ASIA SECURITIES

INTEGRITY | INSIGHT | INNