided external assurance regarding the Financial Statements of the Fund.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with regard to the Fund's financial position, strategic objectives and growth prospects. Such statements by their very nature, are often associated with risk and uncertainty as they relate to events that may or may not occur in the future. Therefore, readers are cautioned that actual results or outcomes may differ materially from what was expressed or implied by forward-looking statements.

Disclaimer – The Management considers all forward-looking statements contained herein to be applicable only as at the date.

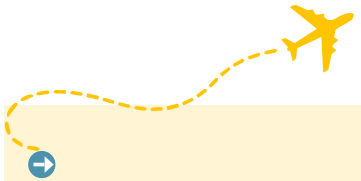
BOARD RESPONSIBILITY STATEMENT

The Board of Directors of First Capital Asset Management Limited (the Managing Company of the Funds) takes full responsibility for integrity of this integrated annual report and assures all stakeholders that the report is an accurate representation of the performance and prospects of the Fund for FY 2025/26.

Signed for and on behalf of the Board,

(Sgd.)
Mr. Kavin Karunamoorthy
Director/CEO

(Sgd.)
Dr. Nishan de Mel
Chairman



Feedback and Queries

The Fund welcomes feedback and queries regarding this report as part of the overall approach to improving the quality of content and disclosures in future reports. In this regard, readers are encouraged to direct their responses to;

Mangala Jayashantha
Chief Financial Officer
First Capital Asset Management Limited (Managing company)
02, Deal Place
Colombo 03
mangala@firstcapital.lk

ABOUT US

WHY INVEST IN FIRST CAPITAL MONEY MARKET FUND

At First Capital Asset Management Limited, we are reimagining what it means to deliver a premier money market fund in a dynamic, digitally connected, and impact-conscious financial era. As a subsidiary of First Capital Holdings PLC - with over four decades of capital market leadership - we bring a distinctive blend of institutional expertise, disciplined risk management, and client-centric innovation to fixed income asset management.

A FUND BUILT ON ENDURING RELEVANCE

The First Capital Money Market Fund is anchored in varied portfolio of securities, providing investors with a notable advantage, including improved diversification, effective risk management, and promising yield prospects. The Fund benefits from proprietary market intelligence, robust credit analysis, and institutional-grade portfolio construction.

STRONG FUNDAMENTALS, CAPITAL CONFIDENCE

The Fund maintains a conservative yet yield-optimised investment approach, underpinned by rigorous credit and duration management. Our investment process is governed by:

- A disciplined focus on capital preservation and liquidity
- Active duration management to optimise yield across market cycles
- Daily pricing based on the fund's value, ensuring transparency and fairness

This disciplined capital profile allows the Fund to consistently navigate interest rate cycles, delivering stable returns while maintaining high liquidity for investor redemptions.

DIGITAL-FIRST INVESTOR EXPERIENCE

We are shaping the future of money market investing through technology-enabled access:

- Seamless onboarding via digital platforms and WhatsApp-based transacting
- Real-time portfolio visibility and mobile engagement tools
- Automated investment and redemption processing for institutional and retail investors

Our market-first digital implementations have earned national innovation recognition, setting a new benchmark for the retail and institutional investing experience in Sri Lanka.

TRUSTED BRAND, INSTITUTIONAL RECOGNITION

FY 2025/26 marked a landmark year of institutional recognition for First Capital Money Market Fund, affirming its position as Sri Lanka's most trusted and award-winning money market fund. The Fund earned two of the most coveted accolades in the Sri Lankan capital markets - the Gold Award in the Unit Trust Category at the TAGS Awards 2025, organised by CA Sri Lanka and the Bronze Award for Best

Enduring Relevance**Strong Fundamentals & Capital Confidence****Trusted Brand & Institutional Recognition****Financial Literacy with Civic Impact****Resilient Returns & Rising Quality****National Vision & Regional Ambition**

Unit Trust Fund at the CFA Society Sri Lanka Capital Market Awards 2025, and these honours reflect the Fund's unwavering commitment to investment excellence, transparent governance, and superior unitholder value.

FINANCIAL LITERACY WITH CIVIC IMPACT

Our commitment to financial inclusion is purpose-led. Through investor education initiatives, university partnerships, and community-focused financial literacy programmes, we have opened the capital markets to thousands of first-time investors. The First Capital Money Market Fund plays a central role in this mission - offering a simple, accessible entry point into professional asset management. Conducted a short course in Professional Fund Management for students at the University of Kelaniya, covering the fundamentals of investment management, portfolio construction, risk management, and capital markets.

We see this not as outreach, but as infrastructure - laying the foundation for a more informed, inclusive investor community in Sri Lanka.

RESILIENT RETURNS, RISING QUALITY

The Fund's returns are underpinned by a balanced allocation to Fixed income instruments including corporate debt and Government securities. Our portfolio strategy focuses on:

- Tactically managing liquidity and duration to unlock yield curve opportunities
- Growing emphasis on recurring, fee-based income streams
- Supporting client-led investment flows with agile execution

This approach delivers consistent, risk-adjusted returns that compare favourably against traditional savings instruments - making the Fund an ideal complement to any wealth management strategy.

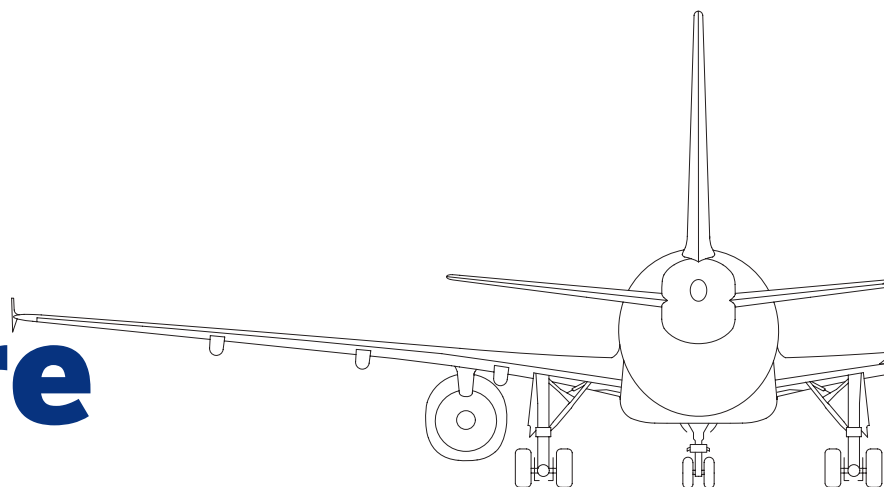
National Vision, Regional Ambition



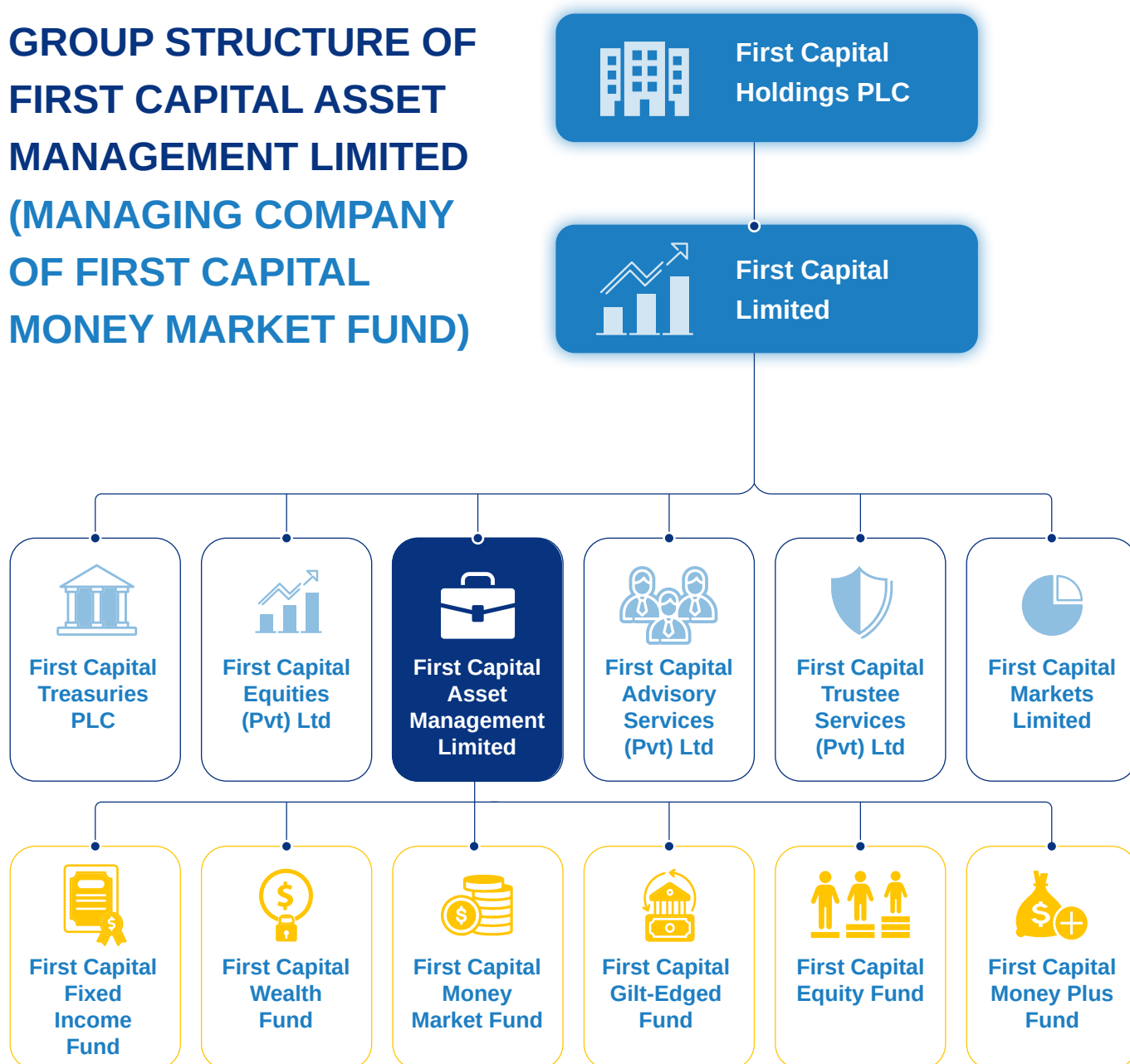
Rooted Sri Lanka's capital market landscape, First Capital Money Market Fund has grown from a domestic investment solution into a nationally recognised, award-winning fund - managing **Rs. 44.3 Bn in assets** across all **25 districts** of Sri Lanka as at **31 March 2026**. With the backing of First Capital Holdings PLC and its expanding advisory and investment capabilities, the Fund stands as a benchmark of institutional-grade fund management that investors across the region can trust, built on a decade of disciplined portfolio management, regulatory compliance, and consistent outperformance against market benchmarks.

ABOUT THE FUND

Group Structure



**GROUP STRUCTURE OF
FIRST CAPITAL ASSET
MANAGEMENT LIMITED
(MANAGING COMPANY
OF FIRST CAPITAL
MONEY MARKET FUND)**



PRINCIPAL ACTIVITIES OF THE COMPANY



First Capital Limited

Engages in investments and management of subsidiaries.



First Capital Treasuries PLC

Engages in business operations as a Primary Dealer in Government Securities.



First Capital Equities (Pvt) Ltd

Engages in stock-broking of Listed Securities.



First Capital Asset Management Limited

Engages in management of clients' investment portfolios and management of Unit Trusts.



First Capital Advisory Services (Pvt) Ltd

Engages in corporate finance advisory services.



First Capital Trustee Services (Pvt) Ltd

Engages in trustee services in corporate Debt securities.



First Capital Markets Limited

Engages in General Investment activities (Fixed income Securities).

PRINCIPAL ACTIVITIES OF THE FUND



First Capital Fixed Income Fund

Invests in corporate debt and government securities and is suitable for medium and long-term investments.



First Capital Wealth Fund

Invests in corporate debt and government securities and is suitable for medium and long-term investments.



First Capital Money Market Fund

Fixed income instrument including corporate debt & government securities and is suitable for short-term investments. The maximum tenor of investment is 397 days or below, the fund can withdraw at any time.



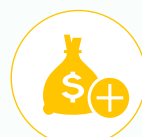
First Capital Gilt-Edged Fund

Invests in government securities, thus making it the most suited for investors who are not ready to take risks.



First Capital Equity Fund

Primarily invests in Colombo Stock Exchange-listed stocks.



First Capital Money Plus Fund

Invests in corporate debt and government securities and the maximum tenor of investment is 397 days or below, and funds can be withdrawn via ATM.

ABOUT THE FUND

AWARDS AND RECOGNITION



Best Unit Trust Fund - First Capital Money Market Fund - Bronze Award - 2025



TAGS Awards 2025 - First Capital Asset Management Limited - Gold Award - Unit Trust Category



2025

CFA Society Sri Lanka Capital Market Award

Best Unit Trust Fund - First Capital Money Market Fund - Bronze Award



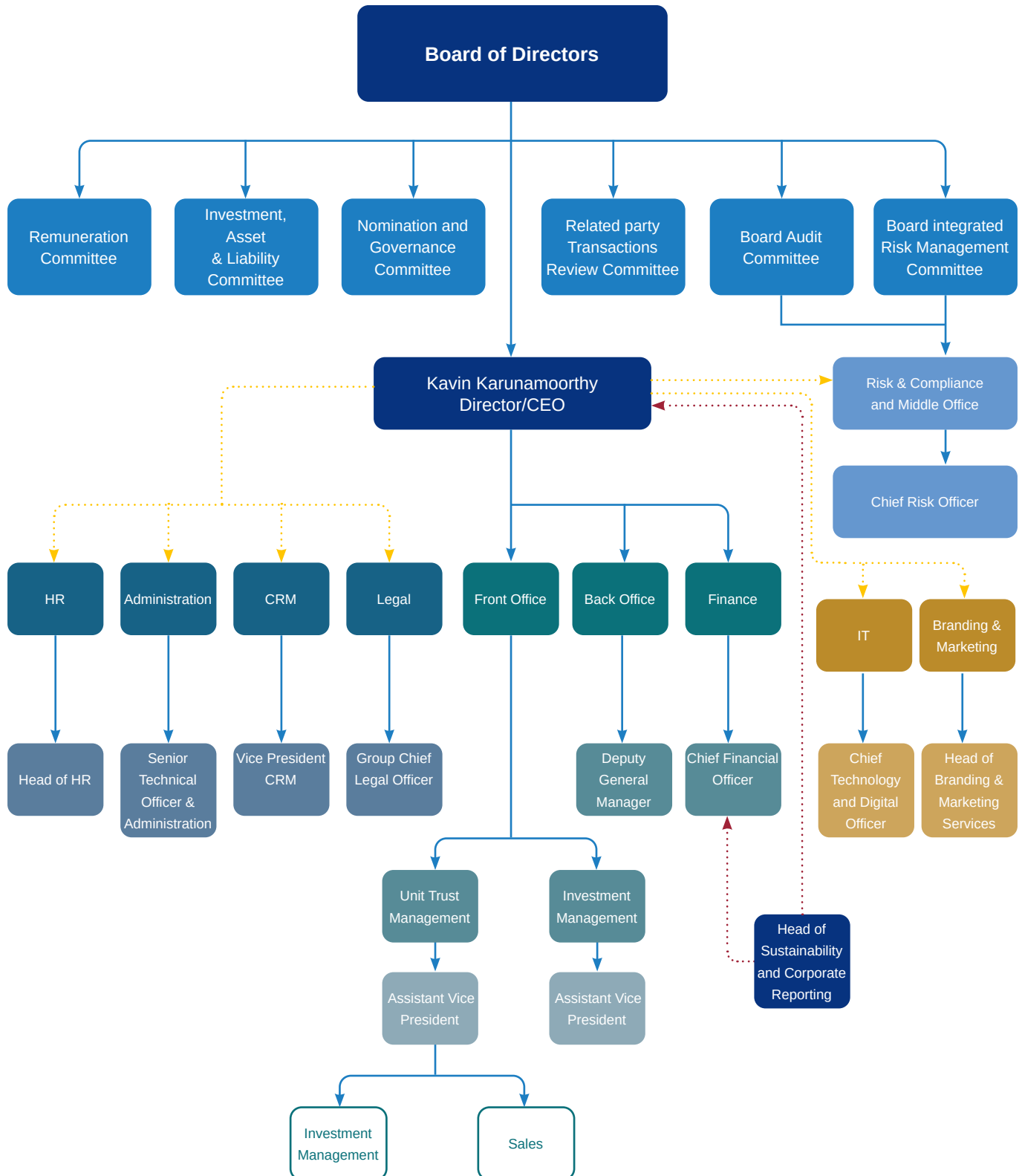
2025

TAGS Awards

Unit Trust Category - First Capital Money Market Fund - Gold Award

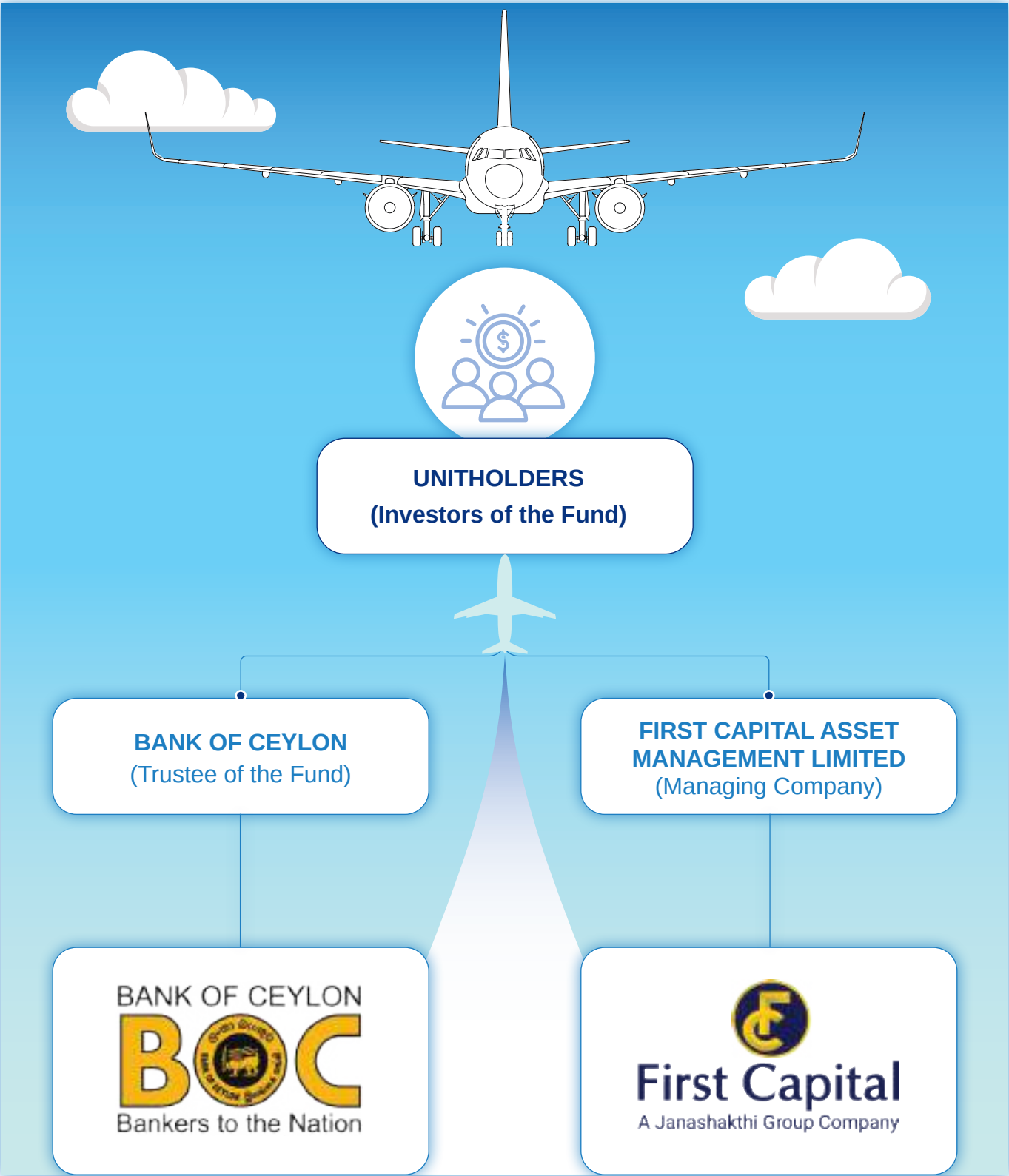
ABOUT THE FUND

OPERATIONAL STRUCTURE



ABOUT THE FUND

STRUCTURE OF THE FUND



An aerial photograph taken from the perspective of someone looking out of an airplane window. The wing of the aircraft is visible in the lower right foreground, extending diagonally across the frame. Below the wing, a city is visible, its buildings and streets appearing as a dark, textured patch. The sky is filled with a vast expanse of clouds, illuminated by the warm, golden light of a setting or rising sun. The overall color palette is dominated by oranges, yellows, and soft blues, creating a serene and expansive atmosphere.

Consistent Trajectory

Steady performance shaped across cycles, all the time, not isolated moments.



ABOUT US

CHAIRMAN'S STATEMENT

“First Capital Money Market Fund has played an important role in advancing Sri Lanka’s capital markets through the provision of professionally managed solutions designed to deliver competitive risk-adjusted returns.”

I am pleased to present the 2nd Integrated Annual Report and Audited Financial Statements of First Capital Money Market Fund (FCMMF/the Fund) for the year ended 31st March 2026.

EVOLVING CAPITAL MARKETS

Over the past decade, we have seen gradual improvements in Sri Lanka’s capital markets, with regulatory reforms, product innovation, and increasing adoption of technology.

While such progress is encouraging, Sri Lanka’s capital markets are, as of yet, at a relatively early stage of development, with retail investor participation, product penetration, and overall market depth still considerably below those of regional financial centres such as Singapore, Malaysia, and India.

For some, this gap signals a deficiency. For us, it signals an opportunity to further accelerate our contribution towards the development of capital markets.

As Sri Lanka moves beyond recovering from a crisis towards long-term development, there is an increasing need for a well-functioning capital market capable of increasing incentives for investment, and elevating the credibility of the country’s financial system to be on par with its regional peers.

CATALYSING MARKET GROWTH

Since its inception in 2014, FCMMF has played an important role in advancing Sri Lanka’s capital markets through the provision of professionally managed solutions designed to deliver competitive risk-adjusted returns. As one of the country’s leading money market funds, we are proud of the contribution we have made towards strengthening the domestic financial landscape specifically by increasing the opportunities and returns available to those participating in Sri Lanka’s capital markets.

Through continued investment in digital technologies that simplify the

investment journey, coupled with ongoing customer education and financial literacy initiatives, we are working continuously to lower many of the traditional barriers to individuals engaging and benefiting from capital markets. As we grow FCMMF, we focus on the retail investor segments because we want to broaden the benefits to society from the opportunities in Sri Lanka’s capital markets.

STABLE FINANCIAL RESULTS

At FCMMF, we recognise that delivering consistent performance is a fundamental responsibility entrusted to us by our investors. While financial markets inevitably move through different economic cycles, our investment philosophy has always prioritised disciplined management and prudent stewardship of entrusted funds.

The year under review had markedly lower interest rates, as Sri Lanka’s economy normalised, compared to the aftermath of the 2022 economic crisis. As a result, portfolio yields were much lower than in the past few years.

Against this backdrop, FCMMF recorded total income of Rs. 4.8 Bn for FY 2025/26, compared with Rs. 6.5 Bn in the previous financial year. Similarly, Profit after Tax to the fund was Rs. 4.1 Bn for the current year, compared with Rs. 5.9 Bn in FY 2024/25. Within the broader market conditions, this was a credible financial performance that demonstrates the strength of our investment philosophy and prudent portfolio management practices.

Total Financial Assets stood at Rs. 44.3 Bn at year-end compared with Rs. 70.5 Bn in the previous year. This reduction in the size of the fund is arising mainly from the shift in relative returns between fixed income and equity markets, as well as less liquid fixed income options. Well-advised clients tend to optimise dynamically using different investment instruments available to them.

GOVERNANCE AND STEWARDSHIP

As Fund Managers of our investors' capital, we believe that maintaining the highest standards of governance and ethical conduct is fundamental to preserving stakeholder confidence and safeguarding long-term value.

An important milestone during the year was the strengthening of the Board. As part of the continued focus on strengthening executive leadership and strategic oversight, Mr. Kavin Karunamoorthy was appointed to the Board and redesignated as Director/ Chief Executive Officer of First Capital Asset Management Limited (Managing Company of FCMMF) with effect from 9th December 2025.

Concurrently, Mr. Dilshan Wirasekara, who previously served as Managing Director, was redesignated as a Non-Independent Non-Executive Director, thereby ensuring the continued availability of his extensive institutional knowledge, industry expertise, and strategic insights at Board level.

During the year 2025/26, Ms. Minette Perera retired from the Board. On behalf of the Board, I wish to express my sincere appreciation to Ms. Perera for her valuable contributions, dedicated service, and commitment during her tenure.

The Board continued to devote significant attention towards strengthening governance practices across the organisation. This included a comprehensive review of the existing governance framework, with ongoing enhancements to policies, governance processes, and oversight mechanisms to reinforce accountability, strengthen risk management, and ensure continued alignment with regulatory expectations and industry best practices.

LOOKING AHEAD

Over the next five years, I expect Sri Lanka's capital markets to continue

their gradual evolution. As financial literacy improves and investor preferences continue to shift towards professionally managed investment solutions, broader participation in capital markets is what we see unfolding in Sri Lanka.

In that light, our strategic priority will be to further reinforce FCMMF's position as a driver of this growth, being the most accessible solution to the most people in the country. To that end, we will continue strengthening our presence across retail markets and expanding customer touchpoints, while investing in digital platforms, technology infrastructure, and operational capabilities to create a more seamless, secure, and convenient investment journey that meets the evolving expectations of both existing and future investors. Our commitment to strong governance and disciplined investment management will continue to underpin our efforts to deliver sustainable value for our stakeholders and support the long-term development of Sri Lanka's capital markets.

ACKNOWLEDGMENTS

I wish to take this opportunity to extend my sincere appreciation to our investors, Board members, management team, employees, regulators, trustee, business partners, and all our stakeholders for their continued trust, guidance, and unwavering support.

As I look ahead, I remain confident that, with your continued support, FCMMF is well positioned to further strengthen its role as a key catalyst in advancing Sri Lanka's capital markets, including the unit trust industry over the coming years.

(Sgd.)
Nishan de Mel
Chairman

ABOUT US

DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

“Our priority remained firmly centred on safeguarding investor value through prudent portfolio management and disciplined investment decision-making together with greater liquidity to the investors.”

As I reflect on the year gone by, I am reminded that resilience is built not during periods of certainty, but through the ability to adapt and evolve in response to change. For First Capital Money Market Fund (FCMMF), FY 2025/26 presented a set of unique challenges that set the stage for the Fund to demonstrate its resilience and unwavering commitment to fulfilling its core purpose of creating long-term value for all stakeholders, including investors.

NAVIGATING NEW REALITIES

Sri Lanka's economy continued its recovery trajectory in 2025 by recording approximately 5% economic growth for the second consecutive year following the unprecedented economic crisis in 2022. Several encouraging developments supported the recovery in 2025. Inflation returned to positive territory during the latter part of the year, reflecting the normalisation of domestic demand and moderating food and energy price movements. At the same time the CBSL's accommodative monetary policy which saw interest rates on the declining trend helped stimulate private sector credit growth and fuel broader economic activity. Similarly, prudent monetary management enabled the Central Bank of Sri Lanka (CBSL) to strengthen foreign exchange reserves, while the Sri Lankan Rupee remained relatively stable throughout much of the year 2025.

Notwithstanding these positive developments, the operating environment remained far from straightforward. External pressures continued to influence domestic markets, key among them elevated global energy prices, widening trade imbalances, geopolitical uncertainty arising from tensions in the Middle East in early 2026. The disruptive effects of the Cyclone Ditwah in November 2025 also had a bearing on Sri Lanka's economic trajectory in the current year.

For the local unit trust industry, the most defining development was the continued normalisation of interest rates. In contrast to the extraordinarily high yield environment experienced in the aftermath of the 2022 economic crisis which provided unprecedented opportunities for money market funds, portfolio returns came under increasing pressure in the current year. Declining yields across treasury bill and other short-term fixed income instruments throughout FY 2025/26, placed considerable strain on the ability of money market funds to sustain the high returns achieved in previous years.

Despite these evolving market dynamics, the Unit Trust industry remained broadly resilient, with industry Assets Under Management (AUM) increasing marginally from Rs. 585.7 Bn at the start of the financial year to Rs. 588.9 Bn as at 31 March 2026, which I believe stands as a testament to the growing investor confidence in professionally managed investment solutions.

STRATEGY IN MOTION

Our strategic focus throughout the current year was anchored in the investment philosophy which focused on both preserving investor capital and delivering sustainable risk-adjusted returns in line with the parameters of our investment mandate.

Faced with the declining interest rate environment in FY 2025/26, we actively restructured our portfolios throughout the year to benefit from changing market conditions. By continuously repricing maturing investments and recalibrating portfolio allocations in response to evolving interest rate expectations, we sought to optimise returns without compromising capital preservation or the liquidity to provide investors with ready access to their funds.

In parallel, our efforts to position the First Capital Money Market Fund as a compelling alternative to traditional investment solutions, also gathered further momentum. Admittedly, this was no easy task amidst the lower-yield environment that prevailed throughout the year. Nevertheless, we continued to leverage the core strengths that have consistently differentiated FCMMF in the marketplace, namely, the trust and credibility associated with the First Capital brand, our deep understanding of Sri Lanka's capital markets, and our proven track record in professional fund management, which have long been the hallmarks of FCMMF ability to earn the trust and confidence of the investing public.

As always, broadening investor participation in the local capital market remained an integral part of our mandate. Acting on our belief that capital market participation should be accessible to a broader spectrum of investors, we continued to invest in digital capabilities that simplified the investment journey and reduced barriers to entry. I am indeed pleased to note that our enhanced digital channels and streamlined account opening processes which have made professionally managed investment solutions more accessible and convenient, enabled us to reach new customer segments across Sri Lanka.

FINANCIAL RESULTS

The changing market environment was reflected in FCMMF's financial performance during the year. Unitholders' Funds (Assets Under Management - AUM) stood at Rs. 44.3 Bn as at 31 March 2026 compared with Rs. 70.4 Bn in the previous year, with the reduction driven by changing investor preferences as declining short-term interest rates encouraged greater allocations towards alternative investment classes offering comparatively higher return potential. While retaining AUM became increasingly challenging across

	FY 2025/26	FY 2024/25
Net Trading Income	Rs. 4.5 Bn	Rs. 6.5 Bn
Profit after Tax	Rs. 4.1 Bn	Rs. 5.9 Bn
Assets Under Management (AUM)	Rs. 44.3 Bn	Rs. 70.4 Bn

the money market fund sector, our priority remained firmly centred on safeguarding investor value through prudent portfolio management and disciplined investment decision-making together with greater liquidity to the investors.

FCMMF recorded Net Trading Income before operating expenses of Rs. 4.5 Bn for FY 2025/26, compared with Rs. 6.5 Bn in the previous financial year. The reduction in earnings reflects the combined impact of pressure on portfolio returns arising from the lower interest rate environment, together with the progressive decline in AUM in the current year. Notwithstanding these headwinds, FCMMF delivered a healthy Profit after Tax of Rs. 4.1 Bn for FY 2025/26 compared to Rs. 5.9 Bn in the previous year.

ENHANCING CUSTOMER EXPERIENCE

At FCMMF, we believe our licence to grow does not solely depend on investment performance, but also through the quality of the experiences we deliver across every interaction.

With investor expectations continuing to evolve in tandem with market trends, our focus during the year was on enhancing customer experience. A key milestone in this journey was the continued advancement of our digital capabilities, including the introduction of smart onboarding solutions to simplify the account opening process. By leveraging technology to create a faster and more intuitive onboarding experience, we have been able to reduce barriers for new investors while making professionally managed investment solutions more accessible.

Moreover, with investors today looking beyond attractive returns to seek a trusted investment partner that understands their needs and provides timely guidance, we continued strengthening our service capabilities by expanding our on-ground sales and customer service teams to provide more personalised support to our investors. We also worked to strengthen our institutional knowledge bank by expanding our team of investment professionals to reinforce our ability to respond more effectively to market developments.

EMPOWERING OUR PEOPLE

In a highly specialised and dynamic industry, we recognise that our people are at the heart of FCMMF's ability to deliver value to investors. Throughout the year, we continued to prioritise the development of our people by fostering an environment that encourages continuous learning, professional growth, and performance excellence. Our focus remained on strengthening employee capabilities to enhance functional expertise, and creating leadership opportunities for our teams to grow alongside the organisation.

We also continued to reinforce our commitment to create an inclusive workplace that encourages collaboration, promoting the exchange of ideas and empowers teams to innovate.

ABOUT US

DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

LEADING BY EXAMPLE IN
ADVANCING SUSTAINABILITY

As an asset manager entrusted with our clients' capital, we are aware of our responsibility to consider the broader environmental, social, and governance factors that influence the resilience and sustainability of investments over time. During the year, we took an important step in formalising this commitment by becoming a signatory to the United Nations-supported Principles for Responsible Investment (UN PRI).

We are now working to operationalise this commitment by incorporating the six principles of the UN PRI into our routine financial analysis in order to ensure investment decisions will be influenced not only by market conditions today, but also the broader sustainability considerations that are likely to impact businesses and economies in the future.

AWARDS AND ACCOLADES

FCMMF's commitment to excellence was recognised through some significant awards during the year. At the TAGS Awards 2025 organised by CA Sri Lanka, FCMMF secured the "Gold Award" for Corporate Reporting for the FY 2024/25 annual report. An improvement from the Bronze Award we received in the previous year, the latest award serves as a powerful validation of our ongoing efforts to enhance corporate reporting practices.

FCMMF was also recognised at the CFA Society Sri Lanka Capital Market Awards 2025, with the Bronze Award for Best Unit Trust Fund. This accolade represents external recognition of our disciplined investment approach, commitment to investors, and consistent efforts to deliver value within an evolving market environment.

While we are proud of these accomplishments, we view them not as an endpoint, but as encouragement to continue raising the standards of excellence that define FCMMF.

OUTLOOK AND PROSPECTS

Looking ahead, Sri Lanka's economic trajectory remains cautiously optimistic, with forecasts pointing to continued macroeconomic stabilisation, improving investor confidence, and the gradual strengthening of domestic economic activity. However, global economic uncertainties, geopolitical tensions, fluctuations in commodity prices, and evolving interest rate dynamics remain critical factors that could influence domestic market conditions over the next 12 -18 months.

Within the domestic capital markets, we expect continued evolution as investors adapt to a more normalised interest rate environment. Against this backdrop, FCMMF's strategy for the coming years will remain centred on our core purpose of delivering trusted, accessible, and professionally managed investment solutions that help investors achieve their financial objectives.

In this regard, we will aim to diversify our product offerings to provide investors with solutions that deliver risk-adjusted returns aligned to their evolving financial needs and changing market conditions. Our investment professionals and customer-facing teams will continue to play a vital role in providing insights, guidance, and personalised support to our investors.

"We have been able to reduce barriers for new investors while making professionally managed investment solutions more accessible."

To further strengthen our retail proposition we will focus on enhancing customer convenience, expanding accessibility, and creating a seamless investment experience across all touchpoints. Technology will remain a key enabler of our growth agenda. We will continue advancing our digital platforms to simplify investment journeys, improve accessibility, and create more personalised engagement with our investors.

At the same time, building on our commitment to the United Nations Principles for Responsible Investment (UN PRI), we will continue exploring ways to meaningfully integrate sustainability considerations into our investment approach.

Rs.

44.27Bn

Unitholder Funds/AUM
(FY 2025/26)

As at 31 March 2026

APPRECIATIONS

Before I conclude, I wish to extend my sincere appreciation to our investors for their continued trust. Your confidence remains our greatest responsibility and serves as a powerful motivator for us to strive for excellence in everything we do.

I would also like to express my deepest gratitude to our Board of Directors for their guidance and leadership, which has been instrumental in enabling FCMMF to navigate an evolving market landscape while remaining focused on our long-term objectives.

My sincere appreciation also goes to our employees, whose dedication, expertise, and professionalism. Their commitment to excellence and passion for delivering value to our investors remains the foundation of FCMMF's success.

I further acknowledge the continued guidance, cooperation, and support extended by our regulators, trustee and industry stakeholders.

As we move forward, I remain confident that together, we can continue building a stronger FCMMF - one that creates enduring value for our investors, contributes to the growth of Sri Lanka's capital markets, and remains a trusted partner for generations of investors to come.

(Sgd.)

Kavin Karunamoorthy

Director/Chief Executive Officer

ABOUT US

BOARD OF DIRECTORS OF THE FUND MANAGING COMPANY



Nishan de Mel

Non-Executive Director/ Chairman

Appointed as Non-Executive Director/ Chairman on 13 October 2017

Expertise

Economics

Qualifications

- B.A. Hons. in Economics, University of Harvard
- M. Phil D. Phil University of Oxford

Current Appointments

Directorships in other companies

Listed Entities

- Janashakthi Insurance PLC - Independent Non-Executive Director
- First Capital Treasuries PLC- Independent Non-Executive Director

Unlisted Entities

- Verite Research (Pvt) Limited – Managing Director/ Chief Executive Officer
- Eureka Technology Partners (Pvt) Limited – Non-Executive Director
- Bartleet & Company Limited – Non-Executive Director
- Hideaway Homes (Pvt) Limited – Non-Executive Director
- 24/7 Techies (Pvt) Limited – Non-Executive Director
- Vanguard Survey (Pvt) Limited – Non-Executive Director
- Reap Digital (Pvt) Limited – Non-Executive Director
- 24/7 Techies (Pvt) Limited, HongKong – Non-Executive Director
- Eureka Technology Partners (Pvt) Limited, Hong Kong – Non-Executive Director



Dilshan Wirasekara

Non- Executive Non- Independent Director

Appointed as Non-Executive Non-Independent Director on 25 October 2025 (Appointed to the Board as Director/ CEO on 16 May 2017 and subsequently appointed as Managing Director/ CEO on 27 December 2022)

Expertise

Capital market strategy and product innovation, treasury and investment management, corporate finance advisory services and asset and liability risk management, strategic leadership

Qualifications

- Alumnus of INSEAD having successfully completed his Executive Professional Education at INSEAD Business School in Fontainebleau, France
- Alumnus of AOTS, Tokyo, Japan

Current Appointments

Directorships in other companies

Listed Entities

- First Capital Treasuries PLC – Non-Executive Non-Independent Director
- First Capital Holdings PLC- Managing Director/ CEO

Unlisted Entities

- First Capital Limited – Managing Director/CEO
- First Capital Equities (Pvt) Limited – Non-Executive Non-Independent Director
- First Capital Advisory Services (Pvt) Limited – Non-Executive Non-Independent Director
- First Capital Markets Limited – Managing Director/CEO
- First Capital Trustee Services (Pvt) Limited – Managing Director/CEO



Kuda Banda Herath

Non-Executive Director

Appointed as Non-Executive Director on 15 November 2024

Expertise

Business management, marketing and business development, Strategic M&A in FMCG sector, Environmental sustainability, public-private collaboration

Qualifications

- Bachelor's degree in applied chemistry – University of Kingston, London

Current Appointments

Directorships in other companies

Listed Entities

- Central Finance PLC – Independent Non-Executive Director
- First Capital Holdings PLC- Independent Non-Executive Director

Unlisted Entities

- First Capital Limited – Non-Executive Director
- Energy Management Systems (Pvt) Limited – Non-Executive Director
- Bavarian Barn German Restaurant (Pvt) Limited – Non-Executive Director
- Photocinex (Pvt) Limited – Non-Executive Director



Kavin Karunamoorthy

Director/Chief Executive Officer

Appointed as Director/Chief Executive Officer on 9 December 2025

Expertise

Treasury and investment banking, corporate planning and strategy

Qualifications

- MBA (Cardiff Metropolitan University, United Kingdom)
- Registered Investment Advisor (CSE)
- ACI Dealing Certificate (Financial Markets Association, Paris)
- Alumnus of INSEAD

Current Appointments

Directorships in other companies

–

ABOUT US

DIRECTOR/ CHIEF EXECUTIVE OFFICER & FUND MANAGING TEAM



Kavin Karunamoorthy

Director/Chief Executive Officer - Asset Management

Bringing over 24 years of comprehensive expertise in Treasury and Investment Banking as a Licensed Investment Advisor (CSE), Kavin possesses extensive proficiency in various domains including fixed income dealing, foreign exchange, asset and liability management, corporate finance, and fund management. His seasoned insights span both local and international landscapes, honed through collaborations with esteemed banking institutions such as Nations Trust Bank, DFCC, and National Savings Bank.

Kavin's educational background includes a Master of Business Administration earned from Cardiff Metropolitan University, UK, supplemented by a Dealing Certificate conferred by the ACI Financial Markets Association, Paris. These qualifications underscore his commitment to continuous learning and mastery within the financial domain.

Kavin is an Alumnus of INSEAD having successfully completed his Executive Professional Education at INSEAD Business School in Singapore.



Kumaravaran Kanagasooriar

Vice President – Asset Management

Kumaravaran Kanagasooriar, an Assistant Vice President in Asset Management, brings a wealth of knowledge and experience to the team. With over 10 years of dedicated experience in capital markets, Kumaravaran possesses a deep understanding of financial intricacies and a proven track record of success in asset management.

With a BBA in Finance from the University of Colombo, Kumaravaran also holds the esteemed CFA Charter from the CFA Institute, USA, and is an associate member of CIMA, UK. He additionally obtained the CFA Institute Sustainable Investing Certificate and the Certificate in Unit Trusts from the Securities and Exchange Commission of Sri Lanka. His expertise and dedication render him an invaluable addition to the unit trust funds.



Rahul Samarakoon

Associate Fund Manager

Rahul Samarakoon, a Senior Associate in Asset Management, brings a robust blend of education and experience to the table with more than 6 years of practical involvement in capital markets. Rahul has refined his skills in maneuvering through the intricacies of asset management, rendering him an invaluable addition to the team.

Armed with an M.Sc. in Business Analytics from Robert Gordon University of Aberdeen, Rahul is pursuing CFA Level 2 from the CFA Institute, USA and having completed examinations with CIMA, UK and obtained the Certificate in Unit Trusts from the Securities and Exchange Commission of Sri Lanka. Rahul demonstrates a solid foundation in both theoretical knowledge and practical skills.



Shalomi Gunasekara
Senior Executive – Asset Management

Shalomi Gunasekara brings over 7 years of experience in the financial services sector and serves as a key member of the Asset Management team. She plays an integral role in supporting operational efficiency and contributing to the overall performance and stability of the function.

She holds a Managerial Diploma in Business Administration from the Human Resource Management Institute (HRMI) and an MBA from the University of Northampton. Her solid academic background, combined with industry exposure, enables her to deliver meaningful contributions to the team's strategic and operational goals.



Kavindi Wijayaweera
Senior Associate – Asset Management

Kavindi Wijeweera brings over 4 years of experience in the industry and contributes significantly to the team's success through her dedicated involvement and strong capabilities. She holds a Diploma of Business from Monash College and a Bachelor of Business and Commerce from Monash University Malaysia, with a double major in Banking and Finance and Applied Economics.

Additionally, She has completed a Postgraduate Diploma in Professional Marketing from the Chartered Institute of Marketing and holds the Certificate in Unit Trusts awarded by the Securities and Exchange Commission of Sri Lanka. Her blend of education and hands-on experience enables her to contribute thoughtfully to the team's ongoing development and success.



Confidence Onboard

Trust secured through governance, transparency, and disciplined execution.

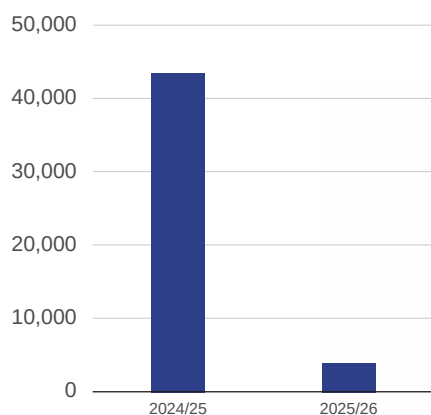


STRATEGY AND VALUE CREATION

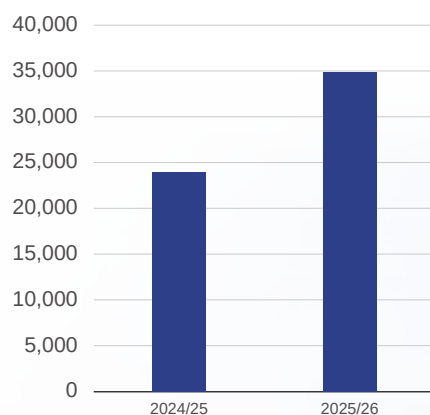
FINANCIAL HIGHLIGHTS

INDICATOR	First Capital Money Market Fund		
	FY2025-26	FY2024-25	Change %
Results for the Year (Rs. Mn)			
Direct income	4,781	6,477	-26.2%
Net trading income	4,756	6,459	-26.4%
Profit for the year	4,123	5,863	-29.7%
Assets and Liabilities (Rs. Mn)			
Financial assets at FVTPL	8,677	44,430	-80.5%
Financial assets at amortised cost	35,624	26,019	36.9%
Net assets attributable to unitholders	44,272	70,398	-37.1%
Profitability and Efficiency ratios (%)			
Net trading income margin	99.47%	99.72%	-0.3%
Net profit margin	86.24%	90.52%	-4.7%
Return on assets	7.19%	9.67%	-25.6%
Return on unitholders' fund	7.19%	9.86%	-27.1%
Annualised fund return	8.06%	10.05%	-19.8%
Cost to income ratio	8.93%	7.40%	20.61%
Investor indicators/ measures			
Total number of units	12,178,712	20,927,459	-41.8%
Total redemptions (Rs. Mn)	175,874	178,438	-1.4%
Total unit investments (Rs. Mn)	145,625	194,385	-25.1%
Net assets value per unit (Rs.)	3,635.21	3,363.91	8.1%
Total assets per unit (Rs.)	3,637.66	3,366.48	8.1%
Unit/ Redemption Price per Unit			
High (Rs.)	3,635.50	3,354.14	8.4%
Low (Rs.)	3,635.50	3,037.51	19.7%
Unitholders' Fund/ Borrowing ratios and risk measures (times)			
Unitholders' fund asset ratio	1.00	1.00	-
Cash flow generated from/ (used in) - (Rs. Mn)			
Operating activities	30,246	(15,973)	-289.4%
Financing activities	(30,249)	15,946	289.7%

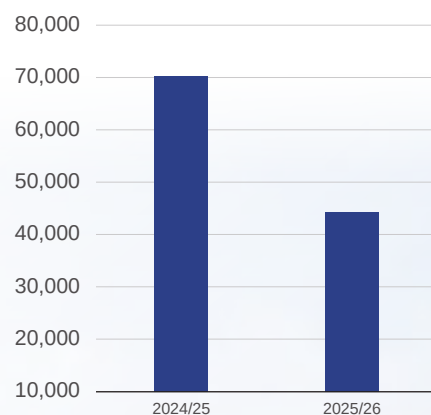
Financial Assets at FVTPL (Rs. Mn)



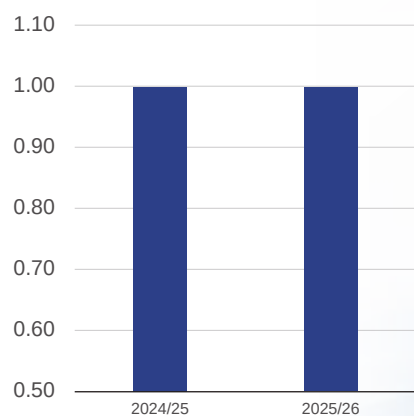
Financial Assets at Amortised cost (Rs. Mn)



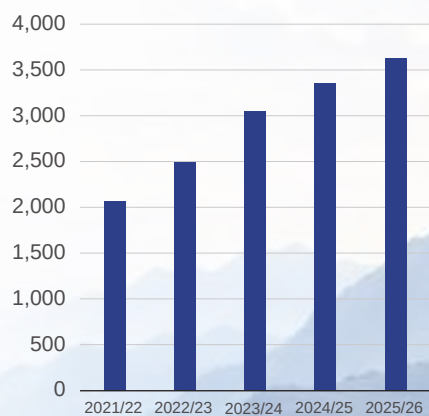
Net Assets attributable to Unitholders (Rs. Mn)



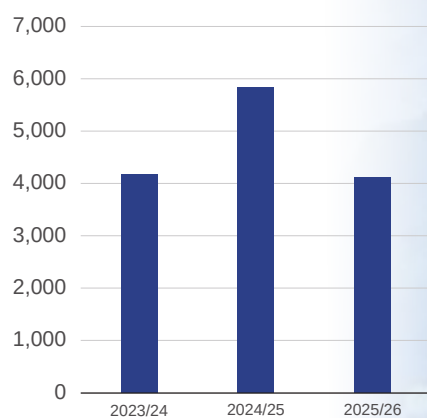
Unitholders' Fund Asset Ratio



Net Asset Value per Unit (Rs.)



Profit before Tax (Rs. Mn)



OPERATIONAL HIGHLIGHTS

Total Number of Units as of 31 March 2026 12,178,712	Total Number of Units Growth/Decline ▼ 41.8%	Number of Unitholders (31.3.2026) 6,991 5,402 (31.3.2025)	Profit for the Year (Rs.) 4,123,100,307	Profit Growth/Decline (YoY) ▼ 29.7%
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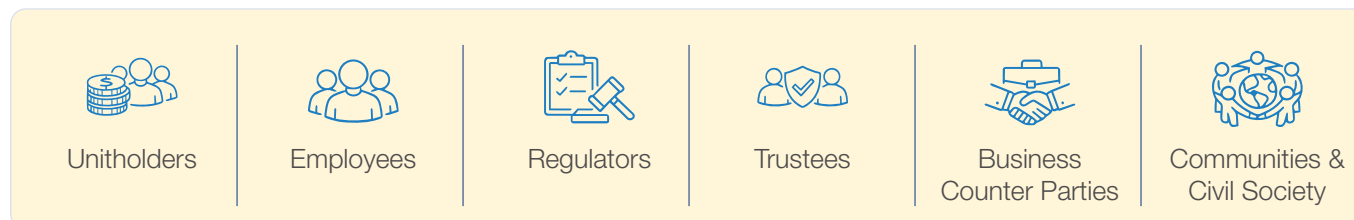
Net Assets attributable to Unitholders Growth/Decline ▼ 37.1%	Net Assets attributable to Unitholders (31-03-2026) 44,272,181,040
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Total Assets (Rs.) as of 31 March 2026 44,302,039,374	Total Assets Growth as of 31 March 2026 ▼ 37.1%	Unit Creation for the Financial Year 2025-26 (Rs.) 145,625,131,710
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Unit Redemption for the Financial Year 2025-26 (Rs.) 175,874,210,902

STRATEGY AND VALUE CREATION

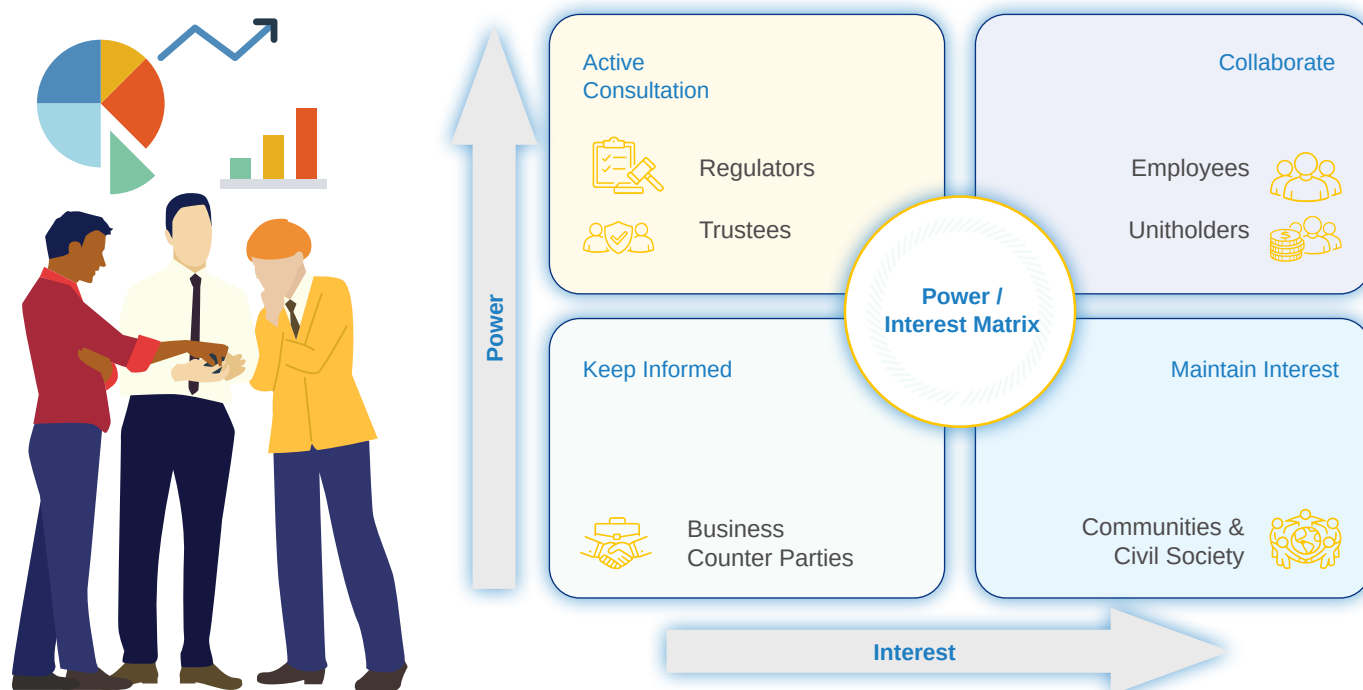
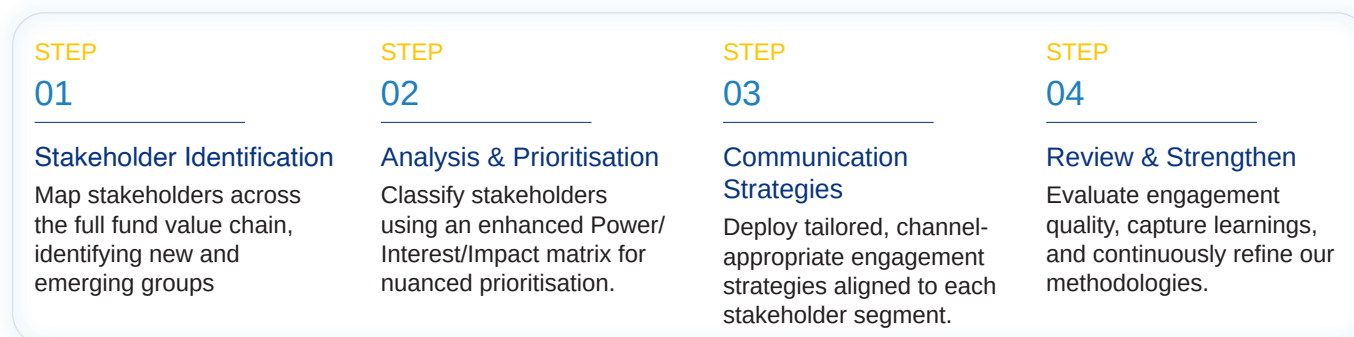
STAKEHOLDER ENGAGEMENT



STAKEHOLDER ENGAGEMENT FRAMEWORK

In a rapidly evolving financial landscape, stakeholder engagement remains central to our strategy. This year, we have deepened our commitment by expanding digital touchpoints, enhancing feedback loops, and aligning our engagement priorities with the evolving expectations of our diverse stakeholder groups. The managing company embraces a refined four-step process to systematically strengthen relationships with key stakeholders.

Four-Step Engagement Process



STRATEGY AND VALUE CREATION

1. UNITHOLDERS

B2C & B2B Unitholders

Strength	Strong
Frequency	Continuous
Channels	Digital & self-service portals Mobile app & push notifications social media In-person meetings Unitholder complaints resolution

Key Concerns Raised	Fund Response	Key Metrics
Investing during periods of market uncertainty	Expanded digital onboarding & reactivating dormant accounts	Active client growth tracking
Low-interest rate regime and income expectations	Delivering objective advice leveraging capabilities & technology	Digitally active client rate
Tax implications and regulatory balance confirmations	Developing new products & strategic partnerships	Customer relationship management scores
Mix of digital & face-to-face service preferences	Forming targeted responses to evolving unitholder needs	Cyber incident detection time
Risk management, market access and liquidity	Enhanced front-to-back-office internal controls	System stability uptime
System stability & data confidentiality		

2. EMPLOYEES

Our People, Our Strength

Strength	Strong
Frequency	Continuous / Periodic
Channels	Performance management systems Internal meetings Communication surveys Learning & networking events NGO & volunteering Skip-level meetings

Key Concerns Raised	Fund Response	Key Metrics
Upholding PERFORMANCE FIRST culture	Establishing a diverse & high-performance work environment	Great Place to Work® score
Building a diverse, equitable & inclusive workplace	Developing shared resources system & IT infrastructure	Retention measures
Digital and soft skills development	Conducting merit-based performance evaluations	Training & development investment
Internal mobility & long-term career prospects	Providing opportunities for raising grievances	Engagement survey scores
Work-life balance & counselling needs	Continuously engaging with managers on hybrid options	
Appropriate grievance mechanisms		
Fair and equitable pay practices		
Flexible hybrid-work arrangements		

3. REGULATORS

Including market regulators, the SEC and Unit Trust Association

Strength	Good
Frequency	Continuous / Periodic
Channels	Regular meetings for licensing Regulatory compliance monitoring Continuous reporting obligations Face-to-face and digital channels

Key Concerns Raised	Fund Response	Key Metrics
Business Conduct frameworks	Constructive engagement on material matters	Positive regulatory engagement outcomes
Governance risk and control frameworks	Enhancing compliance & ethics culture	Timely reporting adherence
Effective delivery of compliance with regulatory change	Reinforcing front-to-back internal controls	Minimum capital & operational requirements met
Pervasive and ethics-oriented compliance culture	Training on regulatory obligations and changes	Risk mitigation measures
		Product/regulatory training completion

4. TRUSTEES

Strength	Good
Frequency	As needed
Channels	Regular interactions during regulatory compliance processes Reporting and oversight meetings

Key Concerns Raised	Fund Response	Key Metrics
Adherence to the fund's trust deed	Building trust through transparent reporting	Risk mitigation measures
Compliance with applicable regulations	Enhancing suspicious & unusual transaction risk management	Constructive and timely engagement
Robust risk management practices	Strengthening front-to-back internal controls	Compliance adherence metrics

STRATEGY AND VALUE CREATION

STAKEHOLDER ENGAGEMENT

5. BUSINESS COUNTER PARTIES

Strength	Good
Frequency	As needed
Channels	Two-way engagement through meetings & negotiations Collaborative transactional communications

Key Concerns Raised	Fund Response	Key Metrics
Opportunities for shared value creation	Building strategic alliances	Successful outcomes in collaborative transactions
Collaborative transactional arrangements	Ongoing collaboration with counterparties	Tangible deliverables
Processes where mutually inclusive value can be optimised	Identifying opportunities for mutual benefit	Trust and stability through constructive partnering

6. COMMUNITIES & CIVIL SOCIETY

Strength	Good
Frequency	As needed
Channels	Online community forums In-Person discussions Philanthropic activities Research dissemination financial education events

Key Concerns Raised	Fund Response	Key Metrics
Alignment with national sustainable value agenda	Integrating with financial services for inclusive growth	Constructive community engagements
Sustainable finance priorities	Improving financial literacy through education initiatives	Social impact outcomes
Financial stability through responsible governance		Financial literacy improvement measures
Improving financial literacy broadly		Inclusive economic participation

Looking Ahead

➔ Building on the progress of FY2025/26, we are committed to deepening our stakeholder relationships through the following strategic priorities:



Deeper Digital Integration

Expand omnichannel platforms to offer seamless, real-time engagement for all unitholder segments.



Sustainable Value Creation

Align engagement strategies with ESG principles and community-driven financial inclusion goals.



Governance & Transparency

Strengthen regulatory relationships through proactive disclosure and compliance excellence.



People-First Culture

Continue investing in employee wellbeing, development and an inclusive workplace environment.



Strategic Partnerships

Cultivate trusted relationships with business counter parties that generate mutual long-term value.



Financial Literacy

Scale community financial education programs to empower broader societal participation.

MATERIALITY

17

Material matters identified

6

Capitals impacted

3

New matters this year

17

UN SDGs linked



What's New in 2025/26

Three new material matters have been introduced following this year's assessment.

NEW 01 Economic Outlook Broadened from 'Policy Uncertainty' and 'Accelerated Economic Recovery' to capture the full macroeconomic picture including GDP trends, inflation, and interest rate movements.	NEW 03 Geopolitical Conflict Newly introduced to reflect the growing influence of global geopolitical tensions on financial markets, trade flows, and Sri Lanka's macroeconomic stability.	NEW 04 Rating Upgrade Replaces 'External Debt Restructuring', reflecting Sri Lanka's improved sovereign credit standing and the strategic opportunities this creates for the Fund's investment universe.
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ABOUT THIS ASSESSMENT

Material matters are the critical aspects that impact the Fund's ability to create long-term value and the matters that influence the strategic decisions of the Board of Directors in its stewardship of the Fund.

Materiality assessment ensures we provide stakeholders with relevant, timely, and transparent information on significant economic, regulatory, environmental, social, and governance issues.

Our assessment is guided by best international practices and the principles of the Integrated Reporting Framework.

DETERMINATION PROCESS

01

Establish overall strategy & objectives of the Fund

02

Assess internal and external environment

03

Management collectively decides material matters

04

Review relevance and impact on stakeholders

05

Finalise and approve by the Board

MATERIALITY MATRIX 2025/26

↑

IMPORTANCE TO STAKEHOLDERS

LOW

MODERATE

HIGH

HIGH

MODERATE

LOW

→

IMPORTANCE TO THE FUND

	LOW	MODERATE	HIGH
HIGH			1 2 4 5 7 8 9 10 11 12 14 16 17
MODERATE		3 6	13 15
LOW			

MATERIAL MATTERS BY THEME

This year, the 17 material matters have been organised into four thematic pillars to provide a clearer view of where value creation pressures and opportunities arise. Material matters have been numbered according to their order of materiality priority to the Fund.

Market & Economic

- 01) Economic Outlook
- 02) Market Volatility
- 03) Geopolitical Conflict
- 04) Rating Upgrade
- 16) Heightened Importance of Risk Management

Governance & Compliance

- 05) Digital Transformation
- 08) Ethical Service Standards
- 09) Data Protection
- 12) Cyber Security
- 14) Regulatory Development

People & Culture

- 13) Talent Acquisition & Attraction
- 15) Employee Wellbeing
- 17) Retention & Brain-drain

Business & Client

- 06) Brand Image
- 07) Financial Inclusion
- 10) Operational Efficiency
- 11) Client Centricity

DETAILED ASSESSMENT OF MATERIAL MATTERS

The following table sets out each of the 17 material matters for 2025/26, grouped by thematic pillar, with topic boundaries, associated risks, capitals impacted, and SDG linkages

No.	Material Topic	Topic Boundary	Risk Impacts	Capitals Impacted	SDGs
→ Market & Economic					
01)	Economic Outlook	Considers the broader macroeconomic environment - GDP growth, inflation trends, interest rate movements, and their implications for the Fund's performance and investment strategy.	• Strategic Risk • Market Risk • Credit Risk	• Financial Capital • Social & Relationship Capital	• SDG 8 • SDG 10
02)	Market Volatility	Considers the impact of local and global market fluctuations on the Fund's portfolio returns, net asset value, and investor sentiment.	• Market Risk • Credit Risk • Liquidity Risk	• Financial Capital	• SDG 8
03)	Geopolitical Conflict	Examines the implications of global geopolitical tensions on financial markets, supply chains, and macroeconomic stability - and their downstream effects on the Fund.	• Strategic Risk • Market Risk • Regulatory and Compliance Risk	• Financial Capital • Social & Relationship Capital	• SDG 16 • SDG 17
04)	Rating Upgrade	Considers the impact of Sri Lanka's sovereign credit rating upgrade on investor confidence, capital inflows, yield environment, and the Fund's investment universe.	• Strategic Risk • Credit Risk	• Financial Capital • Intellectual Capital	• SDG 8 • SDG 17

MATERIALITY

No.	Material Topic	Topic Boundary	Risk Impacts	Capitals Impacted	SDGs
16)	Heightened Importance of Risk Management	Connects to the Fund's fundamental value proposition - effective identification, measurement, and mitigation of key financial and operational risks to protect unitholder value.	• Interest Rate Risk • Equity Risk • Credit Risk • Liquidity Risk • Regulatory and Compliance Risk	• Financial Capital • Natural Capital	• SDG 8 • SDG 17
→ Governance & Compliance					
05)	Digital Transformation	Refers to the Fund's internal efforts on process automation, digitalisation of investor touchpoints, and adoption of technology to enhance operational resilience and service quality.	• Information and Cybersecurity Risk	• Intellectual Capital • Manufactured Capital	• SDG 9 • SDG 12
08)	Ethical Service Standards	Refers to the Fund's service delivery norms and ethical standards upheld across all investor interactions, disclosures, and business conduct.	• Compliance Risk • Reputation Risk	• Human Capital • Social & Relationship Capital	• SDG 8 • SDG 16
09)	Data Protection	Refers to customer and stakeholder data confidentiality, integrity, and the measures in place to prevent data breaches, misuse, or unauthorised access.	• Information and Cybersecurity Risk • Legal Risk	• Intellectual Capital • Manufactured Capital	• SDG 12
12)	Cyber Security	Refers to the Fund's resilience against digital threats including cyber-attacks, system intrusions, and vulnerabilities in digital infrastructure that could disrupt operations.	• Cybersecurity Risk • Operational Risk • Reputational Risk	• Intellectual Capital • Manufactured Capital	• SDG 12
14)	Regulatory Development	Considers the impact of evolving regulatory frameworks, new guidelines, and policy changes issued by the SEC, CBSL, and other bodies on the Fund's operations and compliance obligations.	• Regulatory and Compliance Risk • Reputation Risk	• Intellectual Capital • Financial Capital	• SDG 16
→ People & Culture					
13)	Talent Acquisition & Attraction	Considers the impact on the Fund's ability to attract skilled, purpose-driven professionals who are aligned with its strategic growth objectives and service values.	• Human Resource Risk	• Human Capital	• SDG 8

No.	Material Topic	Topic Boundary	Risk Impacts	Capitals Impacted	SDGs
15)	Employee Wellbeing	Considers the physical, mental, and professional wellbeing of employees as a cornerstone of sustained fund performance and a positive workplace culture.	• Human Resource Risk	• Human Capital	• SDG 3 • SDG 8
17)	Retention & Brain-drain	Considers the risk to the Fund's intellectual capacity and operational continuity arising from the loss of key talent, experienced personnel, or institutional knowledge.	• Human Resource Risk • Business Continuity Risk	• Human Capital • Intellectual Capital	• SDG 8
→ Business & Client					
06)	Brand Image	Considers internal and external factors that could influence stakeholder perceptions of the Fund and its managing company, including service quality, communication, and market reputation.	• Reputation Risk • Regulatory and Compliance Risk	• Intellectual Capital • Social & Relationship Capital • Human Capital • Manufactured Capital	• SDG 17
07)	Financial Inclusion	Refers to the Fund's value creation activities in enabling broader access to investment products for retail, first-time, and underserved investor segments in Sri Lanka.	• Strategic Risk • Reputation Risk	• Financial Capital • Social & Relationship Capital	• SDG 1 • SDG 10
10)	Operational Efficiency	Refers to the Fund's internal process optimisation, cost management, and workflow improvements to ensure effective, scalable, and consistent service delivery.	• Business Continuity Risk	• Human Capital • Manufactured Capital • Intellectual Capital	• SDG 12
11)	Client Centricity	Connects to the Fund's fundamental value proposition - delivering superior investor experience, personalised service, and long-term trust-based relationships with unitholders.	• Strategic Risk	• Social & Relationship Capital • Manufactured Capital • Financial Capital	• SDG 8

STRATEGY AND VALUE CREATION

STRATEGY AND RESOURCE ALLOCATION

STRATEGIC OVERVIEW

Transformative Strategy - Three Interconnected Pillars

First Capital Asset Management Limited, as managing company of the First Capital Money Market Fund, has adopted a holistic Transformative strategy to drive meaningful change and sustainable progress. Going beyond traditional boundaries, this strategy is purposefully built on three interconnected pillars designed to foster innovation, address weaknesses, seize emerging opportunities, and proactively mitigate threats, ensuring long-term value creation for all stakeholders.

OUR THREE STRATEGIC PILLARS

PILLAR

01

Transformative Client Experience

Core business will:

- Grow our footprint and defend market positions in core businesses
- Leverage opportunities to grow our client base through exemplary service
- Utilise technology complemented by human interaction to constructively and deeply engage clients
- Build truly digital and interactive infrastructure to meet evolving financial goals

PILLAR

02

Transformative Execution

Our expertise, assets & partnerships will:

- Design innovative, competitive & bespoke client solutions
- Optimise delivery and execution
- Drive organic growth and profitability
- Partner to drive value through talent engagement and skill development
- Deliver profitable investment and trading solutions
- Streamline systems and processes for efficiency

PILLAR

03

Transformative Growth

We will embrace our sustainability focus:

- Incorporate ESG principles to create sustainable growth and value
- Deliver financial capability and positive social impact
- Finely link resource allocation to value creation
- Drive long-term, environmentally and socially sustainable growth
- Responsibly allocate resources to deliver positive societal outcomes

STRATEGIC POSITION: SWOT ANALYSIS

At the core of our transformative approach is a commitment to delivering exceptional client experiences. Every interaction leaves a lasting impression of value and satisfaction.



STRENGTHS

- Long-standing brand reputation and industry-leading position
- Competent and loyal management team with strong operational expertise
- Strong business affiliations and high-value customer base
- Diverse portfolio catering to varying investor risk appetites
- Awards and industry recognition strengthening investor trust and market credibility



WEAKNESSES

- Lack of product awareness in the market
- Lag in technological investments relative to industry peers
- Limited foreign reach restricting international expansion



OPPORTUNITIES

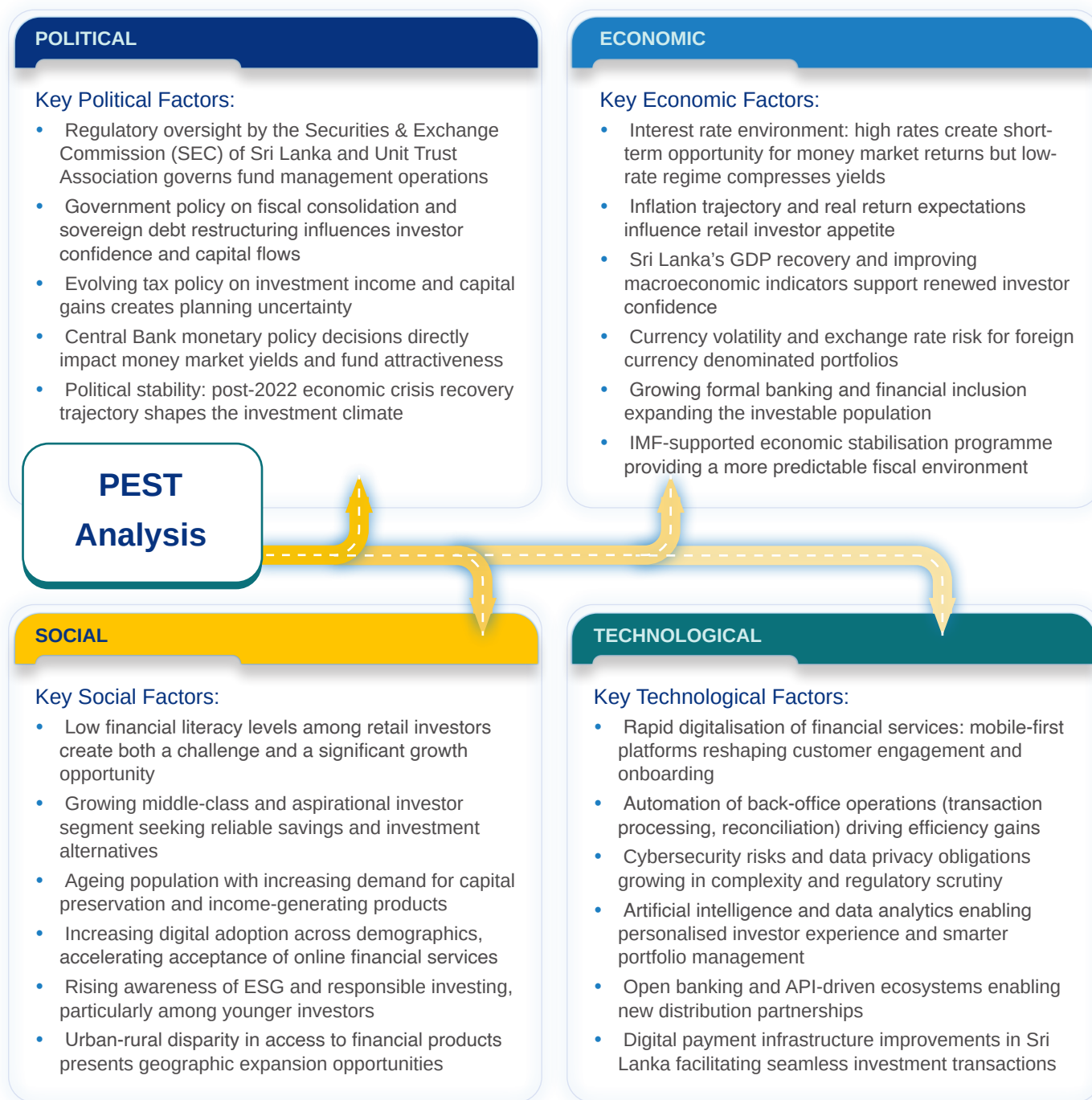
- Increasing demand for alternative investment solutions
- Potential to attract underserved retail investors through financial literacy initiatives
- Cross-selling within the Intra group and Inter groups
- Diversification of revenue streams: exploring new business segments
- Diversifying income sources to mitigate risks associated with market fluctuations



THREATS

- Uncertainty in macroeconomic policies
- High degree of vulnerability to market fluctuations and economic disruption
- Poaching of the talent by the competitors
- Potential changes in SEC or tax policies impacting fund management business model

The PEST Analysis examines the macro-environmental factors that shape the operating landscape of the First Capital Money Market Fund. Understanding these forces enables us to anticipate challenges, seize opportunities, and align our strategy with the external environment.



→ Strategic Implications

The PEST landscape signals that the Fund must continue strengthening its digital capabilities, deepening financial literacy initiatives, and maintaining proactive regulatory engagement. The economic recovery environment in Sri Lanka, combined with growing retail investor demand, presents a compelling window for AUM growth.

STRATEGY AND VALUE CREATION

CURRENT STRATEGIC FOCUS

ANSOFF MATRIX - GROWTH STRATEGY

The Ansoff Matrix maps the Fund's growth initiatives across four strategic quadrants, balancing risk and opportunity by evaluating the relationship between existing and new markets against existing and new products/services.



EXISTING MARKETS

NEW MARKETS

EXISTING PRODUCTS

NEW PRODUCTS

MARKET PENETRATION

Deepen share within current investor base and markets:

- Intensify marketing and investor outreach through digital campaigns and referral programs
- Enhance service quality and client experience through WhatsApp redemptions and the online investor portal
- Increase wallet share from existing investors through regular knowledge-sharing sessions
- Cross-sell within First Capital Group ecosystem (intra-group opportunities)
- Strengthen brand visibility through awards, media and industry recognition

PRODUCT DEVELOPMENT

Introduce new products to existing investor base:

- Develop new fund categories targeting specific risk appetites (e.g. ESG-aligned funds, short-duration bond funds)
- Launch structured investment solutions for high-net-worth and institutional investors
- Introduce digital-first investment products with lower minimum thresholds to attract younger investors
- Design goal-based savings products aligned to life milestones (education, retirement)
- Explore alternative investment vehicles and thematic fund offerings

MARKET DEVELOPMENT

Take existing products into new market segments:

- Expand geographic reach beyond Colombo to regional cities and rural areas across Sri Lanka
- Target underserved retail investor segments through the 'InvestEd' financial literacy programme
- Penetrate the employer/corporate market with salary-linked savings and investment schemes
- Leverage inter-group partnerships to access new distribution networks and customer bases
- Build digital touchpoints (online platform, mobile app) to reach previously inaccessible geographies

DIVERSIFICATION

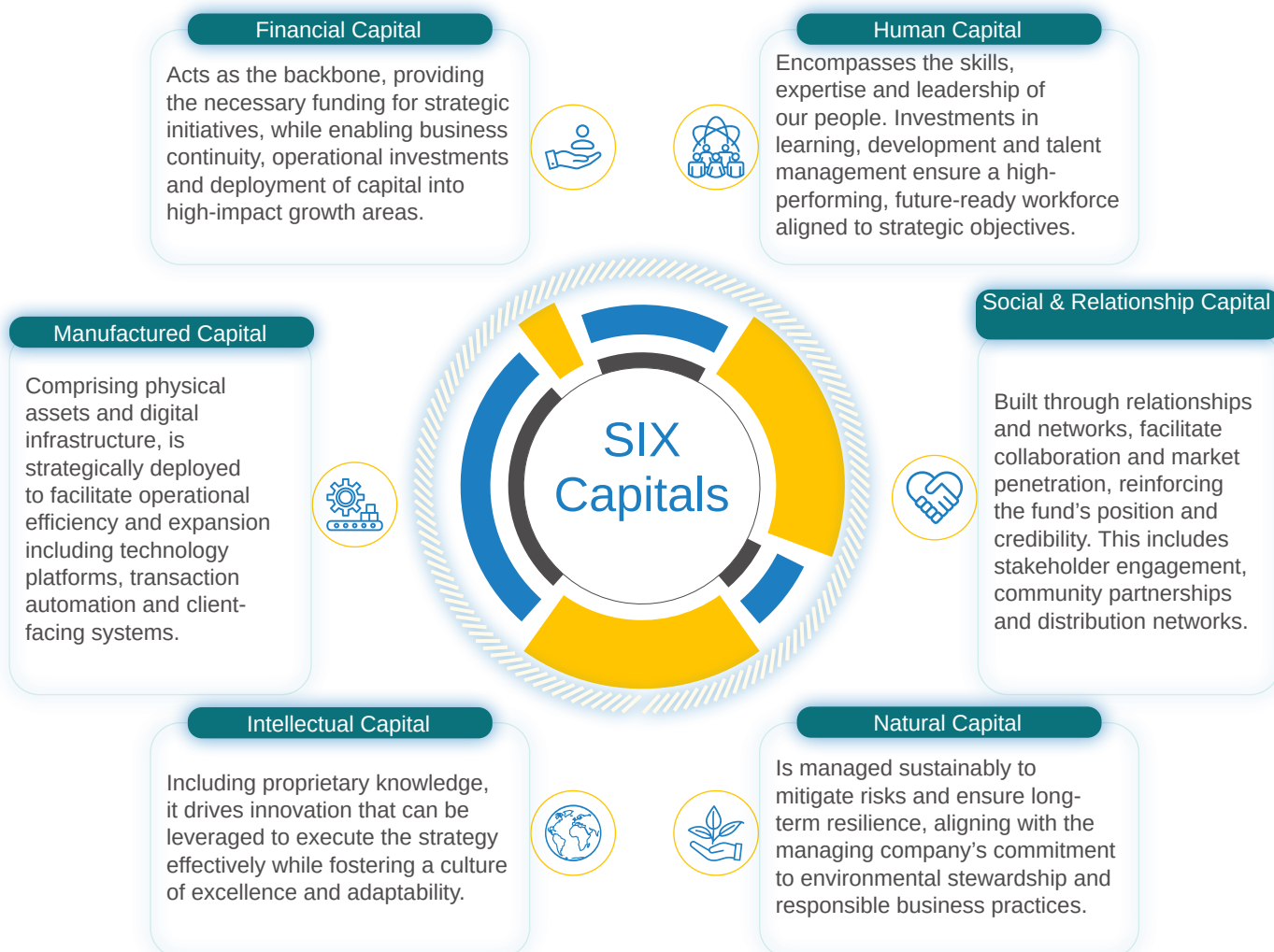
Explore new products in new markets (longer-term horizon):

- Evaluate potential entry into regional investor markets with tailored fund structures
- Explore new fund categories such as Islamic Finance / Shari'ah-compliant investment options
- Develop fintech-enabled micro-investment solutions targeting gig economy and young professionals
- Assess feasibility of real estate or infrastructure-linked investment products
- Strategic alliances with international fund managers to co-distribute global investment products

	Primary Initiatives	Time Horizon	Priority Level
Market Penetration	Digital portal, WhatsApp redemptions, investor sessions, brand strengthening	Immediate -- Short Term	PRIMARY FOCUS
Market Development	Geographic expansion, financial literacy outreach, employer market, inter-group partnerships	Short -- Medium Term	HIGH PRIORITY
Product Development	ESG-aligned funds, goal-based products, digital-first investment options	Medium Term	MEDIUM PRIORITY
Diversification	Islamic finance, fintech micro-investment solutions	Long Term	EXPLORATORY

ALLOCATING RESOURCES THROUGH THE SIX CAPITALS

The utilisation of the six capitals - financial, manufactured, intellectual, human, social & relationship, and natural plays a crucial role in steering resources towards bolstering the strategy. Each capital has a distinct and purposeful role:



STRATEGY AND VALUE CREATION

CURRENT STRATEGIC FOCUS

OUR STRATEGIC PRIORITIES

We have refined and realigned our strategic priorities to deliver short, medium and long-term ambitions aligning with the Group vision. Our strategic targets complement the core offering and business model with a commitment to incorporate its value proposition based on active dialogue with stakeholders on sustainability matters and market needs.

PRIORITY

01

Client Experience

Key Focus Areas

- Redemptions via WhatsApp
- Fully-fledged online portal & automation
- 'Online Investment Platform' website
- Knowledge-sharing & investor education
- New Web-site interface

PRIORITY

02

Execution

Key Focus Areas

- Operational efficiency & process automation
- 'InvestEd' financial literacy programme
- Human capital development & skill growth
- Internal process streamlining

PRIORITY

03

Growth

Key Focus Areas

- AUM Rs. 44.27 Bn (FY 2025/26)
- Client acquisition (1587 in period)
- Sales & marketing team strengthening
- Geographical expansion

STRATEGIC INITIATIVES & CAPITAL ALLOCATION- DETAILED ROADMAP

The table below outlines key initiatives under each strategic pillar, associated resource allocation, and the short, medium and long-term delivery plans for 2025/26 and beyond.

STRATEGIC PILLAR	KEY PRIORITIES 2025/26	RESOURCE ALLOCATION (KEY INITIATIVES)	SHORT-MEDIUM TERM	LONG-TERM
Transformative Client Experience	• Redemptions via WhatsApp • Launch of fully-fledged online portal and automation of client transactions • Launch of 'Online Investment Platform' website providing rich information for informed decisions • Share knowledge with investors through interactive media (videos, social ads, radio) • Launch of the new web-site interface	• Increase financial resources through more fund allocation • Invest in technology to improve the client experience	• Continue to conduct knowledge-sharing sessions for investor-focused details	• Introducing digital solutions: improve accessibility, efficiency & decision-making • Expand digital transaction capabilities and investor education • Provide more intuitive access to investment insights

STRATEGIC PILLAR	KEY PRIORITIES 2025/26	RESOURCE ALLOCATION (KEY INITIATIVES)	SHORT-MEDIUM TERM	LONG-TERM
Transformative Execution	- Operational efficiency and process automation in UT transactions - Investor education sessions ('InvestEd' improving financial literacy)	- Increase investment in technological resources to improve operational efficiency - Invest in human capital to develop knowledge and skill - Promote employees' learnings and growth	Continue to conduct investor education sessions to promote financial literacy	- Improved versions of financial literacy programs to cover larger population segments in Sri Lanka - Streamline key internal processes through automation and invest in building a high-performing, future-ready workforce
Transformative Growth	- AUM Rs. 44.27 Bn (FY 2025/26) - Client acquisition during the period: 1587	- Invest in sales and marketing team to build sustainable AUM growth - Invest in systems to accommodate market changes - Allocate capital for expansion	Increase touchpoints across the country	- Geographical expansion across Sri Lanka - Product expansion and diversification - Focused investment in systems and targeted outreach for scalable, sustainable growth across product and service portfolio

KEY PERFORMANCE HIGHLIGHTS 2025/26

The following highlights reflect the outcome of our capital deployment and strategic execution during the reporting year, demonstrating the tangible impact of our Transformative strategy:

Rs.

44.27Bn

AUM (FY 2025/26)

As at 31 March 2026

1587

New Clients

Acquired during the reporting period

➔ Strategic Outlook for 2026/27

Building on the momentum of 2025/26, the Fund is positioned to accelerate its transformative agenda in the coming year. Key priorities include:

- Scaling digital investment platforms for broader retail and institutional reach
- Deepening the 'InvestEd' financial literacy programme to expand investor participation
- Investing in talent development to build a high-performing, future-ready team
- Pursuing geographical expansion to increase touchpoints across Sri Lanka
- Embedding ESG principles more deeply into investment and operational decisions
- Strengthening strategic partnerships for intra-group and inter-group cross-selling opportunities

VALUE CREATION MODEL

Input Capitals

FINANCIAL CAPITAL

The pool of funds from unitholders and income generated through investments. First Capital Money Market Fund is underpinned by a rigorous risk appetite framework, ensuring capital is deployed in high-quality, short-term instruments that preserve capital while generating consistent returns. As of 31 March 2026, net assets attributable to unitholders stand at Rs. 44.27 Bn, reflecting strong investor confidence.



HUMAN CAPITAL

Our strength lies in our robust executive and leadership teams, including experienced fund managers, as well as highly skilled analysts and back-office professionals. We operate within a high-performance, client-centric, and ethical culture that is deeply aligned with our core purpose of democratising investment access in Sri Lanka. Talent retention and continuous development are strategic imperatives.



INTELLECTUAL CAPITAL

Encompasses knowledge-based intangibles including tacit knowledge, proprietary systems, procedures, and protocols - in addition to brand equity and reputational capital. Our investment philosophy, data-driven decision models, and award-winning track record represent a significant competitive moat. Innovation in digital investment tools and financial literacy programmes further differentiates First Capital.



SOCIAL & RELATIONSHIP CAPITAL

Comprises key relationships and interactions with institutions, communities, stakeholder groups, and other networks. This capital enables the Fund to share information, enhance individual and collective well-being, and deliver its strategy while creating sustainable and inclusive value. Strong stakeholder engagement from regulators to retail investors, underpins long-term trust.



MANUFACTURED CAPITAL

Represents the Fund's geographic footprint, physical presence, and digital/technology infrastructure that enables the Fund to attain its goals of reach, scale, and service excellence. This includes digital platforms, mobile applications, CRM systems, and the regulatory frameworks within which the Fund operates. Technology investment is a key enabler of the Fund's transformative strategy.



NATURAL CAPITAL

As a unit trust fund, First Capital does not directly extract or consume natural resources. However, the Fund influences natural capital through investment choices and through its operational footprint. As ESG considerations become increasingly central to investment decision-making and risk assessment, the Fund is actively embedding environmental stewardship into its strategy, operations, and investment screening criteria.



Constraints

KEY CONSTRAINTS

- Market sentiment and investor confidence
- Higher expectations on fund returns in a high-rate environment
- Interest rate fluctuations impacting NAV and yield
- Tax rate changes affecting net returns to investors
- Competitor fund returns creating pricing pressure
- Regulatory capital requirements (SEC / CIS Code)

- Talent retention in a competitive financial services labour market
- Training gaps in specialised investment and technology skills
- New talent acquisition challenges (limited specialist pool)
- Work-life balance expectations of a new generation workforce
- Leadership succession and pipeline development

- Limited access to real-time market data and analytics
- Cybersecurity threats and data breach risks
- System modification needs and technology barriers
- IP protection and knowledge retention as staff turn over
- Rapid pace of fintech change requiring continuous adaptation

- Reputational risk from market or operational incidents
- Stakeholder expectations for transparency and responsiveness
- Regulatory risk and evolving compliance landscape
- Managing diverse investor communication needs
- Maintaining trust during market volatility events

- Client reach and geographic distribution limitations
- Operational risk associated with legacy systems
- Technology investment cost and prioritisation
- System downtime and business continuity risks
- Rapid evolution of client digital expectations

- Enhanced stakeholder expectations on ESG integration
- Expectations on effective resource utilisation
- Climate risk exposure in the investment portfolio
- Regulatory ESG disclosure requirements (emerging)
- Balancing financial returns with environmental sustainability

Fund Inputs & Business Activities

ACTIVITIES & INPUTS

Cash flow and liquidity management
Investment in high-quality, short-term fixed income instruments
Unit creation, redemption, liquidity & risk management
Maximise returns and provide consistent, risk-adjusted performance
Daily NAV computation and reporting
Portfolio rebalancing in line with mandate and risk limits

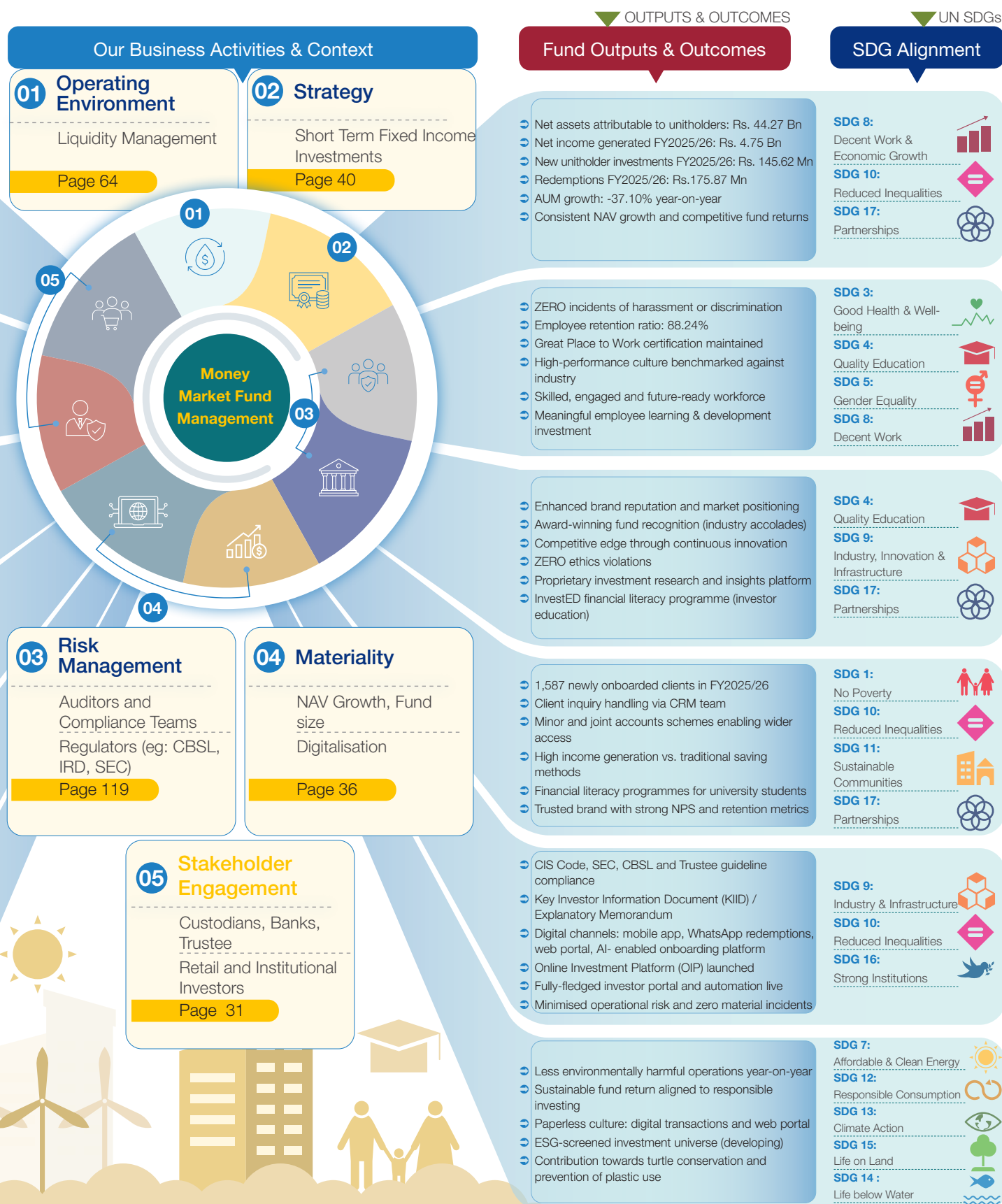
Skill development and continuous professional training
Leadership development programmes
Work-life balance initiatives and flexible working arrangements
Safety, well-being and employee engagement programmes
Performance management and merit-based rewards
Building an inclusive, diverse, and ethical workplace

Economic and market research and analysis
Research tools, investment models and proprietary knowledge
Scenario planning and stress testing
Data-driven portfolio management
Digital systems and mobile application development
Brand positioning and ethical business practices

Transparent financial and non-financial reporting
Responsive customer service and CRM management
Compliance with CIS Code and explanatory memorandum
Awareness campaigns and financial literacy outreach
Regular and meaningful stakeholder engagement
Community financial education and literacy events

Regulatory adherence (CIS Code, SEC, CBSL, Trustee)
Minimised operational risk through process controls
Internal and regulatory audit programmes
Brand positioning and market presence
Digital channels: mobile app, WhatsApp, web portal

Sustainable business practices in Fund operations
Digital adoption reducing paper consumption
ESG principles integration in investment screening
Ethical investing considerations in portfolio decisions
Paperless culture and paper recycling initiatives



STRATEGY AND VALUE CREATION

VALUE CREATION THROUGH SUSTAINABILITY

1. OUR SUSTAINABILITY LANDSCAPE

At First Capital Money Market Fund, sustainability is not an obligation - it is a conviction. We believe that long-term financial performance and positive societal impact are inseparable. Our sustainability strategy is anchored in the IIRC Integrated Reporting Framework, guided by the United Nations Sustainable Development Goals (SDGs), and validated by our landmark status as Sri Lanka's first corporate signatory to the UN-supported Principles for Responsible Investment (PRI).

In FY 2025/26, we deepened our commitment to creating value beyond financial returns. Our sustainability journey encompasses responsible investment practices, meaningful community outreach, environmental stewardship, financial inclusion, and ethical governance. This chapter presents a comprehensive account of how First Capital Money Market Fund is embedding sustainability at every level of its operations delivering measurable impact for investors, communities, and the nation.

2. A LANDMARK MILESTONE: SRI LANKA'S FIRST UN - PRI CORPORATE SIGNATORY

First Capital Asset Management Limited, managing company of the First Capital Money Market Fund made history by becoming the first corporate entity in Sri Lanka to sign the United Nations-supported Principles for Responsible Investment (PRI). This landmark achievement reflects our deep conviction that investment decisions must integrate Environmental, Social, and Governance (ESG) considerations to build a more sustainable and resilient economy.

The UN PRI is a global network of investors committed to advancing ESG integration within investment practices. With thousands of signatories worldwide, the framework sets a shared standard for transparency, responsible governance and long-term value creation.

Our Six PRI Commitments

- Embed ESG considerations into all investment analysis and decision-making processes
- Act as an active owner by integrating ESG aspects into stewardship and engagement practices
- Seek improved and transparent ESG disclosures from entities in which we invest
- Champion wider industry acceptance of responsible investment across Sri Lanka
- Collaborate with the PRI Secretariat and fellow signatories to strengthen implementation
- Provide regular, transparent reporting on progress against the PRI principles



CEO Statement

"Responsible investing is essential to strengthening long-term performance and managing emerging risks. Aligning with the PRI ensures that global best practices guide our investment philosophy, making our portfolios strong, competitive and aligned with international sustainability expectations. This achievement reflects our dedication to delivering positive impact alongside strong financial outcomes and positions us as a pioneer in Sri Lanka's fund management industry."

(Sgd.)

Kavin Karunamoorthy

Director/ Chief Executive Officer
First Capital Asset Management Limited

3. ESG INTEGRATION IN INVESTMENT PRACTICES

ESG integration represents a fundamental shift in how we evaluate investment opportunities. First Capital Asset Management is embedding Environmental, Social, and Governance factors across the entire investment lifecycle from security selection and portfolio construction to stewardship and reporting. This approach ensures our portfolios are not only financially sound but also resilient against ESG-related risks.

ENVIRONMENTAL

- ESG-screened investment universe (in development)
- LED lighting
- Paperless culture, digital onboarding, e-letterheads
- GHG emission tracking at Group level
- In-house recycling programs

SOCIAL

- Financial literacy programs (1,000+ students)
- UN PRI signatory - responsible investing
- 1,587 new client acquisitions in FY 2025/26
- ZERO incidents of harassment or discrimination
- DEI policy and equal pay commitment
- Internship and career development programs
- Youth Coastal Conservation Programme

GOVERNANCE

- Independent board with diverse expertise
- Anti-Bribery and Corruption (ABC) policy
- ZERO ethics violations in FY 2025/26
- Code of conduct for all employees and directors
- Robust ESG risk management framework
- Transparent financial and non-financial reporting
- Active engagement with regulators (SEC, CBSL)

4. FINANCIAL INCLUSION AND LITERACY

Central to our sustainability agenda is the belief that financial empowerment is a social good. First Capital Money Market Fund is committed to democratising access to investment, lowering barriers to entry, and building a financially literate nation. Through targeted programs, digital innovation and community partnerships, we are creating pathways to prosperity for individuals who have historically been excluded from formal investment markets.

4.1 University Financial Literacy Programme

In FY 2025/26, the managing company reached approximately 1,000 university students through its structured financial literacy series. These programs equip future leaders with the knowledge and tools to make informed financial decisions, build savings habits and understand investment fundamentals.

PROGRAMME COMPONENTS

- Fin-lit series: structured financial education modules
- Knowledge videos and interactive digital content
- In-person sessions at partner universities
- Mid-year Investor Forum for broader community
- Digital awareness campaigns on social media
- Internship programs for undergraduates

OUTCOMES ACHIEVED

- Approximately 1,000 university students educated
- Future financial decision-makers empowered
- Increased brand awareness among youth segment
- Growing pipeline of next-generation investors
- Digital reach extended across social media platforms

STRATEGY AND VALUE CREATION

VALUE CREATION THROUGH SUSTAINABILITY

4.2 Digital Innovation for Financial Inclusion

The Fund has made significant strides in leveraging technology to break down geographic and socioeconomic barriers to investment access. By meeting investors where they are - on mobile, WhatsApp, and digital portals - First Capital is building an inclusive investment culture that reaches across Sri Lanka.

**MOBILE APP & ONLINE PORTAL**

Real-time balance, redemptions and daily NAV updates
- accessible to all investors nationwide

**WHATSAPP REDEMPTIONS**

Transactional capabilities integrated into a familiar platform
- meeting investors in their daily digital experience

**MISSED CALL BALANCE SERVICE**

Zero-data, zero-cost SMS balance service
- reaching investors in regions with limited connectivity

**AI-ENABLED DIGITAL ONBOARDING**

Online registration eliminating physical documentation
-enabling fast, frictionless investment access

5. COMMUNITY AND ENVIRONMENTAL INITIATIVES

Our commitment to sustainability extends beyond financial products into the communities and ecosystems we operate in. In FY 2025/26, First Capital Asset Management launched and supported targeted community and environmental programs, reflecting our belief that responsible businesses must contribute positively to society and the natural world.

5.1 Youth Awareness and Community Action Programme on Coastal Conservation

First Capital Asset Management contributed to a meaningful contribution to Sri Lanka's coastal conservation efforts through the Youth Awareness and Community Action Programme - a focused initiative aimed at reducing plastic pollution and protecting sea turtles along Sri Lanka's coastline.

Programme Objectives

- Increase youth awareness on coastal and marine ecosystem conservation
- Educate 30 participants (ages 18-30) on the impacts of plastic pollution
- Improve knowledge on sea turtle protection, habitats, and legal frameworks
- Engage youth in community-based coastal clean-up and conservation activities
- Empower youth environmental ambassadors to drive continued community action

Key Programme Activities

- Awareness and Learning Session: interactive presentations, group discussions and visual materials covering coastal ecosystems, plastic pollution impacts, and sea turtle protection
- Community Action Programme: hands-on coastal clean-up focused on plastic waste reduction, waste segregation and responsible coastal behaviour demonstration
- Certificate Awarding Ceremony: formal recognition of youth participation and reflection sessions



Programme Snapshot

→ Participants	30 youth (ages 18-30)
→ Duration	One day
→ Focus Area	Coastal area, Sri Lanka
→ Primary SDG	SDG 14 - Life Below Water
→ Also Covers	SDG 13, 12, 15, 17
→ Key Outcome	Coastal clean-up completed
→ Legacy	Youth environmental ambassadors

5.2 Environmental Stewardship in Operations

Beyond community programs, First Capital Asset Management integrates environmental responsibility into day-to-day operations through energy management, waste reduction, and a culture of sustainability aligned to our Group-level environmental policies.

ENERGY EFFICIENCY

- LED lighting deployed across all premises
- Group-level GHG emission testing and monitoring
- Targeted reduction in electricity consumption

WASTE MANAGEMENT

- In-house paper recycling processes
- Use of glass bottles replacing single-use plastic
- Reuse of envelopes and printed materials
- Responsible disposal aligned to Group policies

DIGITAL SUSTAINABILITY

- Paperless culture, e-onboarding, e-letterheads
- E-confirmations for all deposits and withdrawals
- Digital business cards and electronic staff IDs
- Virtual board meetings via BoardPac technology

ESG REPORTING

- IR Framework adopted for annual reporting
- ESG risk formally assessed at Board level
- Commitment to GRI / SASB framework adoption
- Regular SDG alignment disclosures

6. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG) ALIGNMENT

First Capital Asset Management's activities are comprehensively mapped against all 17 United Nations Sustainable Development Goals. The table below presents our key contributions, demonstrating the breadth and depth of our sustainability commitment in FY 2025/26.

SDG	Goal	Key FCAM Activities	Impact
SDG 1	No Poverty	Financial products promoting inclusion, returns for small investors through money market fund	Improved access to financial products for lower-income investors
SDG 2	Zero Hunger	Returns for small investors enabling better household financial management and food security	Improved household financial resilience
SDG 3	Good Health & Well-being	Staff medical check-ups, employee counselling, yoga sessions, health camps, flexible leave policies	Healthier, more resilient workforce
SDG 4	Quality Education	Fin-lit series, knowledge videos, internship programs, examination reimbursement, career development	1,000 students educated, empowered workforce
SDG 5	Gender Equality	DEI policy, equal pay commitment, zero incidents of discrimination, inclusive workplace	Gender-equitable, inclusive workplace environment
SDG 6	Clean Water & Sanitation	Responsible water consumption at all operational premises	Reduced water usage across operations
SDG 7	Affordable & Clean Energy	LED bulbs deployed, GHG emission monitoring	Reduced electricity consumption, pathway to renewable energy
SDG 8	Decent Work & Growth	Responsible investment, local and international staff training, Great Place to Work certification	Skilled workforce, strong retention, -37.10% AUM

STRATEGY AND VALUE CREATION

VALUE CREATION THROUGH SUSTAINABILITY

SDG	Goal	Key FCAM Activities	Impact
SDG 9	Industry & Innovation	Electronic staff IDs, AI-enabled onboarding, continuous automation, digital platforms	Modernised, innovation-driven fund management infrastructure
SDG 10	Reduced Inequalities	DEI policy, equal opportunity employment, geographic reach to underserved communities	Reduced inequality in access to financial services and employment
SDG 11	Sustainable Communities	Awareness programs, geographic expansion to rural communities, financial inclusion outreach	Improved financial service access in underserved areas
SDG 12	Responsible Consumption	Recycling programs, glass bottles, e-letterheads, e-onboarding, paper reuse, digital confirmations	Measurable reduction in paper and resource consumption
SDG 13	Climate Action	Paperless digital culture, virtual board meetings via BoardPac, GHG tracking	Reduced carbon footprint, progress toward net-zero operations
SDG 14	Life Below Water	Youth Coastal Conservation Programme, plastic pollution reduction and sea turtle protection	Coastal clean-up completed, youth environmental ambassadors empowered
SDG 15	Life on Land	Competitive employment opportunities, coastal habitat protection, biodiversity awareness through conservation programme	Positive contribution to biodiversity and habitat preservation
SDG 16	Peace, Justice & Institutions	Zero tolerance for violence and corruption, Anti-Bribery & Corruption policy, code of conduct	Zero ethics violations, transparent institutional governance
SDG 17	Partnerships for Goals	First corporate signatory in Sri Lanka to UN Principles for Responsible Investment (PRI)	Pioneer in responsible investment, enhanced global sustainability partnerships

7. OUR PEOPLE AND WORKPLACE SUSTAINABILITY

Our employees are our greatest asset and a cornerstone of our sustainability agenda. We invest meaningfully in creating a workplace that is inclusive, healthy, high-performing and deeply aligned to our values. In FY 2025/26, people-related sustainability achievements include attaining Great Place to Work certification and maintaining zero incidents of harassment or discrimination.

HEALTH AND WELL-BEING

- Medical check-up camps for all staff
- Yoga sessions and body weight training
- Herbal drink distribution at office
- No-sugar Wednesdays and Fridays
- Employee counselling support
- Maternity and paternity leave policies

LEARNING AND DEVELOPMENT

- Examination reimbursement policy
- Educational assistance scheme
- Internship programs for students
- Career development via succession planning
- Skill development: Excel and Power BI training

DIVERSITY, EQUITY AND INCLUSION

- DEI policy formally adopted
- Equal pay commitment across all roles
- Zero tolerance for harassment and discrimination
- Flexible working hours and work-from-home policy
- Inclusive hiring and equal opportunity employment
- Transparent grievance and disciplinary procedures

8. SUSTAINABILITY OUTLOOK: PRIORITIES FOR 2026/27 AND BEYOND

Building on the strong foundation established in FY 2025/26, First Capital Asset Management is committed to accelerating its sustainability agenda in the coming year. Our priorities reflect our ambition to be a genuine leader in responsible investment and sustainable business in Sri Lanka.

Deepen ESG Integration

Formalise ESG screening across the investment portfolio, develop a proprietary ESG risk framework aligned to PRI commitments, enhance ESG disclosure in all investor communications.

Scale Financial Literacy

Expand the university financial literacy programme to reach more students, develop digital learning modules, partner with additional educational institutions across Sri Lanka.

Strengthen UN PRI Commitments

Deliver first annual PRI reporting cycle, engage investee entities on ESG disclosures, contribute to broader industry ESG standard-setting in Sri Lanka.

Expand Environmental Programs

Build on the Youth Coastal Conservation Programme, scale sea turtle protection and plastic pollution reduction initiatives.

Enhance Sustainability Reporting

Adopt GRI & SASB Standards for non-financial disclosure, conduct materiality assessment for FY 2025/26, expand SDG impact measurement and reporting.



First Capital Asset Management Limited remains steadfast in its belief that sustainable business is not merely a strategy - it is a responsibility. By embedding ESG principles into every dimension of our operations, championing financial inclusion, protecting our natural environment, and empowering our people and communities, we are building an institution that creates enduring value for investors, society and future generations. Our landmark status as Sri Lanka's first UN PRI corporate signatory marks the beginning of an even more ambitious sustainability journey.

STRATEGY AND VALUE CREATION

SUSTAINABILITY DISCLOSURE INDEX

ASSET MANAGEMENT & CUSTODY ACTIVITIES - FN-AC

1. Transparent Information & Customer Advice

FN-AC-270a: Transparent Product & Customer Advice Disclosures

Code	Accounting Metric	Unit	FY 2025/26	Notes / Commentary
FN-AC-270a.1	Number and percentage of covered investment vehicles that have conducted materiality assessment and/or developed a material sustainability commitment	%	Majority of the asset classes of the Fund	The Fund has conducted a full materiality assessment aligned to the IIRC <IR> Framework. Sustainability matters are embedded in annual reporting and governance structure.
FN-AC-270a.2	Description of approach to informing customers about products	Qualitative	Multi-channel investor communication strategy deployed	Includes: Key Investor Information Document (KIID), Explanatory Memorandum, digital portal disclosures, WhatsApp channel, mid-year investor forum, and financial literacy sessions for +1,000 university students.
FN-AC-270a.3	Description of approach to managing conflicts of interest	Qualitative	Board-approved conflict of interest and RPT frameworks in place	Related Party Transaction (RPT) Review. Anti-Bribery and Corruption (ABC) policy in place.
FN-AC-270a.4	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Rs.	Nil	No legal proceedings relating to marketing or financial product disclosures were initiated or outstanding in FY 2025/26.

2. ESG Incorporation in Investment Management

FN-AC-410a: ESG Incorporation in Investment Management

Code	Accounting Metric	Unit	FY 2025/26	Notes / Commentary
FN-AC-410a.1	Amount of assets under management (AUM), by asset class, that employ (i) integration of environmental, social and governance (ESG) issues, (ii) sustainability-themed investing, and (iii) screening	Rs. Mn	Rs. 44.27 Mn (Total AUM) ESG Integration: Developing formalised Screening: Investment-grade credit screens applied	ESG integration is at an early formalisation stage following UN PRI signatory status. Credit quality screens currently applied (investment grade). ESG-specific fund screening and thematic strategies are in development for FY 2026/27.
FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment management processes and strategies	Qualitative	UN PRI signatory (SL first corporate). ESG integration into investment analysis framework in development.	Post PRI signatory: 6 PRI commitments active. ESG embedded in risk management framework. Planned: proprietary ESG scoring model for portfolio companies; enhanced ESG disclosures in KIID documents.
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Qualitative	Fund invests primarily in fixed income / money market instruments. Active ownership via engagement with issuers on credit quality, governance and ESG disclosures.	As a money market fund, proxy voting is not applicable to equity holdings. For fixed income instruments, FCAM engages with issuers during credit assessment on governance and financial transparency matters.

STRATEGY AND VALUE CREATION

SUSTAINABILITY DISCLOSURE INDEX

3. Workforce Diversity and Engagement

FN-AC-330a: Employee Diversity and Engagement

Code	Accounting Metric	Unit	FY 2025/26	Notes / Commentary
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all others	Number, %	Fund Mgmt.: 7 Male (41.17%), 10 Female (58.83%) Board: 1 Executive, 3 Non-Executive Ethnicity: 82.35% Sinhala, 17.65% Tamil DEI Policy: Formally adopted	Board comprises 4 Directors (1 Executive Non-Independent, 3 Non-Executive). DEI Policy adopted. Equal opportunity hiring across all backgrounds.
FN-AC-330a.2	(1) Voluntary and (2) involuntary employee turnover rate for (a) executives, (b) non-executive management, (c) professionals, and (d) all others	Number, %	Retention Rate: 11.76% Voluntary Turnover: Minimal Involuntary Turnover: Nil	88.24% employee retention rate achieved in FY 2025/26 Voluntary turnover minimal. No involuntary terminations reported.
FN-AC-330a.3	Employee engagement score	Score	Great Place to Work Certified	FCH Group has attained Great Place to Work (GPTW) certification including FCAM. Reflect high employee satisfaction and organisational commitment.

FN-AC-330b: Employee Training and Development

Code	Accounting Metric	Unit	FY 2025/26	Notes / Commentary
FN-AC-330b.1	Total hours of training provided to all employees	Hours	Training programs conducted; 21 of total training hours	Training covers: Management skills development; Outbound training and Capital market capacity development.
FN-AC-330b.2	Average hours of training provided per year per employee for (a) executive management, (b) non-executive management, (c) professionals, (d) all others	Hours	Continuous training provided.	Professional development is embedded through examination reimbursement policy, educational assistance scheme, internship programs, and succession planning reviews conducted annually.
FN-AC-330b.3	Description of programs and practices to promote employee career and life development	Qualitative	HR Manual: Recruitment, Remuneration, Performance Management, Training, Leadership Development, Safety & Wellbeing, Communication & Engagement, Rewards & Recognition	Annual Award Ceremony for high performers; structured succession planning for senior management; flexible work-from-home policy; employee counselling by certified counsellor; mental well-being programs (art, mindfulness).

4. Business Ethics and Conduct

FN-AC-510a: Business Ethics Disclosures

Code	Accounting Metric	Unit	FY 2025/26	Notes / Commentary
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Rs.	Nil (Zero losses)	No legal proceedings relating to fraud, insider trading, anti-trust, market manipulation or malpractice were initiated, ongoing or resolved during FY 2025/26. ZERO ethics violations reported.
FN-AC-510a.2	Description of whistleblower policies and procedures	Qualitative	Whistleblowing Policy formally adopted and communicated to all staff	Comprehensive Whistleblowing Policy adopted and communicated through multiple internal channels.
FN-AC-510a.3	Anti-bribery and corruption policies and procedures	Qualitative	ABC Policy: Formally adopted Code of Conduct: Implemented for all employees and directors Compliance: 100%	Anti-Bribery and Corruption (ABC) Policy implemented across all staff levels. Code of Conduct enforceable for employees and directors. Zero incidents of bribery, corruption or related violations recorded in FY 2025/26.
FN-AC-510a.4	Description of policies and practices for the prevention of insider trading	Qualitative	Regulated by SEC. Internal controls and compliance monitoring in place. Insider trading policies embedded in Group Code of Conduct.	As an SEC-regulated entity, all personnel handling material non-public information are subject to strict insider trading restrictions. Compliance is monitored by the Board Audit Committee of intermediary parent of the managing company.

STRATEGY AND VALUE CREATION

SUSTAINABILITY DISCLOSURE INDEX

5. Systemic Risk Management

FN-AC-550a: Systemic Risk Management Disclosures

Code	Accounting Metric	Unit	FY 2025/26	Notes / Commentary
FN-AC-550a.1	Number and percentage of covered employees subject to anti-money laundering (AML), anti-bribery and corruption, or other financial ethics training	Number, %	100% of staff (All employees)	All employees of First Capital Asset Management Limited receive mandatory training on AML, anti-bribery, code of conduct, and cybersecurity.
FN-AC-550a.2	Description of approach to identifying and addressing data security risks and the policies and practices employed to prevent data breaches	Qualitative	Comprehensive IT & IS risk framework; VAPT conducted annually by independent third party; CISO recruited at Group level	Annual Vulnerability Assessment and Penetration Testing (VAPT) by independent specialist with Board reporting. Business continuity plan tested. Data governance programme in place. CISO role being established.
FN-AC-550a.3	Description of the process for identifying, assessing, and managing liquidity risk	Qualitative	16% of portfolio in 0-3 month maturities (exceeds 20% regulatory minimum). Liquidity risk rated Low (Low scale, Low probability). Daily NAV and redemption management.	Portfolio managed with strict liquidity requirements: minimum 20% in instruments with 0-3 month maturity (CIS Code 2022). Actual allocation: 16% in 0-3 months. Active daily monitoring ensures redemptions met promptly.
FN-AC-550a.4	Description of scenario analysis for managing systemic risk, such as regulatory requirements, stress testing etc.	Qualitative	Scenario planning and stress testing conducted as part of intellectual capital and risk management framework. Results reported to Board via IALCO.	Investment, Asset and Liability Committee (IALCO) of the intermediary parent of the managing company reviews portfolio performance, stress scenarios, and risk exposures. Risk matrix updated periodically.
FN-AC-550a.5	Description of policies and practices to ensure clients have access to their assets and money and to manage possible liquidity crises	Qualitative	Open-ended fund structure ensures daily unit creation and redemption. 16% in liquid 0-3 month instruments.	Fund maintains open-ended daily liquidity structure. Clients can redeem via digital portal or WhatsApp. Portfolio liquidity managed to ensure prompt settlement. Missed call balance service ensures access to account information at all times.

6. SASB Activity Metrics

FN-AC Activity Metrics

Code	Activity Metric	FY 2025/26	Notes
FN-AC-000.A	Total assets under management (AUM)	Rs. 44,272Mn	37% YoY decline in Net assets attributable to unitholders as at 31 March 2026.
FN-AC-000.B	Total net income	Rs. 4,123 Mn (before tax)	30% decline in direct income year-on-year.
FN-AC-000.C	Total assets	Rs. 44,302 Mn	Total assets of the Fund as per Statement of Financial Position (SOFP) as at 31 March 2026.
FN-AC-000.D	Number of registered clients / unitholders	Total of 6,989 of Unitholders	1,587 new clients onboarded during FY 2025/26. Geographic reach spans all 25 districts of Sri Lanka.
FN-AC-000.E	Number of employees (fund management staff)	17 Fund Mgmt Staff	Fund management team: 7 Male, 10 Female. 82.35% Sinhala, 17.65% Tamil.
FN-AC-000.F	Direct income (fund-based)	Rs. 4,781 Mn	Record direct income. 26% YoY decline.
FN-AC-000.G	New unit investments (creations)	Rs. 145,625.13 Mn	25.1% YoY decline in new investments.
FN-AC-000.H	Unit redemptions	Rs. 175.87 Mn	Active redemption management. Open-ended structure ensures daily liquidity.
FN-AC-000.I	Administration expenses	Rs. 423 Mn	Driven by management and trustee fees (0.5% management fee + 0.15% trustee fee on NAV). Auditor fees: Rs. 0.71 Mn.
FN-AC-000.J	Net Asset Value (NAV) per unit growth	8% YoY	NAV per unit grew approximately 8% YoY.

STRATEGY AND VALUE CREATION

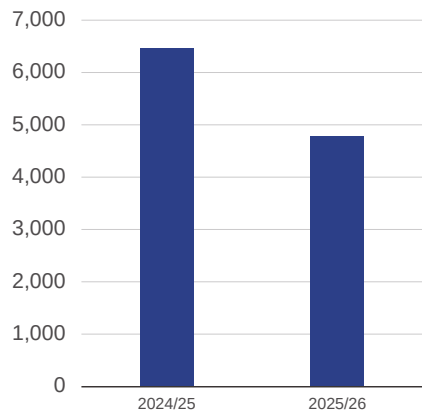
SOCIO ECONOMIC IMPACT

Our commitment to sustainability means creating inclusive value for stakeholders and the community.

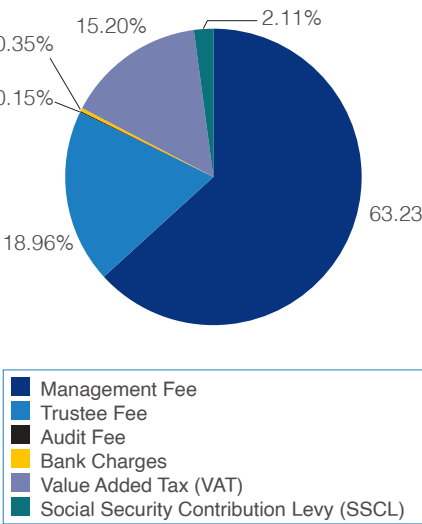
VALUE ADDED STATEMENT

	FY 2025/26 Rs. Mn	FY 2024/25 Rs. Mn
Income generated	4,781.18	6,477.15
Distributed as follows :		
Management Fee	(268.35)	(302.38)
Trustee Fee	(80.50)	(90.71)
Other Service Providers		
- Audit Fee	(0.58)	(0.61)
- Bank Charges	(1.73)	(1.69)
Indirect Taxes		
- Value Added Tax (VAT)	(64.51)	(72.68)
- Social Security Contribution Levy (SSCL)	(8.95)	(10.10)
Total Distribution	(424.62)	(478.17)
Increase in benefit attributable for unitholders	4,356.56	5,998.98

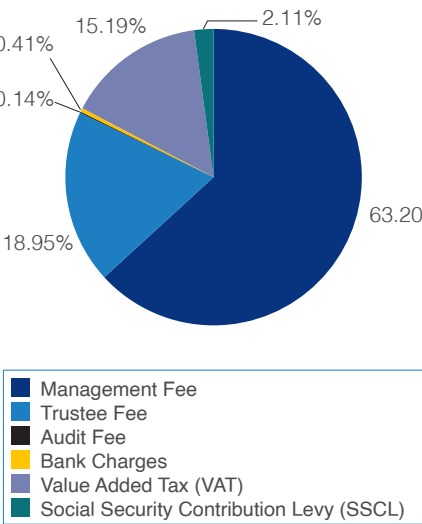
Income Generated (Rs. Mn)



Distribution- FY 2024/25



Distribution- FY 2025/26





Confidence Onboard

Trust secured through governance, transparency, and disciplined execution.



MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

The Sri Lankan economy continued its recovery during the 2025/26 financial year, supported by sustained macroeconomic stability, improving investor confidence and continued implementation of structural reforms under the International Monetary Fund (IMF) program.

ECONOMIC AND INDUSTRY OVERVIEW

The Sri Lankan economy continued its recovery during the 2025/26 financial year, supported by sustained macroeconomic stability, improving investor confidence and continued implementation of structural reforms under the International Monetary Fund (IMF) program. 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, favourable base effects and lower global commodity prices during the first half of the year. However, inflationary pressures gradually re-

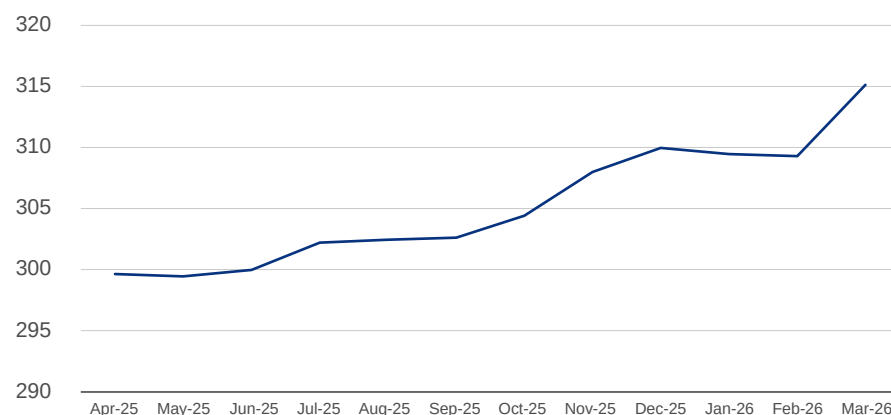
emerged towards the latter part of the period following adjustments to administered prices, stronger private sector credit growth and rising global energy prices amid heightened geopolitical tensions.

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.

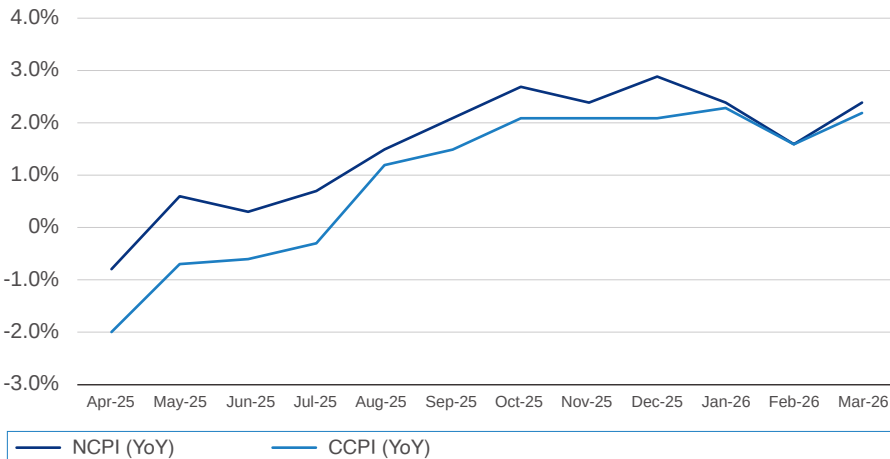
Gross official reserves continued to improve during the year, supported by sustained foreign exchange purchases by the Central Bank, continued multilateral disbursements and stronger tourism receipts. The improved external sector position contributed to maintaining confidence in the country's balance 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 normalising and private sector credit recording a strong recovery, monetary policy remained largely unchanged during the latter part of the year while the Central Bank 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.

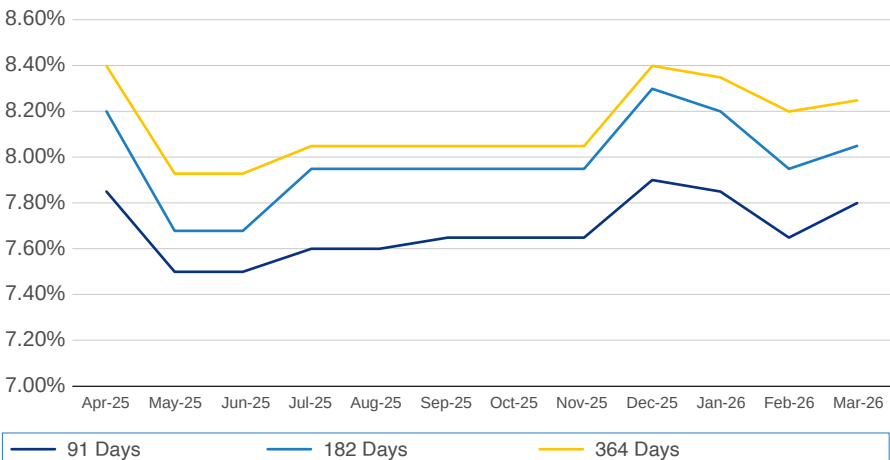
USD - Rs. exchange rate movement



NCPI and CCPI (Base: 2021=100)



Treasury Bill Rate



Direct income (Rs. Mn)

4,781

FY2024-25
6,477

Direct expenses (Rs. Mn)

25

FY2024-25
18

Cost to income ratio

8.93%

FY2024-25
7.40%

Net Trading Income (Rs. Mn)

4,756

FY2024-25
6,459

Profit for the year (Rs. Mn)

4,123

FY2024-25
5,863

Total Assets (Rs. Mn)

44,302

FY2024-25
70,452

Total Equity (Rs. Mn)

44,272

FY2024-25
70,398

Net assets value per unit (Rs.)

3,635

FY2024-25
3,364

MANAGEMENT DISCUSSION AND ANALYSIS

FUND MANAGER'S REPORT

We have pleasure in presenting to you the Annual Report together with the Audited Financial Statements of First Capital Money Market 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) program. 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.

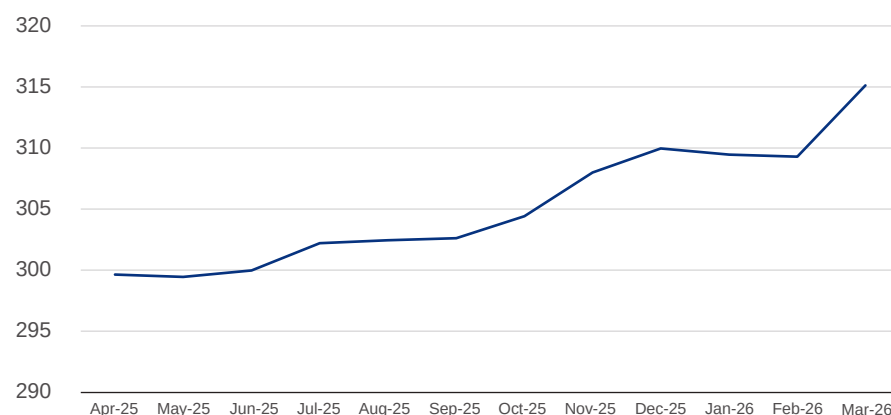
During the year, Sri Lanka successfully completed the fourth and fifth reviews under the IMF Extended Fund Facility programme, reinforcing policy credibility and unlocking additional external financing. Continued progress in implementing fiscal reforms, together with the successful completion of external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

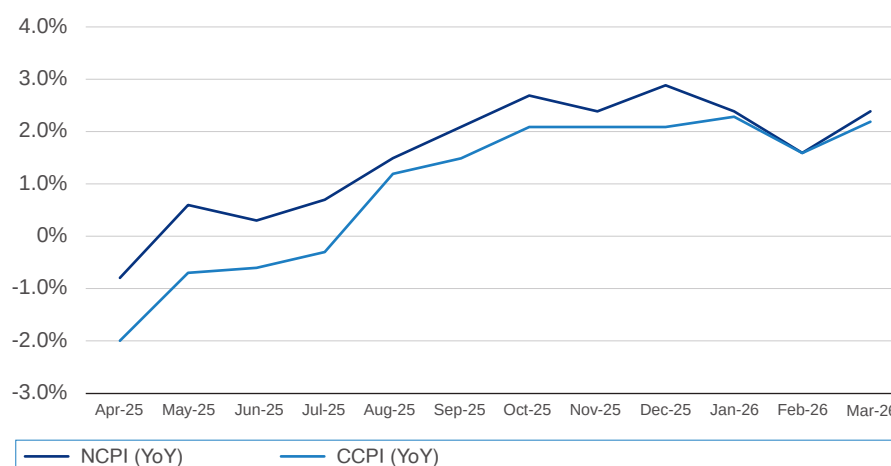
earnings. Nevertheless, the currency experienced moderate depreciation during the final quarter of the year as global crude oil prices increased following escalating geopolitical tensions in the Middle East, leading to higher import expenditure and increased demand for foreign currency.

USD - Rs. exchange rate movement



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.

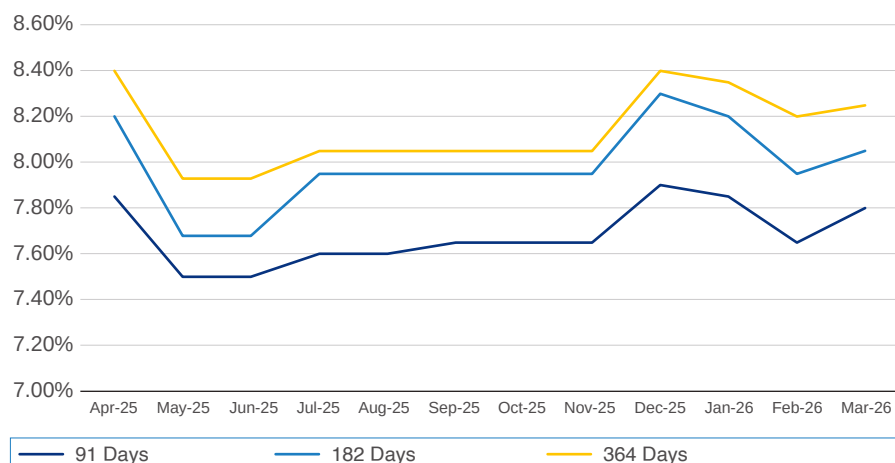
NCPI and CCPI (Base: 2021=100)



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 normalising and private sector credit recording a strong recovery, monetary policy remained largely unchanged during the latter part of the year while the Central Bank 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.

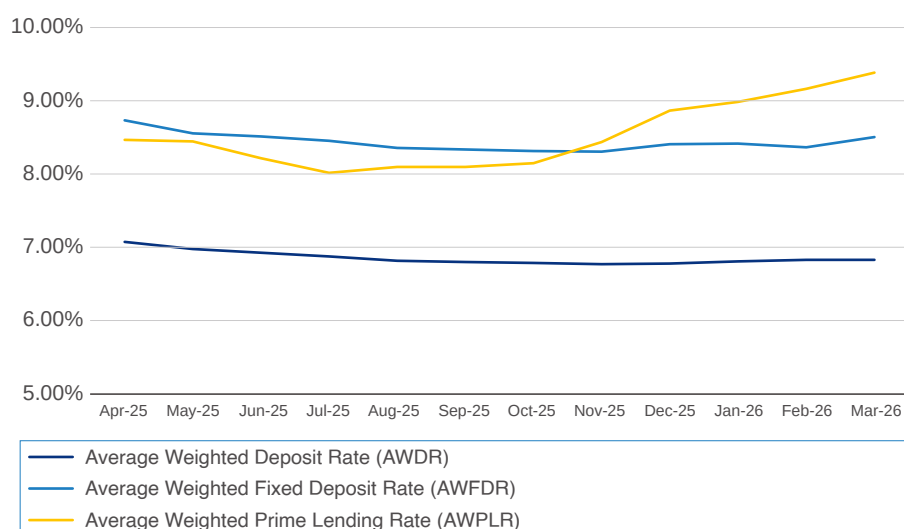
Treasury Bill Rate



FUND PERFORMANCE

First Capital Money Market Fund reported a Profit after Tax of Rs. 4.12 Bn for the year ended 31 March 2026 compared to Rs. 5.86 Bn in the previous year (2024/25). The decrease in profit after tax is mainly due to the decrease in interest income on financial assets from Rs. 6.42 Bn to Rs. 4.76 Bn (Year on Year Basis) which is due to the lower funds under management during the year.

AWDR, AWFDR and AWPLR



The Fund reported an Annualised Return of 8.06% for the year ended 31 March 2026 compared to the Average Weighted Deposit Rate of 6.86% (Source: Central

Bank of Sri Lanka – Monthly Economic Indicators; <https://www.cbsl.gov.lk/statistics/economic-indicators/monthly-indicators>). The Annualised Return reported in the previous year (2024/25) was 10.05% compared to the Average Weighted Deposit Rate of 7.96% (Source: Central Bank of Sri Lanka – Monthly Economic Indicators; <https://www.cbsl.gov.lk/statistics/economic-indicators/monthly-indicators>).

Over the financial year, the fund strategically reallocated a portion of its investments from government securities to fixed deposits with investment-grade-rated issuers to capitalise on the higher yields driven by private sector credit growth. At the same time, it maintained adequate liquidity through a prudent allocation to government securities and related instruments. By taking advantage of the favorable interest rate environment, the fund actively managed portfolio duration to enhance returns while carefully structuring the maturity profile to meet liquidity requirements. The continued allocation to government securities also reinforced the portfolio's strong credit quality, supporting both return generation and capital preservation objectives.

The Funds under Management of the First Capital Money Market Fund as at 31 March 2026 was Rs. 44.27 Bn compared to Rs. 70.40 Bn year ago (as of 31 March 2025). The decrease in Funds under Management (Y o Y basis) is also due to declining market yields and continued growth in private sector credit, investors increasingly sought longer-term investment options to offset the reduction in yields available on short-term instruments such as money market funds.

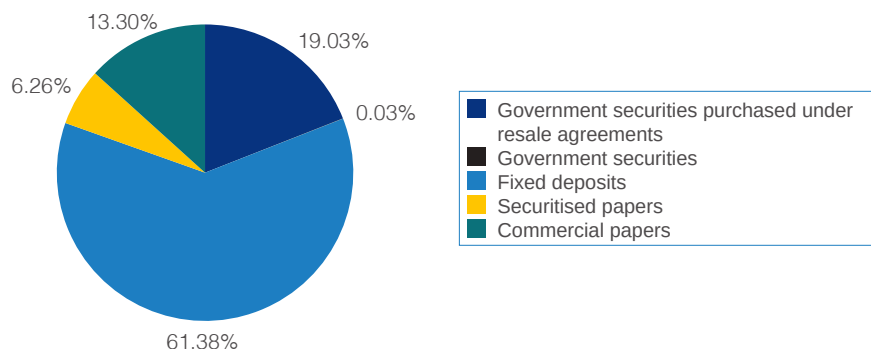
MANAGEMENT DISCUSSION AND ANALYSIS

FUND MANAGER'S REPORT

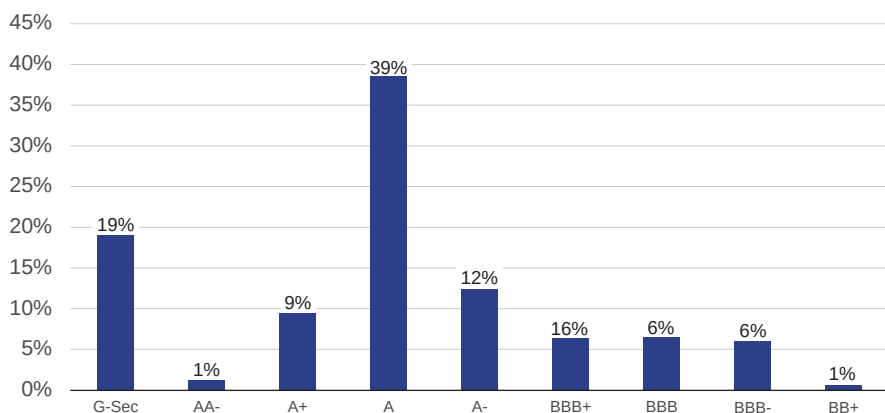
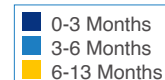
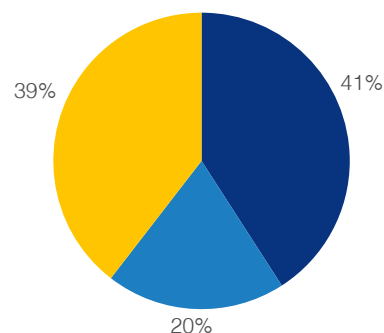
Period	Year to Date (1-April 2025 to 31-Mar 2026)	3 Months (1-Jan 2026 to 31-Mar 2026)	1 Month (1-Mar 2026 to 31-Mar 2026)
Annualised Fund Return	8.07%	8.10%	8.24%
Average Weighted Deposit Rate (AWDR)	6.86%	6.82%	6.83%

ASSET ALLOCATION AS AT 31 MARCH 2026

At the end of the reporting period, the Fund maintained a predominantly conservative investment portfolio, with 61% of assets invested in fixed deposits. The remaining assets were diversified into securities rated at and above investment grade, as illustrated in the accompanying credit profile chart.



Credit Profile as at 31 March 2026

Maturity Profile as at
31 March 2026

Given the prevailing macroeconomic conditions and interest rate environment, the fund will continue to focus on maximising returns through strategic allocations across high-quality asset classes, while carefully assessing the associated risk–return trade-offs. As a money market fund, it remains committed to preserving capital and maintaining adequate liquidity to meet investor redemption requirements in a timely manner.

Approximately 59% of the Fund's total investments have maturities between 3 and 13 months, while the remaining 41% are within the 0 to 3-month maturity range. This allocation strategy helps to effectively balance reinvestment risk amid fluctuating interest rates, while also ensuring that a significant portion of the portfolio can be repriced at current market rates. Additionally, the investments maturing within 0 to 3 months also meet the regulatory liquidity requirement for Money Market Funds, representing at least 20% of the fund's assets within one month period.

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 Bank of Ceylon.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL CAPITAL

Overview

Financial Capital represents the pool of financial resources managed by First Capital Money Market Fund (FCMMF), as part of its core value proposition to deliver professionally managed investment solutions.

MANAGEMENT APPROACH

FCMMF adopts a disciplined and prudent approach to managing financial capital. The Company ensures the responsible stewardship of investor funds by operating within established policies, regulatory requirements, and investment mandates that focus on disciplined portfolio management, prudent investment management and robust risk and management practices to support capital preservation. This is accompanied by continuous monitoring and proactive responses to market developments to optimise investment outcomes within the evolving financial landscape.

**Value Drivers****Income and Profitability****Asset and Liability Management****Cashflow and Liquidity Management**

Stakeholder Outcomes



- Customers: Ability to achieve their financial objectives through professionally managed investment solutions
- Regulators: Prudent stewardship of investor funds in adherence to regulatory requirements

Impact on other Capitals

Social and Relationship Capital

Strong financial performance and prudent stewardship of investor funds strengthen stakeholder confidence and builds trust



Intellectual Capital

Strong financial performance and stability enhance credibility and brand equity

Manufactured Capital

Financial strength supports investment in operational infrastructure, technology platforms, and digital capabilities that enhance service delivery, operational efficiency, and customer experience

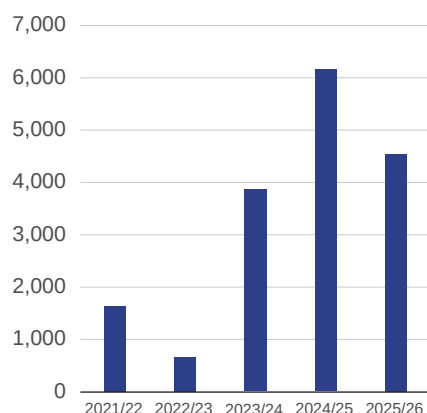
MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL CAPITAL

INCOME

Direct Income

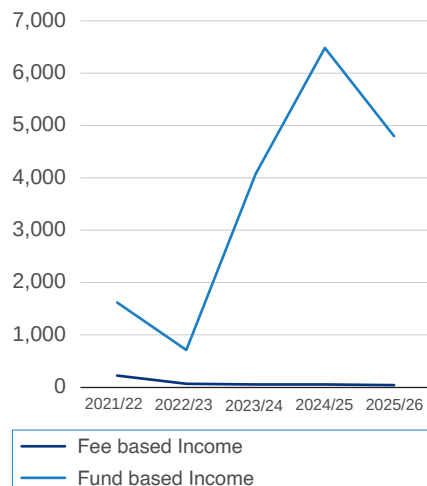
Rs. Mn



FCMMF recorded income of Rs. 4.8 Bn for FY 2025/26 compared to Rs. 6.5 Bn in the previous year, reflecting a decline of 26.2% that is attributed to evolving market conditions, most notably the declining the Assets Under Management (AUM) and interest rate environment.

Fee based to fund based income

Rs. Mn



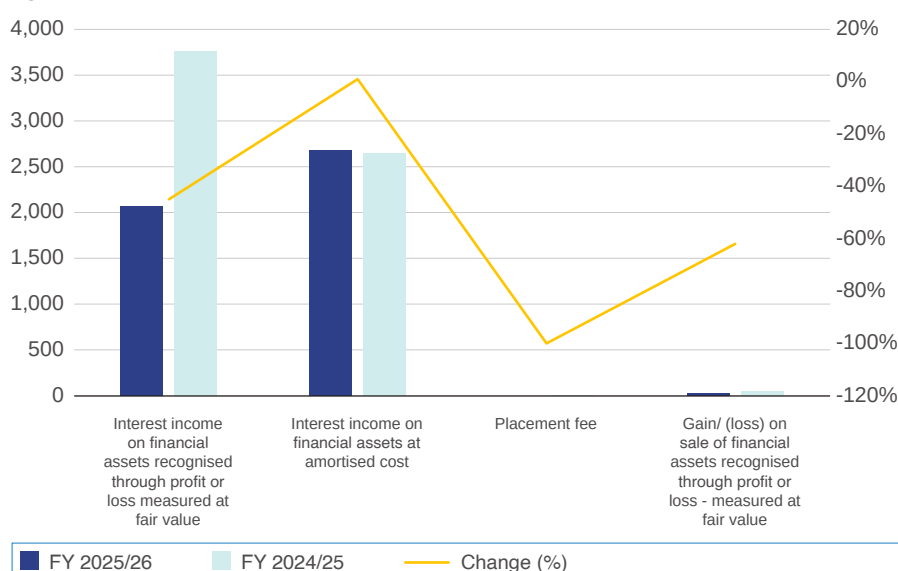
In contrast to the extraordinary market conditions experienced in the recent past, where yields on fixed income securities reached historically high levels of 30%, interest rates continued to normalise during FY 2025/26. This

created significant challenges for money market funds, as maturing investments had to be reinvested at comparatively lower yields, thereby reducing the income-generating capacity of investment portfolios and placing pressure on overall income levels.

Against this backdrop, AUM also came under pressure as investors began seeking alternative higher-yielding investment opportunities, including equity market instruments. Consequently, FCMMF's AUM declined progressively from approximately Rs. 70 Bn at the commencement of the year to Rs. 44 Bn as at 31 March 2026. The reduction in AUM in turn directly impacted income generation, given the fund management model is linked to the value of assets managed.

Sub component - Direct Income

Rs. Mn



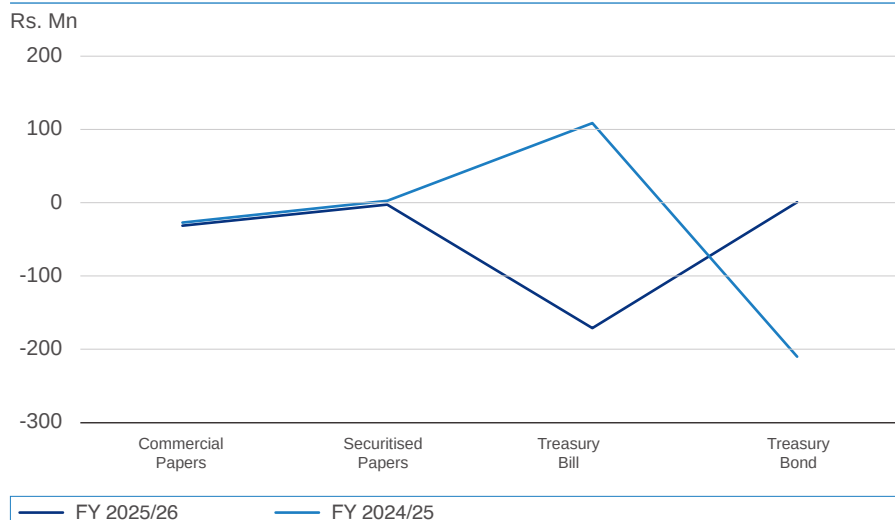
NET TRADING INCOME

Net trading income declined to Rs. 4.8 Bn in FY 2025/26 from Rs. 6.5 Bn in the previous year, reflecting the combined impact of the reduction in AUM and the lower yield environment, which impacted the ability to generate investment returns at levels comparable with the previous year.

LOSS ON FAIR VALUATION OF FINANCIAL ASSETS

FCMMF recorded a fair valuation loss of Rs. 206.2 Mn during FY 2025/26 compared to a loss of Rs. 124.6 Mn in FY 2024/25. The increase in the fair valuation loss was driven by volatility in the secondary fixed income securities market during the current year. Changes in market interest rates, coupled with uncertainties arising from global geopolitical developments, including tensions in the Middle East, influenced market yields and resulted in downward movements in the fair value of certain financial assets.

Gain / (Loss) on Fair Valuation of Financial Assets

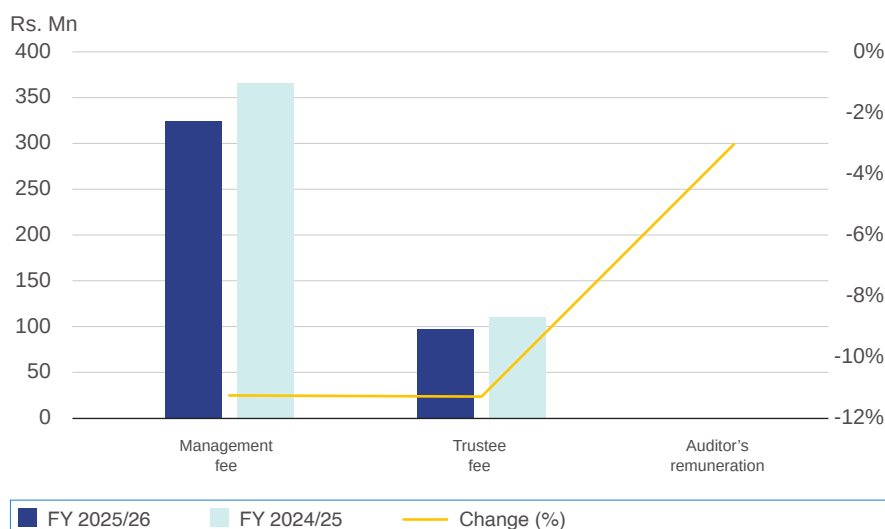


PROFITABILITY

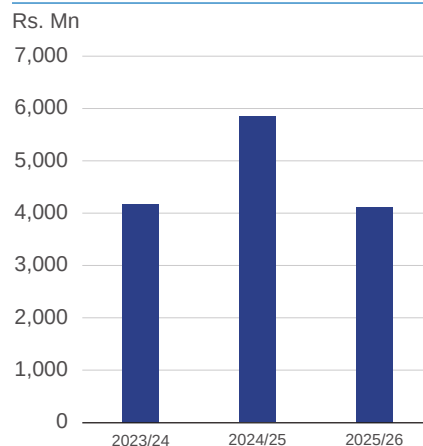
FCMMF recorded Profit after Tax of Rs. 4.1 Bn in FY 2025/26 compared to Rs. 5.9 Bn in the previous year, representing a decline of 29.7%. While the decline was largely the result of lower investment income alongside higher fair valuation losses during the year, disciplined investment management, and effective portfolio optimisation ensured profitability levels were on par with forecasts for the current year.

The income decline had a bearing on the cost-to-income ratio which increased to 8.93% in FY 2025/26, from 7.40% in the previous financial year.

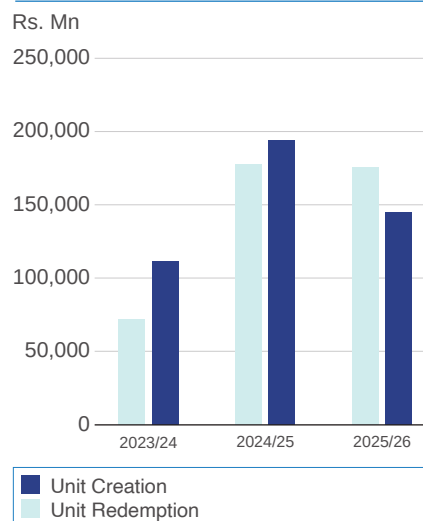
Operating Expenses



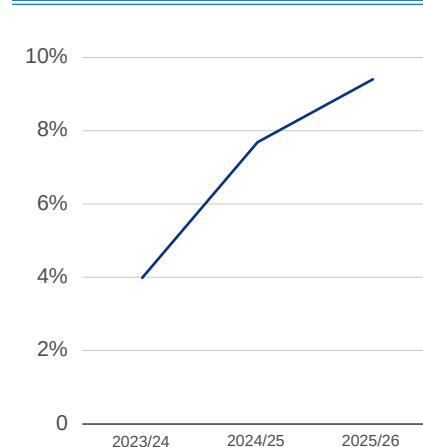
Profit before Tax



Unit Creation and Redemption movement



Cost to Income Ratio



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL CAPITAL

TOTAL ASSETS

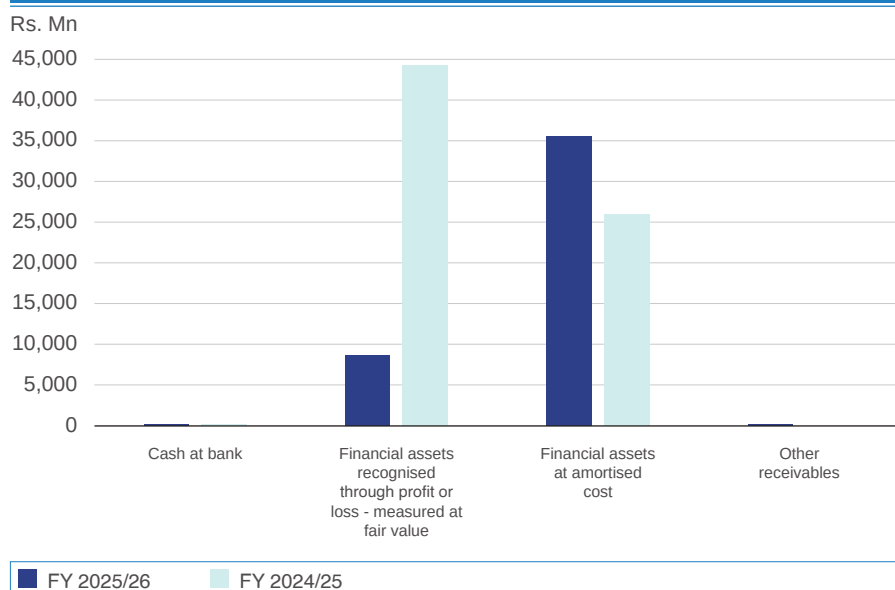
Total assets declined to Rs. 44.3 Bn as at 31 March 2026 from Rs. 70.5 Bn in the previous year, driven by the decline in AUM, which reduced from approximately Rs. 70.0 Bn to Rs. 44.0 Bn during the year.

Within the asset mix, cash balances as at 31 March 2026 also declined to Rs. 0.8 Mn as at end March 2026 from Rs. 3.7 Mn in the previous year in line with the lower operational cash requirements arising from the reduced scale of the Fund. Notably, FCMMF maintained adequate liquidity levels relative to its unitholder funds as mandated under applicable regulatory guidelines.

Financial assets measured at fair value declined significantly to Rs. 8.7 Bn from Rs. 44.4 Bn in FY 2024/25, indicative of changes in FCMMF's asset allocation strategy amidst the decline in AUM.

Financial assets at amortised cost increased significantly to Rs. 35.6 Bn from Rs. 26.0 Bn in the previous year. This was mainly due to the strategic shift in portfolio composition aimed at enhancing yields. During the year, FCMMF actively reviewed its investment mix in response to changing market conditions, with special emphasis on exploring alternative investment opportunities in light of the declining yields in government securities. Consequently, higher allocations were made towards fixed deposits and other higher-yielding investments as part of the risk-adjusted portfolio strategy.

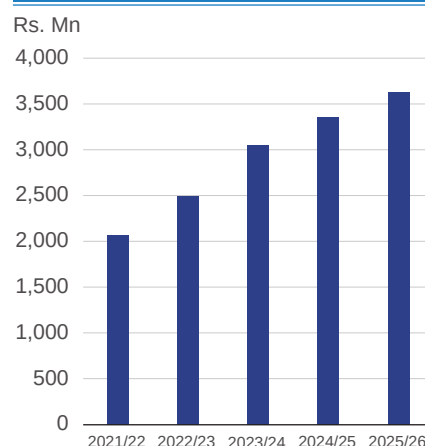
Sub component - Total Assets



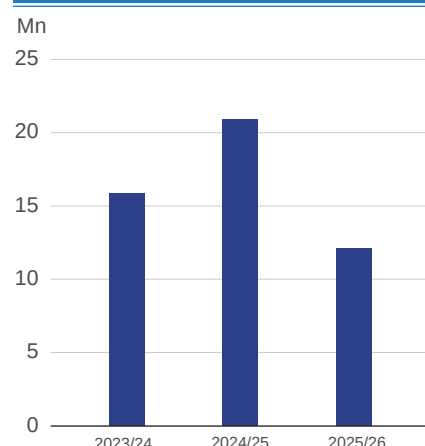
NET ASSET VALUE (NAV) PER UNIT

NAV per unit increased to Rs. 3,635.21 as at 31 March 2026 from Rs. 3,363.91 in the previous year, a testament to FCMMF's commitment to preserve and enhance unitholder value despite challenging market conditions.

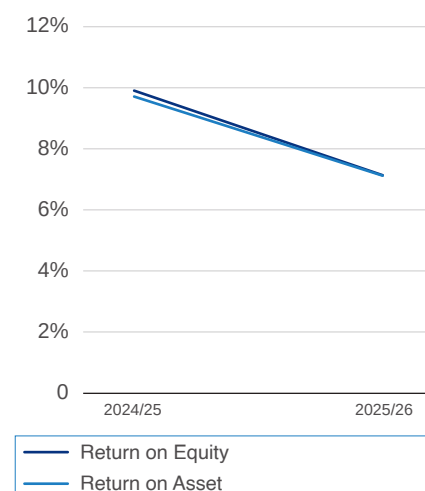
Net Asset Value per Unit



Number of Units



ROE and ROA



UNITHOLDERS FUND AND OTHER LIABILITIES

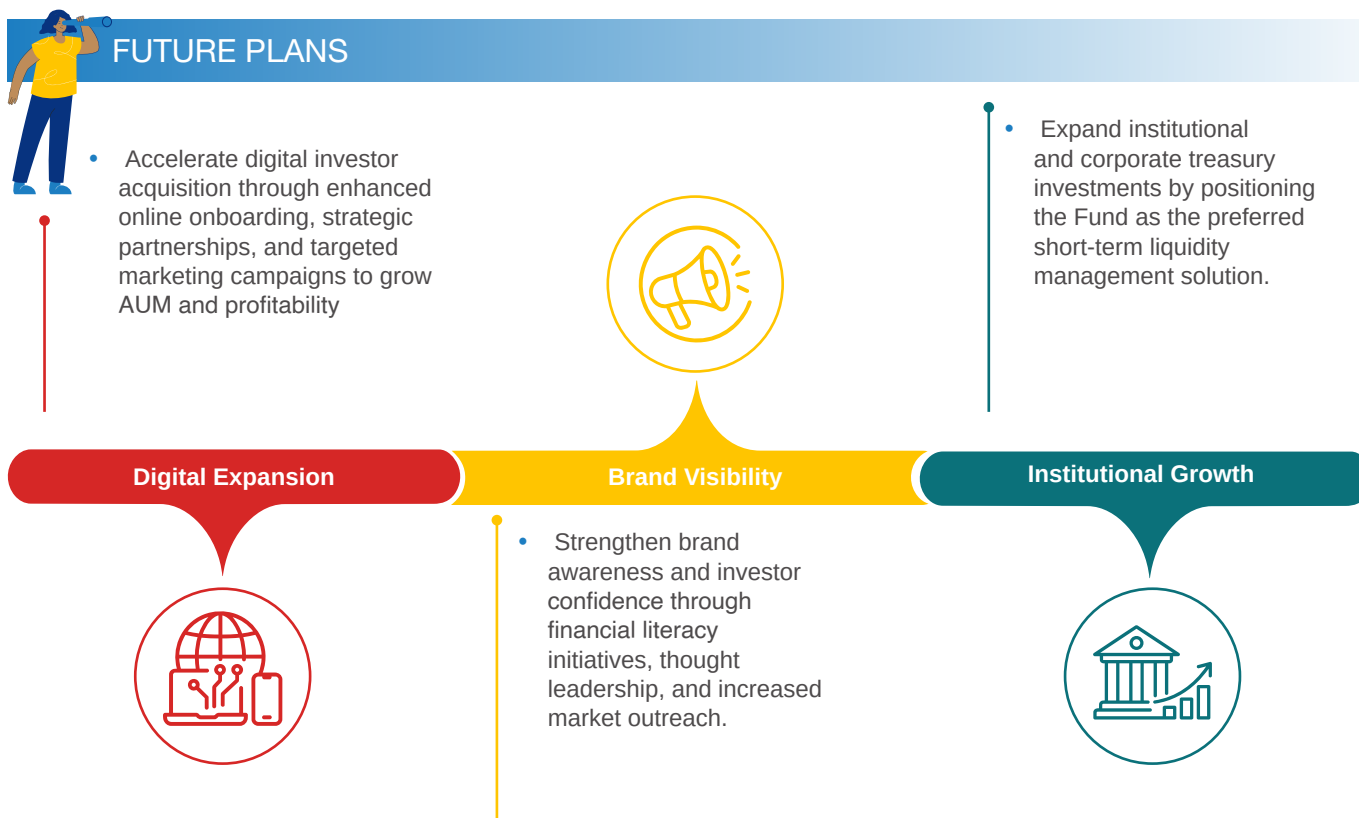
Net assets attributable to unitholders declined to Rs. 44.3 Bn from Rs. 70.4 Bn, reflecting the decline in AUM during the year stemming from redemption pressures arising due to investors to explore alternative investment avenues amidst the normalisation of interest rates in the current year. Similarly, lower operational obligations associated with the reduced scale of operations saw total liabilities decline to Rs. 29.9 Mn in FY 2025/26 from Rs. 53.7 Mn in the previous financial year.

FCMMF continued to maintain a zero-gearing position throughout the year, with no external borrowings utilised, underscoring the commitment to maintaining a prudent investment framework focused on protecting unitholder interests.

CASH FLOW AND LIQUIDITY

Cash flow generated from operations before working capital changes declined to approximately Rs. 4.3 Bn in FY 2025/26 compared to Rs. 6.0 Bn representing the impact of lower investment income generation and redemption-related outflows during the year. To meet unitholder redemption requirements, portions of government securities investments were realised, ensuring continued liquidity and smooth settlement of investor obligations.

Despite the challenging environment, FCMMF continued to maintain liquidity levels well above the statutory minimum requirement of 2.5% of unitholder funds, ensuring adequate availability of liquid assets to meet redemption obligations while maintaining investment efficiency.



MANAGEMENT DISCUSSION AND ANALYSIS

MANUFACTURED CAPITAL**Overview**

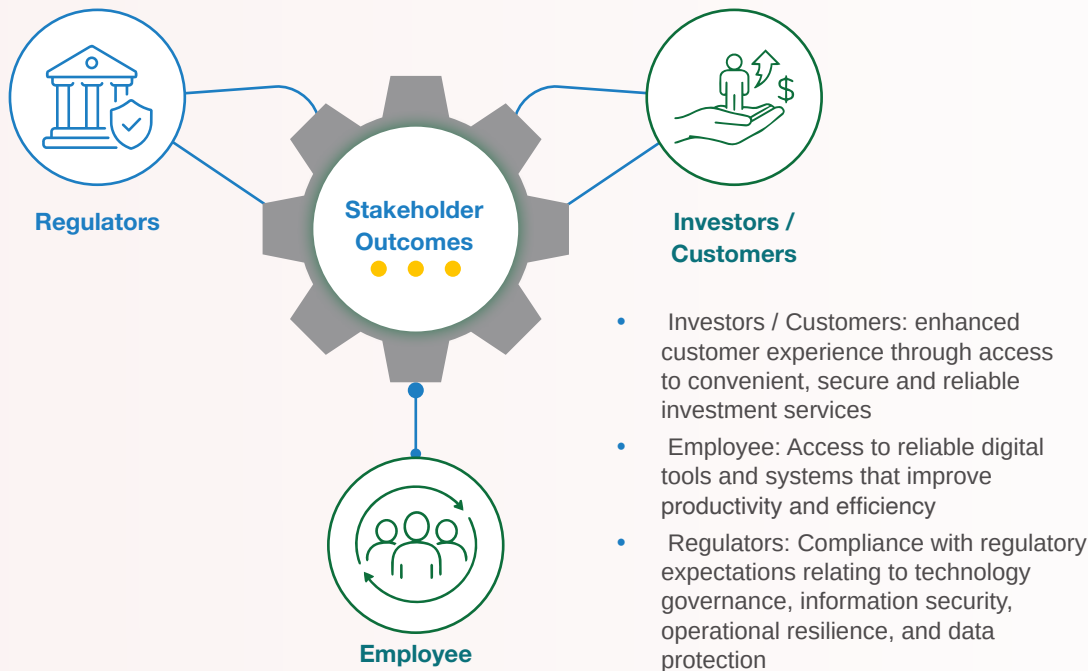
For FCMMF, Manufactured Capital primarily comprises its digital and technology-enabled assets that provide the underlying infrastructure for the core business activities as a unit trust manager.

MANAGEMENT APPROACH

Striving to build a robust and secure digital ecosystem aligned with its strategic objectives, evolving market dynamics, and regulatory expectations, FCMMF focuses on continuous enhancement of its digital infrastructure, technology capabilities, and information security systems to reinforcing trust and confidence in its services

**Value Drivers****Digital Channels****Digital Back-end Systems****Information Security Systems****Business Continuity Planning (BCP) and Disaster Recovery (DR) Systems**

Stakeholder Outcomes



Impact on Other Capitals

Financial Capital

Resilient digital infrastructure supports efficient operations, reduces operational disruptions, improves productivity, collectively contributing to improved financial performance.

Social and Relationship Capital

Secure and accessible digital channels strengthen investor trust and build customer loyalty.



Intellectual Capital

Technology platforms strengthen organisational knowledge management, data capabilities, process automation, and informed decision-making.

Natural Capital

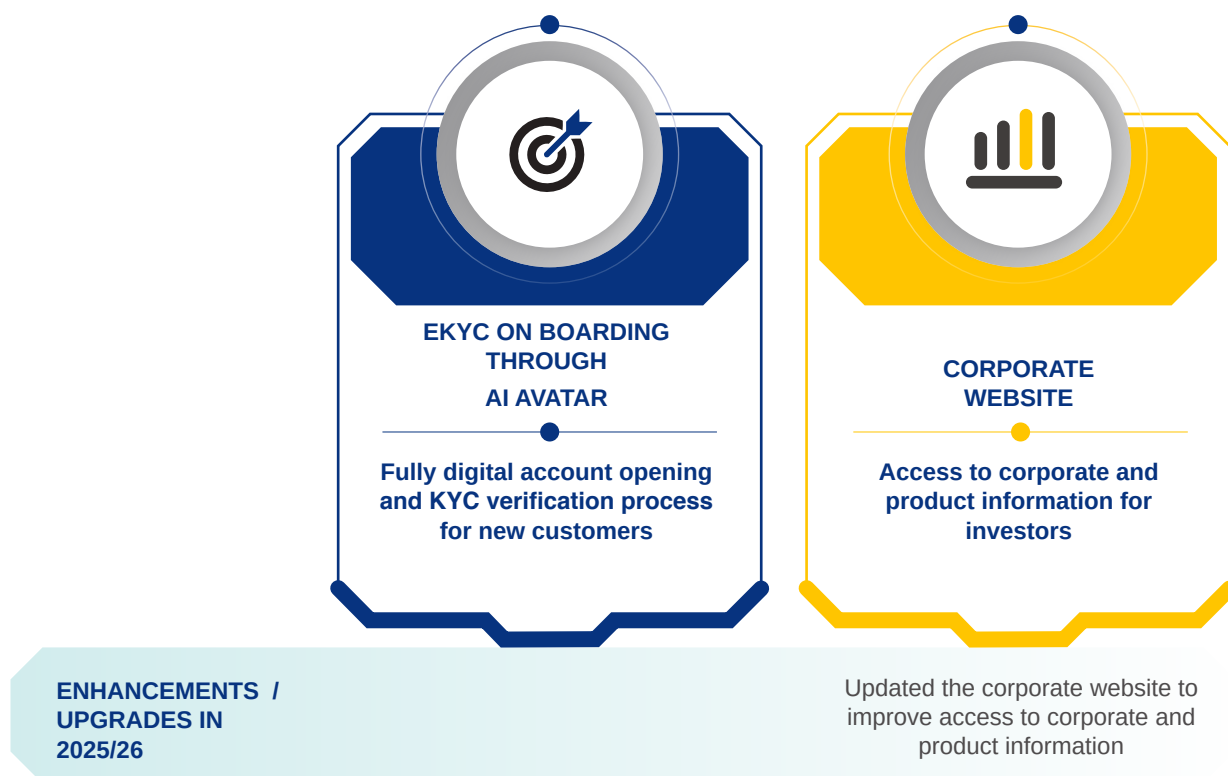
Increased digitalisation and automation improve resource efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

MANUFACTURED CAPITAL

DIGITAL CHANNELS

Digital front-end channels are central to FCMMF's operating model given that they serve as the primary conduit through which investors access and engage with the FCMMF throughout their investment journey, from account onboarding and transaction processing to portfolio access, account management, and customer support.



FCMM Digital Back-end Systems	
Unit Issuance Automation via RPA Process	Elimination of Manual work carried out by the Operations Team, in turn eliminating manual errors and reducing the Turn-around-Time (TAT) of the Unit issuance Process
Welcome email Automation via RPA Process	Elimination of Manual work carried out by Customer Service Team and enhances customer experience by ensuring same-day delivery of welcome emails. It also accelerates the customers' investment journey. By providing all essential information without delay, customers can begin investing as early as the next day
CRM Lead Generation Solution	Targeted customer acquisition and engagement based in data-driven insights
Company intranet	Centralised information Hub for Staff to promote better employee engagement

Given the highly regulated nature of the financial services industry, resilient back-end systems also play a critical role in safeguarding sensitive investor information and supporting regulatory reporting.

INFORMATION SECURITY SYSTEMS

As cyber threats continue to evolve in complexity and frequency, a resilient information security environment is a fundamental requirement for FCMMF to preserve the confidentiality, integrity, and availability of critical information assets, minimise operational and reputational risks, and maintain the trust and confidence of investors, regulators, and other stakeholders.

As part of the First Capital Holdings PLC Group, FCMMF operates under a Group-wide Information Security Management System (ISMS) certified under the ISO/IEC 27001:2022 Information Security Standard. A Board-approved Information Technology Policy Manual developed in line with ISO/IEC 27001:2022, containing a comprehensive suite of information security policies and standard operating procedures provides the basis for managing information security risks. These policies establish standardised control procedures covering user access management, incident response, secure device usage, patch management, asset management, data protection, and operational security. To ensure consistent implementation of these procedures, employees receive regular awareness programmes, internal workshops, and mandatory training on information security policies, ISO control requirements, cyber security risks, and their respective responsibilities in protecting information assets.

Implementation of the ISMS policy framework is closely monitored through established governance procedures and routine internal due diligence encompassing periodic health checks of critical IT infrastructure, including firewalls, servers, endpoint protection solutions, backup systems, Active

Directory configurations, network segmentation controls, and patch management processes. User access rights are also reviewed regularly to ensure that privileges remain appropriate and aligned with business requirements. In addition, security monitoring procedures include the review of Security Information and Event Management (SIEM) logs, validation of security alert mechanisms, testing of escalation protocols, and periodic verification of incident response and recovery procedures to ensure operational readiness.

The effectiveness of the Information ISMS is independently evaluated through the ISO/IEC 27001:2022 certification and annual surveillance audits which assess both the design and operating effectiveness of key information security controls. These audits verify that information security policies, standard operating procedures, risk assessments, asset registers, and related documentation remain current, effective, and aligned with the requirements of the international standard.

Additionally, the operational efficiency of procedural controls are also reviewed, including identity and access management, network security architecture, firewall configurations, physical security, encryption practices, vulnerability management, business continuity arrangements, supplier security, logging and monitoring, and secure configuration management. The audit also includes a review of supporting evidence such as system logs, configuration baselines, incident records, disaster recovery test results, and risk management documentation to confirm the effective implementation of established procedures.

Non-conformities, or opportunities for improvement revealed as part of the audit findings, are formally documented and managed through an established corrective action process. Responsibilities, remediation timelines, and follow-up reviews are assigned to ensure timely closure, while periodic surveillance audits verify the effectiveness of corrective actions and support the continual improvement of the Information Security Management System.

Furthermore, Vulnerability Assessments and Penetration Testing (VAPT) are conducted by independent cyber security specialists to identify and evaluate potential vulnerabilities across critical infrastructure components, including network architecture, firewalls, servers, web applications, application programming interfaces (APIs), and other technology assets.

Moreover as an entity operating within Sri Lanka's regulated financial services sector, the ISMS is also subject to regulatory reviews and supervisory examinations by the CBSL that assess the adequacy of security governance frameworks, disaster recovery capabilities, incident management processes, network resilience, and technology risk management practices in line with regulatory expectations.

MANAGEMENT DISCUSSION AND ANALYSIS

MANUFACTURED CAPITAL

Data Loss Prevention (DLP) Solution Implementation

A comprehensive Data Loss Prevention (DLP) solution was implemented in the current year to monitor, detect, and prevent the unauthorised transmission or exposure of confidential information across endpoints, email, network channels, and other digital platforms. The implementation resulted in the introduction of new information security policies and procedures, including revised Access Control and Privileged Access Management Procedures governing user provisioning, periodic access reviews, privileged account monitoring, and approval workflows for elevated system access. To enhance oversight, management dashboards and periodic compliance reports were introduced to monitor policy adherence, data classification accuracy, and DLP policy violations. Coordination between the Information Technology, Risk Management, and Compliance functions was also further strengthened to ensure timely investigation and remediation of identified deviations.

Establishment of a Formal Data Classification Framework

As part of ongoing efforts to enhance readiness to comply with evolving regulatory requirements, including the Personal Data Protection Act (PDPA), work began on establishing a formal Data Classification Framework with standardised classification criteria introduced to promote consistency across encryption standards, access permissions, data retention requirements, while Data Loss Prevention (DLP) policies were aligned with each classification level.

Technology Enhancements

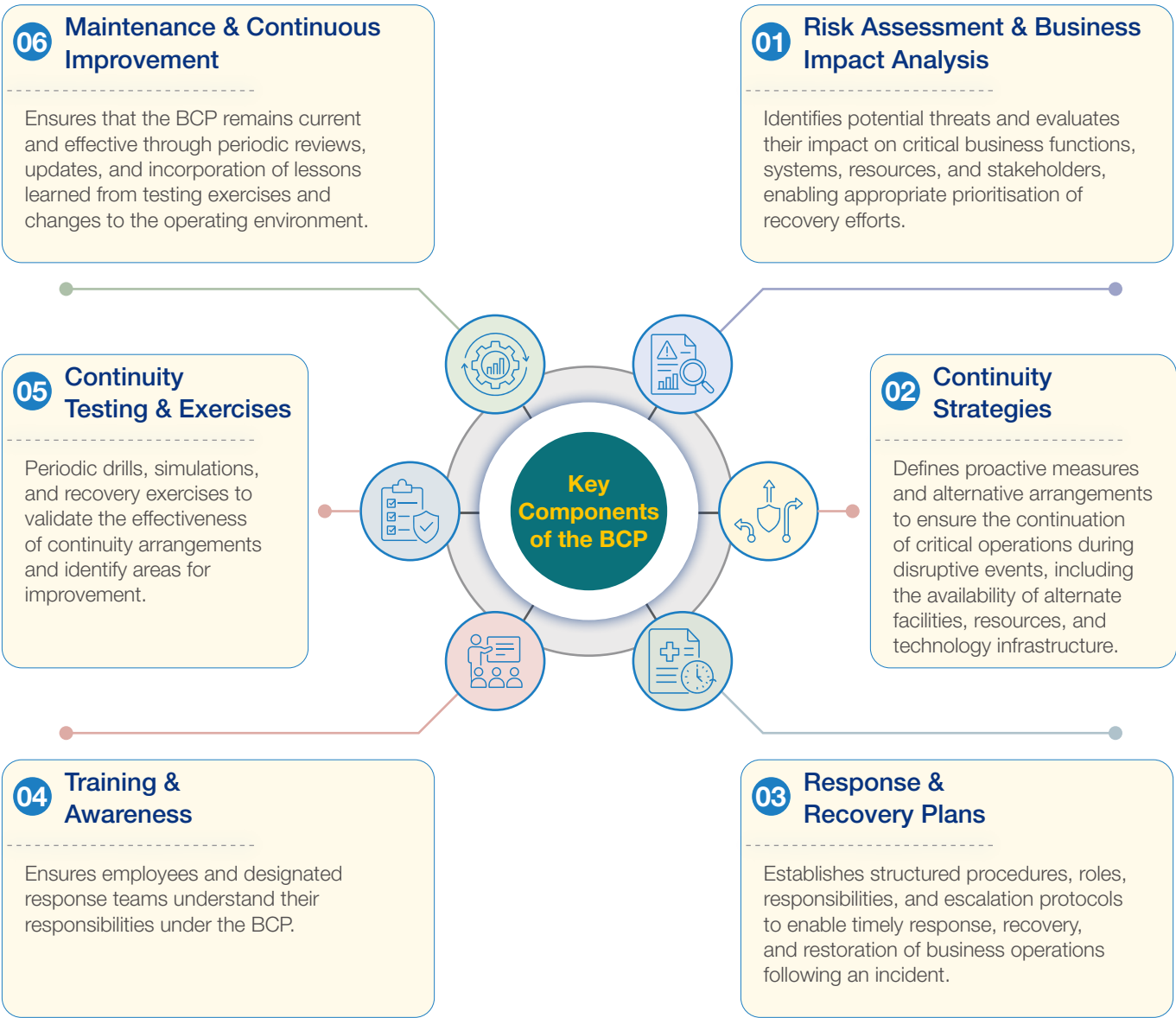
- Upgraded firewall operating systems to the latest stable firmware, strengthening threat prevention, malware protection, intrusion prevention, and advanced threat detection capabilities.
- Updated Windows and Linux operating systems, middleware platforms, web servers, and database environments to address identified vulnerabilities and improve system security.
- Enhanced endpoint protection solutions with updated antivirus and Endpoint Detection and Response (EDR) capabilities to improve behavioural analysis and ransomware protection.
- Strengthened SSL/TLS configurations, upgraded digital certificates, disabled obsolete encryption protocols, enhanced web server configurations, and refined Web Application Firewall (WAF) policies.
- Expanded Multi-Factor Authentication (MFA) requirements for remote access, privileged accounts, and critical administrative systems to strengthen identity security.

Strengthening System Controls

- Strengthened firewall change management procedures through enhanced approval workflows, risk assessments, business justifications, and periodic firewall rule reviews.
- Enhanced backup and restoration procedures covering backup schedules, data retention requirements, encryption standards, and mandatory quarterly restoration testing.
- Improved vulnerability assessment processes through risk-based prioritisation, timely deployment of security patches, structured vulnerability reporting, and enhanced management oversight.
- Updated incident response procedures to strengthen incident classification, escalation protocols, communication processes, and post-incident review mechanisms.
- Expanded security monitoring by strengthening log collection, correlation rules, and alert thresholds across firewalls, servers, applications, and other critical infrastructure.

BUSINESS CONTINUITY PLANNING (BCP) AND DISASTER RECOVERY (DR) SYSTEMS

As a unit within the First Capital Holdings PLC Group, FCMMF operates under the Group's Business Continuity Plan (BCP) framework. A comprehensive Business Continuity Plan which establishes the governance and response framework covering people, processes, technology, and infrastructure, is in place and is managed under the custody of a dedicated Business Continuity Management Team and Crisis Management Team, responsible for managing potential disruptions and coordinating recovery activities.



MANAGEMENT DISCUSSION AND ANALYSIS

MANUFACTURED CAPITAL

During FY 2025/26, the BCP framework was reviewed to ensure continued relevance and effectiveness. No material changes were required to the plan, other than updates to responsible teams arising from employee resignations and new appointments to ensure that roles and responsibilities remained accurately reflected.

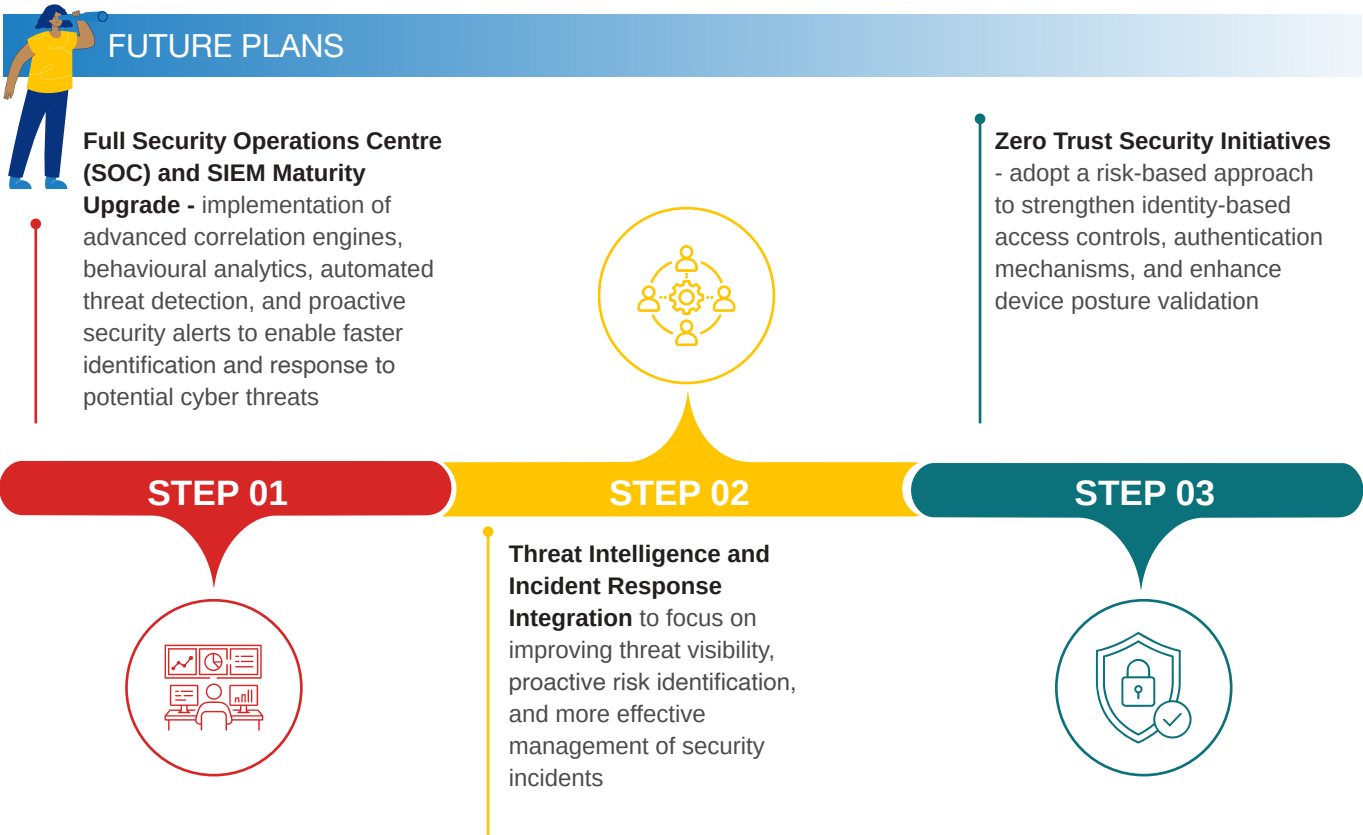
Disaster Recovery (DR) forms an integral component of the broader Business Continuity framework by providing the technological capability required to restore critical systems, applications, and data following a disruptive event. While the BCP provides the overall governance structure for maintaining business continuity, the DR environment specifically supports the recovery of digital infrastructure, ensuring minimal downtime, reduced data loss, and the timely restoration of critical technology-enabled services.

FCMMF maintains a dedicated Disaster Recovery site located at the 1 Floor, Bishop's Gate Building, 338, T.B. Jayah Mawatha, Colombo 10, equipped with the required infrastructure and facilities to support business recovery operations. Periodic DR assessments are conducted to validate the adequacy of During FY 2025/26, FCMMF further strengthened its DR capabilities through the implementation of an enhanced server replication and failover mechanism between the Head Office and Disaster Recovery sites. Under the enhanced configuration, once a failover process is initiated, designated critical servers are automatically brought online at the DR environment. Simultaneously, replication is reversed to ensure continuous synchronisation of data from the DR site back to the Head Office environment throughout the exercise period. This enables seamless failback to the primary environment without requiring manual data restoration and ensures data integrity throughout the recovery process.

Compared to the previous recovery process, which involved multiple manual steps, the enhanced infrastructure has simplified DR procedures, requiring minimal intervention primarily through DNS configuration changes. This has resulted in faster recovery validation, improved reliability, reduced operational complexity, and enhanced readiness to respond to potential disruptions.

During the year, two mandatory DR drills were conducted in accordance with the Business Continuity Planning Guidelines No. 01/2006 issued by the Central Bank of Sri Lanka (CBSL). The primary drill was conducted on 19 June 2025 at the Disaster Recovery (DR) site located at the Janashakthi Insurance Building, 2 Floor, No. 75, Kumaran Ratnam Road, Colombo 02, under the independent observation of the Sri Lanka Computer Emergency Readiness Team (Sri Lanka CERT|CC). The exercise successfully validated the organisation's recovery capabilities, and no observations were raised by the external observer.

An additional BCP drill was conducted on 27 November 2025 at the primary site located at No. 02, Deal Place, Colombo 03.



MANAGEMENT DISCUSSION AND ANALYSIS

INTELLECTUAL CAPITAL**Overview**

Intellectual Capital comprises the unique attributes, including FCMMF's reputation, collective knowledge, expertise and internal systems as well as partnerships that enable effective investment management and value creation.

MANAGEMENT APPROACH

FCMMF's approach to managing Intellectual Capital largely mirrors the ethos of the First Capital Holdings PLC Group, which focuses on building a trusted and credible brand, and developing institutional capabilities to maintain market relevance and in turn strengthen competitive positioning.

**Value Drivers**

Reputation and Market Influence



Institutional knowledge



Business Conduct and Ethics



Standards and Certifications



Strategic Partnerships

Stakeholder Outcomes



- Investors / Customers: access to informed investment solutions supported by market expertise, research capabilities, and professional fund management practices
- Employee: Enhanced technical expertise, professional growth opportunities, continuous learning, and knowledge-sharing platforms that strengthen individual capabilities and career development
- Business Partners: Access to opportunities for collaboration and share growth
- Community: Increased financial awareness and improved access to investment knowledge through educational initiatives, supporting greater participation in capital markets



Impact on Other Capitals

Financial Capital

Higher investor participation in capital markets creates the foundation for sustained income generation over time



Manufactured Capital

Better utilisation and enhancement of digital platforms, systems through knowledge-driven improvements

MANAGEMENT DISCUSSION AND ANALYSIS

INTELLECTUAL CAPITAL

REPUTATION AND MARKET INFLUENCE

FCMMF has established itself as one of Sri Lanka's leading fund management institutions with a current rank among the country's top three fund managers by assets under management and managing the second-largest money market fund.

The Company's reputation and credibility is built on a clear value proposition centred on professional fund management, disciplined risk management, and consistent investment performance. Supported by an experienced team of investment professionals, FCMMF actively monitors market developments and manages portfolios within clearly defined investment mandates, balancing risk and return objectives while preserving investor capital.

The Company's strong market position and influence within Sri Lanka's investment management industry are further reinforced by its association with the First Capital Holdings (FCH) PLC Group, a recognised and trusted name in Sri Lanka's financial services sector. The strength of the FCH brand which has been consolidated through decades of market expertise, credibility, and customer trust, provides FCMMF with a strong foundation to engage investors, enhance market confidence, and strengthen its competitive positioning.

FCMMF continues to further reinforce its position as a trusted knowledge partner within Sri Lanka's capital market ecosystem, through its role in investor education. Longstanding initiatives such as the InvestED programme coupled with regular market commentaries, educational webinars and thought leadership initiatives that focus on promoting financial literacy, with the ultimate goal of increasing both its market presence and influence. In addition, FCMMF signed a Memorandum of Understanding (MoU) with the University of Kelaniya to conduct a Professional Fund Management Short Course for students, further strengthening its commitment to developing future investment professionals and enhancing financial market knowledge among the next generation.

Throughout FY 2025/26, FCMMF continued with targeted initiatives to further strengthen its market position as Sri Lanka's leading investment institution

	Brand Development Initiatives Undertaken During FY 2025/26
Accelerating Digital Transformation	Introduction of Smart Assisted onboarding platform for investors. Simplified account opening processes. Introduction and enhancement of online investment management tools.
Strengthening Investor Engagement	Dissemination of timely market insights through educational videos. Investor engagement via WhatsApp channel. Publication of research reports and market commentaries. Development of educational digital content to support informed investment decisions.
Expanding Brand Visibility and Trust	Implementation of an integrated marketing and communications strategy. Increased engagement through digital platforms and social media. Strategic partnerships and public relations initiatives.
Promoting Financial Literacy to drive greater participation in capital markets	Expansion of the InvestED programme through partnerships with universities and higher educational institutions. Development of educational videos explaining investment concepts. Publication of market explainers and investment guides Multilingual investor communications to improve accessibility. Simplification of investment information for new and existing investors.
Strengthening Industry Thought Leadership to increase awareness of investment opportunities	Hosting of the Investor Symposium to share insights on economic trends, market outlook, and investment strategies. Conducting the Mid-Year Outlook Forum. With the participation of economists, industry experts, and investment professionals.



TAGS Awards

Best Annual Report for Unit Trust Funds (FCMMF)

Gold Award



CFA Society Sri Lanka Capital Market Awards

Best Unit Trust Fund (Bronze) – First Capital Money Market Fund

Bronze Award

INSTITUTIONAL KNOWLEDGE

Given FCMMF's business model as an investment manager, strong institutional knowledge is a critical intangible asset that underpins its operational credibility. Hence, developing and retaining institutional knowledge built over time through experience and insights gained from managing investment portfolios across varying market cycles, navigating changing economic environments, and responding to evolving regulatory requirements, remains a key priority.

To preserve and strengthen its institutional knowledge, FCMMF invests in continuous professional development of its team through structured technical training, regulatory and compliance programmes, industry certifications, workshops, and participation in market forums. Moreover, experienced professionals play an important role in mentoring and coaching junior employees to facilitate the transfer of technical expertise, and practical experience to help preserve critical institutional knowledge within the organisation.

BUSINESS CONDUCT AND ETHICS

As a custodian of investors' funds, the highest standards of business conduct, integrity, transparency, fairness, and accountability are essential to maintaining investor confidence, protecting stakeholder interests, and preserving the integrity of Sri Lanka's capital markets. In this regard, FCMMF is fundamentally guided by the core values of its parent, First Capital Holdings PLC, which provide the foundation for responsible decision-making and foster a culture of professionalism, accountability, respect, and ethical leadership across the organisation.

Additionally, the FCH Group conduct framework establishes clear expectations for ethical behaviour, responsible business practices, and compliance with applicable legal and regulatory requirements.

Code of Conduct

The Code of Conduct which serves as the cornerstone of FCMMF's ethical governance framework, establishes the standards of behaviour expected of all employees and is built around three key pillars:

- **Market Conduct** – promoting fair dealing, prioritising client interests, ensuring market integrity, and maintaining the highest standards of professional conduct in all investment and business activities.

- **Personal Conduct** – fostering a respectful, inclusive, and professional workplace while encouraging employees to speak up whenever unethical behaviour or misconduct is observed.
- **Societal Conduct** – ensuring the organisation manages its broader economic, social, and environmental impacts responsibly while acting as a responsible corporate citizen.

During FY 2025/26, the Code of Conduct was updated with several new policies introduced under the Personal Conduct pillar. An Office Conduct Policy was introduced to promote a professional, respectful, and productive workplace by establishing clear standards of behaviour and workplace practices. A Religious Activities Policy was also implemented to foster an inclusive work environment that respects diversity while ensuring harmony and equal treatment. In addition, the Conflict of Interest Policy (under the Market conduct pillar) was revised to incorporate formal procedures governing blackout periods relating to securities in which First Capital intends to invest, further strengthening governance, market integrity, and regulatory compliance.

Anti-Bribery and Anti-Corruption

In line with the FCH Group approach, FCMMF maintains a zero-tolerance approach towards bribery and corruption which is enforced through the Anti-Bribery and Anti-Corruption (ABC) Policy. The ABC policy clearly defines prohibited practices, including bribery, kickbacks, facilitation payments, and inappropriate gifts or hospitality, while outlining the responsibilities of Directors and employees in preventing and identifying corrupt practices. The policy applies to all employees and Directors without exception and is supported through regular awareness programmes and training sessions that reinforce ethical decision-making and compliance with applicable anti-corruption laws and regulations.

MANAGEMENT DISCUSSION AND ANALYSIS

INTELLECTUAL CAPITAL

Whistleblowing Policy

The FCH Group Whistleblowing Policy provides employees and other stakeholders with a confidential and anonymous mechanism for reporting suspected misconduct, unethical behaviour, financial irregularities, weaknesses in internal controls, or any other matters requiring independent investigation. All reports are reviewed by the Chairperson of the Audit Committee, ensuring appropriate independence and oversight throughout the investigation process.

Individuals who raise concerns in good faith are kept informed of the progress of investigations where appropriate, while strict confidentiality is maintained to ensure whistleblowers are protected from retaliation throughout the investigation process. The Whistleblowing Policy is made readily accessible to employees through the Company's intranet, while regular awareness sessions are conducted to strengthen understanding of the reporting process and reinforce a culture of openness.



RESPECT

Treat others with dignity and fairness. Respect everyone's time, space, and options, even if they differ. Foster a safe, inclusive environment that empowers growth.



PERFORMANCE DRIVEN

Maintain a consistently high level of quality across all of your work and deliver results on all your commitments.



COLLABORATION

Always work as one team across all functions to deliver the best possible experience to our stakeholders.



INTEGRITY

Uphold the highest ethical standards, honesty and transparency while balancing the interest of all our stakeholders in a fair and equitable manner.



INNOVATION

Embrace curiosity, challenge the ordinary, and create extraordinary solutions. Together, let's drive progress in a changing world.



Signatory of



During the year, FCMMF achieved the distinction of becoming the first investment company in Sri Lanka to become a signatory to the United Nations-supported Principles for Responsible Investment (UN PRI), reflecting the Company's commitment to advancing responsible investment practices and integrating environmental, social, and governance (ESG) considerations into its investment decision-making and ownership practices.

Becoming a **UN PRI signatory** further reinforces FCMMF's position as a responsible and forward-looking fund manager committed to enhancing transparency and accountability in investment activities and supporting the development of a more sustainable investment ecosystem in Sri Lanka.



Investing Responsibly.
Building a Sustainable Future.

STANDARDS AND CERTIFICATIONS

The voluntary adoption of internationally recognised standards and certifications provide a strong foundation for embedding best practices within the day to day operations, thereby enhancing transparency and accountability across the organisation as well as improving the reliability and quality of its services, and strengthening its reputation as a trusted and responsible fund manager in an increasingly competitive and highly regulated financial services environment.

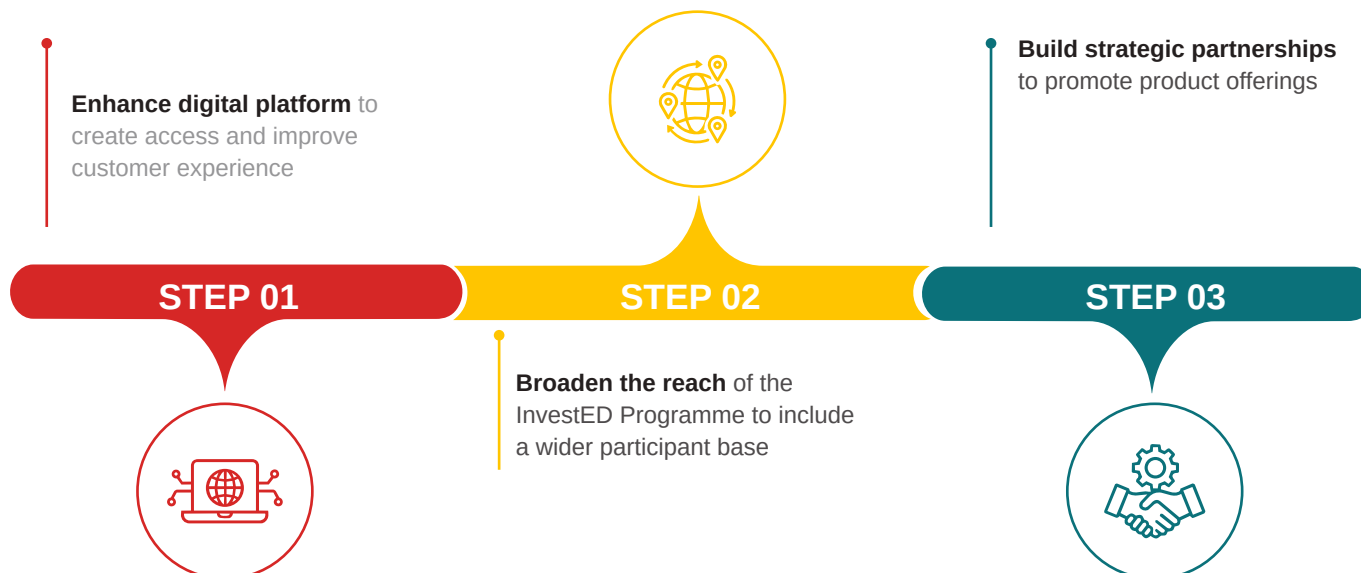
STRATEGIC PARTNERSHIPS

Strategic partnerships play an important role in strengthening FCMMF's capabilities and commitment to fostering greater participation in Sri Lanka's capital markets. Collaborating with academic institutions and professional bodies, have proven to be vital in enabling FCMMF to developing a more mature investor base in order to support the long-term sustainability of Sri Lanka's investment ecosystem.

Key Partnerships

- University of Kelaniya – Department of Finance - An ongoing partnership aimed at supporting knowledge sharing and financial education initiatives while providing students with greater exposure to investment concepts and industry practices.
- University of Sri Jayawardenepura – Department of Engineering - An ongoing partnership through which FCMMF delivers an introductory course on investments, expanding awareness of financial markets and investment principles among students from diverse academic disciplines.
- CFA Society Sri Lanka- An ongoing effort to develop educational short courses focused on the fundamentals of investing, contributing towards improved investment knowledge and financial literacy among participants.

FUTURE PLANS



MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN CAPITAL**Overview**

As a service-oriented organisation, the knowledge, experience, and capabilities of employees, collectively representing FCMMF's Human Capital, serves as the lifeblood of the Company.

MANAGEMENT APPROACH

FCMMF's approach to managing Human Capital focuses on attracting, retaining, and developing a capable and high-performing workforce that is aligned with the Company's strategic objectives and consistent with the broader objectives of the FCH Group.

**Value Drivers**

**HR
Governance**



**Strategic
Recruitment**



**Remuneration
and Benefits**



**Performance
Management**



**Training and
Development**

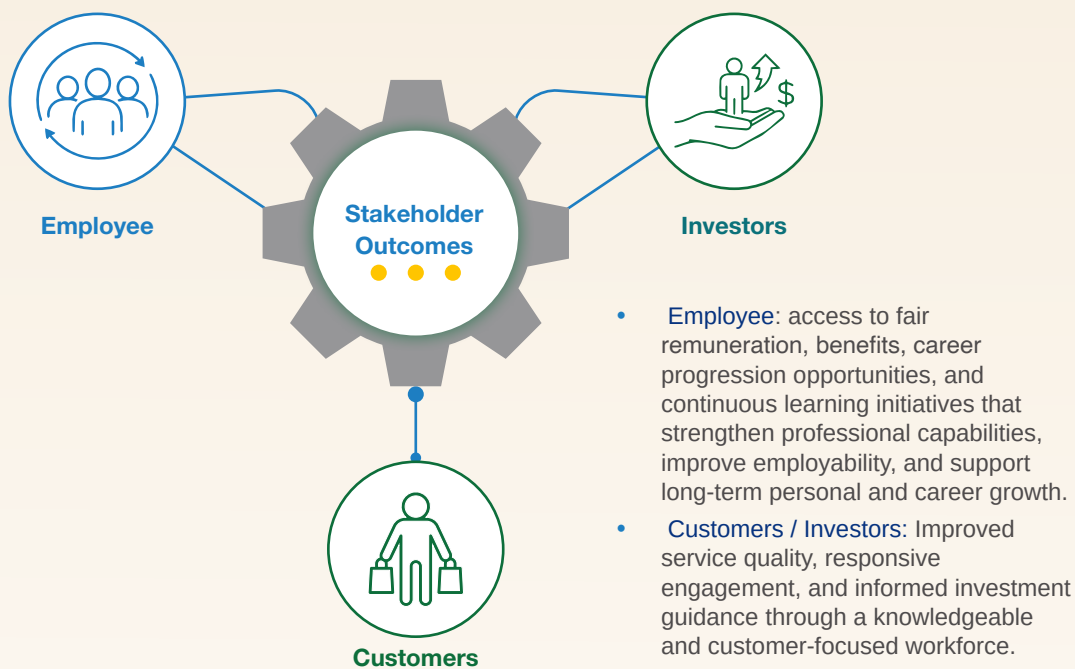


**Safety and
Wellbeing**



**Communication
and
Engagement**

Stakeholder Outcomes



Impact on Other Capitals

Financial Capital

A highly skilled and experienced workforce contributes to steady income generation and stronger overall business performance.

Social and Relationship Capital

A capable and engaged workforce strengthens relationships and builds loyalty with customers / investors.



Intellectual Capital

Investments in learning, knowledge sharing, and employee development strengthen institutional knowledge.

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN CAPITAL

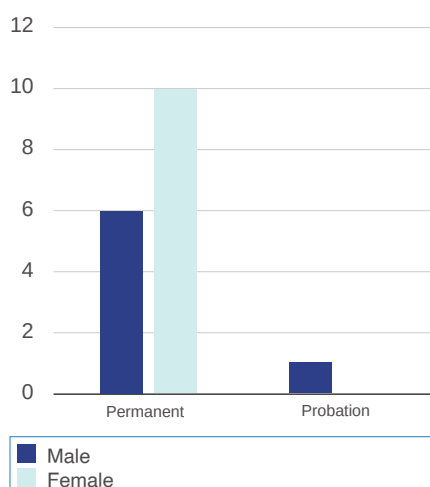
Employee Statistics		FY 2025/26		
Employees by Type		Male	Female	Total
Permanent		06	10	16
Probation		01	-	01
Total		07	10	17

Employees by Age and Gender		Male	Female	Total
18 - 30 Years		03	08	11
31 - 55 years		04	02	06
Total		07	10	17

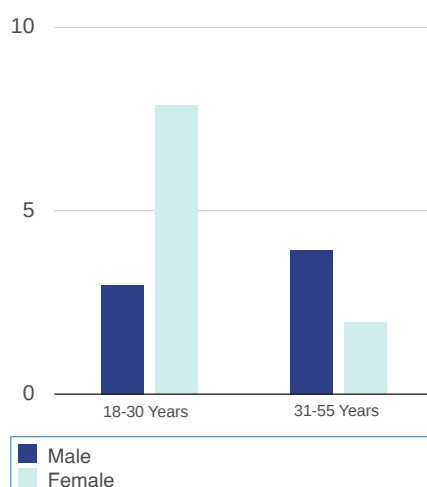
Employees by Region and Gender		Male	Female	Total
Western Province		07	10	17

Employees by Category and Gender		Male	Female	Total
Senior Management		01	-	01
Middle Management		02	01	03
Executive		04	09	13
Total		07	10	17

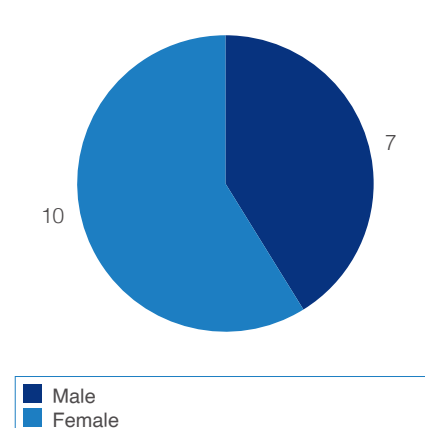
Employees By Type- FY 2025/26



Employees by Age and Gender



Gender Diversity



HR GOVERNANCE

FCMMF benefits from the mature Human Resources governance framework established by the FCH Group. Developed in alignment with applicable regulatory requirements, labour laws, and global best practices, these policies and procedures provide clear guidance across key areas of employee management, including recruitment, remuneration, performance management, learning and development, employee engagement, workplace conduct, and employee wellbeing. The framework is subject to periodic reviews to ensure that HR practices remain relevant, compliant, and responsive to evolving organisational and regulatory requirements.

Recruitment

- Recruitment process
- Internal job posting
- The referral system
- Call back interviews
- Policy on rehiring terms



Remuneration

- | | |
|-------------------------------------|---|
| • Remuneration and benefits policy | • Staff distress loan |
| • Leave policy for employees | • Extension after retirement |
| • Policy for staff housing loans | • Gratuity EPF /ETF continuation after 60 |
| • Policy for staff vehicle loans | • Sports and welfare club |
| • Examinations reimbursement policy | |
| • Educational assistance scheme | |
| • Professional subscription policy | |

Performance Management

- Performance development plan
- Cross exposure procedure
- Employee secondment
- Transfer procedure
- Job rotation policy
- Probationary evaluation



MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN CAPITAL

Training and Development

- Knowledge sharing sessions

**Workplace Conduct**

- Dress code policy
- Friend@work policy
- Induction and orientation Programme
- Office relationships
- Information technology end user policy
- Code of conduct
- Disciplinary actions
- Gift declaration policy
- Internal notifications Policy
- Categories of employment
- Employment of differently abled individuals
- Office conduct policy (implemented in FY 2025/26)
- Religious activities policy (implemented in FY 2025/26)
- DEI policy (implemented in FY 2025/26)

Safety and Wellbeing

- Flexi working hours policy
- Staff medical / life insurance
- Work from home policy
- Hospitalisation
- Personal procedure accident insurance cover
- Critical- illness cover
- Policy on external work (implemented in FY 2025/26)

**Communication and Engagement**

- Focus group meetings
- Suggestion scheme
- Skip level meetings
- Grievance handling procedure
- Whistleblowing policy
- Employee separation / cessation policy



STRATEGIC RECRUITMENT

Strategic recruitment is fundamental to FCMMF's ability to maintain the specialised expertise, technical capabilities, and professional judgement required to operate as a leading fund management institution. Given the nature of the business, where professional judgement depends heavily on the specialised expertise and technical capabilities of its people, FCMMF places strong emphasis on attracting individuals with the appropriate qualifications, industry expertise, and alignment with the Company's values.

As a regulated financial services organisation, FCMMF also recognises the importance of appointing individuals who possess a strong understanding of ethical conduct, fiduciary responsibilities, and regulatory obligations. As such, the Company follows the established recruitment framework of the FCH Group, where vacancies are notified internally to enable existing employees to apply and also advertised publicly in order to access a wider talent pool. To ensure appointments are made based on capability, integrity, and suitability for the role, the recruitment process involves stringent candidate evaluations, competency assessments, interviews, reference checks, and regulatory approvals where applicable.

In line with best practices adopted by the FCH Group, all new recruits undergo structured orientation programmes designed to reinforce the shared commitment to excellence, integrity, and responsible financial stewardship, from the outset of the employee's journey.

Employee Movement		FY 2025/26		
New Hires by Gender	Male	Female	Total	
	01	04	05	

New Hires by Age and Gender	Age Group	Male	Female	Total
	18 - 30 Years	01	04	05

New Hires by Region and Gender	Region	Male	Female	Total
	Western Province	01	04	05

Employee Turnover- 11.76%

REMUNERATION AND BENEFITS

Given the highly competitive nature of Sri Lanka's financial services sector, attracting and retaining skilled professionals remains a key priority for FCMMF. In this regard, the FCH Group Remuneration and Benefits Policy, which is guided by the principles of meritocracy, internal equity, and external competitiveness, provides the foundation for ensuring compensation decisions are aligned with employees' skills, qualifications, experience, performance, and the complexity and responsibilities associated with their roles.

The policy further provides clarity regarding salary scales across different job grades which are benchmarked against market conditions and periodically reviewed to ensure continued competitiveness. Likewise, cash allowances and other monetary benefits are also structured in line with industry practices and appropriate benchmarks.

FCMMF is further committed to maintaining pay equity across the organisation by ensuring that employees performing roles of comparable value are compensated fairly regardless of gender or other non-performance-related factors. Underlining the principle of equal pay for equal work, FCMMF strives to maintain a 1:1 pay equity ratio across all employee categories.

Employee salaries are reviewed annually at a time determined by management, with reviews generally conducted in April. Salary adjustments are considered based on factors including individual performance, market movements, internal equity, and the Company's overall business performance.

In addition to monetary compensation, FCMMF provides a range of non-cash benefits based on employee grade,

Employee Benefits

Performance-Based Incentives & Bonuses

- Performance-based Bonus scheme

Allowances & Perquisites

- Housing/vehicle and educational loan facilities
- Professional subscriptions
- Distress loans

Welfare

- Club memberships
- Medical insurance cover for employees
- Reimbursement for travel
- Benefits provided as welfare

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN CAPITAL

seniority, role requirements, and business needs. These benefits are designed to support employee wellbeing and enhance the overall employee value proposition,

FCMMF's remuneration structures encompassing salaries as well as cash and non-cash benefits comply with all applicable regulatory requirements, including prevailing personal taxation requirements.

Performance Management

Performance management serves as a critical platform for aligning individual contributions with organisational objectives based on continuous improvement, accountability, and high performance. To achieve these objectives, FCMMF follows the FCH Group's Performance Management Framework, which establishes clear performance expectations supported by regular performance discussions to identify development opportunities, and link performance outcomes with career progression and recognition.

The performance management cycle begins with goal setting at the start of each financial year and concludes with a comprehensive year-end evaluation. Performance objectives are established at the beginning of the year in alignment with organisational priorities, supported by mid-year reviews to assess progress, provide feedback, and identify opportunities for improvement or course correction. The cycle concludes with year-end assessments, where overall performance is evaluated with final ratings serving as the basis for decisions relating to promotions, salary increments, and performance-based rewards.

Employee Category	Employees benefiting from the performance appraisals	
	FY 2025/26	
	M	F
	07	10

TRAINING AND DEVELOPMENT

Given the dynamic nature of financial markets and evolving regulatory expectations, training and development is vital for FCMMF's employees to expand their knowledge and enhance their capability to remain abreast of market developments, regulatory changes, and emerging industry practices, in order to deliver consistent outcomes and maintain investor confidence.

Training Topic	Employee Participation
Advanced Management Program by INSEAD	01
Board Leader Training by SLID	01
Holistic Leadership Summit 2025	07
Leadership Development Programme	01
National Capital Markets Symposium 2026	02
Outbound Training	09

SAFETY AND WELLBEING

Recognising the high-pressure environment of the financial services industry, FCMMF places special emphasis on the safety and wellbeing of its employees. Efforts in this regard focus on safeguarding employees' physical safety while promoting a healthy work-life balance to support employee resilience, reduce workplace stress, and prevent burnout.

Physical Safety Programmes	Work-Life Balance Initiatives
Annual Medical Check up	JXG Support – Free Counselling Sessions
Fire Safety Training	Flexi Hours Policy
	Paternity leave – 14 days
	Maternity leave extra benefits for 60 days
	Unlimited Leave for Senior Manager and above staff

COMMUNICATION AND ENGAGEMENT

Appropriate workplace practices have been established to facilitate two-way communication in order to create an environment where employees feel valued, supported, and connected to the organisation's purpose.

Employees are encouraged to engage openly with their immediate supervisors or the Group Human Resources Department to discuss concerns and seek timely resolution of any grievances. In addition, a formal grievance handling process is established to provide employees with a structured and confidential mechanism to raise concerns, ensuring that all matters are addressed fairly, transparently, and in accordance with established procedures.

GRIEVANCE HANDLING PROCESS



STEP 01

Employees should first discuss the concern with their Immediate Supervisor to seek an informal resolution.

STEP 02

If the matter remains unresolved within two working days, the grievance should be submitted in writing to the relevant Department Head, with a copy provided to the Human Resources Department.

STEP 03

If the grievance remains unresolved within three working days following escalation to the Department Head, the matter should be referred to the Head of Human Resources for further review.

STEP 04

If a resolution is not reached within three working days following HR review, the matter will be presented to the Grievance Handling Committee for consideration and resolution.

Employee engagement also forms an important part of building a motivated workforce. As a member of the FCH Group, all FCMMF employees have the opportunity to participate in the Group annual activity calendar which allows employees to connect with colleagues to build team spirit, foster a sense of belonging and organisational unity. Key activities conducted in FY 2025/26 include;

- FC Cricket Match
- Poson Dansala
- Men's Day
- Women's Day
- Movie Night
- FC Annual Party
- FitX programs
- Yoga Sessions
- HIT exercise session



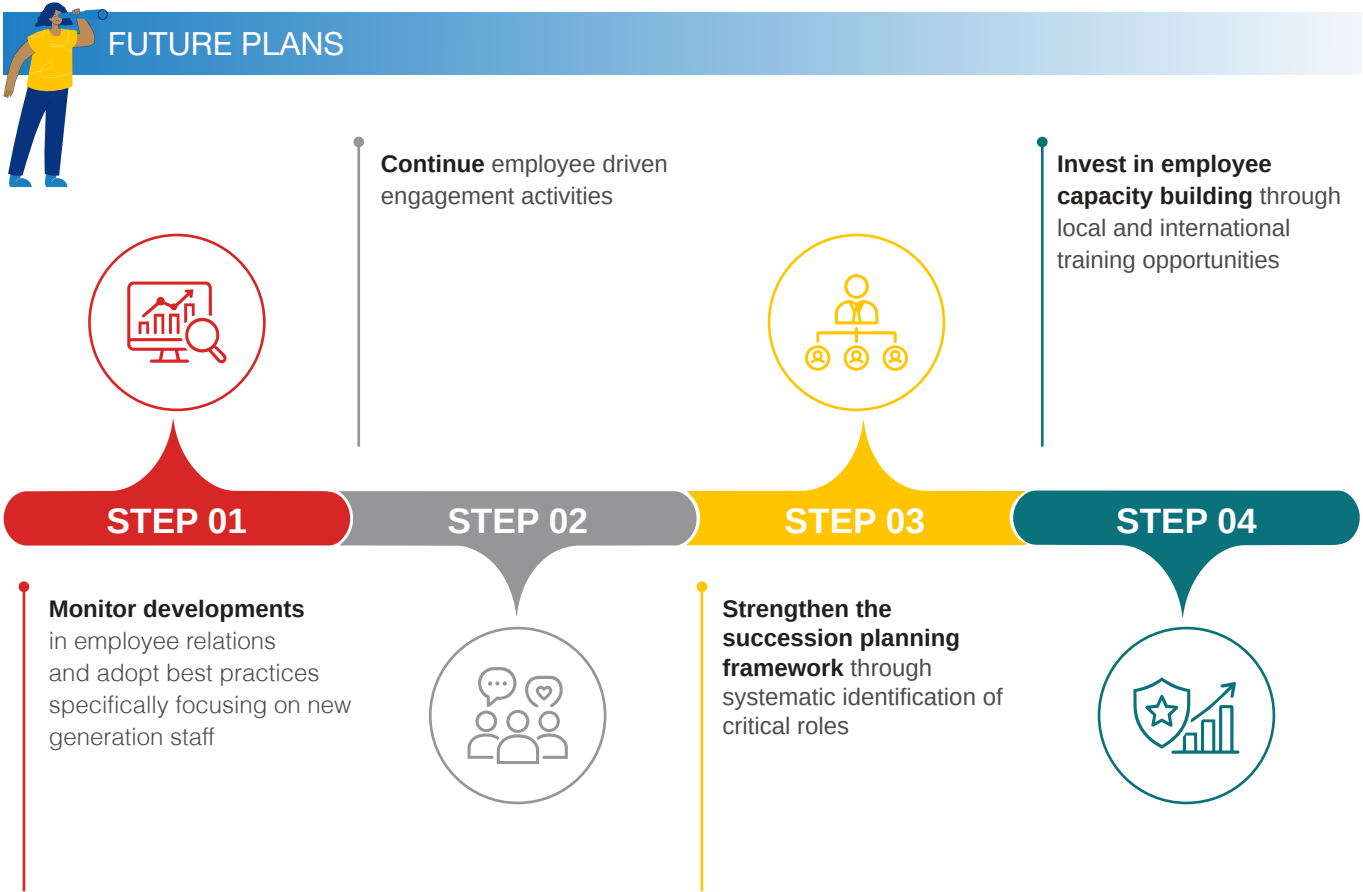
MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN CAPITAL



Measuring Employee Satisfaction

Measuring employee satisfaction is an important component of FCMMF's approach to understanding employee experiences. As part of the FCH Group, FCMMF participates in structured employee satisfaction measurement initiatives, including the Great Place To Work survey, which provides an independent assessment of employee perceptions relating to trust, workplace culture, engagement, and organisational practices. In addition, anonymous surveys are conducted to enable employees to share their views openly and confidentially on workplace practices, communication, engagement, and areas requiring attention. The Group Human Resources function also conducts exit interviews to obtain feedback from resigning employees regarding their overall experience, workplace practices, and reasons for leaving. Insights gathered through these discussions are analysed to identify trends and opportunities to strengthen employee retention, improve organisational practices, and enhance the overall employee value proposition.



MANAGEMENT DISCUSSION AND ANALYSIS

SOCIAL AND RELATIONSHIP CAPITAL**Overview**

Social and Relationship Capital represents the trust, relationships, and networks that enable FCMMF to create and sustain value for its stakeholders.

MANAGEMENT APPROACH

FCMMF focuses on cultivating strong stakeholder relationships and building trust with key stakeholders through customised approaches that align with the unique needs, expectations, and interests of each stakeholder group.

**Value Drivers**

Customer Value Proposition



Customer Experience



Handling Queries and Complaints



Data Privacy



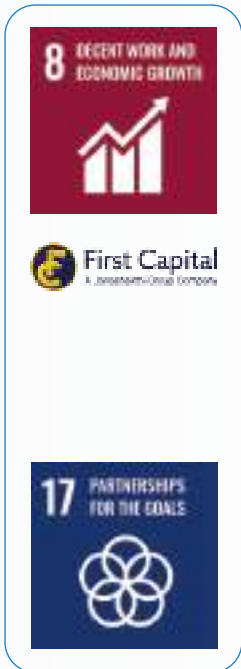
Promoting Financial Literacy



Stakeholder Outcomes



- **Customer:** Improved customer experience throughout the investment journey
- **Community:** Increased financial awareness, broader participation in capital markets, and contribution towards developing a more informed and inclusive investment ecosystem



Impact on Other Capitals

Financial Capital

Strong stakeholder relationships and enhanced trust contribute to customer retention, leading to business growth



Manufactured Capital

Customer insights enable continuous improvement of digital platforms and operational systems

MANAGEMENT DISCUSSION AND ANALYSIS

SOCIAL AND RELATIONSHIP CAPITAL

CUSTOMERS

Customer Value Proposition

As a leading fund management institution in Sri Lanka, FCMMF presents a robust customer value proposition that offers comprehensive capital market investment solutions that extend beyond conventional investment products to empower investors to participate in capital markets in order to achieve their long-term financial objectives.

Backed by the trusted identity and established market presence associated with the FCH brand, coupled with its own experienced investment professionals, research-driven approaches and responsible investment strategies, FCMMF specialises in offering investment solutions that deliver competitive risk-adjusted returns.

FCMMF's customer value proposition is further driven by the commitment to democratise access to professionally managed capital market solutions to allow a broader segment of investors to benefit from institutional investment expertise that may traditionally have been accessible only to larger investors.

Customer Experience

Striving to position itself as a trusted investment partner, FCMMF pledges to provide superior customer experience across every stage of the customer journey, ultimately contributing towards enhancing customer satisfaction and loyalty that translates into long term customer relationships.

FCMMF's Customer Experience Commitments

SIMPLIFYING ACCESS TO INVESTMENT SOLUTIONS

FCMMF continues to enhance accessibility by developing seamless and secure digital investment channels that simplify the investment journey. Through initiatives such as WhatsApp-based investment services, enhanced online portals, and other digital touchpoints, the Company is aiming to reduce onboarding barriers and improve convenience for investors, while also encouraging greater participation in capital markets.

CUSTOMER EDUCATION AND AWARENESS

Acknowledging that investment products can often be complex, particularly for new investors, FCMMF places strong emphasis on financial education and simplified communication. Through market research, economic insights, strategy reports, educational content, and investor engagement initiatives, the Company supports customers in making informed investment decisions.

Additionally, flagship initiatives such as the Investor Symposium and other knowledge-sharing platforms provide investors with access to market perspectives, expert insights, and discussions on economic trends and investment opportunities, underscoring FCMMF's role as a trusted advisor in the local capital market space.

Measuring Customer Satisfaction

Measuring customer satisfaction across every interaction is a core element of FCMMF's customer experience management approach. A Customer Satisfaction (CSAT) and Net Promoter Score (NPS) survey was conducted in the current year covering two key customer touchpoints, namely the digital onboarding experience and call centre services.

Area	Key Findings
DIGITAL ONBOARDING	Customers recognised the platform's simplicity, user-friendly interface, and convenience, highlighting digital onboarding as a key aspect of the customer experience.
CALL CENTRE EXPERIENCE	Customers appreciated the friendliness and support provided by service agents, particularly during onboarding interactions.

Areas Identified for Improvement:

- Need to further enhance communication throughout the onboarding journey, including more proactive updates and reducing delays in account activation
- Need to improve response times, callback management, and clarity of communication relating to transactions such as deposits and redemptions

HANDLING QUERIES AND COMPLAINTS

Given the complex and highly specialised nature of investment products and capital market solutions, FCMMF has established a comprehensive mechanism to address customer queries, concerns, and feedback in a timely and transparent manner. The structured approach to receiving, managing, and resolving customer feedback and complaints is designed to ensure investors have access to appropriate channels for support and resolution as and when needed.

Customers are able to voice their queries, concerns and feedback at their convenience via multiple touchpoints, including the call centre, official website, email communication, online platforms, social media channels, and physical interactions. All customer concerns are formally recorded, acknowledged and assigned to the relevant function for investigation and resolution, with findings used to identify opportunities for service improvement and enhance the overall customer experience.

Data Privacy

As a financial services institution entrusted with sensitive customer information, FCMMF places significant emphasis on maintaining strong data privacy and information protection practices. In this regard, the Company benefits from the established information security governance framework of the First Capital Holdings PLC Group, which consists of policies, controls, and technology-enabled security measures, together providing the foundational architecture for safeguarding the confidentiality of customer information.

As part of the FCH Group's ongoing efforts to align with evolving regulatory expectations, including the Personal Data Protection Act (PDPA), FCMMF participated in the Group-wide Data Classification Project undertaken in the current year. Aimed at standardising data classification criteria across the Group, the initiative supports consistent application of protection requirements relating to encryption standards, access permissions, data retention requirements, and other security controls based on the sensitivity of information.

COMMUNITY

FCMMF's commitment to the community is closely connected to its core business of promoting broader participation and understanding of Sri Lanka's capital markets which is spearheaded by efforts to promote financial literacy among the wider community.

Promoting Financial Literacy

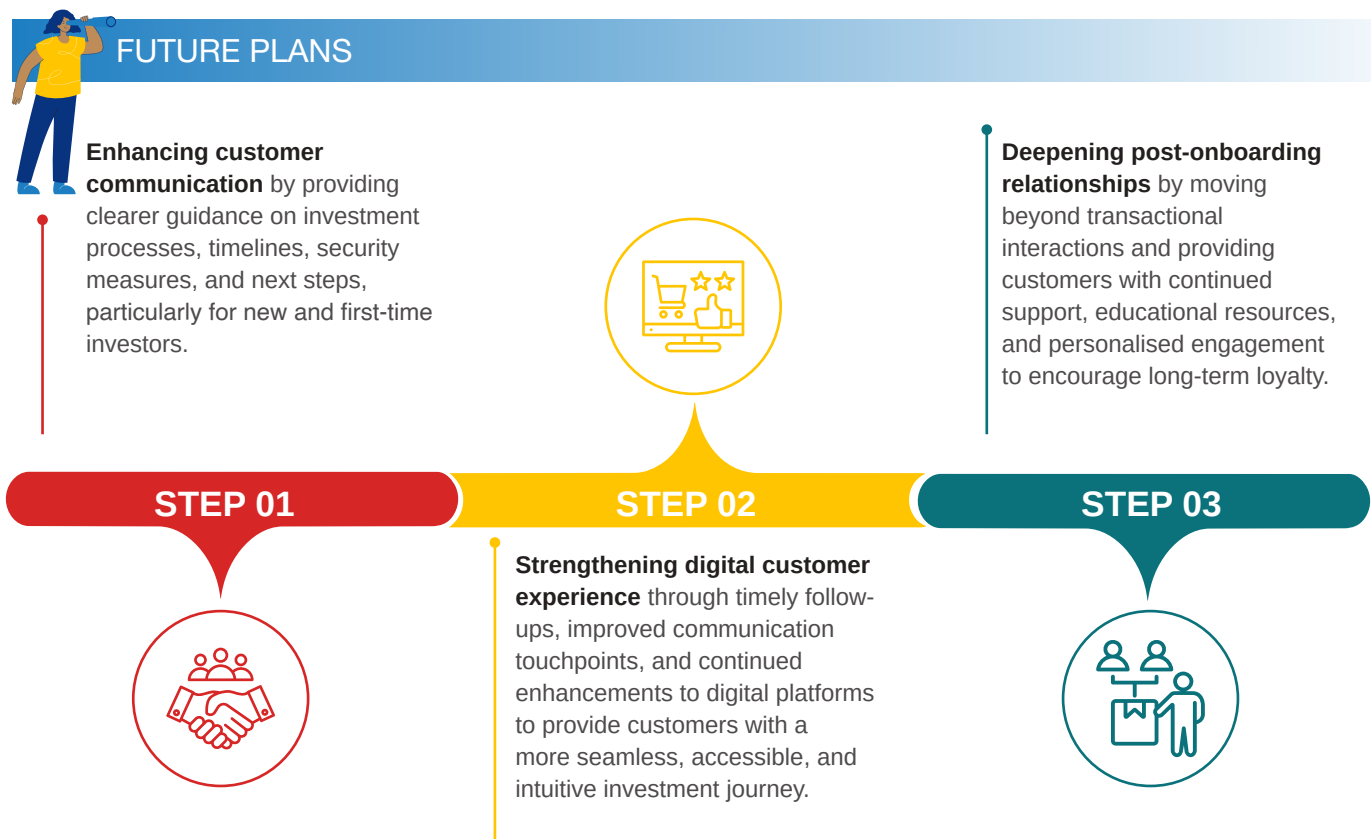
FCMMF's special financial literacy initiatives focus on extending investment expertise beyond the Company's customer base to empower community members with the knowledge required to better understand investment principles, financial planning, and the role of capital markets in long-term wealth

MANAGEMENT DISCUSSION AND ANALYSIS

SOCIAL AND RELATIONSHIP CAPITAL

creation. As part of this commitment, the managing company often pursues collaborations with educational institutions and industry stakeholders to deliver learning opportunities that introduce individuals to investment concepts and capital market fundamentals.

A key milestone during the current year was the launch of the InvestED – Professional Fund Management short course for students of the Department of Finance, Faculty of Commerce and Management Studies, University of Kelaniya. The programme was designed to provide students with practical insights into professional fund management, investment principles, and the functioning of capital markets, bridging the gap between academic knowledge and industry practices.

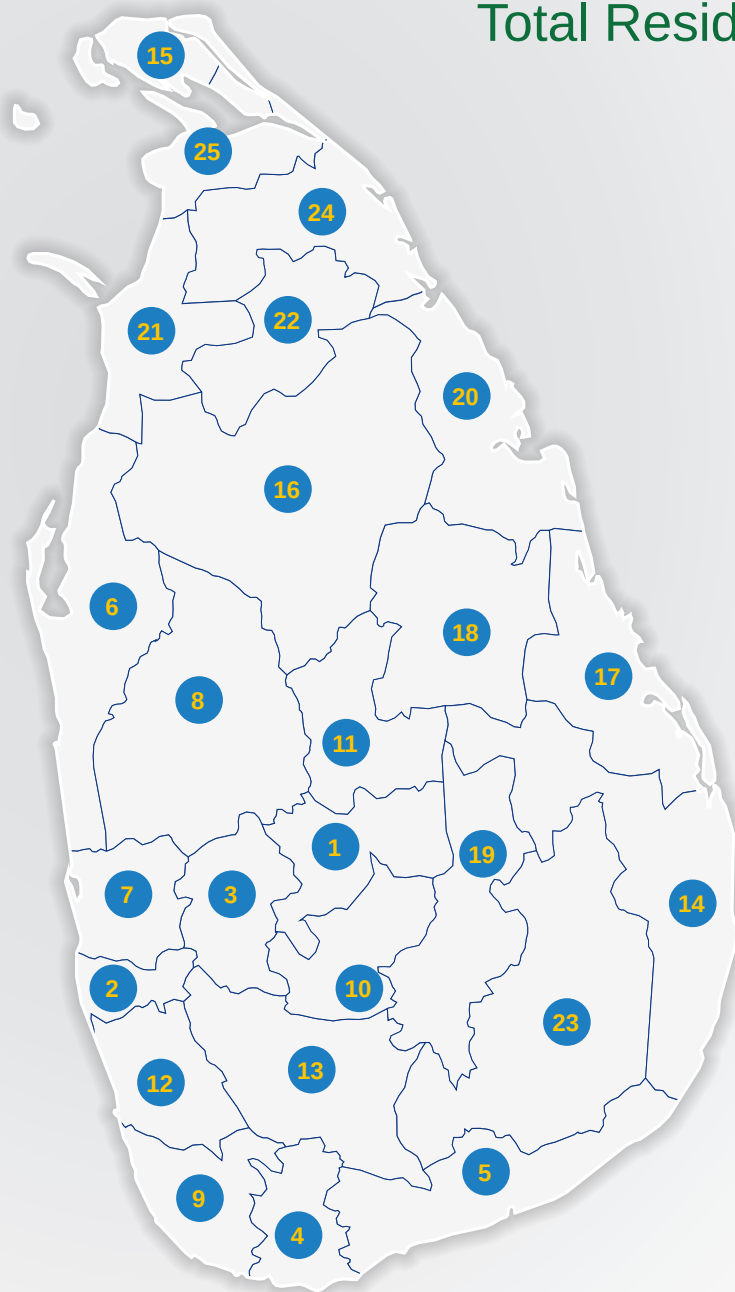


Local Unitholders Dispersion



6,975
Total Residents

All Over the Island		No. of Clients
1	Kandy	611
2	Colombo	3219
3	Kegalle	110
4	Matara	392
5	Hambantota	58
6	Puttalam	100
7	Gampaha	1030
8	Kurunegala	400
9	Galle	230
10	Nuwara Eliya	36
11	Matale	54
12	Kalutara	308
13	Ratnapura	92
14	Ampara	16
15	Jaffna	107
16	Anuradhapura	41
17	Batticaloa	15
18	Polonnaruwa	19
19	Badulla	70
20	Trincomalee	24
21	Mannar	4
22	Vavuniya	9
23	Monaragala	26
24	Mullaitivu	2
25	Kilinochchi	2



MANAGEMENT DISCUSSION AND ANALYSIS

NATURAL CAPITAL

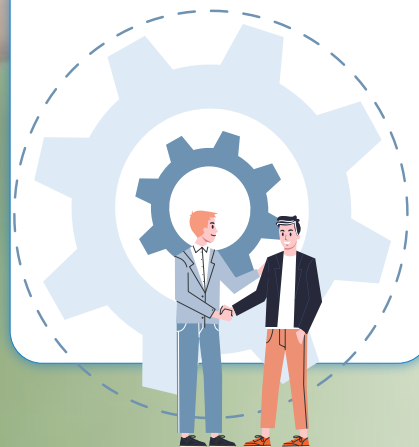
Overview

While FCMMF's dependence on Natural Capital is inherently limited owing to the service-oriented nature of its business, the managing company recognises its responsibility to minimise its environmental footprint.

MANAGEMENT APPROACH

FCMMF operates in accordance with the policies and procedures set out under the sustainability framework adopted at the group level.

FCAM, the managing company marked a significant milestone during the year by becoming the first company in Sri Lanka to become a signatory to the United Nations-supported Principles for Responsible Investment (UN PRI), underlining the commitment to sustainable finance and responsible investment through the integration of environmental, social, and governance (ESG) considerations into investment evaluation and decision-making processes.



Value Drivers



Energy Management



Emission Monitoring



Waste Management



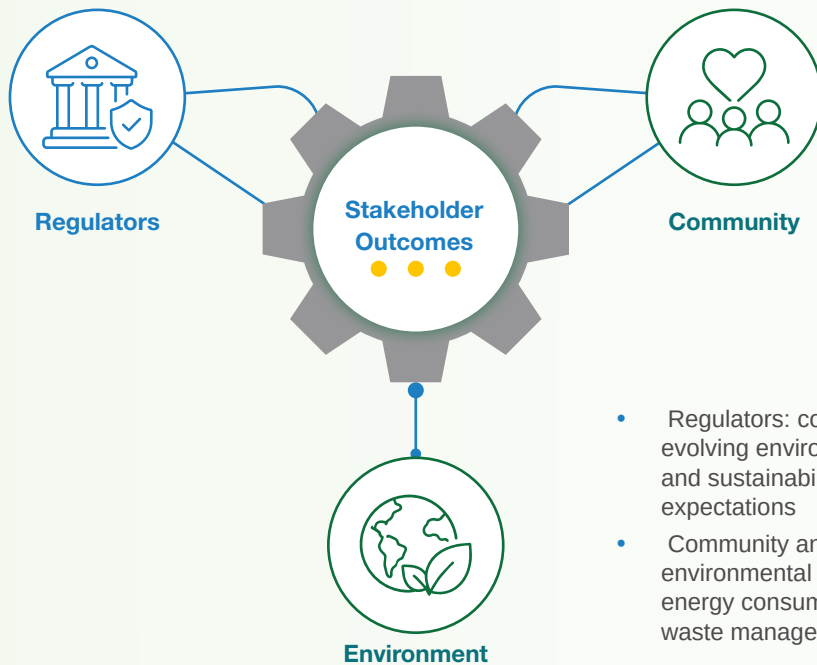
Digital Transformation



Environmental Projects



Stakeholder Outcomes



- Regulators: compliance with evolving environmental regulations and sustainability-related reporting expectations
- Community and Environment: Reduced environmental footprint through lower energy consumption and responsible waste management initiatives



Impact on Other Capitals

Financial Capital

Improved operational efficiency and cost savings through lower energy consumption, reduced paper usage, and more efficient resource utilisation, contributing to long-term financial performance



Intellectual Capital

Reinforces FCMMF's reputation for responsible environmental stewardship

Social and Relationship Capital

Enhances trust and confidence among customers

MANAGEMENT DISCUSSION AND ANALYSIS

NATURAL CAPITAL

Energy Management.

In support of the FCH Group's commitment to improving energy efficiency, FCMMF has prioritised the adoption of energy-efficient technologies, specifically through investments in LED lighting solutions to reduce electricity consumption associated with daily operations.

Emission Monitoring

FCMMF monitors its greenhouse gas (GHG) emissions in accordance with the First Capital Holdings PLC Group Carbon Footprint calculation process. As part of this Group-wide exercise, key emission sources, including electricity and fuel consumption, are measured and monitored to support environmental performance reporting and identify opportunities to improve operational efficiency and reduce the Group's overall carbon footprint.

Waste Management

Waste management forms an important component of FCMMF's commitment to minimising its environmental footprint. Additionally, FCMMF follows waste management best practices, including segregation, collection, and recycling of waste in collaboration with the First Capital Holdings PLC Group's recycling partners.

Digital Transformation

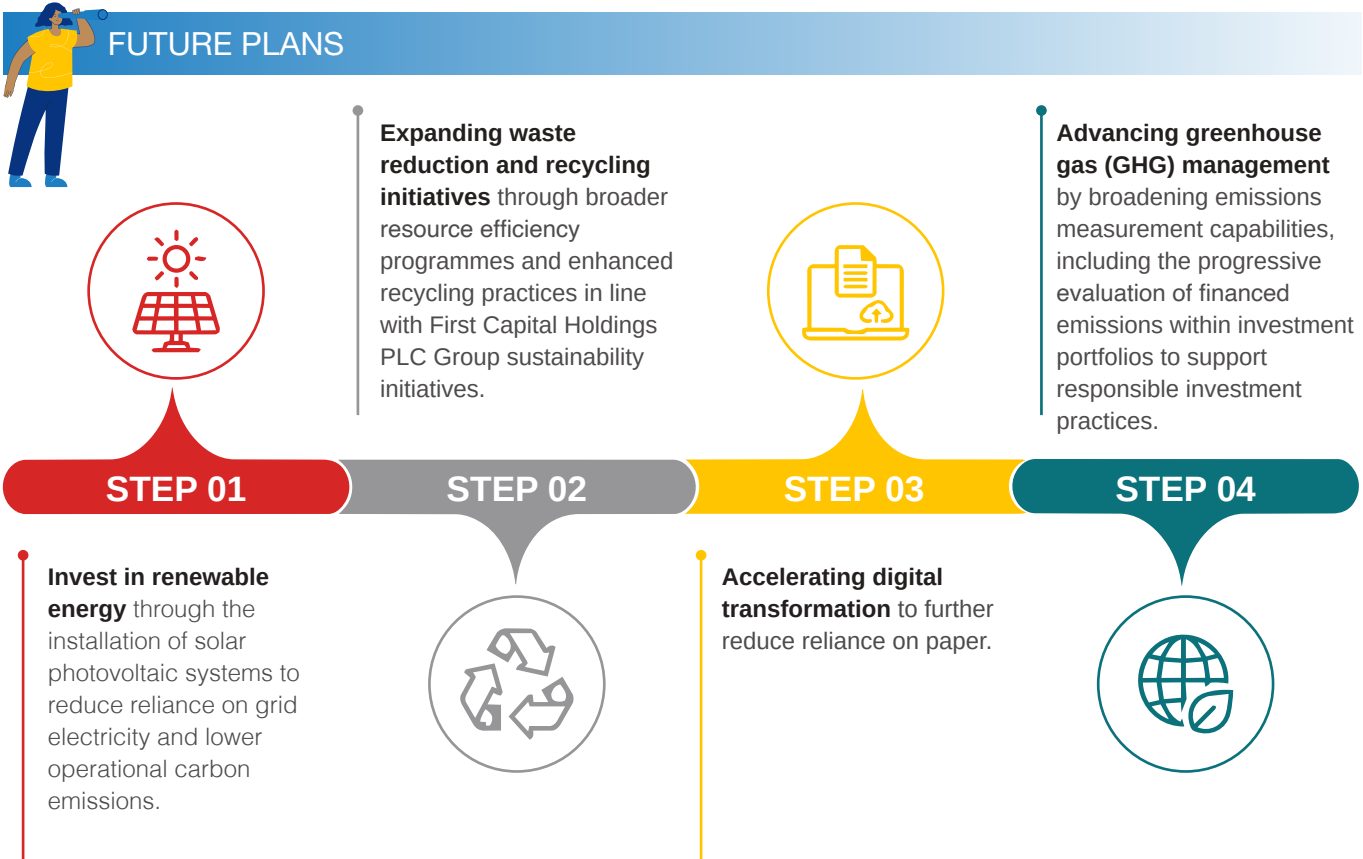
Digital transformation continues to serve as one of the Fund's most significant contributors to managing FCMMF's environmental impact. The progressive acceleration in digital adoption, in particular digital onboarding, electronic documentation, digital business cards, and electronic employee identification has been instrumental in reducing paper consumption, in turn translating into a significant reduction in the volume of paper waste generated.

**Sea Turtle and Coastal Conservation Initiative**

As part of its commitment to environmental stewardship and community engagement, the Managing Company conducted the Youth Awareness & Community Action Programme on Coastal Conservation: Reducing Plastic Pollution and Protecting Sea Turtles as a corporate social responsibility (CSR) initiative.

The one-day programme engaged 30 youth participants in coastal clean-up activities, awareness sessions on the impacts of plastic pollution, and educational programmes on sea turtle conservation. The initiative enhanced participants' understanding of the importance of protecting coastal ecosystems while encouraging environmentally responsible practices and active community participation in conservation efforts.

Through this initiative, the Company reinforced its commitment to biodiversity conservation, environmental awareness, and sustainable community development.





Open Boarding

One gate. Every investor welcome.



GOVERNANCE AND STEWARDSHIP

ANNUAL REPORT OF THE BOARD OF DIRECTORS



The Directors of First Capital Asset Management Limited (the Management Company) have pleasure in presenting the Annual Report of First Capital Money Market Fund together with the Audited Financial Statements for the year ended 31 March 2026 which were approved by the Directors on 5 June 2026.

REVIEW OF OPERATIONS

The Fund reported profit after tax of Rs. 4.12 Bn. A more comprehensive review of the operations of the Fund during the financial year and the results of those operations are contained in the Managing Director/ Chief Executive Officer's Statement on pages 18 to 21 of the Annual Report.

PRINCIPAL ACTIVITIES

The Fund engages in investment in short-term fixed income securities on behalf of its clients.

The objective of the Fund is to yield superior returns to unitholders while minimising 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.

LEGAL STATUS

First Capital Money Market Fund is licensed and approved by the Securities and Exchange Commission of Sri Lanka (SEC) under the Securities and Exchange Commission Act No.36 of 1987 and its subsequent amendments.

FINANCIAL RESULTS

The Fund's profit after tax for the financial year 2025/26 was Rs. 4.12 Bn compared to Rs. 5.86 Bn in the previous year.

A summary of the financial results for the year is set out below.

	2025/26 Rs.'000	2024/25 Rs.'000
Income	4,781,183	6,477,154
Profit after tax	4,123,100	5,863,397
Total comprehensive income (TCI)	4,123,100	5,863,397

The financial statements of the Fund are set out in pages 151 to 195 of the Annual Report.

We are satisfied that there exists an effective and comprehensive system of internal controls to monitor, control and manage the risks to which the Fund is exposed, to carry on its business in an orderly manner, to safeguard its assets and to secure as far as possible the reliability and accuracy of records.

BOARD OF DIRECTORS

The Directors of the Fund Management Company as at 31 March 2026 are as follows.

1. Dr. Nishan de Mel
2. Mr. Dilshan Wirasekara
3. Mr. Kuda Herath
4. Mr. Kavin Karunamoorthy

The profiles of the Directors are given on pages 22 to 23 of the Annual Report.

OTHER DIRECTORSHIP/ SIGNIFICANT POSITIONS OF DIRECTORS

Information on the Other Directorships/ significant positions of the present Directors of the Fund Management Company is given on pages 22 to 23.

RELATED PARTY TRANSACTIONS

Related party transactions have been declared at meetings of the Directors and are detailed in Note 23 to the financial statements.

DIRECTORS' INTERESTS OF THE FUND MANAGEMENT COMPANY

As required by the Companies Act, No. 7 of 2007, an Interests Register was maintained by the Management Company during the period under review. All Directors have made declarations as provided for in Section 192 (2) of the Companies Act aforesaid. The Interests Register is available for inspection as required under the Companies Act.

The Fund carries out transactions in the ordinary course of business with entities in which a Director of the Management Company is a Director. The transactions with entities where a Director of the Management Company either has control or exercises significant influence have been classified as related party transactions and disclosed in Note 23.2 to the Financial Statements.



Profit after Tax
2025/26

Rs.4.12 Bn

2024/25 - Rs. 5.86 Bn



Unitholders' Fund
As at 31 Mar 2026

Rs.44.2 Bn

Unitholders - 6,989

RISK AND INTERNAL CONTROL

The Board of Directors has satisfied itself that there exists an effective and comprehensive system of internal controls to monitor, control and manage the risks to which the Fund is exposed, to carry on its business in an orderly manner, to safeguard its assets and to secure as far as possible the reliability and accuracy of records. We have discussed exposure to risk in detail under "Risk Management Report" on pages 119 to 125.

CORPORATE GOVERNANCE

The Directors acknowledge their responsibility for the Fund's corporate governance and the system of internal control. The Directors of the Fund Management Company are responsible to the unitholders for providing strategic direction to the Fund and safeguarding the assets of the Fund. The Board is satisfied with the effectiveness of the system of internal control for the period up to the date of signing the financial statements. The compliance with recommended corporate governance practices are disclosed in pages 126 to 132 of the Annual Report.

The performance of the Fund is monitored by way of regular review meetings. These meetings provide an opportunity to ensure that progress is in line with agreed targets. Regular Board meetings are held to further strengthen the review process and ensure compliance with all statutory and regulatory obligations.

MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are given on pages 161 to 195. There were no changes in the accounting policies adopted by the Fund during the year under review.

GOING CONCERN

The Board of Directors has reviewed the Fund's investment plans and is satisfied that the Fund has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis.

UNITHOLDERS' FUND

The movements in unitholders' fund during the financial year 2025/26 have been presented in the Statement of Changes in Unitholders' Fund on page 159 of the Annual Report.

The unitholders' funds as at 31 March 2026 was Rs. 44.272 Bn consisting of 6,989 unitholders.

EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events after the financial reporting period which requires an adjustment to or a disclosure in the financial statements other than those disclosed in Note 25 to the financial statements.

GOVERNANCE AND STEWARDSHIP

ANNUAL REPORT OF THE BOARD OF DIRECTORS

INDEPENDENT AUDITORS

During the period under review, the Fund's Auditors were M/s. B. R. De Silva, Chartered Accountants. The fees paid to auditors are disclosed in Note 11 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

The Independent Auditor's Report on the financial statements is given on page 155 to 156 of the Annual Report.

AUDITORS' RIGHT TO INFORMATION

Each person who is a Director of the Management Company at the date of approval of this report confirms that:

As far as each Director is aware, there is no relevant audit information of which the Fund's auditors are unaware.

Each Director has taken all the steps that he ought to have taken as a Director to make him aware of any relevant audit information and to establish that the Fund's auditors are aware of that information.

FUTURE DEVELOPMENTS

An overview of the future developments of the Fund is given in the Director/ Chief Executive Officer's Review on page 18 to 21.

This Annual Report is signed for and on behalf of the Board.

(Sgd.)

Ms. Heidy Seneviratne
Secretary

(Sgd.)

Mr. Kavin Karunamoorthy
Director/ Chief Executive Officer

(Sgd.)

Dr. Nishan de Mel
Chairman

GOVERNANCE AND STEWARDSHIP

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Statement sets out the responsibility of the Board of Directors of the Management Company in relation to the Financial Statements of First Capital Money Market Fund.

The financial statements comprise of the Statements of Financial Position as at 31 March 2026, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Unitholders' Funds, Statement of Cash Flows for the year ended and Notes thereto. The Directors are required to prepare these financial statements on a going concern basis unless it is not appropriate.

The Directors confirm that the financial statements of the Fund give a true and fair view of;

- The state of affairs of the Fund as of 31 March 2026
- and
- The financial performance of the Fund for the financial year ended 31 March 2026

COMPLIANCE REPORT

The board of directors also wishes to confirm that;

- Appropriate accounting policies have been adopted in a consistent basis and appropriate estimates and judgements have been made to reflect the true substance and form of transactions.
- The financial statements of the Fund for the year ended 31 March 2026 incorporated in this report have been prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS).
- They accept responsibility for the integrity and objectivity of the financial statements presented.

- The financial statements of the Fund have been certified by the Chief Financial Officer of the Management Company who is responsible for the preparation of financial statements and signed by two Directors.
- They review and approve all internal financial statements prior to their release.
- They have taken reasonable measures to safeguard the assets of the Fund to prevent and detect frauds and other irregularities. In this regard, the Directors have laid down an effective and comprehensive internal control system.
- To the best of their knowledge, all statutory payments due in respect of the Fund as the financial reporting date have been paid or where relevant provided for.
- After considering the financial position, operating conditions and regulatory and other factors, they have a reasonable expectation that the Fund possesses adequate resources to continue in operation for the foreseeable future and that the Going Concern basis is the most appropriate in the preparation of these financial statements.
- The Auditors of the Fund, M/s. B. R. De Silva were provided with all necessary information required by them in order to carry out their audit and to express an opinion which is contained on pages 155 to 156 of this Annual Report.

Accordingly, the Board of Directors is of the view that they have discharged their responsibilities as set out in the above statement.

By Order of the Board,

(Sgd.)

Ms. Heidy Seneviratne
Secretary

GOVERNANCE AND STEWARDSHIP

DIRECTORS' STATEMENT ON INTERNAL CONTROL

This statement is issued by First Capital Holdings PLC (the Company) as the business cluster parent of First Capital Asset Management Limited, the Fund Managing Company of the First Capital Money Market Fund (the Fund). The Board of Directors of the Company is responsible for maintaining a sound system of internal controls to safeguard unitholders' investments and company assets. The Board has delegated the function of monitoring the adequacy of internal controls to the Group Board Audit Committee among other duties. The function is further enhanced via more frequent monitoring by the Board Integrated Risk Management Committee at the Group level.

The role of Risk Management is designed to overlook/manage diversity in risk including but limited to liquidity risk, information systems/ data protection risk, reputational risk etc. The Management of the Company identifies the risks that affect the Fund and reports matters to relevant sub-committees at Group level. Based on the risk management framework, the Risk and Compliance division, with feedback from senior management, implements policies related to risk and control. The Risk and Compliance division is accountable to the Board for monitoring and providing assurance as to the effectiveness of internal controls. The Managing Company has commissioned M/s Ernst & Young, as the independent internal auditor, to ensure the effectiveness of the internal control systems. As a result of their activities, several processes have been enhanced during the year under review.

The Board has implemented the followings to obtain reasonable assurance that proper systems of internal controls are in place;

- The delegation of authority has been revisited with the recent

changes to the organisation structure, adjustments required based on relevant changes were made to ensure system and internal controls.

- The effectiveness of the internal audit function was monitored by the Internal auditor, M/s Ernst & Young
- Board Audit Committee (BAC), Board Integrated Risk Management Committee (BIRMC), and Independent Internal Auditor are responsible for reviewing and reporting on internal control environment of the Fund and Managing Company.
- The minutes of the BAC and BIRMC meetings are tabled at regular Board meetings at Group level. The reports of the BAC and BIRMC are provided in the annual report.
- The BAC reviews and approves the internal audit plan for the year. The audit plan is structured on a matrix based on key risk areas including the adequacy of internal controls. Delivery dates of action plans are regularly monitored, and any delays are highlighted and rectified.
- During the year under review the audit committee reviewed two internal audit reports and one management letter submitted by internal and external auditors respectively. The reports covered key findings with management comments and actions taken to rectify any control weaknesses. Control weaknesses identified in previous reviews were also tracked to ensure that the management has taken the necessary action to minimize the risks.
- The BAC reviewed and approved the Internal

Audit scope which includes specifically ensuring the effective design and implementation of internal controls;

- The effectiveness of internal controls is measured based on the repetition of the control weaknesses or improvement areas that have been highlighted in the audit reports.
- Improvements to the control environment in line with industry and / or non-industry best practices are also implemented on an ongoing basis.
- BAC continued to monitor the progress of the bottom-up compliance sign off process which strengthened the control environment and provide guidance to the senior management and comfort to the Board of Directors that staff at all functions are aware and conduct business transactions as per the rules and procedures.
- Implement group policy and procedures relevant to Personal Data Protection including appointment of Data Protection officer in group level.
- The Company appointed a Group level Chief Information Security Officer (CISO) with the necessary expertise and authority in order to manage the cybersecurity and other IT-related risks of the Group.
- Appointment of Group level Authorized Officer for the reporting of ultimate beneficial owners to the Registrar of the Company
- The Group level AML/ CFT Policy was updated based on the improvement suggestions made by the Financial Intelligence Unit of CBSL and Internal Auditors.
- Risk and Compliance division reviews the process and system

gaps frequently and policies and processes are being implemented and updated in order to mitigate the risks identified based on such assessments.

- On Information Technology (IT) controls, the Board has initiated multiple mechanisms.
- The Group obtained ISO/IEC 27001 certification during the year.
- Implemented Group wide Information Security Management System Manual, Policies, Procedures, Registers and forms according to the ISO standard.
- Vulnerability and penetration testing assessments were carried out to ensure the integrity of financial information, data security, and adequate access controls are in place with regard to the processing of data.
- To further enhance the security of our communication channels, additional email security controls were implemented which collectively reduce the risk of cyber-attacks, such as phishing and malware delivery via email.
- As part of our ongoing efforts to ensure the safety of our IT environment, we implemented a robust web filtering security solution. This system restricts access to harmful or unauthorised websites, helping to prevent malware infections, data breaches, and other web-based security threats.
- The organization has implemented Microsoft 365 E5 Information Protection and Governance capabilities to strengthen data security, compliance, and risk management. This implementation provides

advanced data protection through the classification, labeling, and encryption of sensitive information, along with robust data loss prevention controls to minimize the risk of unauthorized access and data leakage. Additionally, it enables effective information governance through retention policies, legal hold capabilities, and lifecycle management, ensuring compliance with regulatory requirements. Enhanced auditing, monitoring, and eDiscovery features further support visibility, incident investigation, and accountability, thereby improving the organization's overall cybersecurity posture and governance framework.

- The following actions were taken by the Board to enhance the effectiveness of the Corporate Governance structure and risk management framework.
- Appointment of Mr. Kavin Karunamoorthy to the Board of Directors as an Executive Director (Designation – Director/CEO) to the Board of First Capital Asset Management Limited (FCAM)
- The Company established group level Sustainability Management Committee (SMC), which has been assigned the task of establishing ESG targets, coordinating ESG initiatives across business units and monitoring progress against targets.
- Oversight of the sustainability matters was delegated to the Board of Directors, and it was updated to the Group Policy on Matters relating to Board of Directors.

The Company has implemented five policies and updated four policies in group level to establish and enhance the corporate governance practices at Group level.

New Policies Implemented

- Policy on New Products
- Policy on Personal data protection
- Office conduct policy
- Religious activities policy
- Policy on external work arrangements while on payroll diversity, equity and inclusion policy

Policies Revised

- Policy on Conflict of Interest
- Policy on Anti-Money Laundering, Countering Terrorist Financing and Countering Proliferation Financing
- Investment Policy
- IT Policies and Procedures

GOVERNANCE AND STEWARDSHIP

DIRECTOR'S STATEMENT ON INTERNAL CONTROL

The Board having implemented the above is aware that such systems are designed to mitigate rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatements of loss.

(Sgd.)

Dilshan Wirasekara

Managing Director/CEO

First Capital Holdings PLC

(Sgd.)

Ms. Rachini Rajapaksa

Chairperson – Group Board Audit Committee

First Capital Holdings PLC

(Sgd.)

Rajendra Theagarajah

Chairman - First Capital Holdings PLC

GOVERNANCE AND STEWARDSHIP

RISK MANAGEMENT REPORT

APPROACH TO RISK MANAGEMENT

Risk management lies at the heart of First Capital's operational framework. Given the role as a leading player in the local capital market space, robust and proactive risk management is vital for continued growth and value creation.

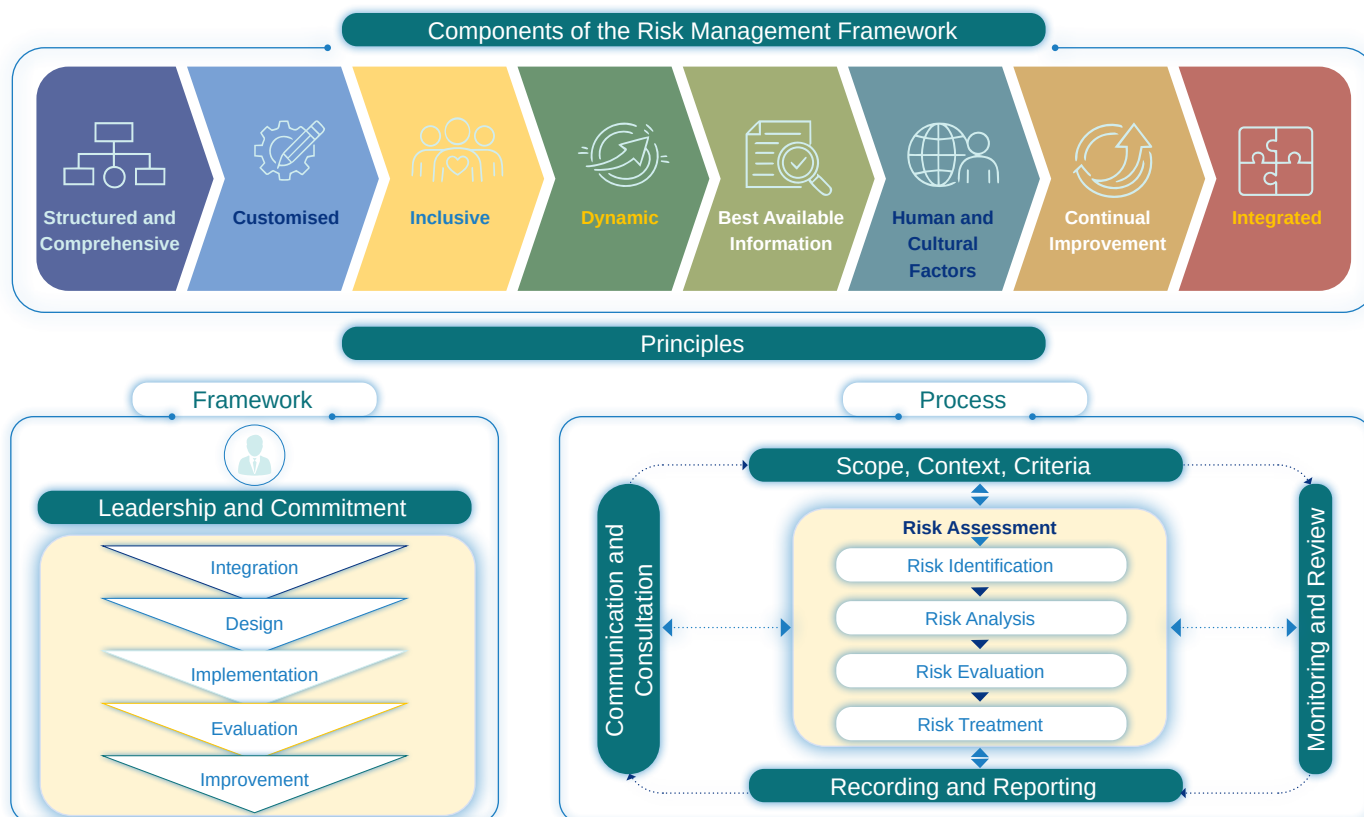
First Capital has adopted an Integrated Risk Management (IRM) approach based on the ISO 31000-2018 standard, to provide a systematic and comprehensive framework to manage all key risks. The Board-approved risk management framework stands as the overarching mandate of the IRM approach. A comprehensive risk process for the identification, assessment, and mitigation along with monitoring and reporting of all types of risks present in the Fund's risk universe, in line with the risk appetite. The effectiveness of the IRM framework is further underscored by a clearly defined risk governance structure and further supported by a strong risk culture to ensure risks are properly embedded in all planning and decision-making processes across the Fund.

First Capital Asset Management Limited (the Managing Company of First Capital Money Market Fund), a sub-subsidiary of First Capital Holdings PLC, has adopted the risk culture and the framework related to Risk management as the main pillar when managing risks related to the Managing Company function.

RISK APPETITE

Risk appetite is designed to inform business units about the maximum level of risk that the Board is prepared to accept to deliver its business objectives.

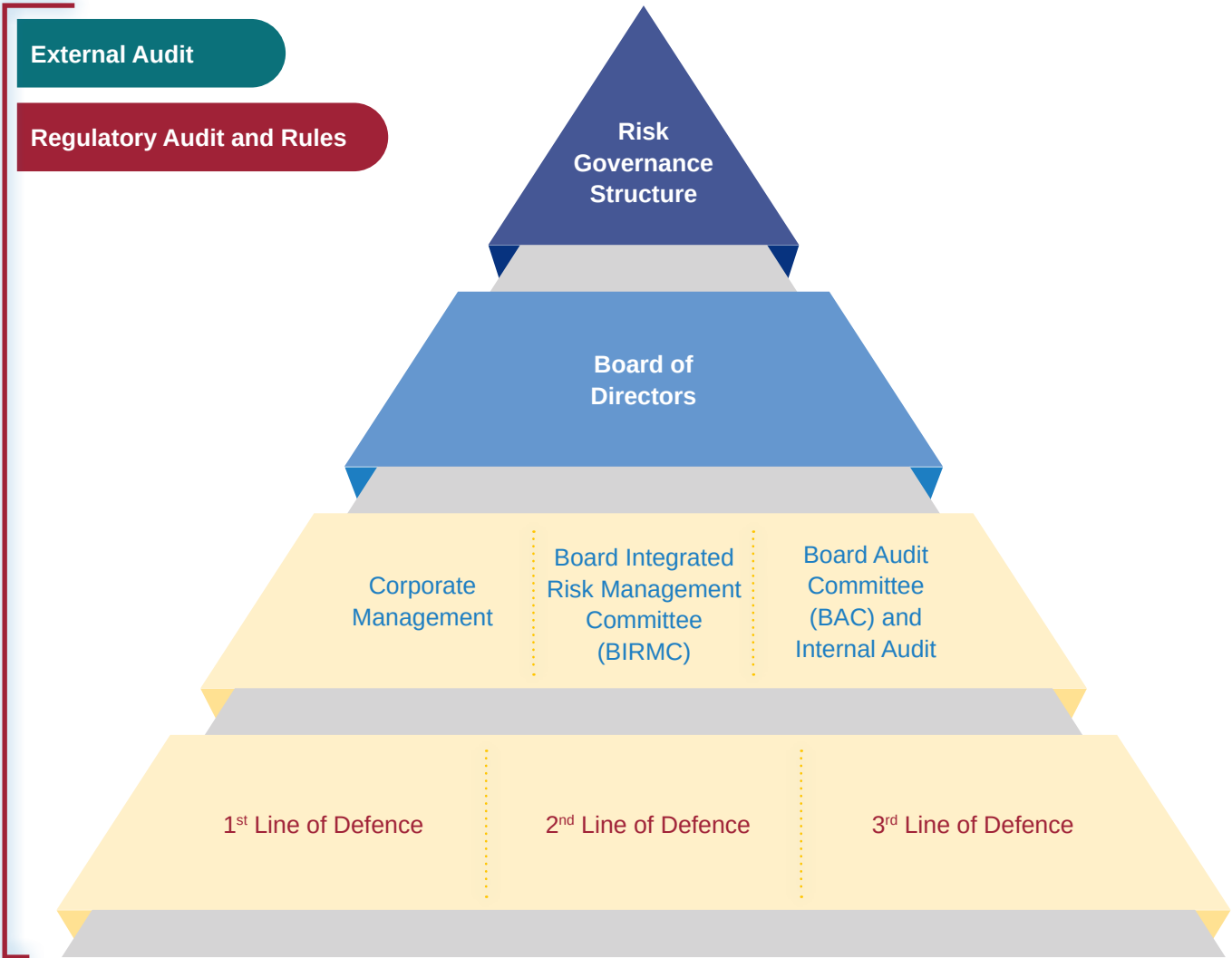
As an approved Collective Investment Scheme (Unit Trust) managed by First Capital Asset Management Limited, First Capital Money Market Fund has designed the risk appetite based on the direction given by the Board of Directors and the guidelines provided by the regulator, Securities and Exchange Commission of Sri Lanka, based on the nature of the scheme and the restrictions related to risk exposures.



GOVERNANCE AND STEWARDSHIP

RISK MANAGEMENT REPORT

Reporting Framework	
Identification	Risks are identified mainly by the 1 line of defense. Risks are also identified by the environmental scans conducted by the Risk and Compliance Division (R&C).
Assessment	Risk assessments are conducted by the R & C to evaluate the scope and scale of the impact on the scheme. Various analysis techniques, including stress testing and scenario analysis are performed as part of the risk assessment process. Risks are further analysed using the impact and likelihood matrix, to enable each risk category to be assigned a risk score.
Mitigation	Risk treatment is based on the Board-approved risk appetite and associated tolerance limits. Accordingly, appropriate risk treatment measures are established to either mitigate, avoid, transfer, or accept risk.
Monitoring and Reporting	The R & C undertakes to proactively monitor risk tolerance limits for all risk categories, with findings documented in the Risk Register. The Risk Register is a comprehensive document that captures details of ongoing risk identification, assessment, and treatment efforts. The Risk Register is also the main tool used to support risk reporting to risk committees and the Board.



First Line of Defence:

Front office, Back office, and processes supported by centralised functions. These units manage risk exposures through well-documented procedures, internal controls, and established limits. Front and back office staff ensure compliance with regulatory requirements and internal policies, contributing to an updated Risk Register, fostering a culture of risk awareness.

Second Line of Defence:

Risk and Compliance division – embeds risk management in the risk culture, providing assurance on regulatory compliance and risk tolerance.

Middle office - validates transactions, escalating exceptions for higher approval

Third Line of Defence:

Internal Audit - conduct due diligence to provide independent assurance regarding the efficacy of the scheme's risk and control systems.

Risk Culture

The Board of Directors takes the lead in fostering a robust risk awareness culture to empower employees in aligning their actions with the scheme's risk tolerance. Recognising the pivotal role of a strong risk awareness culture, the Board promulgates the three-lines-of-defence to ensure that all staff members understand and fulfil their duties diligently in line with Board approved policies, procedures and regulatory directives.

Under the guidance of the Board and the Board Committees, specifically the Board Integrated Risk Management Committee and the Board Audit Committee along with the Risk and Compliance Department, conduct regular training workshops to reinforce the importance of risk awareness among staff, mainly the first-line-of-defence.

MANAGING KEY RISKS AND OPPORTUNITIES**Reinvestment Risk - Potential interest losses on scheme's fixed income security and deposit portfolios**

Risk Context for FY 2025/26

The successful completion of the External Debt Restructuring (EDR) in 2024 helped reduce underlying uncertainties, fostering a more stable economic environment. During FY2025/26 the policy rate was eased to 7.75% and held at that level, leaving market yields close to their cyclical low, while continued low inflation and a sustained macroeconomic recovery kept rupee liquidity favourable. With rates near the floor and the market pricing further easing, reinvestment risk remained elevated, as maturing securities and deposits were reinvested at progressively lower yields. The company managed this exposure through active duration management and a continued focus on high-yield opportunities within regulatory limits, helping to mitigate potential interest losses on the scheme's fixed income securities and deposit portfolios and supporting overall portfolio performance.

Impact to Scheme	Scale - Low	Probability - Likely	Risk Score - Medium
Monitoring and Mitigation	Advanced forecasting models to improve the accuracy of predicting interest rate movements in order to proactively respond to changing market conditions		
	The capability of inhouse research division to provide reliable forecasts on interest rate movements		
Opportunities derived and the response	Leveraged the Group's research and forecasting capabilities to capitalise on optimal rate movements to maintain optimum durations while adhering to regulatory guidelines, to substantially bolster income growth for the current financial year		

GOVERNANCE AND STEWARDSHIP

RISK MANAGEMENT REPORT

Credit Risk - Potential losses owing to the failure of borrowers and issuers of corporate debt instruments and deposit instruments to settle their dues in a timely manner

Risk Context for FY 2025/26	Improvements in the real sector, despite rigidities in the labour market, have gradually softened financial sector credit risk. Improved profitability in the non-financial corporate sector has led to a marked improvement in overall creditworthiness and hence a decline in credit risk. During FY2025/26, the continued improvement in the sovereign rating following the completion of the EDR supported corresponding upgrades to the ratings of major financial institutions, helping to lower borrowing costs and improve access to markets. Credit risk to the scheme accordingly remained low, further contained by the duration limits imposed by the regulator.
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Impact to Scheme	Scale - Low	Probability - Remote	Risk Score - Low
Monitoring and Mitigation	Selective engagement in corporate debt securities based on stringent analysis of the credit customers' worthiness Frequent analysis of quality and value of collaterals Remote probability due to the duration limits imposed by the regulator		

Liquidity Risk - Potential losses as a result of inadequate cash flows to conduct daily operations and meet regulatory obligations

Risk Context for FY 2025/26	Average Weighted Call Money Rate (AWCMR) remained closer to the lower bound of the standing rate corridor, reflecting improved liquidity conditions within the domestic money market throughout FY2025/26, facilitating a more conducive environment in terms of rupee liquidity for the financial sector.
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Impact to Scheme	Impact - Medium	Probability - Remote	Risk Score - Low
Monitoring and Mitigation	Expanded the stress testing model to assess the scheme's ability to manage and maintain sufficient liquidity amid adverse market conditions or unexpected events		

Regulatory and Compliance Risk - Potential losses owing to non-compliance of regulations

Risk Context for FY 2025/26	During FY2025/26, the regulatory framework continued to expand, with additional compliance requirements arising under the SEC Act No. 19 of 2021, the CIS Code, and the AML/CFT Rules issued by the CBSL-FIU. The implementation of the new AML system during the year strengthened transaction monitoring and client screening.
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Impact to Scheme	Impact - Medium	Probability - Remote	Risk Score - Medium
Monitoring and Mitigation	Continuous and ongoing monitoring of regulatory requirements by the Risk and Compliance department and reporting to the Board to ensure timely compliance Automation of compliance monitoring requirements against regulatory thresholds		
Opportunities derived and the response	Automation of transaction monitoring and client screening processes through the new AML system		

Business Continuity Risk - Potential losses owing to business disruptions attributed to the failure of back end systems or inadequate human resources

Risk Context for FY 2025/26 While macroeconomic recovery and political stability supported continued operations during FY2025/26, Cyclone Ditwah in late 2025 tested the Fund's business continuity arrangements. The scheme's operations continued without material disruption, supported by the Board-approved BCP and remote-working infrastructure.

Impact to Scheme	Scale - Low	Probability - Remote	Risk Score - Low
Monitoring and Mitigation	Conducting routine BCP Drills in the presence of an independent observer to provide additional assurances		
	A robust Board-approved human capital strategy aimed at attracting and retaining the best in-class team		
	Implementing IT infrastructure to facilitate remote working in a secure environment		
	Implementing and maintaining a strong succession and backup plan		

Reputation Risk - Potential losses owing to service failures

Risk Context for FY 2025/26 Drive the client acquisition process by improving awareness on Unit Trust and driving the same mainly through digital channels

Impact to Scheme	Scale - Low	Probability - Remote	Risk Score - Low
Monitoring and Mitigation	Continuous and ongoing monitoring of service quality parameters		
	Regular training of staff dealing with clients on customer service		
	Monitoring and promptly addressing customer complaints		
Opportunities derived and the response	Implement a CRM system to enhance end-to-end services provided to customers		

Strategic Risk - Potential losses owing to actual results being significantly different from the strategy and business plan

Risk Context for FY 2025/26 Delays on the dependency on external service providers (mainly the system vendors faced when achieving digitalisation)

Impact to Scheme	Scale - Low	Probability - Remote	Risk Score - Low
Monitoring and Mitigation	Continuous and ongoing monitoring and follow up and regular reporting to the Board detailing actual performance against strategic objectives and targets, including through fortnightly Management Committee and monthly Board review meetings		

GOVERNANCE AND STEWARDSHIP

RISK MANAGEMENT REPORT

Information and Cybersecurity Risk - Potential losses owing arising as a result of the loss of information due to external or internal breach of IT systems

Risk Context for FY 2025/26 Continued and increased trend in cybercrime targeting financial institutions.

Impact to Scheme	Scale - Medium	Probability - Possible	Risk Score - Medium
Monitoring and Mitigation	Comprehensive assessment of IT and Information Security (IT & IS) risks using local and international IT & IS benchmarks, with findings reported to the management and Board for necessary actions		
	Vulnerability Assessment and Penetration Testing (VAPT) conducted by an independent third party specialist with findings reported to the Board		
	Continuous education was provided to staff on cyber security risks		

Operational Risk - Potential losses owing to flawed and failed systems, policies, processes, or events that disrupt business operations

Risk Context for FY 2025/26 FY2025/26, incidents and near-misses were identified as a consequence of increased business and transaction volumes, customer onboarding, and the elevated operational pressures around the festive season and Cyclone Ditwah. These were escalated and addressed in line with the incident and near-miss policies.

Impact to Scheme	Scale - Medium	Probability – Remote	Risk Score - Low
Monitoring and Mitigation	A robust framework of policies and processes in place that mitigates operational risk		
	Incident and near-miss policies in place to escalate operational misconduct or control lapses to the Management and the Board of Directors		
	Frequent risk assessments and gap analysis conducted to assess the efficiency of policies and processes		

ESG Risk - Potential losses attributed to the lack of focus on environmental, social and governance best practices

Risk Context for FY 2025/26 Growing concerns on ESG matters globally are pushing organisations to address key ESG aspects such as promoting gender diversity in the workplace and the adoption of sustainable business practices including more emphasis on climate action goals. During FY2025/26, the Group progressed the adoption of the SLFRS S1 and S2 sustainability disclosure standards to enhance ESG reporting transparency

Impact to Scheme	Scale - Low	Probability - Remote	Risk Score - Low
Monitoring and Mitigation	Board focus on ESG integration across all levels of the business		
	Improve ESG reporting transparency through the adoption of global frameworks such as IR, GRI, SASB as well as the SDG's at the Group level		

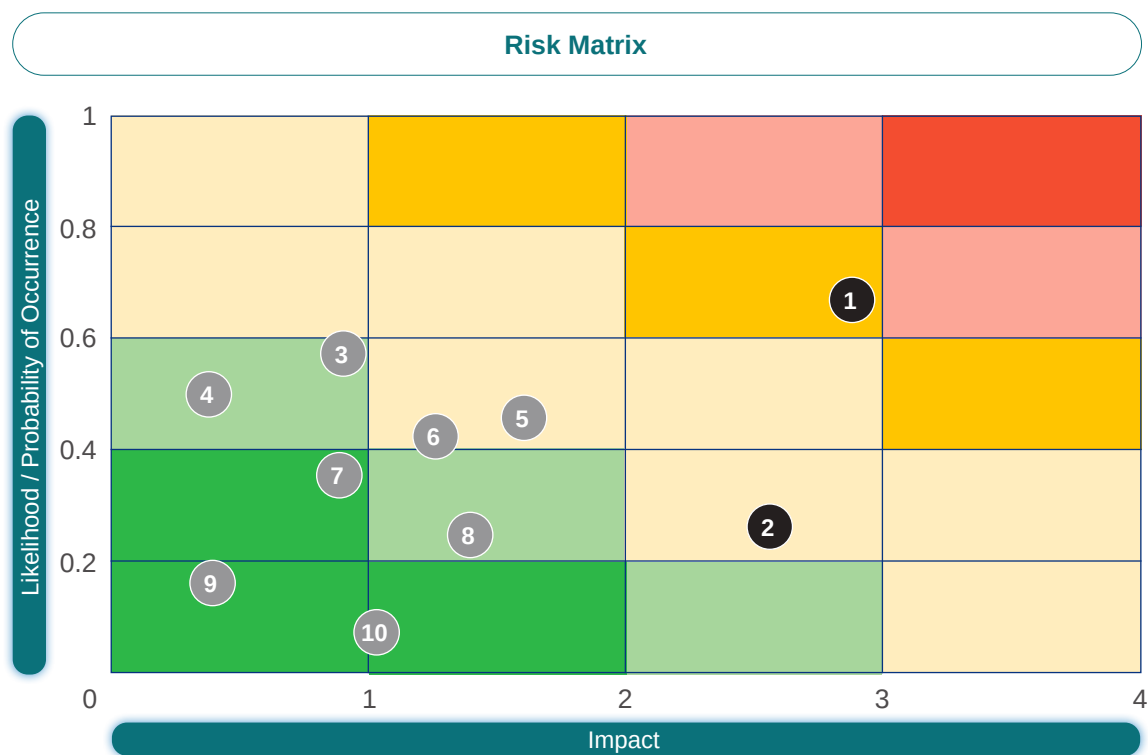
RISK AND OPPORTUNITY MATRIX

Our risk and opportunity matrix provides the impact and likelihood ratings that are utilised for risk assessments. It also provides interpretative guidance on categorisation of impact and likelihood to foster institutional uniformity in classifying, rating and prioritising risks.

Risk ratings are monitored periodically and subject to change based on overall variations in impact to the Group and percentage of likelihood.

RISK RATING MATRIX

Depending on the results obtained, risks will be positioned in the matrix given below.



1 Information and Cyber Security Risk

2 Regulatory and Compliance Risk

3 Reinvestment Risk

4 Strategic Risk

5 Business Continuity Risk

6 Reputation Risk

7 Liquidity Risk

8 Operational Risk

9 ESG Risk

10 Credit Risk

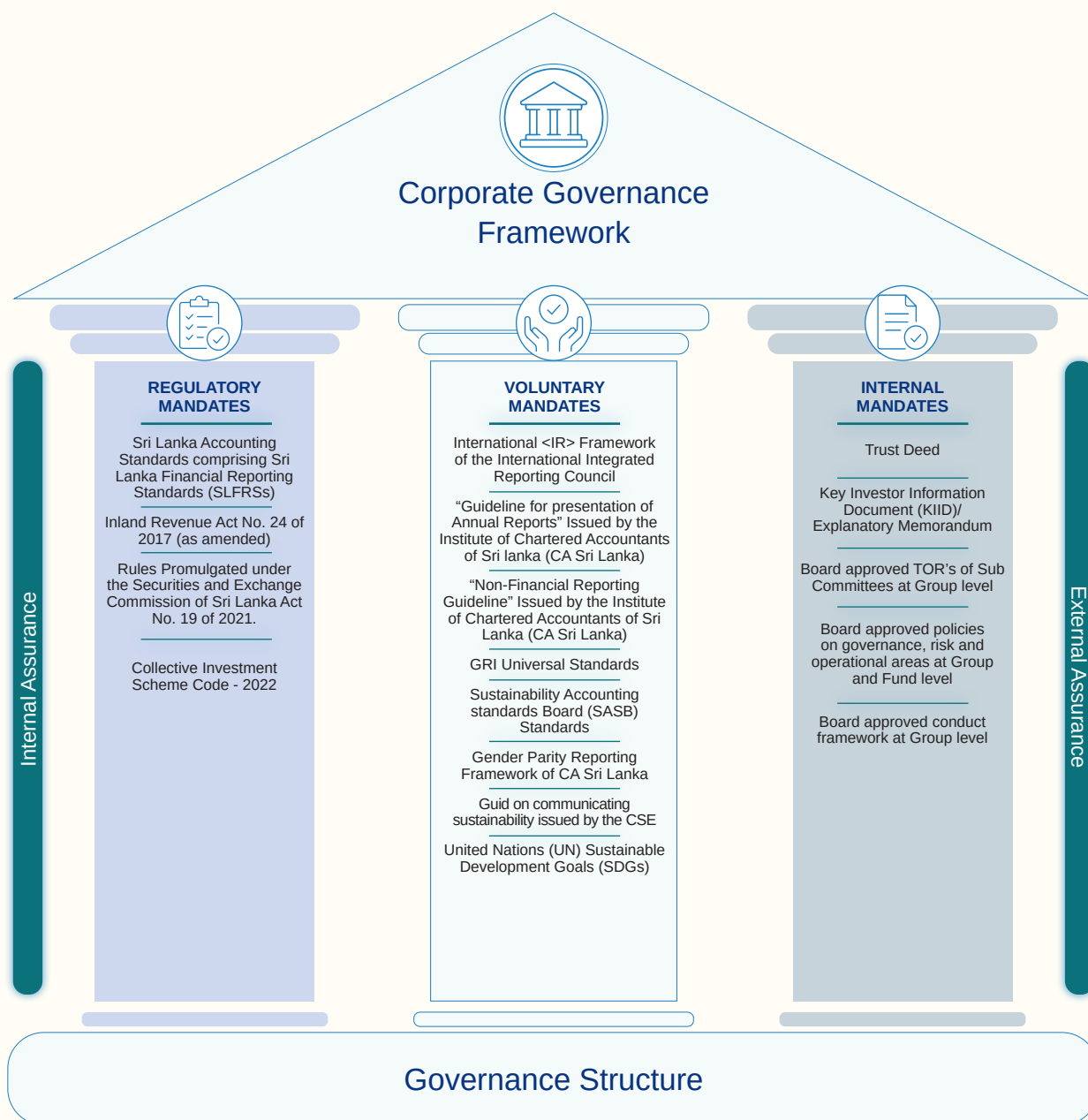
GOVERNANCE AND STEWARDSHIP

CORPORATE GOVERNANCE

CREATING VALUE THROUGH CORPORATE GOVERNANCE

The Management Company's Corporate Governance Framework provides the basis to support growth strategy by influencing how the objectives are set and achieved, how risk is monitored and assessed, and how performance is optimised with the principle aim of creating and sustaining stakeholder value.

CORPORATE GOVERNANCE FRAMEWORK



GOVERNANCE STRUCTURE

The Fund Managing Company operates within a well-defined governance structure that includes a clear segregation of roles and responsibilities to facilitate effective decision making and promote the principles of accountability, transparency, fairness and integrity at all levels of the business. The Board sub-committee of the parent company, First Capital Holdings PLC, operates as the sub-committees of First Capital Asset Management Limited. The Board as the highest governing body, plays a fundamental role in anchoring the governance structure including through the selection and appointment of members of Board sub-committees and Key Management Personnel (KMP's).

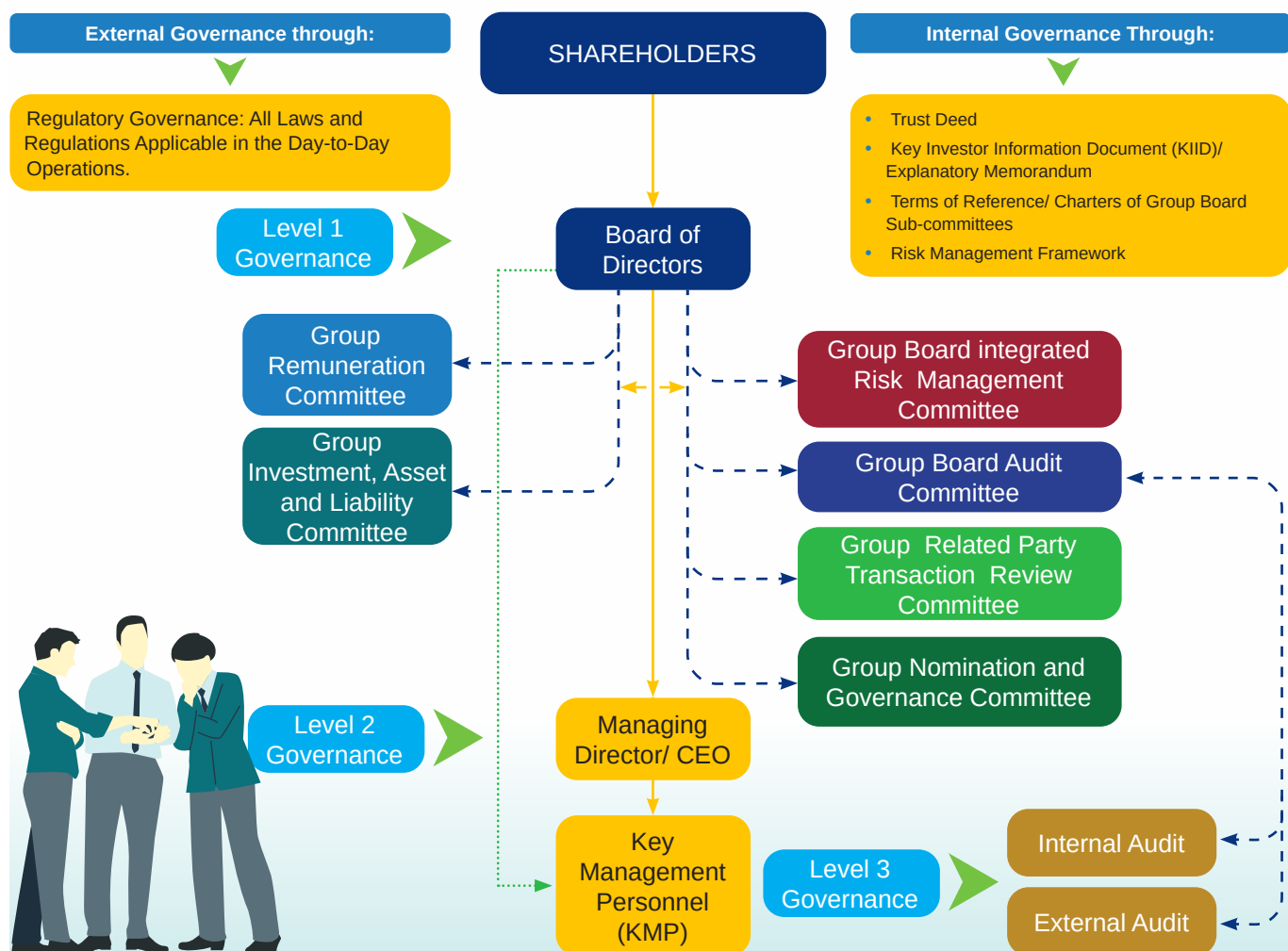
The Board is further responsible for reviewing and updating the governance structure to ensure necessary improvements are made in line with the growth strategy.

THE BOARD

The Board of Directors of First Capital Asset Management Limited is the apex governing body and the key custodian in charge of embedding good governance principles.

BOARD COMPOSITION

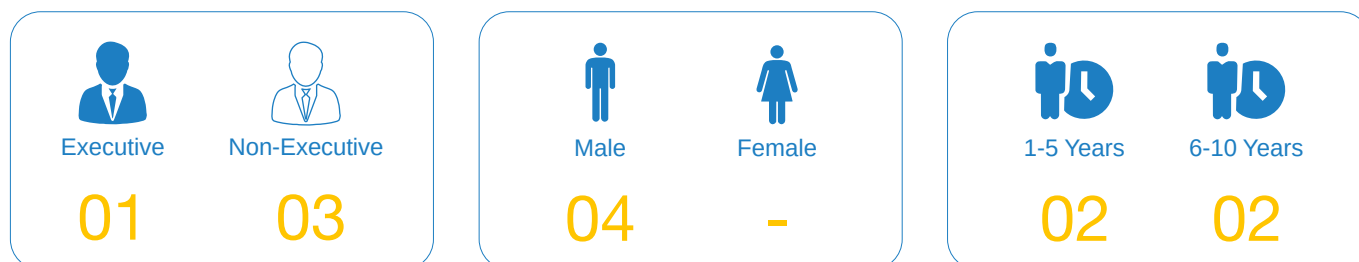
First Capital Asset Management is led by a highly competent and a well balanced Board, comprising an Executive Director and 3 Non-Executive Directors.



GOVERNANCE AND STEWARDSHIP

CORPORATE GOVERNANCE

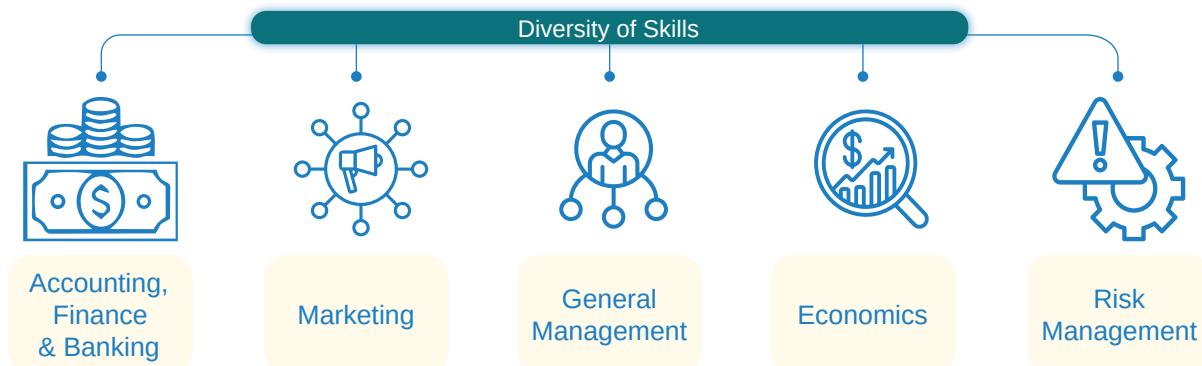
Board Diversity



No.	Director Name	Directorship Status	Appointment Date	Tenure on the Board (approx.)	Skills and Expertise
1	Dr. Nishan de Mel	Non-Executive – Independent	13.10.2017	08 Years	Economics, General Management
2	Mr. Kuda Herath	Non-Executive – Independent	15.11.2024	03 Years	Manufacturing, Sales, Marketing
3	Mr. Kavin Karunamoorthy	Executive - Non-independent	09.12.2025	05 Months	General Management, Investment Banking
4	Mr. Dilshan Wirasekara	Non- Executive- Non-Independent	16.05.2017	09 Years	Asset and Liability Risk Management, Investment Banking, General Management

Mr. Dilshan Weerasekara previously held a position as Managing Director and re-designated as Non-Executive Non-Independent Director on 25 October 2025.

Profiles of Board members are provided in a separate section of this Annual Report (pages 22-23).



RESPONSIBILITIES OF INDIVIDUAL DIRECTORS

All Directors are expected to be willing to allocate sufficient time and effort towards executing their duties as a member of the Board, including by attending Board meetings and actively contributing their knowledge, expertise as an independent judgement on Board matters.

All Board members are also required to participate in the annual Board evaluation process.

MANAGING CONFLICTS OF INTEREST

All Directors are responsible for disclosing to the Board any actual or perceived Conflicts of Interest that could potentially compromise the Directors' ability to execute his / her duties effectively. Such disclosures are periodically reviewed by the Related Party Transactions Review Committee to ensure such transactions or dealings made by the Directors with findings tabled at Board meetings.

Further, in the event, an item in which a director has an interest is being discussed at a Board meeting, the Interested Director is expected to recuse himself from participating in any discussions on the matter.

DIVISION OF RESPONSIBILITY BETWEEN THE CHAIRMAN AND CEO

The role of the Chairman is distinct and separate from that of the CEO. The separation of responsibilities is designed to ensure that no single person has unfettered decision-making powers and that the appropriate balance of power and authority exists on the Board.

DUTIES AND RESPONSIBILITIES OF THE CHAIRMAN

The Chairman leads the Board by providing stewardship for the adoption of good governance practices and for overseeing the functioning of the Board to safeguard the best interest of the Company and its shareholders.

ROLE OF THE CEO

The CEO operates with the delegated authority and oversees the day-to-day management of the Company in accordance with the Board approved policies and procedures. The CEO provides leadership and direction to KMP's and senior managers, and for fostering relations with internal and external stakeholders. The CEO reports directly to the Board through the Managing Director.

ROLE OF THE BOARD

The Board, as the apex governance body, operates as per specific Terms of Responsibilities set out under the Policy on Matters Relating to Board of Directors. As per the policy, the Board is collectively accountable to stakeholders for the proper management of the business in keeping with good governance principles. To that end, the Board provides strategic direction and sets the strategic intent by establishing strategic objectives over the short, medium and long term time frame, and also ensuring appropriate resources, including necessary capital investments and human resources are available to support the achievement of these strategic objectives.

Compliance

The Board is accountable to stakeholders for ensuring the Company complies with applicable laws, rules, codes and standards. In executing its duties, the Board closely monitors regulatory requirements to ensure all compliance requirements are fulfilled in a timely manner, while paying special attention to the early adoption of new regulations.

As part of its commitment to compliance, the Board also promotes voluntary adoption of global best practices.

Risk Management and Internal Control

The Board is responsible for the governance of risk, including determining the nature and extent of the significant risks which the Company is willing to take.

The Board oversees the Group Risk Management framework and policies, ensures that Management maintains a sound system of risk management and internal controls.

The Board, with the assistance of the Group Board Audit Committee and Group Board Integrated Risk Management Committee reviews,

at least annually, the adequacy and effectiveness of the Company's risk management and internal control systems considering the scope and scale of the business operations.

Please refer to the Risk Management Report from Page 119 to 125 for more details.

Conduct and Ethics

The Board is responsible for establishing a culture of fair dealing across the Group. In adherence with the Code of Conduct, the Board sets the tone from the top to promulgate strong business ethics and with the highest level of integrity at all times. To ensure these principles are cascaded down across the business, the Board has adopted the following conduct framework established at Group level.

- **Code of Conduct for Employees** that sets clear expectations concerning the culture, values and behaviors required by employees
- **Anti-Bribery and Anti-Corruption policy** explains the prohibitions against bribery, kickbacks, gifts and facilitation payments during the course of business and highlights the specific compliance requirements relating to these prohibitions. The Anti-Bribery and Anti-Corruption Policy apply to all Directors and employees without exception. Regular training is conducted to reinforce these principles among employees and Directors.
- **Whistleblowing Policy** which serves as a channel for stakeholders to anonymously report possible financial irregularities, inappropriate financial reporting, internal controls or other issues that may require internal investigation. All Whistleblower complaints are reviewed by the Chairperson of the Audit Committee. Throughout the investigation process, all reasonable steps are taken to ensure the whistleblower is kept

GOVERNANCE AND STEWARDSHIP

CORPORATE GOVERNANCE

apprised of the progress of the investigation. Employees can easily access the Whistleblower policy via the intranet, while special awareness sessions are also conducted regularly to educate employees on its proper use.

The Board undertakes to review all conduct policies, at least annually to ensure appropriate amendments are made to reflect changes in business, rules, regulations and laws.

IT Governance

The Board is responsible for setting the IT objectives to align with the strategic ambitions for the short, medium and long term. The Board undertakes to review the IT operations and makes proposals and recommendations for projects to support demand management and strategic alignment. In this regard the Board actively monitors external trends and latest global best practices in the IT and Cybersecurity sphere with a view to identifying IT risks and opportunities and promoting early adaptation of necessary frameworks to strengthen the IT resilience.

Accordingly, the Board approves the IT budget and establishes IT policies to support the business model and strategy. At an operational level, the responsibility for safeguarding IT infrastructure, and implementing IT policies comes under the purview of the IT Head.

HR Governance

The Board is responsible for ensuring appropriately skilled personnel are available to support all key functions. In order to attract the right talent, the Board gets involved in establishing remuneration structures and the formulation and implementation of workplace policies that comply with legal and regulatory requirements and align with global best practices.

The Board executes these responsibilities through the Head of HR. The Board is responsible for policy formulation to reflect HR best practices, while the Head of HR is charged with policy implementation as well as aligning Human Capital development activities in tandem with the strategy.

Stakeholder Engagement

The Board acknowledges its responsibility to engage regularly with the stakeholders in order to obtain their insights, views and feedback.

Shareholder/ Unitholder Relations and Communication

The Board acknowledges the shareholders/ Unitholders right to receive timely and accurate information regarding the Company/ Fund and the schemes under management. To that end, the Board is committed to publishing all shareholder/ investor information in compliance with statutory requirements. All shareholder/ investor information, including financial statements, the Annual Report and any other relevant disclosures are published in a timely manner with due consideration of the SEC rules.

All such information is also made available on the corporate website - www.firstcapital.lk

DIRECTORS TRAINING

All Board Directors are entitled to receive training. Directors are encouraged to undertake regular training to support continuous professional development and to stay informed on the latest developments in the financial services industry and on the regulatory front. Further, the Group Nomination and Governance Committee analyses the training needs of the Board and recommends appropriate workshops for Directors to attend.

Directors Training - FY 2025/26	
Program Focus	No. of Directors who participated
Future of Finance 2025 Seminar	01
Training on sustainability & Global sustainable conference	01
Board Leadership Training Programs (Holistic Leadership Summit & Board Leadership Training conducted by SLID)	02

Meanwhile new Directors receive an orientation pack encapsulated by the Code of Conduct, policies and other important information. As part of their orientation, all new Directors are introduced to KMP's.

EVALUATING BOARD PERFORMANCE

The Board conducts a collective evaluation of its performance and functional effectiveness on an annual basis. As part of this process, all Directors are required to complete an annual self-evaluation, which is submitted to the Group Nomination and Governance Committee. The Committee reviews the outcomes of these self-evaluations with a focus on the effectiveness of the Board's processes, roles, responsibilities, decision-making, and overall performance. The Committee's observations and recommendations arising from this review are thereafter submitted to the Board for consideration and any appropriate action.



GROUP BOARD AUDIT COMMITTEE

Purpose:

Oversight of financial reporting, internal controls, internal and external audits and compliance with legal and regulatory requirements

Composition of the Committee:

- **Rachini Rajapaksa** – Independent Non-Executive Director (Chairperson)
- **Inoshini Perera** – Independent Non-Executive Director
- **Manjula Mathews** – Non-Independent Non-Executive Director

Meeting Frequency:

Quarterly



GROUP RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Purpose:

Ensuring that the Group takes the interest of shareholders as a whole into consideration in a manner that avoids conflict of interest.

Composition of the Committee:

- **Rachini Rajapaksa** – Independent Non-Executive Director (Chairperson)
- **Inoshini Perera** – Independent Non-Executive Director
- **Manjula Mathews** – Non-Independent Non-Executive Director

Meeting Frequency:

Quarterly



GROUP REMUNERATION COMMITTEE

Purpose:

Evaluation and recommendation of the Group remuneration structure in alignment with performance parameters.

Composition of the Committee:

- **Dilendra Wimalasekera** – Independent Non-Executive Director (Chairman)
- **Rajendra Theagarajah** – Independent non-Executive Director
- **Ramesh Schaffter** – non-independent non-Executive Director

Meeting Frequency:

Semi-annually



GROUP BOARD INTEGRATED RISK MANAGEMENT COMMITTEE

Purpose:

Establishing and maintaining a comprehensive enterprise risk management system.

Composition of the Committee:

- **Rachini Rajapaksa** – Independent Non-Executive Director (Chairperson)
- **Inoshini Perera** – Independent Non-Executive Director
- **Dilshan Wirasekara** – Non-Independent Executive Director

Meeting Frequency:

Monthly



GROUP INVESTMENT, ASSET AND LIABILITY COMMITTEE

Purpose:

Reviewing investment related analysis, liquidity positions and risks and approving investment decisions of the Group in the best interest of shareholders.

Composition of the Committee:

- **Rajendra Theagarajah** – Independent non-Executive Director
- **Rachini Rajapaksa** – Independent Non-Executive Director (Chairperson)
- **Manjula Mathews** – Non-Independent Non-Executive Director
- **Dilshan Wirasekara** – Non-Independent Executive Director

Meeting Frequency:

Bi-weekly



GROUP NOMINATION AND GOVERNANCE COMMITTEE

Purpose:

Reviewing the composition of the Board to ensure that the Board is properly constituted and balanced in terms of skills, experience and diversity.

Composition of the Committee:

- **Kuda Herath** – Independent Non-Executive Director (Chairman)
- **Rajendra Theagarajah** – Independent non-Executive Director
- **Manjula Mathews** – Non-Independent Non-Executive Director

Meeting Frequency:

Annually and when circumstances dictate

GOVERNANCE AND STEWARDSHIP

CORPORATE GOVERNANCE

EVALUATING THE PERFORMANCE OF THE CEO

The performance of the CEO is assessed annually by the Board based on pre-agreed performance criteria linked to the strategic roadmap, with the findings used as the basis for the determination of adjustments to remuneration.

GROUP BOARD SUB COMMITTEES

Group Board Committees play an important role in assisting the Board in carrying out its oversight responsibilities. The following sub-committees established at the parent company level which act as the sub-committees for all subsidiaries including FCAM.

In the current financial year, the Group Level Board revised and formally approved the Terms of Reference (TOR) were drawn up for each Committee outlining the scope of work and duties and responsibilities of the respective Committee Chairman / person and its membership in accordance with the new corporate governance rules issued by the CSE for listed entities.

The Group Board also implemented a new procedure to evaluate Board performance and effectiveness, in accordance with the Policy on Matters Relating to the Board of Directors, for evaluating the performance and effectiveness of Board Sub Committees as well.

ROLE OF THE COMPANY SECRETARY

The Company Secretary is responsible to the board for, inter alia, acting as a central source of information and advice to the board on its duties and responsibilities, adherence to good corporate governance principles, and compliance with procedures and applicable statutes and regulations. All directors have full access to the professional services and advice of the Company Secretary in all aspects of the Board's mandate and operations of the Company. In line with good governance practices, the appointment and removal of the Company Secretary is a board matter.

The assessment confirmed that – Ms. Heidya Senevirathne has been Company Secretary:

- is competent, suitably qualified and experienced
- has the requisite skills, knowledge and experience to advise the board on good governance
- maintains an arm's length relationship with the board and directors
- has discharged her responsibilities effectively in the year under review

GOVERNANCE AND STEWARDSHIP

COMPLIANCE DISCLOSURES

Minimum governance requirements applicable to Market Intermediaries

Section	Minimum requirement	Compliance Status
Board composition	• Board of directors of the Market intermediary shall comprise of a minimum of 3 Directors in total; of whom at least One (1) shall be a Non-executive Director.	Complied
	• Where the Chairman is a Non-executive Director, the Non-executive Director shall be 'Independent'.	Complied
	• In the event the Chairman and CEO roles are combined, the Board shall appoint the Independent Non-Executive Director to be the "Senior Independent Director" (SID) with powers equivalent to that of the Chairman, as specified in the Board Charter or terms of reference.	N/A
Chief Executive Officer	• The CEO shall be a full-time employee, dedicated to the entity and shall;	Complied
	• possess a degree or a professional qualification from a recognised university/institute or • a minimum of ten (10) years of senior managerial experience • However, where the entity holds more than one category of license issued by the SEC, a dedicated Business Head with adequate competence, reporting to the CEO shall be appointed for each license category; whilst ensuring appropriate processes are in place to have a clear demarcation of the different functions pertaining to such businesses.	Complied

Compliance status with the Market Intermediary Rules

Regulator requirement	Compliance Status
• Managing 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 (20) day of the following month.	Complied
• An interim report and unaudited accounts shall be produced for each Scheme for the first six (6) 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
• An 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 (4) 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
• Accounts, books, and other documents forming the basis for financial statements and reports are maintained and preserved for a period of five years.	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 (4) calendar months of the end of the last day of the financial year.	Complied
• Daily records are kept for the units.	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

GOVERNANCE AND STEWARDSHIP

COMPLIANCE DISCLOSURES

Regulator requirement	Compliance Status
Securities of any firm or company in which the Management Company has any equity interest are not being brought or sold without the prior written approval of the SEC.	N/A
Total investment does not exceed any limit permitted by SEC and un-allowed investments are not being made.	Complied
All transactions between the Unit Trust and an associate, joint venture, subsidiary, or holding company of the Management Company, shall be with the prior written consent of the trustee.	Complied
- A money market scheme shall maintain the liquidity levels: 5% of its net asset value maturing on an overnight basis 10% of its net asset value maturing on a weekly basis 20% of its net asset value maturing on a monthly basis	Complied Complied Complied
Key Investor Information Document (KIID) is reviewed by the Management Company at least every two years.	Complied
Units are not sold or offered to the public unless a copy of the latest approved KIID has been made available.	Complied
KIID contains the required information and has been approved by SEC.	Complied
Maintain a minimum number of 50 unitholders for each fund at any given time.	Complied
Trustee has been approved by SEC.	Complied
Trustee and the Management Company of the Unit Trust are separate legal entities.	Complied
Trustee and the Management Company shall not have a common person as an Executive Director in the Board of Directors.	Complied
Trust deed is approved by SEC.	Complied
Trust deed contains the required information.	Complied
Changes to the Trust Deed are not done without the prior approval of the SEC.	Complied
Maintain a minimum net capital of Rs. 25Mn by the Management Company.	Complied
Assets held for the trust are deposited with the trustee.	Complied
A register of the unitholders is maintained with the required information and updated.	Complied
If any unitholder has elected to reinvest dividends into additional units, a written statement disclosing the number of dividends reinvested is sent at least once every year.	Complied

Regulator requirement	Compliance Status
Issue and redemption prices are calculated daily on the basis of the Unit Trust's net asset value, divided by the number of units outstanding.	Complied
Latest available offer and redemption prices are published, in leading Sri Lankan daily newspaper or on the website of the Management Company.	Complied
If the net asset value of a Scheme is published it may be stated that this price excludes the front-end fee or exit fee if any.	Complied
The Management Company shall record each instance where the unit price is incorrect and, as soon as the error is discovered, report the fact to the Trustees of the Scheme together with details of the action taken, or to be taken, to avoid repetition.	Complied
The valuation method that will be adopted in order to determine the net asset value of its portfolio of investments shall be as provided for in the KIID.	Complied
The net asset value of an open-ended Scheme shall be calculated at least once every business day and where such calculation is not possible for reasons as stated in the KIID, it shall be calculated at least once every week or at such frequency as may be approved by the Commission.	Complied
Payment for Units shall be made in full within five (5) business days prior to their issue.	Complied
Allowable other expenses are being charged from the fund and adequate disclosures are being provided to unitholders for the same.	Complied
Content of the advertisements shall be according to guidelines provided in the CIS Code	Complied
All advertisements should be approved by the Trustee	Complied
After obtaining the Trustee's approval, a copy of such advertisement is filed to the SEC 1 week prior to the publication.	Complied
(A flexibility to this rule has been granted by SEC on through email)	Complied
Management Company with the approval of the Trustee shall appoint an auditor who shall provide his services for the entirety of the financial year.	Complied
Audit fees of the auditor are determined by the Management Company with the approval of the trustee.	Complied
Audit opinion is distributed to unitholders.	Complied
The maximum interval between the receipt of a properly documented request for redemption of Units and the payment of the redemption money to the Unitholder, shall not exceed ten (10) business days from the dealing day on which, the request was received.	Complied
Where, for any exceptional reason, it is not feasible or desirable to make payment of the redemption money within ten (10) business days, the Commission shall be notified forthwith giving reasons as to why such payment should not be made within ten (10) business days.	Complied
On every dealing day, the Management Company shall inform the Trustee in writing, the number of Units of the Scheme to be issued/canceled along with the amount payable in respect thereof during such day.	Complied
Management company should obtain SEC approval for any other business activity conducted by the Company.	Complied
Ensure that managing third-party portfolios are not in conflict with the Unit Trust Operations.	Complied
A Management Company may renew the license annually three months prior to the expiry of the license.	Complied

GOVERNANCE AND STEWARDSHIP

COMPLIANCE DISCLOSURES

Regulator requirement	Compliance Status
Ensure compliance with the CDD rules and related circulars issued by CBSL-FIU.	Complied
Continuous Professional Development (CPD) Qualification is mandatory to the employees of the unit trusts Management companies dealing with client's or who engage in marketing unit trust products to the public for and on behalf of the Management company from 01 January 2022.	Complied
Ensure Compliance with the sections mentioned on Section A of Part V to the Schedule of the SEC Act.	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 20 day of the following month.	Complied
A Management company shall notify the SEC and obtain its prior consent of any change in particulars contained in a licensing/renewal application.	Complied
A change in the shareholding of twenty percent (20%) or more of the total shareholding of a Management Company shall be made only with prior consent of the Commission.	Complied
The Management Company shall not invest the assets of the CIS in the securities issued by a related company of the Management Company without the prior written consent of the Trustee. All such transactions shall be disclosed in the annual report of the CIS.	Complied

GOVERNANCE AND STEWARDSHIP

GROUP BOARD AUDIT COMMITTEE REPORT

First Capital Holdings PLC is the intermediary parent company of First Capital Asset Management Limited, the Managing Company of the First Capital Money Market Fund (Unit Trust Fund). The Board Audit Committee (BAC) of First Capital Holdings PLC thus functions as the Audit Committee of the Managing Company and is responsible for establishing and maintaining a comprehensive financial reporting framework and internal control systems for identifying, assessing and monitoring internal control practices in order to assist the Board and Corporate Management Team in terms of the BAC Charter.

CHARTER OF THE COMMITTEE

The Board Audit Committee assists the Board in the discharge of its responsibilities by overseeing financial reporting, both internal and external audits and internal control practices. The BAC Charter explicitly defines the Terms of Reference (TOR) of the Committee and governs the composition, functions and responsibilities. The Committee evaluates the Group's procedures for ensuring compliance with applicable laws, regulations, and any existing internal codes of conduct.

REGULATORY FRAMEWORK TO THE FUNCTIONS OF THE COMMITTEE

The role, responsibilities, and composition of the BAC are determined in accordance with the provisions set out in the:

- Listing Rules of the Colombo Stock Exchange ("CSE Rules")
- Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka ("Code 2023")

COMPOSITION OF THE COMMITTEE

The Board Committee consists of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Committee is chaired by Ms. Rachini Rajapaksa.

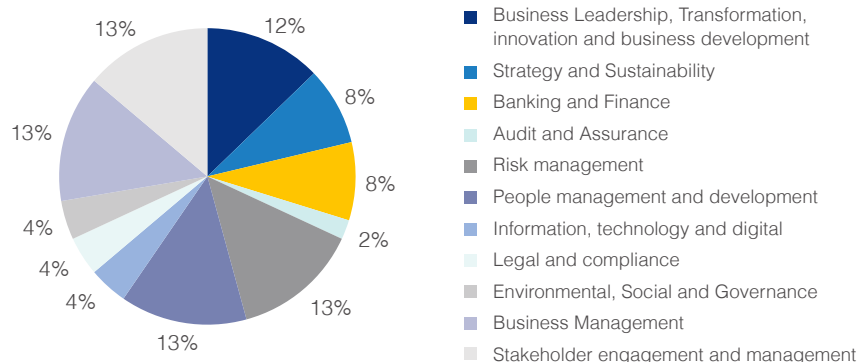
The members of the Board Audit Committee as of the reporting date are as follows.

Name	Membership Status
Ms. Rachini Rajapaksa (Independent Non-Executive Director)	Chairperson
Ms. Inoshini Perera (Independent Non-Executive Director)	Member
Ms. Manjula Mathews (Non-Independent Non-Executive Director)	Member

Secretary to the Committee - Ms. Heidy Seneviratne

Brief profiles of the members of the Board appointed Audit Committee are given on Pages 219 to 226 of the Annual Report.

Diversity of Expertise



* An individual Director may represent more than one discipline

KEY RESPONSIBILITIES OF THE AUDIT COMMITTEE

The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities and the main activities are to:

- Oversee the integrity of the Group's financial reporting framework, to ensure the financial reporting systems, internal accounting controls, and disclosure processes are robust, effective, and capable of providing accurate, timely, and reliable information to the Board, regulators, and other stakeholders.
- Review and monitor the preparation of financial statements to ensure the consistent application of appropriate accounting policies in compliance with applicable accounting standards and regulatory requirements, and significant financial matters are accurately disclosed, including key judgments, related party transactions, and potential conflicts of interest.
- Evaluate the adequacy and effectiveness of the Group's internal control and risk management environment, including financial, operational, information systems, and compliance controls, to safeguard assets, prevent and detect

GOVERNANCE AND STEWARDSHIP

GROUP BOARD AUDIT COMMITTEE REPORT

fraud, and support sound corporate governance practices.

- Oversee the effectiveness and independence of the external audit process by reviewing audit plans, assessing auditor performance and objectivity, and monitor compliance with applicable auditing standards and regulations, including policies governing the provision of non-audit services.
- Provide oversight and guidance on the internal audit function, including reviewing the scope, effectiveness, and alignment of the internal audit plan with the Group's risk profile and strategic priorities.
- Assess the adequacy and effectiveness of the Group's compliance framework through the review of compliance reports and monitoring adherence to applicable laws, regulations, internal policies, and governance requirements.
- Facilitate effective communication and coordination among the external auditors, internal auditors, management, and the Board to ensure transparency, timely resolution of issues, and alignment on matters relating to financial reporting, controls, risk, and compliance.
- Exercise authority, where necessary, to commission independent reviews, obtain additional information, and escalate unresolved matters, including reporting to relevant regulatory authorities in accordance with applicable regulatory requirements.
- Report regularly to the Board on the Committee's deliberations, including key findings, recommendations, decisions, and follow-up actions arising from Committee meetings.
- Ensure that disclosures contained in the BAC Report are comprehensive, transparent, and aligned with applicable statutory, regulatory, and reporting requirements.

FINANCIAL REPORTING SYSTEM

The Committee reviewed the financial reporting system adopted by the Fund with particular reference to the following;

- The preparation, presentation and adequacy of the disclosures in the Fund's annual and interim financial statements in accordance with the Sri Lanka Accounting Standards, requirements of the Collective Investment Scheme Code (CIS Code 2022) and other applicable statutes.
- The underlying rationale and basis for the significant estimates and judgments to the financial statements.

INTERNAL AUDIT

The Internal Audit function of the Fund has been outsourced to M/s. Ernst & Young. Control weaknesses highlighted in the internal audit reports were examined by the Committee and the follow-up action taken by the management on the audit recommendations were also reviewed. The committee reviewed the effectiveness of the internal audit function and the scope and procedures for internal audit during the ensuing year.

EXTERNAL AUDIT

The committee reviewed the annual financial statements for 2025/26 including the audit opinion with the External Auditors, M/s B. R. De Silva and Co prior to recommendation to the Board of Directors for approval. In accordance with best practices in corporate governance, the Committee also evaluated the scope of non-audit services provided by the External Auditors to ensure their independence and objectivity was not compromised.

The Committee recommended the audit fees to the Board of Directors of Managing Company (First Capital Asset Management Limited) for approval, following a detailed review.

RISK MANAGEMENT AND INTERNAL CONTROLS

During the year under review, the Audit Committee carried out a comprehensive evaluation of the Fund's key financial risk exposures, together with the policies and procedures implemented by management to monitor, control, and report such risks. The Committee also assessed ongoing legal matters affecting the Fund, with particular attention to potential implications and associated risks.

During the year under review, the Audit Committee continued to oversee the effectiveness of the Group's internal control environment and key risk management practices, with a focus on ensuring that appropriate measures were in place to identify, monitor, and mitigate material risks. The Committee noted the transition of certain policy-related responsibilities to the Board Integrated Risk Management Committee (BIRMC) and accordingly maintained its focus on oversight and assurance activities within its mandate.

The Committee closely monitored and reviewed system-related issues identified within the Group's digital platforms, ensuring that appropriate corrective actions were taken by management to strengthen system controls and enhance operational resilience.

In addition, the Committee reviewed the Compliance Register, maintained by the Compliance Division, which serves as a tool to ensure adherence to regulatory rules and corporate governance policies.

Written assurance was received from the Chief Executive Officer and Chief Financial Officer, confirming that financial and business operations are functioning effectively. This assurance was supported by the submission of quarterly compliance reports.

MEETINGS

Five audit committee meetings were held during the year under review. External Auditors and Internal Auditors were also present at meetings on a need basis. The proceedings of the Audit Committee meetings are reported to the Board of Directors on a regular basis.

The attendance of the Members for the Audit Committee meetings during year 2025/26 is as follows.

Name of the Board Subcommittee Members	Attendance in 2025/26 (Attended/Eligible to Attend)
Ms. Rachini Rajapaksa (Chairperson)	5/5
Ms. Inoshini Perera (Member)	5/5
Ms. Manjula Mathews (Member)	5/5

Regular Attendees by Invitation:

Mr. Kavin Karunamoorthy (CEO)	2/5
Mr. Mangala Jayashantha (Chief Financial Officer)	5/5
Ms. Harshanee Deshapriya (Head of Legal)	5/5
Mr. Kapila Perera (Chief Risk Officer)	3/5

BOARD AUDIT COMMITTEE'S ROLE IN STRENGTHENING CORPORATE GOVERNANCE

The BAC contributes to strengthening corporate governance by fostering a culture of accountability, transparency, and ethical conduct across the Group. Through its independent oversight, the Committee enhances the credibility of financial reporting and ensures that governance practices are aligned with regulatory expectations and stakeholder interests. Its focus on maintaining high standards of integrity supports informed decision-making and reinforces confidence among investors and other stakeholders.

In carrying out its role, the BAC promotes a robust control environment by providing oversight of risk management practices, compliance frameworks, and audit outcomes. The Committee facilitates constructive engagement between management and assurance providers, while ensuring that identified issues are addressed in a timely and effective manner. Through continuous monitoring and disciplined governance practices, the BAC plays a key role in strengthening the overall governance framework and supporting the Group's long-term sustainability.

PERFORMANCE

Strategy Formulation

The BAC rigorously evaluates strategic initiatives to ensure they are executed within a robust, resilient, and well-controlled environment, with due regard to risk management, financial reporting integrity, technological readiness, and regulatory compliance. It safeguards the independence of the internal audit function while reinforcing accountability across the three lines of defence. The Committee ensures that the Group's strategic priorities are supported by strong management information systems (MIS), effective internal controls over financial reporting (ICOFR), and a structured audit framework.

Through continuous oversight and comprehensive access to information, the BAC aligns governance, control, and assurance mechanisms with the Group's strategic objectives, thereby promoting transparency, accountability, and sustainable value creation.

CONFORMANCE

Accountability

Accountability remains central to the BAC's mandate, ensuring the integrity and compliance of the Group's financial reporting. The Committee reviews annual and interim financial statements with a focus on key judgments, policy changes, adjustments, and going concern considerations, supported by management attestations and internal control assurances. It also evaluates the performance and independence of External Auditors, oversees audit partner rotation, and ensures compliance with non-financial reporting requirements, including ESG disclosures, thereby enhancing transparency and reporting credibility.

Monitoring and Supervision

The BAC provides comprehensive oversight of Internal Audit, External Audit, ICFR, MIS reliability, and regulatory compliance. It reviews audit plans, monitors progress and ensures timely resolution of findings while commissioning independent quality assessments where necessary. The Committee also oversees compliance frameworks, whistleblowing mechanisms, anti-bribery and corruption procedures and technology-related risks. Its coordinated approach with other Board Sub-Committees ensures effective governance, robust control environments, and alignment with the Group's regulatory and strategic objectives.

(Sgd.)

Ms. Rachini Rajapaksa

Chairperson- Board Audit Committee
(First Capital Holdings PLC)

GOVERNANCE AND STEWARDSHIP

GROUP REMUNERATION COMMITTEE REPORT

First Capital Holdings PLC (the Company) is the intermediary parent company of First Capital Asset Management Limited, Managing Company of the First Capital Money Market Fund (Unit Trust Fund). The Remuneration Committee of First Capital Holdings PLC thus functions as the Remuneration Committee of First Capital Asset Management Limited.

We are committed to ensuring that the remuneration of the Group's executive directors and senior management is fair, competitive, and aligned with both individual performance, market and the long-term interests of shareholders. We oversee the development and implementation of remuneration policies, design performance-based incentive structures, and ensure full compliance with applicable regulatory and corporate governance requirements. The Committee also ensures transparency in disclosures, benchmarks compensation against industry standards, and safeguards against conflicts of interest by maintaining an independent and objective decision-making process.

REGULATORY FRAMEWORK TO THE FUNCTIONS OF THE COMMITTEE

The role, responsibilities, and composition of the Board Remuneration Committee are determined in accordance with the provisions set out in the:

- Listing Rules of the Colombo Stock Exchange ("CSE Rules")
- Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka ("Code 2023")

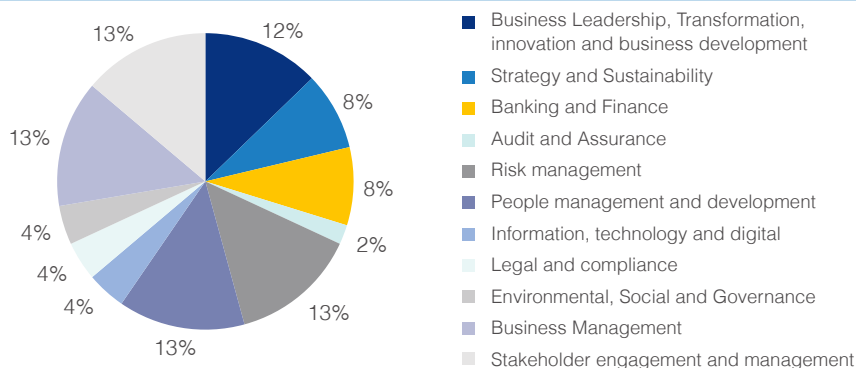
Composition of the Committee

The Remuneration Committee was appointed by the Board of Directors of the company. As at 31 March 2026, the Committee comprised the following directors.

Name	Membership Status
Mr. Dilendra Wimalasekera (Independent Non-Executive Director)	Chairman
Mr. Rajendra Theagarajah (Independent Non-Executive Director)	Member
Mr. Ramesh Schaffter (Non-Executive Director)	Member

The Company Secretary serves as the Secretary to the Committee.

Diversity of Expertise



KEY RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

- Review and recommend a remuneration and incentive scheme, including any proposed equity incentive awards including terminal benefits for the Managing Director, and the Senior Management team including KMP.
- Review proposed increments and market adjustments to compensation to ensure appropriate rates in relation to market/industry and the compensation philosophy of the company.
- Approve annual increments, bonuses, incentives and any other compensation changes for the Managing Director and the Senior Management team including KMP, based on corporate and individual performance against set targets and goals.
- Ensure the remuneration and benefits are set on a fair and equitable basis.
- Review market data on compensation and benefits and approve periodic recommendations made by the management.
- Communication with shareholders on the remuneration policy and the committee's work (on behalf of the Board) through a Remuneration committee report.
- Recommend appropriate service contracts for Executive Directors.
- Approve the terms of any compensation package in the event of early termination of the contract of an Executive Director.

Other matters

The Remuneration committee is authorised by the Board to seek appropriate professional advice inside and outside the group as and when it considers this necessary.

MEETINGS

The Remuneration committee convened four times during the period under review. The attendance of the Members for the Committee meetings during year 2025/26 is as follows.

Name of the Board Subcommittee Member	Membership Status	Attendance in 2025/26 (Attended/ Eligible to Attend)
Mr. Dilendra Wimalasekera	Chairman	4/4
Mr. Rajendra Theagarajah	Member	4/4
Mr. Ramesh Schaffter	Member	4/4

REMUNERATION COMMITTEE'S ROLE IN STRENGTHENING CORPORATE GOVERNANCE

The Remuneration Committee (RC) is a mandatory Board Sub-Committee responsible for providing strategic oversight and governance over the Group's remuneration practices. In line with applicable regulatory requirements and governance principles, the Committee ensures that policies and frameworks relating to remuneration are aligned with the Group's strategic objectives and uphold the highest standards of integrity, accountability, and ethical conduct. Guided by the principles of performance and conformance, the RC supports value creation while reinforcing transparency and sound governance practices.

PERFORMANCE

Strategy Formulation

The Committee provides strategic oversight of the remuneration frameworks, ensuring alignment with its vision, risk appetite, and business priorities. It collaborates with the Board and Senior Management to define short- and long-term leadership objectives, supporting sustainable performance and effective strategy execution. In addition, the Committee oversees the formulation of remuneration policies that promote high performance while ensuring fairness, competitiveness, and market alignment, using benchmarking and external insights where appropriate to attract and retain talent, enhance employee engagement, and support the achievement of strategic objectives.

CONFORMANCE

Accountability

The Committee ensures accountability and transparency in remuneration governance by recommending compensation structures for senior management and overseeing their approval by the Board, thereby mitigating conflicts of interest and ensuring alignment with market standards and regulatory expectations. It also collaborates with the Board Integrated Risk Management Committee to align remuneration practices with the Group's risk appetite and governance framework. Through regular evaluations and reporting to the Board, the Committee demonstrates its effectiveness, ensures compliance with governance standards, and reinforces stakeholder confidence while supporting continuous improvement.

Monitoring and Supervision

The Committee periodically reviews its Terms of Reference and employee benefit frameworks, including provident and pension schemes, to ensure alignment with best practices and evolving regulatory expectations, and recommends improvements to the Board where necessary.

(Sgd.)

Mr. Dilendra Wimalasekera

Chairman - Remuneration Committee
(First Capital Holdings PLC)

GOVERNANCE AND STEWARDSHIP

GROUP NOMINATION AND GOVERNANCE COMMITTEE REPORT

Report of the Group Nomination and Governance Committee

First Capital Holdings PLC is the intermediary parent company of First Capital Asset Management Limited, the Fund Managing Company of the First Capital Money Market Fund. The Nomination and Governance Committee of First Capital Holdings PLC thus functions as the Nomination and Governance Committee of the Fund Managing Company.

Charter of the Committee

The principal role of the Nomination and Governance Committee is to proactively manage the composition of the Board, under the delegated authority of the Board of Directors of the Company. The Committee is also responsible for overseeing succession planning for the Managing Director/ Chief Executive Officer. The Committee has the authority to deliberate on matters within its scope and to report to the Board of Directors with recommendations, enabling the Board to make informed decisions. In addition, the Committee is responsible for defining and establishing the nomination process for Non-Executive Directors (NEDs), leading the Board appointment process, and making recommendations to the Board on the appointment of Non-Executive Directors.

REGULATORY FRAMEWORK TO THE FUNCTIONS OF THE COMMITTEE

The role, responsibilities, and composition of the Nomination and Governance Committee (BNGC) are determined in accordance with the provisions set out in the:

- Listing Rules of the Colombo Stock Exchange (“CSE Rules”)
- Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (“Code 2023”)

COMPOSITION OF THE COMMITTEE

Name of the Board Subcommittee member	Designation	Membership Status
Mr. Kuda Herath	Independent Non-Executive Director	Chairman
Ms. Manjula Mathews	Non-Independent Non-Executive Director	Member
Mr. Rajendra Theagarajah	Independent Non-Executive Director	Member

The Company Secretary serves as the Secretary to the Committee.

COMMITTEE MEETINGS

The Board Nomination and Governance Committee held 2 meetings during the year under review.

Attendance

Name of the Board Subcommittee Member	Membership Status	Attendance in 2025/26 (Attended/ Eligible to Attend)
Mr. Kuda Herath	Chairman	12/2
Ms. Manjula Mathews	Member	2/2
Mr. Rajendra Theagarajah	Member	2/2

GOVERNANCE AND STEWARDSHIP

Diversity of Expertise



*An individual Director may represent more than one discipline

KEY RESPONSIBILITIES AND SCOPE OF WORK OF THE COMMITTEE

- Board Composition and Succession Planning**
 Proactively reviewed the structure, size, composition and diversity of the Board and its SubCommittees, and oversaw succession planning for Directors, the Managing Director/CEO and Key Management Personnel (KMPs) to ensure leadership continuity.
- Appointments, Elections and Reelections**
 Led and coordinated the nomination, appointment, election and reelection processes for Directors, including oversight of AGM-related governance matters, in line with regulatory and governance requirements.
- Assessment of Director Independence and Fitness**
 Conducted regular assessments of the independence, fitness and propriety of Directors, ensuring compliance with applicable regulatory standards and safeguarding the integrity of Board decision making.
- Performance Evaluation**
 Facilitated the annual performance evaluation of the Board, its SubCommittees and the Managing Director/CEO, identifying areas for improvement and supporting continuous enhancement of governance effectiveness.
- Governance Framework and Policy Oversight**
 Reviewed, updated and strengthened the Corporate Governance Framework and related policies to ensure alignment with evolving legal, regulatory and best-practice requirements, while promoting transparency and accountability.
- Board Knowledge and Capacity Building**
 Oversaw induction, training and continuous professional development programmes for Directors to enhance governance competencies and awareness of regulatory, industry and emerging risk developments.
- Subsidiary Governance Oversight**
 Ensured consistency of governance practices across subsidiaries by overseeing director nominations, appointments and governance structures in line with Group standards.
- Regulatory Compliance and Engagement**
 Ensured effective communication and engagement with regulators and timely, accurate governance disclosures in the Annual Report, reinforcing stakeholder confidence.

BOARD NOMINATION AND GOVERNANCE COMMITTEE'S ROLE IN STRENGTHENING CORPORATE GOVERNANCE

Nominations and Governance Committee plays a pivotal role in strengthening the Group's corporate governance by supporting the Board in ensuring effective leadership, sound governance structures and sustained regulatory compliance. As a mandatory Board Sub-Committee, the Nominations and Governance Committee is responsible for overseeing Board appointments, succession planning and the continuous enhancement of the Corporate Governance Framework in line with regulatory requirements and best practices.

The Committee contributes to governance effectiveness by ensuring that the Board and its SubCommittees comprise an appropriate balance of skills, experience, independence and diversity aligned with the Group's strategic objectives. Through structured and transparent nomination and re-appointment processes, the Committee reinforces objective, merit-based leadership decisions and safeguards the integrity and independence of Board deliberations.

PERFORMANCE

Strategy Formulation

The Board Nominations and Governance Committee supports the Board's strategic effectiveness by ensuring that the composition of the Board and its SubCommittees aligns with the Group's strategic direction and operating environment. Through structured nomination, succession planning and performance evaluation processes, the Committee helps maintain a Board equipped with the right mix of skills, experience, independence and diversity to provide effective strategic oversight. By evaluating Board and MD/CEO performance and strengthening

GOVERNANCE AND STEWARDSHIP

GROUP NOMINATION AND GOVERNANCE COMMITTEE REPORT

succession readiness, the Committee ensures leadership continuity and protects the long-term execution of the Group's strategic objectives.

Policy Making

The Committee plays a key role in translating governance objectives into effective organisational practices by overseeing the development, review and updating of the Corporate Governance Framework and related policies. It ensures that governance policies remain aligned with evolving legal, regulatory and best-practice requirements and are applied consistently across the Group. Through disciplined policy oversight, the Committee promotes clarity in roles, responsibilities and accountability, supporting sound decision making and strengthening governance credibility.

CONFORMANCE

Accountability

Accountability is reinforced through transparent nomination processes, structured performance evaluations and clear governance protocols. The Committee ensures objective and merit-based appointments by requiring Directors to abstain from deliberations on matters relating to their own appointments or reappointments. It also facilitates regular evaluations of the Board, its SubCommittees and the Managing Director/CEO to assess effectiveness, identify improvement areas and enhance governance discipline. These measures strengthen integrity, independence and stakeholder confidence in the Group's governance processes.

Monitoring and supervision

The Committee provides ongoing oversight of the Corporate Governance Framework to ensure effective implementation and continuous improvement. It monitors compliance with regulatory and governance requirements, including the independence and fitness and propriety of Directors, MD/CEO and Key Management Personnel. By reviewing governance reports, evaluating deviations and ensuring appropriate remedial actions, the Committee supports proactive governance supervision. This structured monitoring approach ensures that governance systems remain effective, responsive and aligned with regulatory expectations and best practices.

(Sgd.)

Mr. Kuda Herath

Chairman - Board Nominations and Governance Committee
(First Capital Holdings PLC)

GOVERNANCE AND STEWARDSHIP

GROUP BOARD INTEGRATED RISK MANAGEMENT COMMITTEE REPORT

First Capital Holdings PLC is the intermediary parent company of First Capital Asset Management Limited, Management Company of the First Capital Money Market Fund (Unit Trust Fund). The Board Integrated Risk Management Committee (BIRMC) of First Capital Holdings PLC thus functions as the Integrated Risk Management Committee of the Fund Management Company and is responsible for establishing and maintaining a comprehensive risk governance and management system for identifying, assessing, monitoring, and managing risk to assist the First Capital Group's (FCG) Board and Corporate Management Team in overseeing risk in a dynamic business environment.

CHARTER OF THE COMMITTEE

The Board Integrated Risk Management Committee (BIRMC) is a formally constituted sub-committee of the Board of Directors, established to provide dedicated oversight of the Group's integrated risk management framework. The Committee operates in accordance with a Board-approved Charter (Terms of Reference), which is reviewed periodically to remain aligned with evolving governance expectations and regulatory requirements.

REGULATORY FRAMEWORK GOVERNING THE COMMITTEE

The role, responsibilities and composition of the BIRMC are determined in accordance with the provisions set out in:

- Companies Act, No. 07 of 2007, and subsequent amendments thereto Listing Rules of the Colombo Stock Exchange
- Securities & Exchange Commission of Sri Lanka Act No. 19 of 2021
- Code of Best Practice on Corporate Governance 2023
- Personal Data Protection Act No. 9 of 2022

- Applicable CBSL, SEC, CSE and FIU directions and guidelines

COMPOSITION OF THE COMMITTEE

The Committee comprises two Independent Non-Executive Directors (one of whom chairs the Committee), the Managing Director/CEO, and the Chief Risk Officer who serves as Secretary. The composition ensures a balance of independent oversight and executive insight, with each member bringing complementary expertise in finance, risk, governance and capital markets. Senior management, specialists from the Risk and Compliance function, and external advisors attend meetings by invitation to provide context and support informed decision-making.

Name	Membership Status
Ms. Rachini Rajapaksa (Independent Non-Executive Director)	Chairperson
Ms. Inoshini Perera (Independent Non-Executive Director)	Member
Mr. Dilshan Wirasekara (Non-Independent Non-Executive Director)	Member
Mr. Kapila Perera (Chief Risk Officer)	Secretary

COMMITTEE MEETINGS

The BIRMC held 11 meetings during the financial year 2025/26. The minutes and proceedings were submitted to the Board of Directors.

Name of the Board Subcommittee Members	Attendance in 2025/26 (Attended/Eligible to Attend)
Ms. Rachini Rajapaksa (Chairperson)	11/11
Mr. Dilshan Wirasekara (Member)	11/11
Ms. Inoshini Perera (Member)	11/11
Mr. Kapila Perera (Secretary)	11/11

ATTENDANCE

The Board and Subcommittee meetings were convened at First Capital Holdings PLC, Parent Company of First Capital Group.

KEY RESPONSIBILITIES AND SCOPE OF WORK OF THE COMMITTEE

The Committee's mandate covers the following principal areas:

- Overseeing the Group's integrated risk management framework, including the processes for identifying, assessing, responding to and reporting on significant risks.
- Ensuring that risks are managed within the Board-approved risk appetite and that a robust risk culture is embedded across the organisation.
- Reviewing the adequacy and effectiveness of the Group's risk management framework and recommending updates to the Board of Directors.
- Reviewing risk registers, key risk indicators and emerging risk trends presented by management.
- Reviewing and recommending policies and frameworks governing the Group's principal risk pillars - financial, operational, technology and cyber, and strategic and emerging risks - for Board approval.

GOVERNANCE AND STEWARDSHIP

GROUP BOARD INTEGRATED RISK MANAGEMENT COMMITTEE REPORT

- Approving periodic regulatory compliance reports for onward submission to the Board of Directors and the relevant regulators.
- Supporting the Risk and Compliance function with appropriate resources, tools, and training to enhance capability.

ROLE IN STRENGTHENING CORPORATE GOVERNANCE

The BIRMC is responsible for establishing and maintaining a comprehensive risk-governance and risk management system for identifying, assessing, monitoring and managing risk - supporting the First Capital Group's Board and Corporate Management Team in overseeing risk in a dynamic business environment.

The Committee's work is anchored in the Three Lines of Defence model, which ensures clear accountability for risk ownership, independent oversight, and independent assurance:

- FIRST LINE OF DEFENCE -**
Business units and management - day-to-day ownership of risks within the approved risk appetite; first point of identification, assessment and control.
- SECOND LINE OF DEFENCE**
- Risk and Compliance function
- independent oversight, policy setting, risk-register review, monitoring of key risk indicators, and escalation to the BIRMC.
- THIRD LINE OF DEFENCE**
- Internal Audit and external assurance - independent assurance to the Audit Committee and Board on the adequacy and effectiveness of the risk and control framework

PERFORMANCE AND CONFORMANCE

Strategy Formulation

The BIRMC supports the Board in translating strategic priorities into risk-informed plans that are realistic, actionable and aligned with stakeholder expectations. It evaluates the operating environment - including market developments, regulatory trends, technological advancements and emerging risks - to ensure that strategic decisions are backed by data and measurable outcomes. By embedding risk considerations into strategy, the BIRMC enables the Group to pursue growth opportunities while maintaining operational discipline and resilience.

Policy Making

The BIRMC guides the development, review and oversight of enterprise risk policies across the Group's principal risk pillars - covering financial risk, operational risk, IT and cyber risk, and strategic and emerging risk. It ensures that policies remain dynamic, practical and compliant with regulatory requirements, and that they are effectively communicated across the Group through management briefings, training and awareness programmes.

Accountability

Under delegated authority from the Board, the Committee ensures accountability, transparency and effective stewardship within the Group's risk-governance framework. Through structured reporting and engagement with Senior Management, it oversees the Group's risk profile, evaluates exposures against the approved risk appetite, and monitors the effectiveness of internal controls, while promoting a strong risk culture across the organisation.

Monitoring and Supervision

The Committee maintains continuous monitoring of the Group's enterprise-wide risk profile using structured reporting and data-driven insights - including key risk indicators and emerging trends - to support timely and informed decision-making. It also strengthens organisational resilience by overseeing robust business-continuity and disaster recovery frameworks, while safeguarding financial stability, operational resilience and regulatory compliance.

RISK OVERSIGHT - YEAR IN REVIEW

During the year, the Committee maintained oversight across four broad risk pillars, structured to reflect the Group's diversified capital-markets operations. The Committee's review cycle ensured that risks across each pillar were identified, assessed, responded to and reported on a timely basis.

Through the year, the Committee reviewed monthly risk registers covering the Group's full risk universe, together with in-depth thematic reviews of process level controls within key business functions. The Committee noted that the Group's overall risk profile remained within approved tolerances, and that management responded in a considered and timely manner to the notable external events encountered during the year - including domestic weather-related disruption, the implementation of the Personal Data Protection Act, and the geopolitical developments in the Middle East and their impact on global financial markets and the Sri Lankan macro-economic outlook.

Where emerging risks warranted closer attention, the Committee directed management to refine methodologies, strengthen controls and broaden the scope of surveillance. The Committee also reviewed, and recommended to the Board for approval, a number of policies and frameworks during the year, further strengthening the Group's governance and risk architecture.

CONCLUSION

The Committee is satisfied that the Group's risk management framework operated effectively during the year, that significant risks were identified and managed within the approved risk appetite, and that the framework continues to evolve in line with the Group's strategic direction and the broader risk environment. The Committee will continue to deepen its oversight - advancing methodologies, broadening emerging risk surveillance, and supporting management in building a risk aware culture that underpins the Group's strategic ambitions. On behalf of the Committee, I thank my fellow members, the Managing Director/CEO, the Chief Risk Officer, and all members of the management team and the Risk and Compliance function for their sustained engagement and professionalism throughout the year.

(Sgd.)

Ms. Rachini Rajapaksa

Chairperson - Board Integrated Risk Management Committee

(First Capital Holdings PLC)



The Pre Flight Checklist

Every check complete. Every flight assured.



TABLE OF CONTENTS - FINANCIAL

152	Financial Calendar
153	Financial Performance Highlights
155	Independent Auditor's Report

Financial Statements

157	Statement of Profit or Loss and Other Comprehensive Income
158	Statement of Financial Position
159	Statement of Changes in Unitholders' Funds
160	Statement of Cash Flows

Notes to the Financial Statements

161	Reporting Entity
161	Basis of Preparation
163	Materiality and Presentation
167	Comparative Information
167	Unitholders' Funds
167	Financial Risk Management
168	New Amendments to the Sri Lanka Accounting Standards Issued but not effective as at Reporting Date

Notes to the Statement of Profit or Loss and other Comprehensive Income

169	Income
170	Direct Expenses
170	Loss on financial assets recognised through profit or loss -measured at fair value
171	Administration Expenses
171	Other Operating Expenses
177	Income Tax Expenses

Notes to the Statement of Financial Position

172	Cash at Bank
172	Financial Assets Recognised through Profit or Loss- Measured at Fair Value
174	Financial Assets at Amortised Cost
176	Other Receivable
177	Accruals and Other Payables
177	Net Assets Value Per Unit
178	Analysis of Financial Instrument by Measurement Basis
179	Determination of Fair Value and Hierarchy of Fair Value

Notes to the Other Financial Disclosures

183	Financial Risk Management
192	Related Party Disclosures
195	Capital Commitments and Contingent Liabilities
195	Events Occurring after the Reporting Period
195	Reconciliation Between The Net Asset Value as Per Financial Statement and The Monthly Return

FINANCIAL CALENDAR

FINANCIAL CALENDAR 2025/26

Audited annual financial statements in terms of Rule 50 (2) and interim financial statements in terms of Rule 51(5) of the Collective Investment Scheme Code (CIS Code 2022) of the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021 were issued as follows.

Reports	Date of Release
Provisional / Interim Financial Statements (Unaudited)	30 December 2025
Audited Financial Statements	5 June 2026

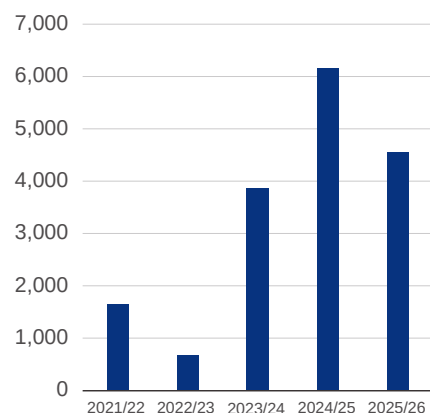
FINANCIAL CALENDAR 2024/25

Audited annual financial statements in terms of Rule 50 (2) and interim financial statements in terms of Rule 51(5) of the Collective Investment Scheme Code (CIS Code 2022) of the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021 were issued as follows.

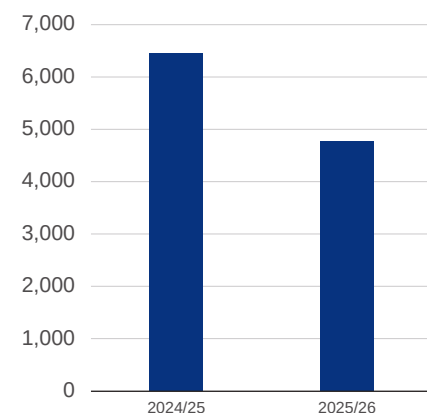
Reports	Date of Release
Provisional / Interim Financial Statements (Unaudited)	31 December 2024
Audited Financial Statements	4 June 2025

FINANCIAL PERFORMANCE HIGHLIGHTS

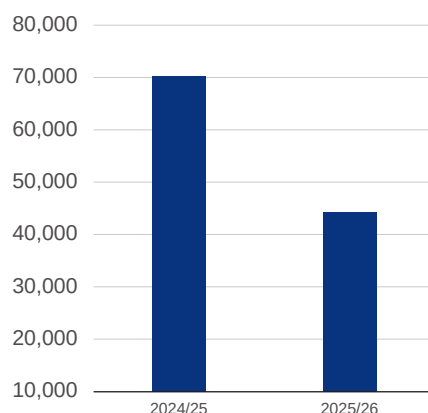
Direct income (Rs. Mn)



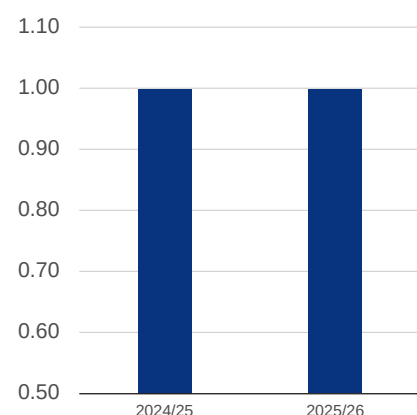
Income generated (Rs. Mn)



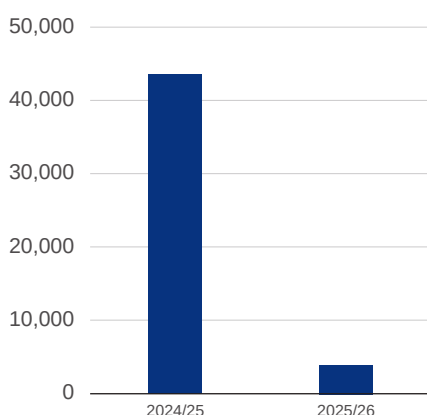
Net assets attributable to unitholders (Rs. Mn)



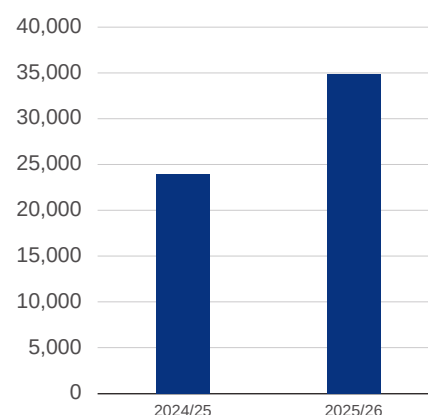
Unitholders' fund asset ratio



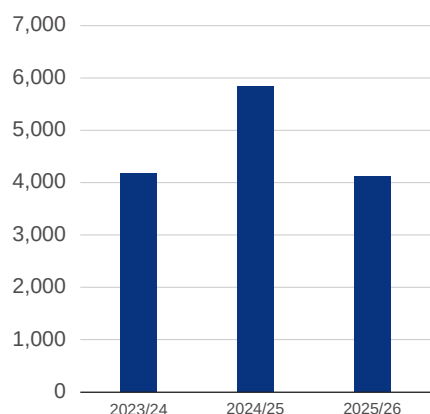
Financial assets at FVTPL (Rs. Mn)



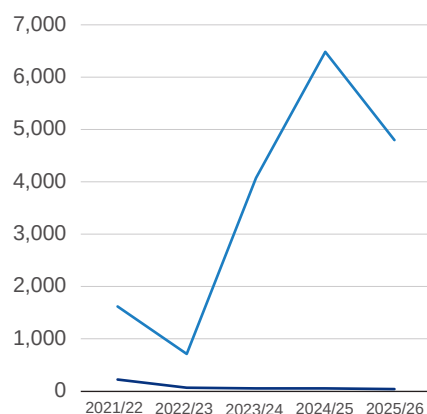
Financial assets at amortised cost (Rs. Mn)



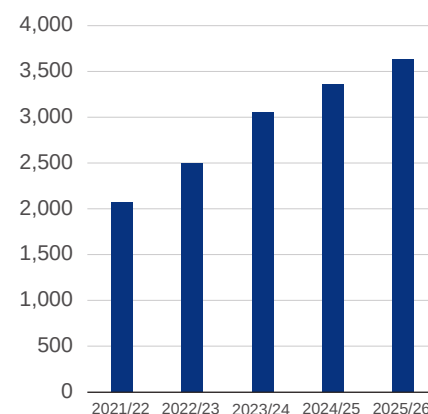
Profit before tax (Rs. Mn)



Fee-based to fund-based income (Rs. Mn)



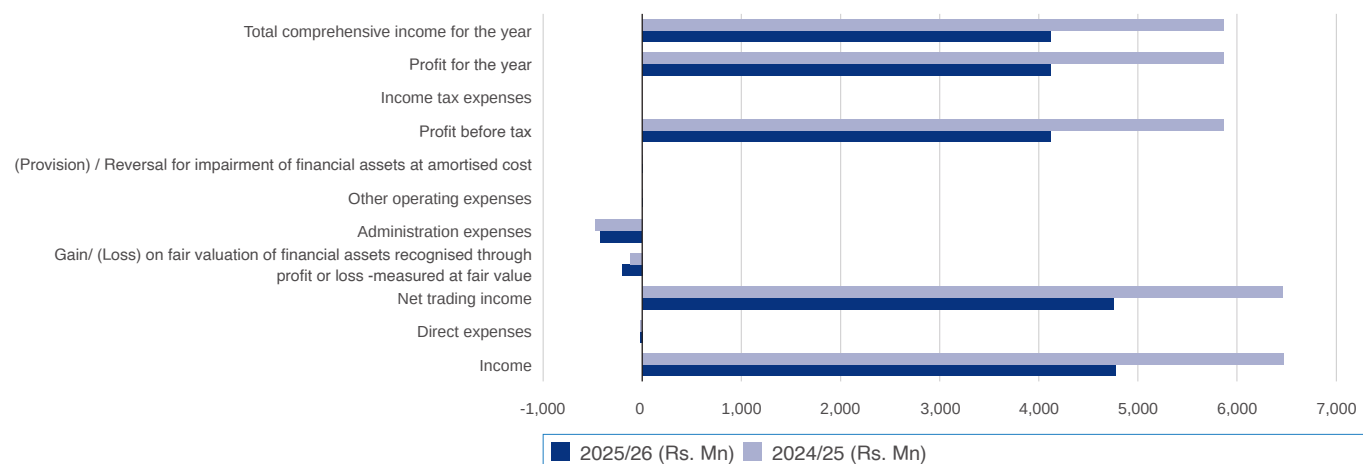
Net assets value per unit (Rs. Mn)



FINANCIAL PERFORMANCE HIGHLIGHTS

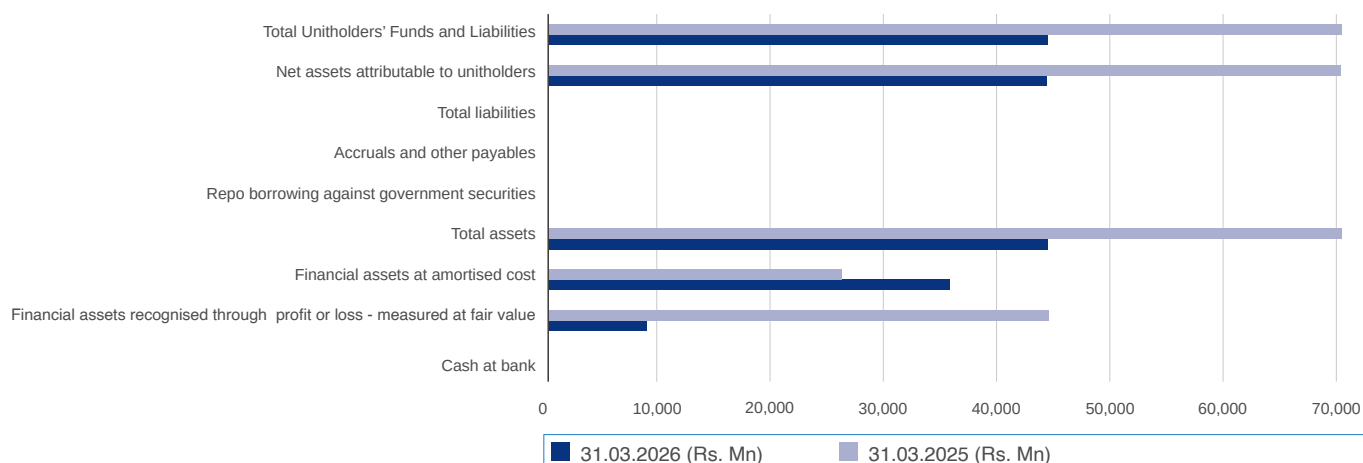
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026



INDEPENDENT AUDITOR'S REPORT



(Private & Confidential)

**TO THE UNITHOLDERS OF FIRST
CAPITAL MONEY MARKET FUND**
**Report on the Audit of the
Financial Statements**

Opinion

We have audited the financial statements of First Capital Money Market 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.

Responsibilities of 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 misstatement, 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 going concern and using the going concern basis of accounting unless 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 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.

Partners - D.S.C. De Silva P.L.C., P.O. Box 108, KOTIMA, L.F. Pharesa P.L.C., L.L.A. Wathanyingilo P.L.C., S.H.E.S. Hsiao, M.S.A. P.L.C., D.S.D. Niba L.L.B., Airways-on-Line 4C4, 4C MAXWELCOMA

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INDEPENDENT AUDITOR'S REPORT

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSSs 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 SLAuSSs, we exercise professional judgement and maintain professional skepticism throughout the audit. Also, we:

- 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 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 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.

05 June 2026
(LW/ST/ms/836)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March,	Note	2026 Rs.	2025 Rs.
Income	8	4,781,183,543	6,477,154,006
Direct expenses	9	(25,376,426)	(17,838,787)
Net trading income		4,755,807,117	6,459,315,219
Loss on fair valuation of financial assets recognised through profit or loss -measured at fair value	10	(206,182,481)	(124,568,077)
Net trading Income before expenses		4,549,624,636	6,334,747,142
Administration expenses	11	(422,893,893)	(476,462,251)
Other operating expenses	12	(1,721,592)	(1,693,165)
(Provision) / reversal for impairment of financial assets at amortised cost	16.3	(1,908,844)	6,805,352
Profit before tax		4,123,100,307	5,863,397,078
Income tax expenses	13	-	-
Profit for the year		4,123,100,307	5,863,397,078
Other comprehensive income		-	-
Total comprehensive income for the year		4,123,100,307	5,863,397,078

Figures in bracket indicate deductions.

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

STATEMENT OF FINANCIAL POSITION

As at,	Note	31.03.2026 Rs.	31.03.2025 Rs.
Assets			
Cash at bank	14	848,580	3,656,192
Financial assets recognised through profit or loss - measured at fair value	15	8,676,994,158	44,429,671,754
Financial assets at amortised cost	16	35,624,127,718	26,018,561,659
Other receivable	17	68,918	-
Total assets		44,302,039,374	70,451,889,605
Unitholders' funds and liabilities			
Liabilities			
Accruals and other payables	18	29,858,334	53,729,680
Total liabilities		29,858,334	53,729,680
Unitholders' funds			
Net assets attributable to unitholders	19.1	44,272,181,040	70,398,159,925
Total Unitholders' Funds		44,272,181,040	70,398,159,925
Total Unitholders' Funds and Liabilities		44,302,039,374	70,451,889,605
Net assets value per unit (Rs.)	19	3,635.21	3,363.91

The Managing Company of First Capital Money Market 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 Managing Company on 5 June 2026



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



Trustee of the Fund
Bank of Ceylon



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



Dilshan Wirasekara
Director
First Capital Asset Management Limited
Fund Managing Company

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

For the year ended 31 March 2026	Note	Unitholders' funds Rs.
Balance as at 1 April 2024		48,588,562,951
Increase due to unit creation during the year	19.1	194,384,604,480
Decrease due to unit redemption during the year	19.1	(178,438,404,584)
Increase in net assets attributable to unitholders		5,863,397,078
Balance as at 31 March 2025		70,398,159,925
Balance as at 1 April 2025		70,398,159,925
Increase due to unit creation during the year	19.1	145,625,131,710
Decrease due to unit redemption during the year	19.1	(175,874,210,902)
Increase in net assets attributable to unitholders		4,123,100,307
Balance as at 31 March 2026		44,272,181,040

Figures in bracket indicate deductions.

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

STATEMENT OF CASH FLOWS

ACCOUNTING POLICY

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

For the year ended 31 March,	Note	2026 Rs.	2025 Rs.
Cash flows from operating activities			
Profit before taxation		4,123,100,307	5,863,397,078
Adjustment for :			
Loss on fair valuation of financial assets recognised through profit or loss -measured at fair value	10	206,182,481	124,568,077
Provision/ (reversal) for impairment of financial assets at amortised cost	16.3	1,908,844	(6,805,352)
Operating profit before working capital changes		4,331,191,632	5,981,159,803
(Increase)/ Decrease in financial assets recognised through profit or loss -measured at fair value		35,546,495,115	(14,863,591,894)
Increase in financial asset at amortised cost		(9,607,474,903)	(4,947,012,685)
Decrease/ (Increase) in other receivables		(68,918)	6,328,013
Decrease in accruals and other payable		(23,871,346)	(1,124,312,467)
Decrease in repo borrowing against government securities		-	(1,025,715,552)
Cash Flows generated from/ (used in) operations		30,246,271,580	(15,973,144,782)
Tax paid	13	-	-
Net cash flows generated from/ (used in) operating activities		30,246,271,580	(15,973,144,782)
Net cash flows generated from/ (used in) investing activities		-	-
Cash flows generated from/ (used in) financing activities			
Proceeds from units creations	19.1	145,625,131,710	194,384,604,480
Payments for units redemption	19.1	(175,874,210,902)	(178,438,404,584)
Net cash flows generated from/ (used in) financing activities		(30,249,079,192)	15,946,199,896
Net decrease in cash and cash equivalents during the year		(2,807,612)	(26,944,886)
Cash and cash equivalents at the beginning of the year		3,656,192	30,601,078
Cash and cash equivalents at the end of the year	14	848,580	3,656,192

Figures in bracket indicate deductions.

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

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

First Capital Money Market Fund ("the Fund") is an Open-Ended Unit Trust approved by the Securities and Exchange Commission of Sri Lanka on 16 September 2014.

The registered office/place of business of the Fund is located at No. 2, Deal Place, Colombo 03. First Capital Asset Management Limited is the Managing Company of First Capital Money Market Fund while Bank of Ceylon has been appointed as the Trustee.

The 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 24 September 2014.

The objective of the First Capital Money Market Fund is to yield superior returns to unitholders while minimising 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 authorised for issue by the Fund Management Company on 5 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.

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 6,991).

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 as at 31 March 2026 comprises of -

- The Statement of Profit or Loss and Statement of Comprehensive Income (SOPLOCI) providing information on the performance of the Fund for the year under review (Refer Page 157).
- Statement of Financial Position (SOFPI) providing the information on the financial position of the Fund as at the year-end (Refer Page 158).
- Statement of Changes in Unitholders' Fund providing the movement in the unitholders' Funds during the year under review (Refer Page 159).
- Statement of Cash Flows, which provides the information to the users, on the ability of the Fund to generate cash and cash equivalents and utilisation of those cash flows (Refer Page 160).
- Notes to the Financial Statements, which comprise of the Accounting Policies and other explanatory notes and information of the Fund (Refer Page 161).

NOTES TO THE FINANCIAL STATEMENTS

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 loss. Following are the bases of measurement of financial instruments by the Fund.

Category	Basis of Measurement	Note	Page Number
Financial assets recognised through profit or loss - measured at fair value	Fair value	Note 15	172
Financial assets at amortised cost	Amortised cost	Note 16	174
Financial liabilities	Amortised cost	Note 18	177

2.3 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees (Rs.), 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	Page Number
Going concern	Note 2.4.1	162
Classification of financial assets	Note 3.3.3	164
Fair value of financial instruments	Note 21	179
Impairment losses on financial assets	Note 16.3	176
Provision for liabilities	Note 3.3.10	166

2.4.1. Going concern

The Fund Managing 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 a 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. Several 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 (Note 26).

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 indicated.

3.2. Index of material accounting policy information

Accounting Policy	Note	Page Number
Material accounting policies - General		
Financial Instruments	Note 3.3	164
Material accounting policies - Recognition of income and expenses		
Direct income	Note 8	169
Direct Expense	Note 9	170
Gain/(loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	Note 3.3.11 and Note 10	167 170
Administration expenses	Note 11	170
Income tax expenses	Note 13	171
Material accounting policies - Recognition of assets and liabilities		
Financial assets recognised through profit or loss - measured at fair value	Note 15	172
Financial assets at amortised cost	Note 16	174
Securities sold under re-purchase agreements (Repo borrowing)	Note 3.3.7	166

NOTES TO THE FINANCIAL STATEMENTS

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 FVTPL are expensed in the statement of profit or loss.

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 cashflows 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 (FVTPL), Financial assets measured at fair value through other comprehensive income (FVTOCI) and Financial assets at amortised cost. All the financial assets are recognised at fair value at its initial recognition.

Financial Assets - Assessment 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 solely 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.

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 recognition, 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 Resale agreements against Government Securities 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

The 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.

NOTES TO THE FINANCIAL STATEMENTS

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 are 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.

In assessing collective impairment, the Fund uses of 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 losses/ (reversals) are 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. Securities sale and repurchase agreements (repo)

Securities sold subject to repurchase agreements (repo borrowings) remain on the SOFP, the counterparty liability is included under borrowings. Securities purchased under agreements to resell (reverse repos) are recorded as financial assets at amortised cost. 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 flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either,
 - 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 (Note 9).

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 unitholders as 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, securitised papers and commercial papers for the purpose of generating a return on the investment made by unitholders, 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 arise 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 in to 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 their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions.



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.

NOTES TO THE FINANCIAL STATEMENTS

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. During FY 2025/26, the Fund experienced a net decrease in unitholders' funds of approximately 37% (from LKR 70.4 Bn to LKR 44.3 Bn), reflecting elevated redemption activity; the Fund maintained adequate liquidity throughout, supported by its short tenor asset profile and active liquidity management.

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 advances to clients, investment in corporate debt securities and 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 behavior.

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 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.

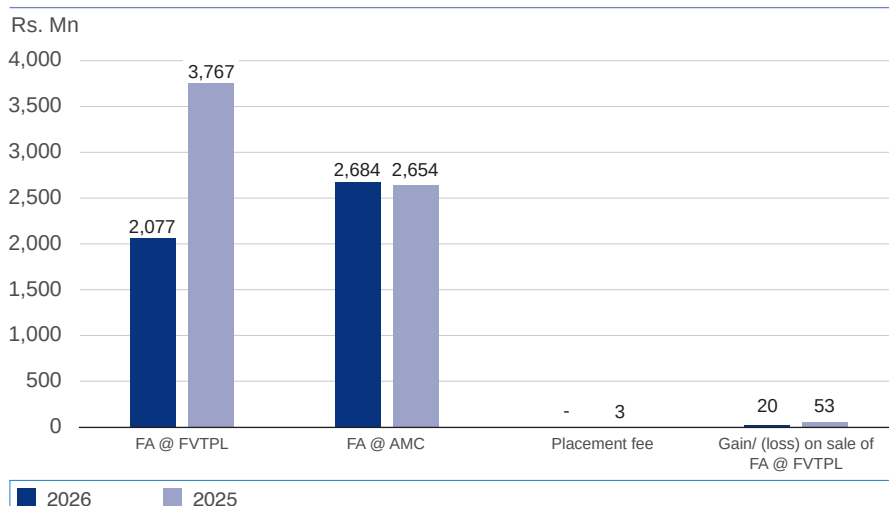
Gain/ (loss) on sale of financial assets measured at fair value through profit or loss

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.

8. INCOME

For the year ended 31 March,

	2026 Rs.	2025 Rs.
Interest income on financial assets recognised through profit or loss measured at fair value	2,076,952,427	3,766,755,484
Interest income on financial assets at amortised cost	2,684,091,084	2,654,456,245
Placement fee	-	3,376,592
Gain on sale of financial assets recognised through profit or loss - measured at fair value	20,140,032	52,565,685
	4,781,183,543	6,477,154,006

Direct Income

NOTES TO THE FINANCIAL STATEMENTS

9. DIRECT EXPENSES

For the year ended 31 March,

	2026	2025
	Rs.	Rs.
Interest expense on repo borrowings	25,376,426	17,838,787
	25,376,426	17,838,787

10. LOSS ON FAIR VALUATION OF FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS -MEASURED AT FAIR VALUE

For the year ended 31 March,

	2026	2025
	Rs.	Rs.
Commercial papers	(32,416,960)	(26,772,068)
Securitised papers	(3,773,141)	2,787,177
Treasury bill	(169,409,214)	107,731,658
Treasury bond	(583,166)	(208,314,844)
	(206,182,481)	(124,568,077)

Loss on fair valuation of financial investments has been accounted for in accordance with the SLFRS 9.

11. ADMINISTRATION EXPENSES

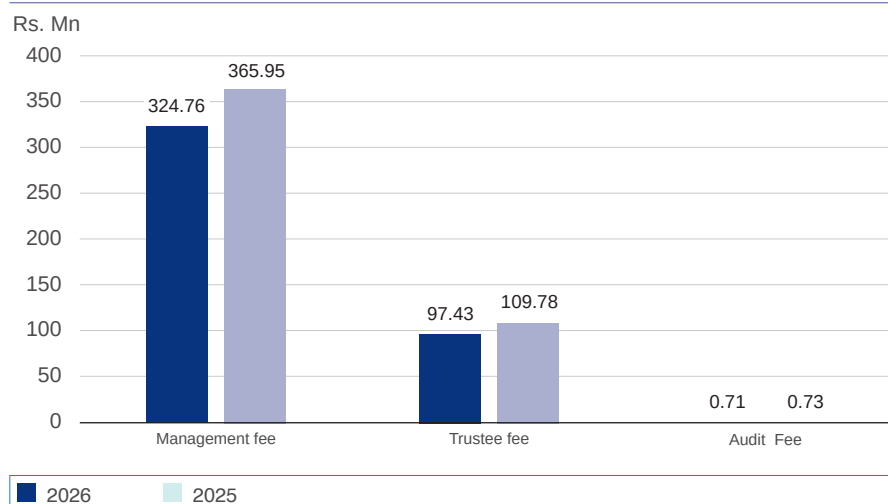
ACCOUNTING POLICY

The management and trustee fees of the fund as per the trust deed are 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.

Administrative Expense



For the year ended 31 March,	2026	2025
	Rs.	Rs.
Management fee	324,759,224	365,946,189
Trustee fee	97,427,767	109,783,857
Audit fee	706,902	732,205
	422,893,893	476,462,251

12. OTHER OPERATING EXPENSES

For the year ended 31 March,	2026	2025
	Rs.	Rs.
Bank charges	1,721,592	1,693,165
	1,721,592	1,693,165

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.

For the year ended 31 March,	2026	2025
	Rs.	Rs.
Reconciliation between current tax expense and the accounting profit		
Profit before tax as per financial statements	4,123,100,307	5,863,397,078
Less: Exempted income	(4,123,100,307)	(5,863,397,078)
Taxable income	-	-
Income tax expense	-	-

NOTES TO THE FINANCIAL STATEMENTS

14. CASH AT BANK

ACCOUNTING POLICY

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

As at	Note	31.03.2026 Rs.	31.03.2025 Rs.
Bank of Ceylon	14.1	607,640	3,401,652
Sampath Bank PLC	14.1	240,940	254,540
		848,580	3,656,192

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.

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

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 Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's documented risk management or investment strategy. Upon initial recognition, transaction costs are recognised in Profit or Loss as incurred.

Financial assets recognised at fair value through Profit or Loss are initially measured at fair value. Subsequent to initial recognition, they are remeasured at fair value. Changes in fair value are recorded in Gain/ (loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value' in the Statement of Profit or Loss and Other Comprehensive Income.

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

- Investment in government securities
- Investment in commercial papers
- Investment in securitised papers

	Note	31.03.2026 Rs.	31.03.2025 Rs.
Commercial papers	15.1	5,892,718,188	10,559,506,033
Securitised papers	15.2	2,772,986,431	530,576,031
Government securities	15.3	11,289,539	33,339,589,690
		8,676,994,158	44,429,671,754

15.1. 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 Asset Value of the Fund	Value - Net as at 31 March 2025 (Rs.)	Percentage exposure to each issuer against the Net Asset Value of the Fund
LOLC Holdings PLC	A	5,892,718,188	13%	10,559,506,033	15%
Total		5,892,718,188		10,559,506,033	

15.2. Securitised papers

Name of the issuer	Issuer credit rating	Value - Net as at 31 March 2026 (Rs.)	Percentage exposure to each issuer against the Net Asset Value of the Fund	Value - Net as at 31 March 2025 (Rs.)	Percentage exposure to each issuer against the Net Asset Value of the Fund
Singer Finance (Lanka) PLC	BBB+	605,983,501	1%	530,576,031	1%
Asia Asset Finance PLC	A+	545,072,356	1%	-	-
Janashakthi Finance PLC	BB+	274,305,392	1%	-	-
LB Finance PLC	A-	791,158,312	2%	-	-
Siyapatha Finance PLC	A	556,466,870	1%	-	-
Total		2,772,986,431	6%	530,576,031	1%

15.3. Government securities

	Value - Net as at 31 March 2026 (Rs.)	Percentage exposure to each issuer against the Net Asset Value of the Fund	Value - Net as at 31 March 2025 (Rs.)	Percentage exposure to each issuer against the Net Asset Value of the Fund
Treasury Bill	11,289,539	0%	33,093,624,614	47%
Treasury Bond	-	-	245,965,076	-
	11,289,539	0%	33,339,589,690	47%

NOTES TO THE FINANCIAL STATEMENTS

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 contractual cash flows and
- (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
 - Fixed deposits

Recognition and Measurement of ECL

The Fund measures loss allowances at an amount equal to lifetime ECL, except for the following, for which are measured as 12-month ECL: debt investment securities that are determined to have low credit risk at the reporting date; and other financial instruments on which credit risk has not increased significantly since their initial recognition. The Fund considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the definition of "investment grade". The Fund does not apply the low credit risk exemption to any other financial instruments. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Fund assesses financial assets under three stages in determining ECL.

- **Stage 1 :**

A financial asset that is not originally credit impaired on initial recognition is classified in Stage 1. Financial instruments in Stage 1 have their ECL measured at an amount equal to the proportion of life time ECL that result from default events possible within the next 12 months (12mECL).

- **Stage 2 :**

Financial instruments that have experienced a significant increase in credit risk since initial recognition but for which the exposure is not yet defaulted. For these assets, lifetime ECLs are recognised, representing the expected credit losses that result from all possible default events over the expected life of the financial asset.

- **Stage 3 :**

Financial instruments which are deemed to be credit impaired. This is where a credit loss has already been suffered on the assets. For these assets, lifetime ECLs are recognised, representing the expected credit losses that result from all possible default events over the expected life of the financial asset.

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive);
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Fund if the commitment is drawn down and the cash flows that the Fund expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Fund expects to recover

The mechanics of the ECL calculations are outlined below and the key elements, Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) under collective impairment assessment are as follows:

Probability of Default (PD)

The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss Given Default (LGD)

Is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. They are calculated on a discounted cashflow basis using EIR as the discounting factor.

	Note	31.03.2026 Rs.	31.03.2025 Rs.
Investment in government securities under resale agreements	16.1	8,431,191,440	19,395,756,234
Investments in fixed deposits (Net of provision for impairment)	16.2	27,192,936,278	6,622,805,425
		35,624,127,718	26,018,561,659

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

16.2 Fixed Deposit

	Note	31.03.2026 Rs.	31.03.2025 Rs.
Investments in fixed deposits		27,195,188,311	6,623,148,614
Less :- Provision for Impairment	16.3	(2,252,033)	(343,189)
		27,192,936,278	6,622,805,425

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

Name of the issuer	Issuer credit rating	31.03.2026		31.03.2025	
		Value - Net as at 31 March 2026 (Rs.)	Percentage exposure to each issuer against the Net Asset Value of the Fund	Value - Net as at 31 March 2025 (Rs.)	Percentage exposure to each issuer against the Net Asset Value of the Fund
Alliance Finance Company PLC	BBB	2,036,472,801	4.60%	1,523,752,964	2.16%
Siyapatha Finance PLC	A	2,859,630,293	6.46%	1,892,522,744	2.69%
Mahindra Ideal Finance Limited	AA-	534,419,972	1.21%	394,654,524	0.56%
Asia Asset Finance PLC	A+	1,484,087,373	3.35%	563,673,465	0.80%
Singer Finance (Lanka) PLC	BBB+	2,189,053,072	4.94%	1,055,037,700	1.50%
HNB Finance PLC	A	3,315,741,821	7.49%	778,128,429	1.11%
Mercantile Investment & Finance PLC	BBB-	2,640,826,570	5.96%	154,560,451	0.22%
Vallibel Finance PLC	A-	2,661,521,828	6.01%	260,475,148	0.37%
Abans Finance PLC	A-	204,116,349	0.46%	-	-
Lanka Orix Finance Company PLC	A+	2,139,165,864	4.83%	-	-
LB Finance PLC	A-	1,853,604,415	4.19%	-	-
Central Finance Company PLC	A	1,051,846,329	2.38%	-	-
Pan Asia Banking Corporation PLC	BBB	522,680,104	1.18%	-	-
Peoples Leasing Company PLC	A	3,396,952,059	7.67%	-	-
CDB Finance PLC	BBB	202,265,164	0.46%	-	-
AMW Capital Leasing & Finance PLC	BBB	100,552,264	0.23%	-	-
Total		27,192,936,278	61.42%	6,622,805,425	9.41%

NOTES TO THE FINANCIAL STATEMENTS

16.3 Provision for impairment in investment in fixed deposit represents expected credit losses (ECL) in accordance with SLFRS 9. Accordingly, individual impairment provision has been derived as follows,

	31.03.2026	31.03.2025
	Rs.	Rs.
Stage 1 - 12 months expected loss	2,252,033	343,189
Stage 2 - Life time expected loss, not credit impaired	-	-
Stage 3 - Life time expected loss, credit impaired	-	-
Total (Note 16.3.1)	2,252,033	343,189

16.3.1 Movement in provision for expected credit loss

	31.03.2026	31.03.2025
	Rs.	Rs.
Balance as the beginning of the year	343,189	7,148,541
Provision /(reversal) for the year	1,908,844	(6,805,352)
Balance at the end of the year	2,252,033	343,189

17. OTHER RECEIVABLE

	31.03.2026	31.03.2025
	Rs.	Rs.
Interest receivable from Mercantile Investment & Finance PLC	68,918	-
	68,918	-

18. 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	22,388,223	38,672,126
Trustee fee payable	6,716,467	11,601,638
Auditor's remuneration payable	753,644	717,032
Outstanding unit investments	-	2,738,884
	29,858,334	53,729,680

19. NET ASSETS VALUE PER UNIT

	31.03.2026	31.03.2025
	Rs.	Rs.
Net assets attributable to unitholders (Rs.)	44,272,181,040	70,398,159,925
Total number of units	12,178,712	20,927,459
Net assets value per unit (Rs.)	3,635.21	3,363.91
Year over Year Increase	8%	10%

NOTES TO THE FINANCIAL STATEMENTS

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

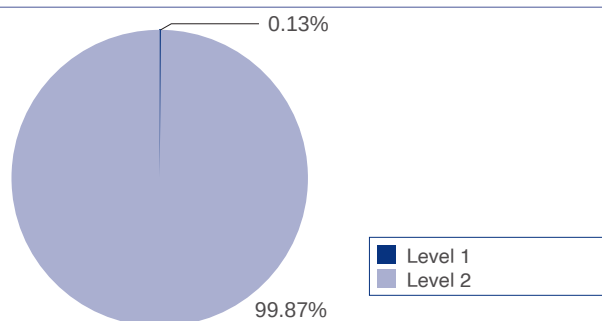
	No. of Units	Rs.
Balance as at 1 April 2024	15,895,599	48,588,562,951
Increase due to unit creation during the year	60,739,170	194,384,604,480
Decrease due to unit redemption during the year	(55,707,310)	(178,438,404,584)
Increase in net assets attributable to unitholders	-	5,863,397,078
Balance as at 31 March 2025	20,927,459	70,398,159,925
Balance as at 1 April 2025	20,927,459	70,398,159,925
Increase due to unit creation during the year	41,807,236	145,625,131,710
Decrease due to unit redemption during the year	(50,555,983)	(175,874,210,902)
Increase in net assets attributable to unitholders	-	4,123,100,307
Balance as at 31 March 2026	12,178,712	44,272,181,040
Year over Year Increase	-42%	-37%

20. ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS

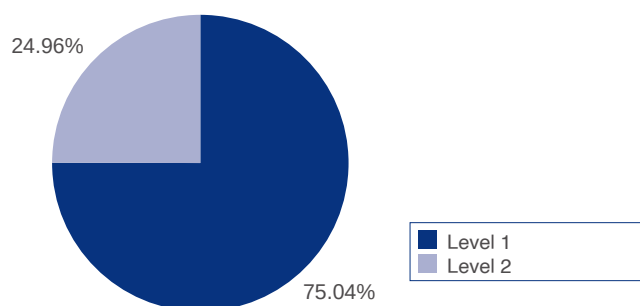
The following tables compare the fair values of the financial instruments with their carrying values.

As at 31 March 2026	Financial Assets/ Liabilities - FVTPL Rs.	Financial Assets/ Liabilities - at amortised cost Rs.	Total carrying amount Rs.	Fair value Rs.
Financial assets measured at fair value				
Financial asset - FVTPL	8,676,994,158	-	8,676,994,158	8,676,994,158
Financial assets not measured at fair value				
Cash at bank	-	848,580	848,580	848,580
Financial assets at amortised cost	-	35,624,127,718	35,624,127,718	35,624,127,718
Total financial assets	8,676,994,158	35,624,976,298	44,301,970,456	44,301,970,456
Financial liabilities not measured at fair value				
Accruals and other payables	-	29,858,334	29,858,334	29,858,334
Total financial liabilities	-	29,858,334	29,858,334	29,858,334

FY 2025/26



FY 2024/25



As at 31 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 - FVTPL	44,429,671,754	-	44,429,671,754	44,429,671,754
Financial assets not measured at fair value				
Cash at bank	-	3,656,192	3,656,192	3,656,192
Financial assets at amortised cost	-	26,018,561,659	26,018,561,659	26,018,561,659
Total financial assets	44,429,671,754	26,022,217,851	70,451,889,605	70,451,889,605
Financial liabilities not measured at fair value				
Repo borrowing against government securities	-	-	-	-
Accruals and other payables	-	53,729,680	53,729,680	53,729,680
Total financial liabilities	-	53,729,680	53,729,680	53,729,680

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

Level 2 - 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.

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 FY2025/26.

NOTES TO THE FINANCIAL STATEMENTS

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*
Treasury bonds	Valued using the CBSL yield curve	Level 1*
Corporate debt		
Commercial papers	comparable market yield (Government Securities)	Level 2
Securitised papers	comparable market yield (Government Securities)	Level 2

CBSL - Central Bank of Sri Lanka

* The fair values of treasury bills and bonds 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 31 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

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

Securitised papers	2,772,986,431	-	2,772,986,431	-	2,772,986,431
Commercial papers	5,892,718,188	-	5,892,718,188	-	5,892,718,188
Government securities	11,289,539	11,289,539	-	-	11,289,539
	8,676,994,158	11,289,539	8,665,704,619	-	8,676,994,158

As at 31 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

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

Securitised papers	530,576,031	-	530,576,031	-	530,576,031
Commercial papers	10,559,506,033	-	10,559,506,033	-	10,559,506,033
Government securities	33,339,589,690	33,339,589,690	-	-	33,339,589,690
	44,429,671,754	33,339,589,690	11,090,082,064	-	44,429,671,754

21.1 Measurement of fair values

21.1.1 (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	Inter-relationship between Significant Unobservable Inputs and Fair Value Measurement
Investment in Commercial papers	The valuation model is based on Yield Curve of the Government Securities. Yields relating to Government Securities based on the maturities of the respective commercial paper 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 (2.23% - 2.93%)	The estimated fair value would increase/decrease if risk premium of the investee company is lower or higher.
Investment in Securitised paper	The valuation model is based on Yield Curve of the Government Securities. Yields relating to Government Securities based on the maturities of the respective securitised paper 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 (0.49% - 2.83%)	The estimated fair value would increase/decrease if risk premium of the investee company is lower or higher.

21.1.1 (b) Reconciliation of level 2 fair values

The following table shows a reconciliation from the opening balance to the closing balances for Level 2 fair values.

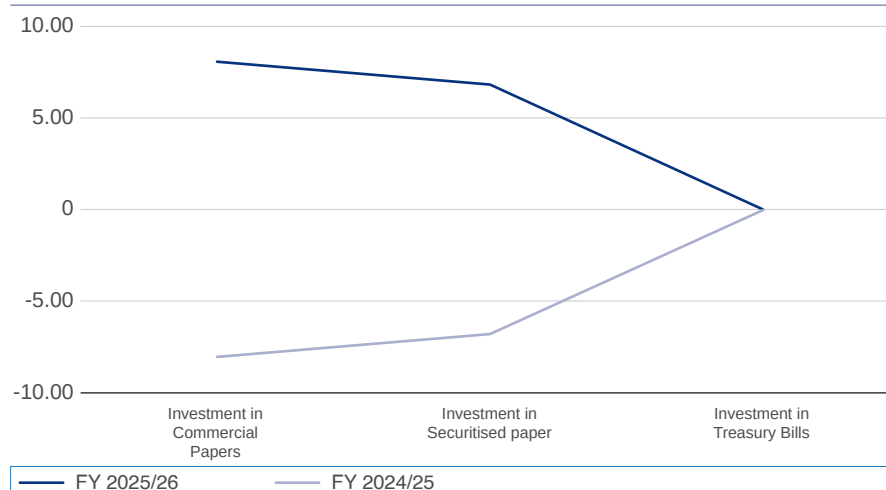
	Commercial papers Rs.	Securitised papers Rs.	Total Rs.
Balance as at 1 April 2025	10,559,506,033	530,576,031	11,090,082,064
Purchases	12,918,584,862	3,003,796,412	15,922,381,274
Sales / matured	(18,325,287,479)	(921,505,138)	(19,246,792,617)
Interest accrued	772,331,732	163,892,267	936,223,998
Gain/ (loss) on fair valuation of financial assets	(32,416,960)	(3,773,141)	(36,190,100)
Balance as at 31 March 2026	5,892,718,188	2,772,986,431	8,665,704,619

NOTES TO THE FINANCIAL STATEMENTS

21.1.1 (c) Sensitivity of the Market Yield on Financial Instruments (Impact to SOPL & OCI) measured at fair value is as follows.

	(-) 0.5% Decrease (Effect in Rs.)	(+) 0.5% Increase (Effect in Rs.)
Investment in Commercial papers	8,097,363	(8,061,511)
Investment in Securitised paper	6,856,985	(6,806,467)
Investment in Treasury bills	7,826	(7,826)

Sensitivity of the Market Yield on Financial Instruments measured at Fair Value (Rs.)



Financial Instruments for which fair value approximates carrying value

For financial assets and financial liabilities that have a short term maturity (original maturity less than 397 days), it is assumed that the carrying amount approximates their fair values. This assumption is also applied to lending without specific maturity or revolving nature.

22. 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.

22.1 Risk management framework

The Board of Directors of the fund management company 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) 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.

22.1(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 managing Company.
- The operational authority for managing market risk is vested with the Investment, asset and liability committee.
- Interest rate risk is managed within the approved limits by the Investment, asset and liability committee.

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 risk 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.

NOTES TO THE FINANCIAL STATEMENTS

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)	Effect on the profit for the year ended 31.03.2026 Rs.	Effect on the profit for the year ended 31.03.2025 Rs.
Increase in interest rate			
Investment in Commercial Papers	+0.5%	(8,061,511)	(14,781,281)
Investment in Securitised Paper	+0.5%	(6,806,467)	(1,694,507)
Investment in Treasury Bills	+0.5%	(7,826)	(84,087,424)
Investment in Treasury Bonds	+0.5%	-	(304,415)
Decrease in interest rate			
Investment in Commercial Papers	-0.5%	8,097,363	14,836,410
Investment in Securitised Paper	-0.5%	6,856,985	1,705,662
Investment in Treasury Bills	-0.5%	7,826	84,666,068
Investment in Treasury Bonds	-0.5%	-	305,320

The Interest rate profile of the Fund's interest-yielding financial instruments are as follows:

As at 31 March 2026	Floating interest rate Rs.	Fixed interest rate Rs.	Total Rs.
Assets			
Commercial Papers	-	5,892,718,188	5,892,718,188
Government Securities	-	11,289,539	11,289,539
Securitised Papers	-	2,772,986,431	2,772,986,431
Fixed Deposits	-	27,192,936,278	27,192,936,278
Repo Investments	-	8,431,191,440	8,431,191,440
Total financial assets	-	44,301,121,876	44,301,121,876

As at 31 March 2025	Floating interest rate Rs.	Fixed interest rate Rs.	Total Rs.
Assets			
Commercial papers	-	10,559,506,033	10,559,506,033
Government securities	-	33,339,589,690	33,339,589,690
Securitised papers	-	530,576,031	530,576,031
Fixed deposits	-	6,622,805,425	6,622,805,425
Repo investments	-	19,395,756,234	19,395,756,234
Total financial assets	-	70,448,233,413	70,448,233,413

22.1(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

As at 31 March 2026	Carrying amount Rs.	Less than 30 days Rs.	31 - 90 days Rs.	91 - 180 days Rs.	181 - 396 days Rs.
Assets					
Cash at bank	848,580	848,580	-	-	-
Financial assets recognised through profit or loss - measured at fair value	8,676,994,158	1,391,678,892	3,636,859,700	2,531,536,378	1,116,919,188
Financial assets at amortised cost	35,624,127,718	9,802,526,428	8,528,057,319	10,745,216,001	6,548,327,970
Total financial assets	44,301,970,456	11,195,053,900	12,164,917,019	13,276,752,379	7,665,247,158
Liabilities					
Accruals and other payables	29,858,334	29,858,334	-	-	-
Total financial liabilities	29,858,334	29,858,334	-	-	-
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	3,656,192	3,656,192	-	-	-
Financial assets recognised through profit or loss - measured at fair value	44,429,671,754	3,055,800,143	8,805,255,709	12,391,630,775	20,176,985,127
Financial assets at amortised cost	26,018,561,659	20,257,766,468	548,019,188	-	5,212,776,003
Total financial assets	70,451,889,605	23,317,222,803	9,353,274,897	12,391,630,775	25,389,761,130
Liabilities					
Accruals and other payables	53,729,680	53,729,680	-	-	-
Total financial liabilities	53,729,680	53,729,680	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

22.1(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 advances to clients, investment in corporate debt securities, investment in reverse repo agreements and forward transactions.

Management of credit risk includes the following components:

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

Credit risk exposure - Cash at bank

Credit risk exposure of cash at bank is depicted in the below table using carrying values as at the SOFP date.

As at 31 March	Issuer Rating	Rating Agency	2026 Rs.	2025 Rs.
Bank of Ceylon	AA-	Fitch	607,640	3,401,652
Sampath Bank PLC	AA-	Fitch	240,940	254,540
Total exposure to credit risk			848,580	3,656,192

Credit quality by class of financial assets

As at 31 March 2026	12 Month expected credit loss Rs.	Life time expected credit losses not credit impaired Rs.	Life time expected credit losses credit impaired Rs.	Total Rs.
Assets				
Cash at bank	848,580	-	-	848,580
Financial assets at amortised cost	35,624,127,718	-	-	35,624,127,718
Total	35,624,976,298	-	-	35,624,976,298

As at 31 March 2025	12 Month expected credit loss Rs.	Life time expected credit losses not credit impaired Rs.	Life time expected credit losses credit impaired Rs.	Total Rs.
Assets				
Cash at bank	3,656,192	-	-	3,656,192
Financial assets at amortised cost	26,018,561,659	-	-	26,018,561,659
Total	26,022,217,851	-	-	26,022,217,851

Credit quality analysis of financial investments

As at 31 March 2026	Risk Status	Amortised Cost Rs.	FVTPL Rs.	Total Rs.
Government securities*	Risk free	8,431,191,440	11,289,539	8,442,480,979
Debt instruments having credit ratings**				
AA+ to A+	Low risk	-	545,072,356	545,072,356
A to BBB-	Medium risk	-	7,846,326,871	7,846,326,871
Below BBB-	High risk	-	274,305,392	274,305,392
Fixed Deposits				
AA+ to A+	Low risk	4,157,673,209	-	4,157,673,209
A to BBB-	Medium risk	23,035,263,069	-	23,035,263,069
Below BBB-	High risk	-	-	-
Total		35,624,127,718	8,676,994,158	44,301,121,876

As at 31 March 2025	Risk Status	Amortised Cost Rs.	FVTPL Rs.	Total Rs.
Government securities*	Risk free	19,395,756,234	33,339,589,690	52,735,345,924
Debt instruments having credit ratings**				
AA+ to A+	Low risk	-	-	-
A to BBB-	Medium risk	-	11,090,082,064	11,090,082,064
Below BBB-	High risk	-	-	-
Fixed deposits				
AA+ to A+	Low risk	958,327,989	-	958,327,989
A to BBB-	Medium risk	5,664,477,436	-	5,664,477,436
Below BBB-	High risk	-	-	-
Total		26,018,561,659	44,429,671,754	70,448,233,413

* This includes governments securities' investments and repo investments under government securities.

** This includes only investment in Commercial Papers and Securitised Papers and does not include equity investments.

Sensitivity of ECL to future economic conditions

The Fund has estimated the impairment provision on financial investments as at 31 March 2026, subject to various assumptions. The following table demonstrates the sensitivity of the impairment provision of the Fund as at 31 March 2026 and 2025 to a feasible change in the following variables assuming all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity of ECL

As at 31 March

	2026		2025	
	Effect on total asset	Effect on PBT	Effect on total asset	Effect on PBT
	Rs.	Rs.	Rs.	Rs.
Change in Probability Default (PD) factor:				
10% increase	(225,204)	(225,204)	(34,319)	(34,319)
10% decrease	225,204	225,204	34,319	34,319
Change in macro economic variables:				
10% increase	88,209	88,209	11,178	11,178
10% decrease	(91,535)	(91,535)	(10,657)	(10,657)
Change in Loss Given Default (LGD) factor:				
10% increase	(225,204)	(225,204)	(34,319)	(34,319)
10% decrease	225,204	225,204	34,319	34,319

Analysis of concentration risk

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

As at 31 March 2026

	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.
Sector wise breakdown				
Government	607,640	11,289,539	176,313,658	188,210,837
Corporate	240,940	8,665,704,619	35,447,814,060	44,113,759,619
Total	848,580	8,676,994,158	35,624,127,718	44,301,970,456

As at 31 March 2025

	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.
Sector wise breakdown				
Government	3,401,652	33,339,589,690	19,395,756,234	52,738,747,576
Corporate	254,540	11,090,082,064	6,622,805,425	17,713,142,029
Total	3,656,192	44,429,671,754	26,018,561,659	70,451,889,605

22.1.(d) Credit Quality by Counterparties wise

The Funds' maximum exposure to credit risk is analysed as follows;

Issuer Name	Instrument Type	Fair Value Rs.	Exposure (as of 31.03.2026)	Instrument Rating	
Bank of Ceylon	Repo Investments	176,313,658	0.4%	AAA	Sovereign
Commercial Bank of Ceylon PLC	Repo Investments	150,030,907	0.3%	AAA	Sovereign
First Capital Treasuries PLC	Repo Investments	5,756,749,711	13.0%	AAA	Sovereign
HNB Securities Limited	Repo Investments	2,208,067,630	5.0%	AAA	Sovereign
Capital Alliance PLC	Repo Investments	140,029,534	0.3%	AAA	Sovereign
Government of Sri Lanka	Government Securities	11,289,539	0.0%	AAA	Sovereign
LOLC Holdings PLC	Commercial Paper	5,892,718,188	13.3%	A	Lanka Rating
Singer Finance (Lanka) PLC	Securitised Papers	605,983,501	1.4%	BBB+	Fitch
Asia Asset Finance PLC	Securitised Papers	545,072,356	1.2%	A+	Fitch
Janashakthi Finance PLC	Securitised Papers	274,305,392	0.6%	BBB-	Lanka Rating
LB Finance PLC	Securitised Papers	791,158,312	1.8%	A-	Fitch
Siyapatha Finance PLC	Securitised Papers	556,466,870	1.3%	A	Fitch
Alliance Finance Company PLC	Fixed Deposit	2,036,472,801	4.6%	BBB	Lanka Rating
Siyapatha Finance PLC	Fixed Deposit	2,859,630,293	6.5%	A	Fitch
Mahindra Ideal Finance Limited	Fixed Deposit	534,419,972	1.2%	AA-	Fitch
Asia Asset Finance PLC	Fixed Deposit	1,484,087,373	3.4%	A+	Fitch
Singer Finance (Lanka) PLC	Fixed Deposit	2,189,053,072	4.9%	BBB+	Fitch
HNB Finance PLC	Fixed Deposit	3,315,741,821	7.5%	A	Fitch
Mercantile Investment & Finance PLC	Fixed Deposit	2,640,826,570	6.0%	BBB-	Fitch
Vallibel Finance PLC	Fixed Deposit	2,661,521,828	6.0%	A-	Lanka Rating
Abans Finance PLC	Fixed Deposit	204,116,349	0.5%	A-	Fitch
Lanka Orix Finance Company PLC	Fixed Deposit	2,139,165,864	4.8%	A+	Lanka Rating
LB Finance PLC	Fixed Deposit	1,853,604,415	4.2%	A+	Lanka Rating
Central Finance Company PLC	Fixed Deposit	1,051,846,329	2.4%	A	Fitch
Pan Asia Banking Corporation PLC	Fixed Deposit	522,680,104	1.2%	BBB	Fitch
Peoples Leasing Company PLC	Fixed Deposit	3,396,952,059	7.7%	A	Fitch
CDB Finance PLC	Fixed Deposit	202,265,164	0.5%	BBB	Fitch
AMW Capital Leasing & Finance PLC	Fixed Deposit	100,552,264	0.2%	BBB	Fitch
Total		44,301,121,876			

Note 1: Repo Investments are against Government Securities.

Note 2: Rating of the Repo Investments are the rating of Sovereign Instruments (Government Securities).

NOTES TO THE FINANCIAL STATEMENTS

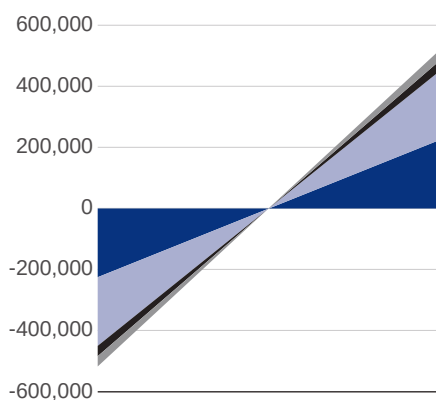
The Funds' maximum exposure to credit risk is analysed as follows;

Issuer Name	Instrument Type	Fair Value Rs.	Exposure (as of 31.03.2025)	Instrument Rating	
Bank of Ceylon	Repo Investments	1,595,326,231	2.3%	AAA	Sovereign
First Capital Treasuries PLC	Repo Investments	17,800,430,003	25.4%	AAA	Sovereign
Government of Sri Lanka	Government Securities	33,339,589,690	47.4%	AAA	Sovereign
LOLC Holdings PLC	Commercial Papers	10,559,506,033	19.4%	A	Lanka Rating
Singer Finance (Lanka) PLC	Securitised Papers	530,576,031	1.0%	BBB+	Lanka Rating
Mahindra Ideal Finance Limited	Fixed Deposit	394,654,524	0.7%	AA-	Fitch
Asia Asset Finance PLC	Fixed Deposit	563,673,465	1.0%	A+	Lanka Rating
HNB Finance PLC	Fixed Deposit	778,128,429	1.4%	A	Fitch
Siyapatha Finance PLC	Fixed Deposit	1,892,522,744	3.5%	A	Fitch
Singer Finance (Lanka) PLC	Fixed Deposit	1,055,037,700	1.9%	BBB+	Fitch
Alliance Finance Company PLC	Fixed Deposit	1,523,752,964	2.8%	BBB-	Lanka Rating
Mercantile Investment & Finance PLC	Fixed Deposit	154,560,451	0.3%	BBB-	Lanka Rating
Vallibel Finance PLC	Fixed Deposit	260,475,148	0.5%	BBB+	Lanka Rating
Total		70,448,233,413			

Note 1: Repo Investments are against Government Securities.

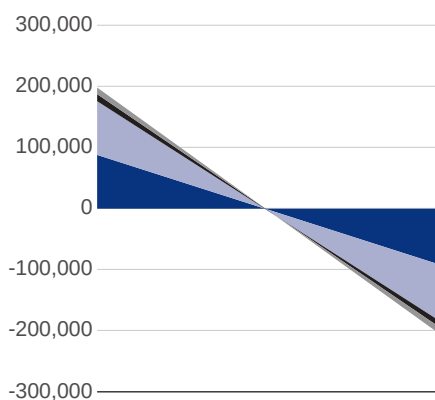
Note 2: Rating of the Repo Investments are the rating of Sovereign Instruments (Government Securities).

PD



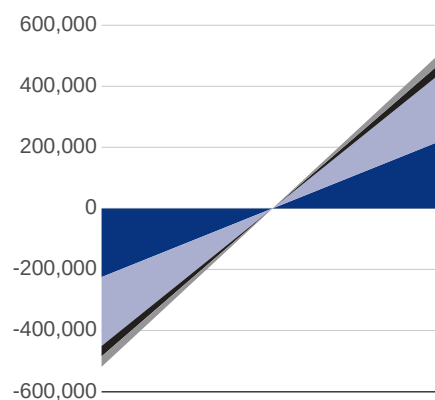
■ 2026 Effect on total asset
■ 2026 Effect on PBT
■ 2025 Effect on total asset
■ 2025 Effect on PBT

Macro Economic Variables



■ 2026 Effect on total asset
■ 2026 Effect on PBT
■ 2025 Effect on total asset
■ 2025 Effect on PBT

LGD



■ 2026 Effect on total asset
■ 2026 Effect on PBT
■ 2025 Effect on total asset
■ 2025 Effect on PBT

22.1 (e) Operational risk

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

NOTES TO THE FINANCIAL STATEMENTS

23. 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 Disclosures'.

23.1 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 Personnel	Director	-	-	-
Sarvodaya Development Finance PLC**	Related Company via Key Management Personnel	-	-	-	-

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 Development Finance PLC.

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

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.

23.2 Transaction with managing company

Name of the company	Nature of the transaction	Transaction amount 2025/26 Rs.	Amounts owed (to)/ by the related party as at 31.03.2026 Rs.	Transaction amount 2024/25 Rs.	Amounts owed (to)/ by the related party as at 31.03.2025 Rs.
First Capital Asset Management Limited	Management fee charged	324,759,224	(22,388,223)	365,946,189	(38,672,126)
	Benefit accrued on unit trust investments	7,187,986	-	4,884,796	-
Amounts owed (to) / by the related party	Nature of the transaction	Amounts owed (to) / by the related party as at 31.03.2026 Rs.		Amounts owed (to) / by the related party as at 31.03.2025 Rs.	
First Capital Asset Management Limited *	Investment in unit trust	(72,764,661)		(141,292,640)	

* Number of units under this investment as at 31.03.2026 - 20,016.63 (31.03.2025 - 42,002.46).

NOTES TO THE FINANCIAL STATEMENTS

23.3 Transaction with ultimate parent company/ intermediary parent company/ immediate parent company / subsidiaries of the parent companies of the management company.

Nature of transaction	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.
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	1,098,938,285	-	1,833,326,859	-
Interest expense	22,538,070	-	17,838,787	-
Gain on sale of financial investments - FVTPL	3,061,147	-	38,295,460	-
Benefit accrued on unit trust	228,198,460	-	325,817,073	-

Statement of Financial Position

Investment in unit trust *	-	(5,792,768,156)	-	(2,799,244,676)
Government securities under resale agreements	-	5,756,749,712	-	17,800,430,003

* Number of units under this investment as at 31.03.2026 - 1,593,516.63 (31.03.2025 - 832,139.33).

23.4 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;

- The individual's domestic partner and children;
- Children of the individual's domestic partner; and
- Dependants of the Individual or the individual's domestic partner

Close Family Members are related parties to the Entity.

Transaction with key management personal and their close family members are disclosed below.

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*	-	(214,788,621)	-	(348,124,338)
Benefit accrued on Unit Trust investments	17,716,824	-	16,418,014	-

* Number of units under this investment as at 31.03.2026 - 59,085.61 (31.03.2025 - 103,487.90).

24. 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 disclosure in the financial statements.

25. EVENTS OCCURRING AFTER THE REPORTING PERIOD

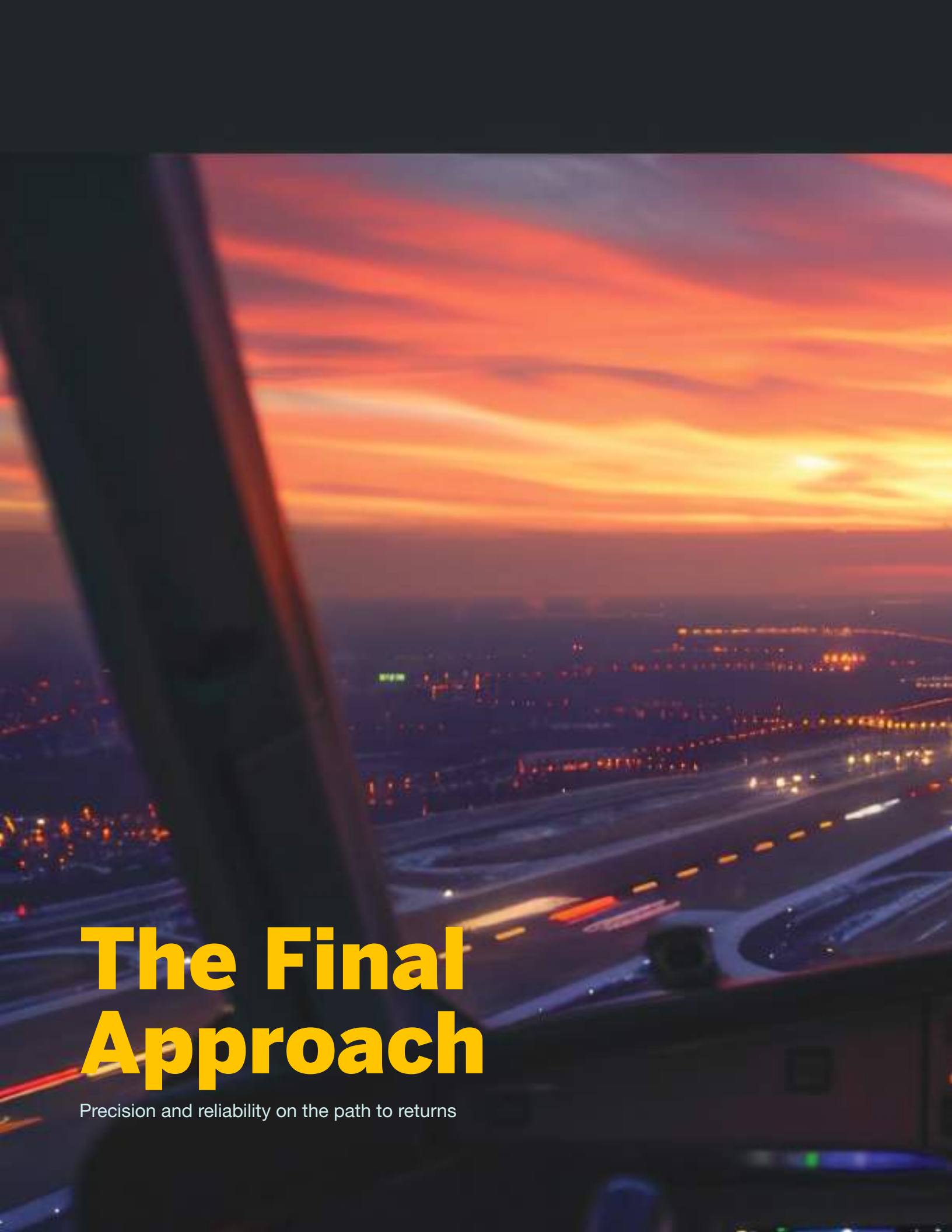
ACCOUNTING POLICY

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.

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

26. RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENT AND THE MONTHLY RETURN

	Year ended 31.03.2026		Year ended 31.03.2025	
	Unit Price (Rs.)	Value (Rs.)	Unit Price (Rs.)	Value (Rs.)
Net Asset Value of the Fund as per Monthly Return	3,635.50	44,275,728,599	3,354.14	70,193,616,159
Less : Loss on fair valuation of financial asset - at fair value through profit or loss	(0.11)	(1,295,526)	9.79	204,886,955
Less : Impairment provision for financial asset - at amortised cost	(0.18)	(2,252,033)	(0.02)	(343,189)
Net Asset Value of the Fund as per Audited Financial Statements	3,635.21	44,272,181,040	3,363.91	70,398,159,925



The Final Approach

Precision and reliability on the path to returns



UNITHOLDER INFORMATION

MODES OF ENGAGEMENT WITH INVESTORS



1. DISTRIBUTION OF UNITHOLDING

No. of Units held	31 March 2026			31 March 2025		
	Holding			Holding		
	Number of Units	%	Value of Units Rs.	Number of Units	%	Value of Units Rs.
1-100,000	7,578,523	62.39	27,551,720,475	8,604,750	41.12	28,945,635,082
100,001 - 1,000,000	2,415,924	19.89	8,783,093,120	6,522,948	31.17	21,942,632,480
Over 1,000,000	2,152,845	17.72	7,826,668,797	5,799,761	27.71	19,509,892,363
Total	12,147,292	100.00	44,161,482,392	20,927,459	100.00	70,398,159,925

2 ANALYSIS OF UNITHOLDING

Category of Shareholders	31 March 2026					31 March 2025				
	Unitholders		Holding			Unitholders		Holding		
	Number	%	Value	%	Value of Units Rs.	Number	%	Value	%	Value of Units Rs.
Individuals	6,716	96.09	6,419,826	52.85	23,339,276,005	5,146	95.26	10,051,787	48.03	33,813,341,488
Corporate	273	3.91	5,727,467	47.15	20,822,206,388	256	4.74	10,875,672	51.97	36,584,818,437
Total	6,989	100.00	12,147,293	100.00	44,161,482,393	5,402	100.00	20,927,459	100.00	70,398,159,925

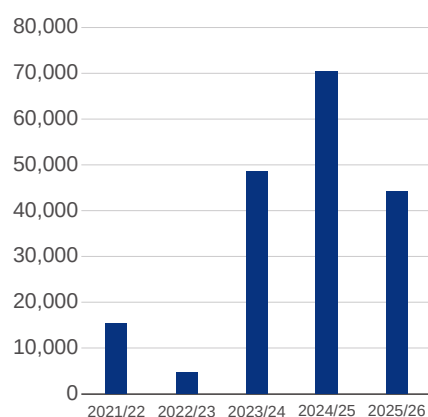
3 UNIT PRICE MOVEMENT IN LAST FIVE YEARS

	2025/26	2024/25	2023/24	2022/23	2021/22
YOY Price Movement	8%	10%	22%	21%	8%
NAV Per Unit (Rs.)	3,635.21	3,363.91	3,056.73	2,503.13	2,076.65

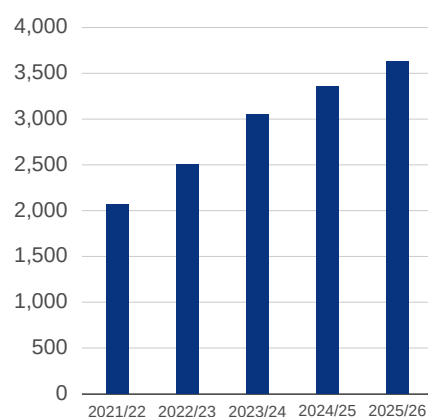
4 NET ASSET VALUE MOVEMENT IN LAST FIVE YEARS

	2025/26 Rs.	2024/25 Rs.	2023/24 Rs.	2022/23 Rs.	2021/22 Rs.
Net Asset Value	44,272,181,040	70,398,159,925	48,588,562,951	4,682,215,045	15,431,165,215
No. of Unitholders	6,989	5,402	3,900	1,291	1,585

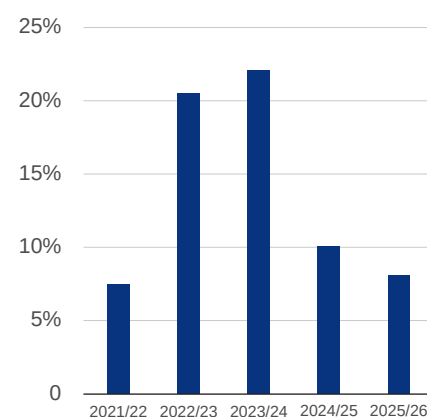
Net Asset Value (Rs. Mn) - 31 March



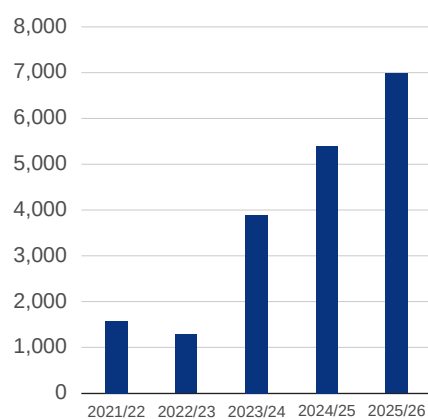
NAV per unit (Rs) - 31 March



Yield of the Fund (%)



No. of Unitholders (Nos - 31 March)



SEMI ANNUAL RESULTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	2025/26		2024/25	
	Semi Annually	Semi Annually	Semi Annually	Semi Annually
	Apr-Sep (Rs.)	Oct-Mar (Rs.)	Apr-Sep (Rs.)	Oct-Ma (Rs.)
Income	2,943,266,216	1,837,917,327	3,392,555,624	3,084,598,382
Direct expenses	(3,541,020)	(21,835,407)	(14,532,542)	(3,306,245)
Net trading income	2,939,725,195	1,816,081,920	3,378,023,082	3,081,292,137
Gain/ (loss) on financial assets recognised through profit or loss - measured at fair value	(164,560,593)	(41,621,888)	(312,718,417)	188,150,340
Net trading income before expenses	2,775,164,602	1,774,460,032	3,065,304,665	3,269,442,477
Administrative expenses and other operating expenses	(249,965,647)	(174,649,838)	(232,760,261)	(245,395,155)
(Provision) / reversal for impairment of financial assets at amortised cost	(661,171)	(1,247,673)	3,300,938	3,504,414
Profit before taxation	2,524,537,784	1,598,562,521	2,835,845,342	3,027,551,736
Income tax expense	-	-	-	-
Profit for the period	2,524,537,784	1,598,562,521	2,835,845,342	3,027,551,736
Increase in net assets attributable to unitholders	2,524,537,784	1,598,562,521	2,835,845,342	3,027,551,736

STATEMENT OF FINANCIAL POSITION

As at	2025/26		2024/25	
	Semi Annually	Semi Annually	Semi Annually	Semi Annually
	30.09.2025 (Rs.)	31.03.2026 (Rs.)	30.09.2024 (Rs.)	31.03.2025 (Rs.)
Assets				
Cash at bank	2,251,935	848,580	12,504,316	3,656,192
Financial assets recognised through profit or loss - measured at fair value	21,262,646,681	8,676,994,158	29,250,373,605	44,429,671,754
Financial assets at amortised cost	29,967,827,675	35,624,127,718	24,324,531,810	26,018,561,659
Other receivables	-	68,918	-	-
Total Asset	51,232,726,291	44,302,039,374	53,587,409,731	70,451,889,605
Unitholders' funds and liabilities				
Repo borrowing against government securities	5,336,398,794	-	2,706,989,502	-
Accruals and other payables	35,019,311	29,858,334	49,980,288	53,729,680
Total liabilities	5,371,418,105	29,858,334	2,756,969,790	53,729,680
Unitholders' funds				
Net assets attributable to unitholders	45,861,308,186	44,272,181,040	50,830,439,941	70,398,159,925
Total unitholders' funds	45,861,308,186	44,272,181,040	50,830,439,941	70,398,159,925
Total unitholders' funds and liabilities	51,232,726,291	44,302,039,374	53,587,409,731	70,451,889,605

FIVE-YEAR SUMMARY

Year ended 31 March	2026 Rs.	2025 Rs.	2024 Rs.	2023 Rs.	2022 Rs.
Trading Results					
Gross Income	4,781,183,543	6,477,154,006	4,063,908,905	694,203,631	1,713,285,944
Net Trading Income	4,755,807,117	6,459,315,219	4,059,151,619	652,754,432	1,699,324,010
Profit for the year	4,123,100,307	5,863,397,078	4,181,433,425	702,934,778	1,527,661,338
As at 31 March	2026 Rs.	2025 Rs.	2024 Rs.	2023 Rs.	2022 Rs.
Statements of Financial Position					
Assets					
Cash at bank	848,580	3,656,192	30,601,078	4,939,744	7,688,208
Financial assets recognised through profit or loss - measured at fair value	8,676,994,158	44,429,671,754	29,690,647,936	3,456,230,665	8,657,802,283
Financial assets - at amortised cost	35,624,127,718	26,018,561,659	21,064,743,623	1,235,534,352	6,756,610,440
Other Receivables	68,918	-	6,328,013	409,260	27,469,207
Total assets	44,302,039,374	70,451,889,605	50,792,320,650	4,697,114,021	15,449,570,138
Unitholders' funds and Liabilities					
Liabilities					
Repo Borrowing against government securities	-	-	1,025,715,552	-	-
Accrual and other payables	29,858,334	53,729,680	1,178,042,147	14,898,976	18,404,923
Total Liabilities	29,858,334	53,729,680	2,203,757,699	14,898,976	18,404,923
Unitholders' funds					
Net assets attributable to unitholders	44,272,181,040	70,398,159,925	48,588,562,951	4,682,215,045	15,431,165,215
Total Unitholders' Funds	44,272,181,040	70,398,159,925	48,588,562,951	4,682,215,045	15,431,165,215
Total Unitholders' Funds and Liabilities	44,302,039,374	70,451,889,605	50,792,320,650	4,697,114,021	15,449,570,138
Other Financial Information					
Net assets value per unit (Rs.)	3,635.21	3,363.91	3,056.73	2,503.13	2,076.65

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

HORIZONTAL AND VERTICAL ANALYSIS OF INCOME STATEMENT OVER FIVE YEARS

HORIZONTAL ANALYSIS

For the year ended 31 March,

	2026	
	Rs.	%
Income	4,781,183,543	(26)
Direct expenses	(25,376,426)	42
Net trading income	4,755,807,117	(26)
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	(206,182,481)	66
	4,549,624,636	(28)
Administration expenses	(422,893,893)	(11)
Other operating expenses	(1,721,592)	2
(Provision)/ reversal for impairment of financial assets at amortised cost	(1,908,844)	(128)
Profit before tax	4,123,100,307	(30)
Income tax expense	-	-
Profit for the year	4,123,100,307	(30)
Other comprehensive income	-	-
Total comprehensive income for the year	4,123,100,307	(30)

VERTICAL ANALYSIS

For the year ended 31 March,

	2026	
	Rs.	%
Income	4,781,183,543	100
Direct expenses	(25,376,426)	(1)
Net trading income	4,755,807,117	99
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	(206,182,481)	(4)
	4,549,624,636	95
Administration expenses	(422,893,893)	(9)
Other operating expenses	(1,721,592)	(0)
(Provision)/ reversal for impairment of financial assets at amortised cost	(1,908,844)	(0)
Profit before tax	4,123,100,307	86
Income tax expense	-	-
Profit for the year	4,123,100,307	86
Other comprehensive income	-	-
Total comprehensive income for the year	4,123,100,307	86

Consolidated

2025		2024		2023		2022	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
6,477,154,006	59	4,063,908,905	485	694,203,631	(59)	1,713,285,944	40
(17,838,787)	275	(4,757,286)	(89)	(41,449,199)	197	(13,961,934)	3,774
6,459,315,219	59	4,059,151,619	522	652,754,432	(62)	1,699,324,010	39
(124,568,077)	(143)	291,800,161	285	75,843,801	(309)	(36,327,806)	169
6,334,747,142	46	4,350,951,780	497	728,598,233	(56)	1,662,996,204	38
(476,462,251)	195	(161,453,208)	519	(26,095,570)	(81)	(139,782,885)	72
(1,693,165)	85	(916,606)	89	(484,170)	(5)	(512,200)	(11)
6,805,352	(195)	(7,148,541)	(880)	916,285	(82)	4,960,219	(322)
5,863,397,078	40	4,181,433,425	495	702,934,778	(54)	1,527,661,338	36
-	-	-	-	-	-	-	-
5,863,397,078	40	4,181,433,425	495	702,934,778	(54)	1,527,661,338	36
-	-	-	-	-	-	-	-
5,863,397,078	40	4,181,433,425	495	702,934,778	(54)	1,527,661,338	36

2025		2024		2023		2022	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
6,477,154,006	100	4,063,908,905	100	694,203,631	100	1,713,285,944	100
(17,838,787)	(0)	(4,757,286)	(0)	(41,449,199)	(6)	(13,961,934)	(1)
6,459,315,219	100	4,059,151,619	100	652,754,432	94	1,699,324,010	99
(124,568,077)	(2)	291,800,161	7	75,843,801	11	(36,327,806)	(2)
6,334,747,142	98	4,350,951,780	107	728,598,233	105	1,662,996,204	97
(476,462,251)	(7)	(161,453,208)	(4)	(26,095,570)	(4)	(139,782,885)	(8)
(1,693,165)	(0)	(916,606)	(0)	(484,170)	(0)	(512,200)	(0)
6,805,352	0	(7,148,541)	(0)	916,285	0	4,960,219	0
5,863,397,078	91	4,181,433,425	103	702,934,778	101	1,527,661,338	89
-	-	-	-	-	-	-	-
5,863,397,078	91	4,181,433,425	103	702,934,778	101	1,527,661,338	89
-	-	-	-	-	-	-	-
5,863,397,078	91	4,181,433,425	103	702,934,778	101	1,527,661,338	89

HORIZONTAL AND VERTICAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION OVER FIVE YEARS

HORIZONTAL ANALYSIS

As at 31 March

	2026	
	Rs.	%
Assets		
Cash at banks	848,580	(77)
Financial assets recognised through profit or loss -measured at fair value	8,676,994,158	(80)
Financial assets at amortised cost	35,624,127,718	37
Other receivables	68,918	100
Total assets	44,302,039,374	(37)
Unitholders' funds and liabilities		
Liabilities		
Repo borrowing against government securities	-	-
Accruals and other payables	29,858,334	(44)
Total liabilities	29,858,334	(44)
Unitholders' funds		
Net assets attributable to the unitholders	44,272,181,040	(37)
Total Unitholders' Funds	44,272,181,040	(37)
Total Unitholders' Funds and Liabilities	44,302,039,374	(37)

VERTICAL ANALYSIS

As at 31 March,

	2026	
	Rs.	%
Assets		
Cash at banks	848,580	0
Financial assets recognised through profit or loss -measured at fair value	8,676,994,158	20
Financial assets at amortised cost	35,624,127,718	80
Other receivables	68,918	0
Total assets	44,302,039,374	100
Unitholders' funds and liabilities		
Liabilities		
Repo borrowing against government securities	-	-
Accruals and other payables	29,858,334	0
Total liabilities	29,858,334	0
Unitholders' funds		
Net assets attributable to the unitholders	44,272,181,040	100
Total Unitholders' Funds	44,272,181,040	100
Total Unitholders' Funds and Liabilities	44,302,039,374	100

2025		2024		2023		2022	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
3,656,192	(88)	30,601,078	519	4,939,744	(36)	7,688,208	(59)
44,429,671,754	50	29,690,647,936	759	3,456,230,665	(60)	8,657,802,283	(7)
26,018,561,659	24	21,064,743,623	1,605	1,235,534,352	(82)	6,756,610,440	(44)
-	(100)	6,328,013	1,446	409,260	(99)	27,469,207	(47)
70,451,889,605	39	50,792,320,650	981	4,697,114,021	(70)	15,449,570,138	(28)

-	(100)	1,025,715,552	100	-	-	-	-
53,729,680	(95)	1,178,042,147	7,807	14,898,976	(19)	18,404,923	(57)
53,729,680	(98)	2,203,757,699	14,691	14,898,976	(19)	18,404,923	(57)

70,398,159,925	45	48,588,562,951	938	4,682,215,045	(70)	15,431,165,215	(28)
70,398,159,925	45	48,588,562,951	938	4,682,215,045	(70)	15,431,165,215	(28)
70,451,889,605	39	50,792,320,650	981	4,697,114,021	(70)	15,449,570,138	(28)

2025		2024		2023		2022	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
3,656,192	0	30,601,078	0	4,939,744	0	7,688,208	0
44,429,671,754	63	29,690,647,936	58	3,456,230,665	74	8,657,802,283	56
26,018,561,659	37	21,064,743,623	41	1,235,534,352	26	6,756,610,440	44
-	-	6,328,013	0	409,260	0	27,469,207	0
70,451,889,605	100	50,792,320,650	100	4,697,114,021	100	15,449,570,138	100

-	-	1,025,715,552	2	-	-	-	-
53,729,680	0	1,178,042,147	2	14,898,976	0	18,404,923	0
53,729,680	0	2,203,757,699	4	14,898,976	0	18,404,923	0

70,398,159,925	100	48,588,562,951	96	4,682,215,045	100	15,431,165,215	100
70,398,159,925	100	48,588,562,951	96	4,682,215,045	100	15,431,165,215	100
70,451,889,605	100	50,792,320,650	100	4,697,114,021	100	15,449,570,138	100

STATEMENT OF FINANCIAL POSITION

**இலா நகர்விய பிழிவடி ப்ருகாஸய
நிதி நிலைமை கூற்று**

As at/ දිනට / ஆம் திகதி,	31.03.2026 (Rs.)	31.03.2025 (Rs.)
ASSETS/ වත්කම් / சொத்துக்கள்		
Cash at banks/ බැංකුවෙහි ඇති මුදල් / வங்கி வைப்பில் உள்ள பணம்	848,580	3,656,192
Financial assets recognised through profit or loss -measured at fair value/ ලාභ අලාභ මගින් හඳුනා ගත් මූල්‍ය වත්කම් සාධාරණ අගයට ගණනය කළ / இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பில் அளவிடப்பட்ட நிதிச் சொத்துக்கள்	8,676,994,158	44,429,671,754
Financial assets at amortised cost/ ක්‍රමක්ෂිත පිරිවැය මත මූල්‍ය වත්කම් / கிரைய முறையில் கணக்கிடப்பட்ட நிதிச் சொத்துக்கள்	35,624,127,718	26,018,561,659
Other receivables/ වෙනත් ලැබිය යුතු දෑ / ஏனைய கிடைப்பனவுகள்	68,918	-
TOTAL ASSETS/ මුළු වත්කම් / மொத்த சொத்துக்கள்	44,302,039,374	70,451,889,605
UNITHOLDER'S FUNDS AND LIABILITIES/ ඒක හිමියන්ගේ අරමුදල් සහ වගකීම් / அலகுதாரர்களின் நிதிகள் மற்றும் பொறுப்புகள்		
LIABILITIES/ වගකීම් / பொறுப்புகள்		
Accruals and other payables/ උපචිත සහ වෙනත් ලෙවීම් / ஏற்பாடுசெய்யப்பட்ட மற்றும் ஏனைய கொடுப்பனவுகள்	29,858,334	53,729,680
TOTAL LIABILITIES/ මුළු වගකීම් / மொத்தப் பொறுப்புக்கள்	29,858,334	53,729,680
UNITHOLDER'S FUNDS / ඒක හිමියන්ගේ අරමුදල් / அலகுதாரர்களின் நிதிகள்		
Net assets attributable to unitholders/ ඒක හිමියන්ට ආරෝපණය කළ හැකි ශුද්ධ වත්කම් / அலகுதாரர்களுக்கான நிகர சொத்துக்கள்	44,272,181,040	70,398,159,925
Total Unitholders' Funds/ මුළු ඒක හිමියන්ගේ අරමුදල් / அலகுதாரர்களின் மொத்த நிதி	44,272,181,040	70,398,159,925
Total Unitholders' Funds and Liabilities/ මුළු ඒක හිමියන්ගේ අරමුදල් සහ වගකීම් / அலகுதாரர்களின் மொத்த நிதி மற்றும் பொறுப்புகள்	44,302,039,374	70,451,889,605
Net asset value per Unit/ ඒකකයක ශුද්ධ වත්කම් වටිනාකම/ ஒரு அலகின் நிகர சொத்து	3,635.21	3,363.91

Note: All values are in Rupees unless otherwise stated.

සටහන: වෙනත් ආකාරයකින් දක්වා නොමැති නම් සියලු අගයන් රුපියල් වේ

குறிப்பு: விசேடமாக கூறப்படாவிட்டால், எல்லா மதிப்புகளும் ரூபாயில் உள்ளது.

TRI - LINGUAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

சீகை கிமீயன்தே அரமூடேல் வெனசீகமீ பிளேடே ப்ரகாமய
அலகுரிமையில மாற்றங்கள் பற்றிய கூற்று

For the year ended 31 March 2026/ 2026 மார்ச்சு 31 ன் அபசன ப்ர வர்சய ஸடா/ 31 மார்ச் 2026
அன்று முடிவடைந்த ஆண்டிற்கான

Unitholders' funds/
சீகை கிமீயன்தே
அரமூடேல்/
அலகுதாரர்களின்
நிதி
(Rs.)

Balance as at 1 April 2024/ 2024 அப்ரேல் 1 வன டீனப ஷேய/ 01 ஏப்ரல் 2024 அன்று மீதி	48,588,562,951
Increase due to unit creation during the year/ வர்சய துல சீகை கிரமாமய ஸேதுவென் வூபிவீம/ வருடத்தில் அலகு உருவாக்கம் காரணமாக அதிகரிப்பு	194,384,604,480
Decrease due to unit redemption during the year/ வர்சய துல சீகை மூடாமேகிமீ ஸேதுவென் அபூபிமக்/ வருடத்தில் அலகு மீட்பின் காரணமாக குறைவு	(178,438,404,584)
Increase in net assets attributable to unitholders/ சீகை கிமீயன்தே அரமூடேய கல ஸகி ஷூடீ வன்கமீவல வூபிவீம/ அலகுரிமையாளர்களுக்கான நிகர ஸாத்துக்களில் அதிகரிப்பு	5,863,397,078
Balance as at 31 March 2025/ 2025 மார்ச்சு 31 டீனப ஷேய/ 31 மார்ச் 2025 அன்று மீதி	70,398,159,925
Balance as at 1 April 2025/ 2025 அப்ரேல் 1 வன டீனப ஷேய/ 01 ஏப்ரல் 2025 அன்று மீதி	70,398,159,925
Increase due to unit creation during the year/ வர்சய துல சீகை கிரமாமய ஸேதுவென் வூபிவீம/ வருடத்தில் அலகு உருவாக்கம் காரணமாக அதிகரிப்பு	145,625,131,710
Decrease due to unit redemption during the year/ வர்சய துல சீகை மூடாமேகிமீ ஸேதுவென் அபூபிமக்/ வருடத்தில் அலகு மீட்பின் காரணமாக குறைவு	(175,874,210,902)
Increase in net assets attributable to unitholders/ சீகை கிமீயன்தே அரமூடேய கல ஸகி ஷூடீ வன்கமீவல வூபிவீம/ அலகுரிமையாளர்களுக்கான நிகர ஸாத்துக்களில் அதிகரிப்பு	4,123,100,307
Balance as at 31 March 2026/ 2026 மார்ச்சு 31 டீனப ஷேய/ 31 மார்ச் 2026 அன்று மீதி	44,272,181,040

Figures in bracket indicate deductions/ வரனத் துல டூகுவென ஓகன்கமீ, அபூ கிரமீய/ அடைப்புக்குறிக்குள் உள்ள
புள்ளிவிவரங்கள் குறைப்புகளைக் குறிக்கின்றன.

Note: All values are in Rupees unless otherwise stated.

ஸபன: வெனத் அகாமூயகித் டூகுவா ஸாமூகி நமீ ஸிஸு அமயத் ரூபியல் வீ.

குறிப்பு: விசேடமாக கூறப்படாவிட்டால், எல்லா மதிப்புகளும் ரூபாயில் உள்ளது.

STATEMENT OF CASH FLOWS

இதில் புவாண புவாண
பணப் பாய்ச்சல் கூற்று

For the period/ கால காலம் / காலப்பகுதிக்கானது	2025/26 (Rs.)	2024/25 (Rs.)
Cash flows from operating activities/ மெனேஜ்மென்ட் கிளாஸ்களில் விலை / செயற்படுத்தல் நடவடிக்கைகளில் இருந்து பணப் பாய்ச்சல்		
Profit before taxation/ வரிவசூலுக்கு முன் இலாபம்	4,123,100,307	5,863,397,078
Adjustment for/ கால காலம் / சரிசெய்தல் :		
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss measured at fair value / லாப லாப அளவை அளவிடும் மதிப்பீடு / இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களின் மீதான நியாய மதிப்பீட்டு இலாபம்/ (நட்டம்)	206,182,481	124,568,077
Provision/(Reversal) for impairment of financial assets at amortised cost/ இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களின் மீதான நியாய மதிப்பீட்டு இலாபம்/ (நட்டம்)	1,908,844	(6,805,352)
Operating profit before working capital changes/ கால காலம் / செயற்படுத்தல் நடவடிக்கைகளில் இருந்து பணப் பாய்ச்சல்	4,331,191,632	5,981,159,803
(Increase)/ Decrease in financial assets recognised through profit or loss -measured at fair value/ லாப லாப அளவை அளவிடும் மதிப்பீடு / இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்கள்	35,546,495,115	(14,863,591,894)
(Increase)/ Decrease in financial assets at amortised cost/ இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்கள்	(9,607,474,903)	(4,947,012,685)
(Increase)/ Decrease in other receivables/ வேறான வசூல்களில் (அதிகரிப்பு)/ குறைவு	(68,918)	6,328,013
Increase/ (Decrease) in accrual and other payables/ டீபிட் டீபிட் / வேறான வசூல்களில் (அதிகரிப்பு)/ குறைவு	(23,871,346)	(1,124,312,467)
Increase/ (Decrease) in Repo borrowing against government securities/ ரெபு டீபிட் / வேறான வசூல்களில் (அதிகரிப்பு)/ குறைவு	-	(1,025,715,552)
Cash generated from/ (used in) operations/ மெனேஜ்மென்ட் கிளாஸ்களில் விலை / செயற்பாடுகளில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) பணம்	30,246,271,580	(15,973,144,782)
Tax paid/ செலவு / செலவு / செலவு	-	-
Net cash flow generated from/ (used in) operating activities/ மெனேஜ்மென்ட் கிளாஸ்களில் விலை / செயற்பாடுகளில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) நிகர பணப் பாய்ச்சல்	30,246,271,580	(15,973,144,782)
Net cash flow generated from/ (used in) investing activities/ லாப லாப அளவை அளவிடும் மதிப்பீடு / இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) நிகர பணப் பாய்ச்சல்	-	-
Cash flow from financing activities/ இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) நிகர பணப் பாய்ச்சல்	-	-
Proceeds from units creations/ லாப லாப அளவை அளவிடும் மதிப்பீடு / இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) நிகர பணப் பாய்ச்சல்	145,625,131,710	194,384,604,480
Payments for units redemption/ லாப லாப அளவை அளவிடும் மதிப்பீடு / இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) நிகர பணப் பாய்ச்சல்	(175,874,210,902)	(178,438,404,584)
Net cash flow generated from/ (used in) financing activities/ இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) நிகர பணப் பாய்ச்சல்	(30,249,079,192)	15,946,199,896
Net (decrease)/increase in cash and cash equivalents during the year/ வசூல்கள் / இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) நிகர பணப் பாய்ச்சல்	(2,807,612)	(26,944,886)
Cash and cash equivalents at the beginning of the year/ வசூல்கள் / இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) நிகர பணப் பாய்ச்சல்	3,656,192	30,601,078
Cash and cash equivalents at the end of the year/ வசூல்கள் / இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) நிகர பணப் பாய்ச்சல்	848,580	3,656,192

Figures in bracket indicate deductions/ வசூல்கள் / இலாபம் அல்லது நட்டத்தின் ஊடாக நியாயமான மதிப்பீடு அளவிடப்படும் நிதிச் சொத்துக்களில் இருந்து கிடைக்கப்பெற்ற/ (பயன்படுத்தப்பட்ட) நிகர பணப் பாய்ச்சல்

Note: All values are in Rupees unless otherwise stated.

செலவு: வேறான வசூல்களின் மீது செலவு செய்யப்படும் செலவுகள் / செலவுகள்

குறிப்பு: விசேடமாக கூறப்படாவிட்டால், எல்லா மதிப்புகளும் ரூபாயில் உள்ளது.

INTEGRATED REPORTING - CONTENT INDEX

IR Reference	Para. No;	Description	Page No; / Note
1G	1.2	An integrated report should include a statement from those charged with governance	6
2B	2.4	Value created, preserved or eroded by an organisation over time manifests	46 - 47
2C	2.10	All organisations depend on various forms of capital for their success	70 - 109
2D	2.20	The process through which value is created, preserved or eroded is depicted	46 - 47
3A	3.3	Strategic focus and future orientation	40 - 45
3B	3.6	Connectivity of information	Connectivity of the information is maintained throughout the report
3C	3.10	Stakeholder relationships	31 - 35
3D	3.17	Materiality	36 - 39
3D	3.18	The materiality determination process	36
3D	3.21	Identifying relevant matters	37
3D	3.28	Prioritising important matters	36
3E		Conciseness	Concise IR report is available on page 4 - 109
3F		Reliability and completeness	The management ensures the reliability and completeness of the information provided
3G		Consistency and comparability	Comparative Information is provided for comparability and consistency
4A	4.4, 4.5, 4.6, 4.7	Organisational overview and external environment	64 - 69
4B	4.8	Governance	126 - 132
4C	4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17, 4.18, 4.19, 4.20, 4.21, 4.22	Business model	46 - 47
4D	4.23, 4.24, 4.25, 4.26	Risks and opportunities	119 - 125
4E	4.27, 4.28, 4.29	Strategy and resource allocation	40 - 45
4F	4.31, 4.32, 4.33	Performance	70 - 109
4G	4.35, 4.36, 4.37, 4.38, 4.39	Outlook	20
4H	4.41, 4.42, 4.43, 4.44, 4.45, 4.46, 4.47	Basis of preparation and presentation	05 - 06, 161

GRI CONTENT INDEX

Statement of use	First Capital Money Market Fund has reported the information cited in this GRI content index for the period 01 April 2025 to 31 March 2026 with reference to the GRI Standards	
GRI 1 used	Foundation 2021	
GRI Standard / Other Source	Disclosure	Location (Page)
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	Corporate information
	2-2 Entities included in the organisation's sustainability reporting	First Capital Asset Management Limited
	2-3 Reporting period, frequency and contact point	05 - 06
	2-4 Restatements of information	05
	2-6 Activities, value chain and other business relationships	46 - 47
	2-7 Employees	90 - 99
	2-9 Governance structure and composition	126
	2-10 Nomination and selection of the highest governance body	131
	2-11 Chair of the highest governance body	16 - 17
	2-12 Role of the highest governance body in overseeing the management of impacts	130
	2-13 Delegation of responsibility for managing impacts	129
	2-16 Communication of critical concerns	131
	2-17 Collective knowledge of the highest governance body	129
	2-18 Evaluation of the performance of the highest governance body	131
	2-19 Remuneration policies	140 - 141
	2-27 Compliance with laws and regulations	130
	2-29 Approach to stakeholder engagement	31 - 35
	2-30 Collective bargaining agreements	The Managing Company does not have collective agreements with its employees
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	36
	3-2 List of material topics	37
	3-3 Management of material topics	37 - 39
Economic Performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	60
Anti-Corruption		

GRI CONTENT INDEX

GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	87
	205-2 Communication and training about anti-corruption policies and procedures	130
	205-3 Confirmed incidents of corruption and actions taken	Zero
Anti-Competitive Behaviour		
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Zero
Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	95
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	93 - 94
	401-3 Parental leave	None
Training and Education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	56
	404-2 Programmes for upgrading employee skills and transition assistance programmes	96
	404-3 Percentage of employees receiving regular performance and career development reviews	96
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	92, 128
Non-Discrimination		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	None
Local Communities		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development Programs	100 - 109
Public Policy		
GRI 415: Public Policy 2016	415-1 Political contributions	FCMMF does not receive any financial assistance from the government
Customer Privacy		
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	None

BASIS OF FINANCIAL RATIOS

No.	Ratios	Basis of calculation
01	Cost to income ratio (percentage, times)	$(\text{Operating Expenses} - \text{Impairment Provision}) \div (\text{Operating Income} - \text{MTM Gain})$ MTM- Mark to Market
02	Net asset value per unit (Rs.)	Profit attributable to unitholders of the fund / Total Number of units outstanding
03	Net trading income margin (%)	Net trading income for the year/ Income
04	Net profit margin (%)	Profit/ (loss) for the year/ Income
05	Return on assets (ROA) (%)	Profit/ (loss) for the year /Average total assets
06	Return on unitholder's fund (%)	Profit/ (loss) attributable to unitholders of the fund/Average total unitholders' fund
07	Unitholders' fund asset ratio (times)	Total unitholders' fund/ Total assets
08	Borrowing to unitholders' fund (times)	Total borrowing/ Total unitholders' fund
09	Borrowing to asset ratio (times)	Total borrowing/ Total assets
10	Annualised fund return (%)	$(\text{Year end net assets value per unit} / \text{Year beginning net assets value per unit}) - 1$
11	Total assets per unit (Rs.)	Total assets/ Number of units outstanding

GLOSSARY OF FINANCIAL AND BUSINESS TERMS

A

ACCOUNTING POLICIES:

The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting financial statements.

ACCRUAL BASIS:

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

AMORTISED COST:

Amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or uncollectability.

ANNUAL EQUIVALENT RATE (AER):

The interest rate on a financial product, loan or investment re-stated from its nominal interest rate to an interest rate with annual compound interest payable in arrears.

ANNUAL EQUIVALENT BASIS:

The methodology of using the Annual Equivalent Rate to depict the interest rate on a financial product.

ASSET:

A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.

ASSETS UNDER MANAGEMENT (AUM):

The total market value of all the financial assets which a financial institutions such as an asset manager of unit trusts, investment company, venture capital firm or private equity company manages on behalf of its clients and themselves.

ASSET BACKED SECURITISATIONS:

Short or long-term financial securities which are backed by financial assets and also referred to Securitisations.

AVERAGE WEIGHTED DEPOSIT RATE (AWDR):

Weighted average interest rates offered for interest bearing deposits by commercial banks.

C

CALL MONEY RATE:

Inter-bank overnight lending rate.

CASH EQUIVALENTS:

Short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

COMMERCIAL PAPER:

A short term unsecured promissory note issued in the open market by quoted public companies representing an obligation of the issuing entity.

Asset Management refers to the company's wealth and asset management activities which include unit trust investments, discretionary portfolio management and tailored financial advice and products such as lifestyle investment.

CORPORATE GOVERNANCE:

Process by which corporate entities are governed to promote stakeholder interest. Shareholders exert collective pressure on management to ensure equitable decision making on matters that may affect the value of their holdings and base their response on statutory requirements or on so called "Best Practice".

COST METHOD:

Cost method is a method of accounting for an investment whereby the investment is recognised at cost. The investor recognises income from the investment only to the extent that the

investor receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognised as a reduction of the cost of the investment.

CREDIT RATING:

An evaluation of a corporate's ability to repay its obligations or likelihood of not defaulting, carried out by an independent rating agency.

CREDIT RISK:

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

D

DEAL:

Investment banking transactions.

DE-RECOGNITION:

Removal of a previously recognised financial asset or financial liability from an entity's Statement of Financial Position.

E

EFFECTIVE INTEREST METHOD:

A method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

EXPECTED CREDIT LOSSES:

Expected credit losses are a probability - weighted estimate of credit losses over the expected life of the financial instrument.

12 MONTH EXPECTED CREDIT LOSSES:

The portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.

LIFETIME EXPECTED CREDIT LOSSES:

The expected credit losses that result from all possible default events over the expected life of a financial instrument.

F**FAIR VALUE:**

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS -MEASURED AT FAIR VALUE:

These financial assets are held within a business model with the objective to sell financial assets.

FINANCIAL ASSETS AT AMORTISED COST:

These financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. These assets are tested for impairment.

FINANCIAL ASSET OR FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS:

Financial asset or financial liability that is held for trading or upon initial recognition designated by the entity as 'at fair value through profit or loss'.

FINANCIAL INSTRUMENT:

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

FIXED INCOME SECURITIES:

Securities whose current income is fixed or based on some underlying index. These are also known as debt securities since they represent a fixed obligation of the company unlike equity, which pays dividends only when the company makes profits.

FUND:

Unit Trust.

G**GILTS:**

Government securities.

GROUP:

A group is a parent and all its subsidiaries.

I**IMPAIRMENT:**

This occurs when recoverable amount of an asset is less than its carrying amount.

IMPAIRMENT ALLOWANCES:

Impairment allowances are provisions held on the Statement of Financial Position as a result of the raising of a charge against profit for the incurred loss. An impairment allowance may either be identified or unidentified and individual (specific) or collective respectively.

INTEREST RATE RISK:

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

K**KEY MANAGEMENT PERSONNEL:**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

L**LIABILITIES:**

Debt or obligations of a business.

LIQUIDITY RISK:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

LOANS AND RECEIVABLES:

Non derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those intended to sell immediately or in the near term and designated as fair value through profit or loss or available for sale on initial recognition.

M**MATERIALITY:**

The relative significance of a transaction or an event, the omission or misstatement of which could influence the decisions of users of financial statements.

O**OPERATIONAL RISK:**

This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

OUTRIGHT:

The purchase or sale of a currency or security for delivery on any date other than spot (not being a swap transaction).

OVERNIGHT:

Deposit or swap transaction for settlement on transaction date to or against the next business day after transaction date.

OVERNIGHT POLICY RATE (OPR)

This is the policy interest rate of the CBSL under the single policy interest rate mechanism.

GLOSSARY OF FINANCIAL AND BUSINESS TERMS

P

PARENT:

A parent is an entity that has one or more subsidiaries.

PORTFOLIO:

Income generating assets such as loans, finance leases, investment securities and bills discounted etc.

PRIMARY MARKET:

A capital market where newly issued securities are offered to the public directly by the issuer. Initial Public Offerings and new issues where a company offers its shares or debentures directly to investors constitute the primary market. Prime Lending Rate (PLR): The interest rate a commercial bank will offer to its best customers.

R

RECURRING INCOME:

Also core earnings closely linked to the traditional banking business but also used in investment banking to mean the portion of a company's income that is expected to continue in the future.

REDEMPTION:

Refers to the liquidation of unit trust holdings; or in general, repayment of a fixed-income security before their maturity date.

RELATED PARTIES:

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

RELATED PARTY TRANSACTIONS:

A transfer of resources, services or obligations between related parties, regardless of whether a price is charged or not.

REPURCHASE AGREEMENT:

An agreement (Repo for short) is the simultaneous sale and repurchase of a security on different settlement dates.

REVENUE RESERVES:

Reserves which may be distributed to shareholders as dividends.

REVERSE REPURCHASE AGREEMENT:

An agreement (Reverse Repo for short) is the simultaneous purchase and resale of a security on different settlement dates.

S

SECONDARY MARKET:

A capital market where investors purchase securities or assets from other investors, rather than from the issuing companies themselves. The Colombo Stock Exchange is a secondary market (Listed shares/debentures).

SPREAD:

In this report refers to, net interest rate spread or the difference between the average yield received from interest-accruing activities or assets and the average rate we pay on interest-accruing borrowings or liabilities.

STANDING DEPOSIT FACILITY RATE (SDLR):

The floor rate of interest for the absorption of overnight excess liquidity from the banking system by the Central Bank of Sri Lanka.

STANDING LENDING FACILITY RATE (SDFR):

The interest rate applicable on reverse repurchase transactions of the Central Bank of Sri Lanka with commercial banks on an overnight basis providing the ceiling rate for the injection of overnight liquidity to the banking system by the Central Bank of Sri Lanka.

STATUTORY RESERVE REQUIREMENT (SRR):

The proportion of rupee deposit liabilities that commercial banks are required to maintain as a deposit with the Central Bank of Sri Lanka.

SWAP (CURRENCY):

The simultaneous purchase and sale of identical amounts of a currency for different value dates.

T

TERM REPO:

A Repo with more than one day's duration. In this report we use it in relation to the Platinum Bond issued by the Company which is a Repo investment with medium to long term horizon. Also see Repurchase Agreement.

TRANSACTION COSTS:

Incremental costs which are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

U

UNIT TRUST:

An undertaking formed to invest in securities under the terms of a trust deed. May also be referred to as Fund or Mutual Fund.

Y

YIELD CURVE:

The graphical depiction of the relationship between the yield on Treasury securities and the corresponding period.

UNITHOLDER/STAKEHOLDER FEEDBACK FORM

To request information to submit a comment / query to the company, please provide the following details and return this page to -

Mangala Jayashantha

Chief Financial Officer
First Capital Asset Management Limited
No.02, Deal Place
Colombo 03.
mangala@firstcapital.lk
Tel : 0112639898

Name :

Permanent Mailing Address :

Contact Number/s :

Tel. _____

Fax

E-Mail: info@hugoboss.com

Name of the Company (If Applicable) :

Designation (If Applicable) :

Company Address (If Applicable) :

[illegible]

UNITHOLDER/STAKEHOLDER FEEDBACK FORM

Your opinion matters. Please share your views with us.

Which stakeholder groups do you belong to?

(You may tick more than one)

☐

Employee

☐

Unitholder

☐

Community

Does the report address issues of greatest interest to you?

☐

Comprehensively

☐

Partially

☐

Not at all

Please identify any additional issues that you think should be reported on :

Do you have any additional comments on the report - or on Fund's performance?

Would you like to be consulted when we prepare our next Annual report?

☐

Yes

☐

No

Your name, email address and / or other contact details :

ANNEXURE A

BOARD OF DIRECTORS OF THE INTERMEDIARY PARENT COMPANY



RAJENDRA THEAGARAJAH

Independent Non-Executive Director/ Chairman



APPOINTED AS

INDEPENDENT, NON-EXECUTIVE CHAIRMAN ON 28 JUNE 2024



CHAIRPERSON

OF THE BOARD OF DIRECTORS WITH EFFECT FROM 28 JUNE 2024



GEOGRAPHICAL EXPERTISE

SRI LANKA

EXPERTISE



Expertise as a finance professional is integrated with extensive experience in business leadership, strategic transformation, and the banking sector. Key strengths include digital and technology oversight, audit and assurance, and risk management. This professional background further extends to legal and compliance matters and ESG, ensuring robust stakeholder engagement and sustainable business management.

QUALIFICATIONS



FELLOW MEMBER

Institute of Chartered Accountants of Sri Lanka



FELLOW MEMBER

Chartered Institute of Management Accountants of UK



MASTER OF BUSINESS ADMINISTRATION

Cranfield School of Business, UK

CURRENT APPOINTMENTS

Directorships in other companies

Listed Entities

1

JANASHAKTHI FINANCE PLC
Non-Independent Non-Executive Chairman



Unlisted Entities

FIRST CAPITAL LIMITED - Non-Executive Independent Chairman
BCAS (PVT) LIMITED - Non-Executive Director
SIAM CITY CEMENT (LANKA) LIMITED - Non-Executive Director
PROFESSIONAL INSURANCE CORPORATION ZAMBIA - Non-Executive Director
PAYABLE (PVT) LIMITED - Chairman, Non-Executive Director
CARSON CUMBERBATCH PLC - Independent Non-Executive Director
PRAXIS MAGNUS STRATEGIES LIMITED - Non-Executive Director (Strategic Advisory role)
ENGENUITY AI (PVT) LIMITED - Chairman, Non-Executive Director

COMMITTEE MEMBERSHIP



NOMINATION AND GOVERNANCE COMMITTEE

Member



INVESTMENT, ASSET AND LIABILITY COMMITTEE

Chairman



REMUNERATION COMMITTEE

Member

ANNEXURE A

BOARD OF DIRECTORS OF THE INTERMEDIARY PARENT COMPANY



MANJULA MATHEWS

Non- Independent Non-Executive Director/ Deputy Chairperson



APPOINTED AS

NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR ON 27 DECEMBER 2022



DEPUTY CHAIRPERSON

OF THE BOARD OF DIRECTORS WITH EFFECT FROM 27 DECEMBER 2022



GEOGRAPHICAL EXPERTISE

SRI LANKA

EXPERTISE



Possesses strong experience in business leadership, banking, and finance. Key areas of focus include audit and assurance, risk management, and legal and compliance. A commitment to people management and stakeholder engagement remains central to this approach to business management and governance, complemented by extensive expertise in finance, marketing, and general management across both Sri Lanka and the United Kingdom.

QUALIFICATIONS



FELLOW MEMBER

Chartered Institute of Management Accountants, UK



MASTER'S DEGREE

Business Administration from the University of Cambridge, UK

CURRENT APPOINTMENTS

Directorships in other companies

Listed Entities

1

FIRST CAPITAL TREASURIES PLC
Non-Independent Non-Executive Director/ Chairperson

2

JANASHAKTHI LIMITED
Non-Independent Non-Executive Director



Unlisted Entities

FIRST CAPITAL LIMITED - Non-Executive Director
FIRST CAPITAL TRUSTEE SERVICES (PVT) LIMITED
Non-Executive Director

FIRST CAPITAL MARKETS LIMITED - Non-Executive Director
MAHAWELI FEED MILLS (PVT) LIMITED
Non-Executive Director

ROCK FOUNDATION (PVT) LIMITED - Non-Executive Director
GARNET CAPITAL (PVT) LIMITED - Non-Executive Director
MAHAWELI MARKETING (PVT) LIMITED
Non-Executive Director

TURQUOISE LANKA (PVT) LIMITED - Non-Executive Director
THORNTON ESTATES LIMITED - Non-Executive Director
HABITAT FOR HUMANITY INTERNATIONAL
Non-Executive Director

COMMITTEE MEMBERSHIP



NOMINATION AND GOVERNANCE COMMITTEE

Member



INVESTMENT, ASSET AND LIABILITY COMMITTEE

Member



BOARD AUDIT COMMITTEE

Member



RELATED PARTY TRANSACTION REVIEW COMMITTEE

Member



DILSHAN WIRASEKARA

Managing Director/CEO



APPOINTED AS
MANAGING DIRECTOR/
CHIEF EXECUTIVE
OFFICER ON

27 DECEMBER 2022
(Appointment to Board as The
Director/ CEO on 1 May 2017)



**GEOGRAPHICAL
EXPERTISE**

SRI LANKA

EXPERTISE



Expertise in financial services, including banking, treasury, and investment management, is combined with deep knowledge in capital market strategy, corporate finance advisory services, and asset and liability risk management. Contributes broad expertise in business leadership, strategy, and sustainability, complemented by a rigorous understanding of audit, risk management, and legal frameworks. Professional focus also includes people management and maintaining transparent stakeholder engagement.

QUALIFICATIONS



ALUMNUS OF INSEAD

Alumnus of INSEAD having successfully completed his Executive Professional Education at INSEAD Business School in Fontainebleau, France



ALUMNUS OF AOTS

Alumnus of AOTS, Tokyo, Japan

CURRENT APPOINTMENTS

Directorship in other companies

Listed Entities

1

FIRST CAPITAL TREASURIES PLC

Non- Executive
Non- Independent Director



Unlisted Entities

FIRST CAPITAL LIMITED - Managing Director/CEO

FIRST CAPITAL ASSET MANAGEMENT LIMITED - Non-Executive Director

FIRST CAPITAL EQUITIES (PVT) LIMITED - Non-Executive Director

FIRST CAPITAL ADVISORY SERVICES (PVT) LIMITED
- Non-Executive Director

FIRST CAPITAL MARKETS LIMITED - Managing Director/CEO

FIRST CAPITAL TRUSTEE SERVICES (PVT) LIMITED
- Non-Executive Director

COMMITTEE MEMBERSHIP



INVESTMENT, ASSET
AND LIABILITY
COMMITTEE

Member



BOARD INTEGRATED
RISK MANAGEMENT
COMMITTEE

Member

ANNEXURE A

BOARD OF DIRECTORS OF THE INTERMEDIARY PARENT COMPANY



RAMESH SCHAFFTER

Non- Independent Non- Executive Director



APPOINTED AS

NON-INDEPENDENT,
NON-EXECUTIVE
DIRECTOR ON
21 DECEMBER 2018



GEOGRAPHICAL EXPERTISE

SRI LANKA

EXPERTISE



Expertise in finance, marketing, strategic management, and financial strategy is combined with a strong background in corporate governance and organisational transformation. Offers significant experience in business leadership and strategic planning, covering banking, finance, audit, assurance, and risk management. This role is instrumental in driving business management and people management, ensuring alignment with long-term stakeholder interests.

QUALIFICATIONS



FELLOW MEMBER

Chartered Institute of Management Accountants (CIMA), UK



ASSOCIATE MEMBER

Chartered Institute of Marketing (CIM), UK

CURRENT APPOINTMENTS

Directorships in other companies

Listed Entities

1 FIRST CAPITAL TREASURIES PLC
Non-Executive Director

2 JANASHAKTHI LIMITED
Managing Director / Group CEO

3 JANASHAKTHI INSURANCE PLC
Non-Independent Non-Executive Director



Unlisted Entities

FIRST CAPITAL LIMITED - Non-Executive Director
JANASHAKTHI CORPORATE SERVICES LIMITED - Executive Director
JANASHAKTHI FOUNDATION (GUARANTEE) LIMITED - Non-Executive Director
ACLAND INSURANCE SERVICES LIMITED - Non-Executive Director
PAN NIPPON DEVELOPMENT (PRIVATE) LIMITED - Non-Executive Director
ROCK FOUNDATION (PVT) LIMITED - Executive Director
SCHAFFTERS (PVT) LIMITED - Executive Director
TEA LEAF TRUST (GUARANTEE) LIMITED - Non-Executive Director
BECKETT CAPITAL (PVT) LIMITED - Non-Executive Chairman
EL SHADDAI TRUST - Chairman
ESPALIER FUTURES LIMITED - Non-Executive Director

COMMITTEE MEMBERSHIP



REMUNERATION COMMITTEE

Member



KUDA BANDA HERATH

Independent Non-Executive
Director/ Chairman



APPOINTED AS

INDEPENDENT, NON-
EXECUTIVE DIRECTOR
ON
29 APRIL 2024



GEOGRAPHICAL EXPERTISE

SRI LANKA

EXPERTISE



Expertise in consumer goods and operations management is integrated with business leadership, featuring a specialised focus on people management and development. Contributions are centered on effective business management and fostering strong stakeholder engagement to support organisational growth.

QUALIFICATIONS



BACHELOR'S DEGREE

Applied Chemistry - University of
Kingston, London

CURRENT APPOINTMENTS

Directorships in other Companies

Listed Entities

1

CENTRAL FINANCE
COMPANY PLC

Independent Non-Executive
Director



CHIEF OPERATING OFFICER - Sunshine Holdings PLC

Unlisted Entities

FIRST CAPITAL LIMITED - Non-Executive Director

FIRST CAPITAL ASSET MANAGEMENT LIMITED - Non-Executive
Director

ENERGY MANAGEMENT SYSTEMS (PVT) LIMITED - Non-Executive
Director

BAVARIAN BARN GERMAN RESTAURANT (PVT) LIMITED - Non-
Executive Director

PHOTOCINEX (PVT) LIMITED - Non-Executive Director

COMMITTEE MEMBERSHIP



NOMINATION AND
GOVERNANCE
COMMITTEE

Chairman

ANNEXURE A

BOARD OF DIRECTORS OF THE INTERMEDIARY PARENT COMPANY



RACHINI RAJAPAKSA

Independent Non-Executive Director/ Chairperson



APPOINTED AS

INDEPENDENT, NON-EXECUTIVE DIRECTOR
ON
28 JUNE 2024



GEOGRAPHICAL EXPERTISE

SRI LANKA

EXPERTISE



Expertise in fund management and finance is coupled with extensive experience in business leadership and the banking sector. Core competencies include audit and assurance, risk management, and digital and technology oversight. This profile is further defined by a commitment to legal and compliance, ESG matters, and proactive stakeholder engagement.

QUALIFICATIONS



FELLOW MEMBER

Chartered Institute of Management Accountants, UK



CHARTERED FINANCIAL ANALYST
(CFA) - CFA Institute, USA

CURRENT APPOINTMENTS

Directorships in other Companies

Listed Entities

1

ASIA SIYAKA
COMMODITIES PLC
Independent Non-Executive Director

2

KELANI TYRES PLC
Independent Non-Executive Director



Unlisted Entities

FIRST CAPITAL LIMITED - Non-Executive Director

AGRIONE SOLUTIONS (PVT) LIMITED - Non-Executive Director

ASIA SIYAKA WAREHOUSING (PVT) LIMITED - Non-Executive Director

SRI LANKA ACCOUNTING AND AUDITING STANDARDS MONITORING BOARD - Independent Non- Executive Director

ASSET ENGINEERING (PVT) LIMITED - Independent Non- Executive Director

LANKA BOND HOUSE LIMITED - Independent Non- Executive Director

ASSET GROUP OF COMPANIES (PVT) LIMITED - Non-Executive Director

ASSOCIATED CEAT (PVT) LIMITED - Non-Executive Director

COMMITTEE MEMBERSHIP



INVESTMENT, ASSET
AND LIABILITY
COMMITTEE

Member



BOARD AUDIT
COMMITTEE

Chairperson



RELATED PARTY
TRANSACTION REVIEW
COMMITTEE

Chairperson



BOARD INTEGRATED
RISK MANAGEMENT
COMMITTEE

Chairperson



INOSHINI PERERA

Independent Non-Executive
Director



APPOINTED AS

INDEPENDENT, NON-
EXECUTIVE DIRECTOR
ON
28 JUNE 2024



GEOGRAPHICAL EXPERTISE

SRI LANKA

EXPERTISE



Expertise in investment banking, strategy, and corporate finance is coupled with valuable experience in business leadership and a particular emphasis on sustainability and ESG oversight. The professional background includes people management and business management, focusing on delivering value through structured stakeholder engagement.

QUALIFICATIONS



MASTER'S DEGREE IN FINANCE
University of Cambridge, UK



**BSC IN ECONOMICS (FIRST CLASS
HONOURS)**
London School of Economics and Political
Science (LSE), UK

CURRENT APPOINTMENTS

Directorships in other companies

Unlisted Entities

FIRST CAPITAL LIMITED - Non-Executive Director

FIRST CAPITAL ADVISORY SERVICES (PVT) LIMITED
- Non-Executive Director

VERITÉ RESEARCH (PVT) LIMITED - Executive Director

COMMITTEE MEMBERSHIP



BOARD AUDIT
COMMITTEE

Member



RELATED PARTY
TRANSACTION REVIEW
COMMITTEE

Member



BOARD INTEGRATED
RISK MANAGEMENT
COMMITTEE

Member

ANNEXURE A

BOARD OF DIRECTORS OF THE INTERMEDIARY PARENT COMPANY



DILENDRA WIMALASEKERE

Independent Non- Executive
Director/ Chairman



APPOINTED AS

INDEPENDENT NON-
EXECUTIVE DIRECTOR
ON
28 JUNE 2024



GEOGRAPHICAL EXPERTISE

SRI LANKA

EXPERTISE



Contributes expertise in technology entrepreneurship, IT services, and digital marketing, complemented by leadership in business and risk management. Responsibilities involve guiding business management and people management strategies while ensuring the organisation maintains effective stakeholder engagement.

QUALIFICATIONS



BACHELOR OF ARTS

Bachelor of Arts in Business Economics -
College of Wooster, USA



GIANTS ENTREPRENEUR DEVELOPMENT PROGRAMME

- Massachusetts Institute of Technology
(MIT), USA.

CURRENT APPOINTMENTS

Directorships in other Companies

Unlisted Entities



FIRST CAPITAL LIMITED - Non-Executive Director

FIRST CAPITAL EQUITIES (PRIVATE) LIMITED - Non-Executive Director

EUREKA TECHNOLOGY PARTNERS (PVT) LIMITED - Director/CEO

24/7 TECHIES (PVT) LIMITED - Director/CEO

REAPDIGITAL (PVT) LIMITED - Co-Founder/Director/CEO

COMMITTEE MEMBERSHIP



REMUNERATION
COMMITTEE

Chairman

NOTES

NOTES

CORPORATE INFORMATION

NAME OF THE FUND (UNIT TRUST)

First Capital Money Market Fund

FUND MANAGING COMPANY

First Capital Asset Management Limited (PB 187)

TRUSTEE OF THE FUND

Bank of Ceylon

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. Dilshan Wirasekara
Mr. Kuda Banda Herath
Mr. Kavin Karunamoorthy

SECRETARY

Ms. Heidy Seneviratne
No. 02, Deal Place
Colombo 3.

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

Ernst & Young
Chartered Accountants
No. 109, Rotunda Towers
Galle Road
Colombo 3

PRINCIPAL BANKERS

Bank of Ceylon
Sampath bank PLC

Concept & Designed by





First Capital

A Janashakthi Group Company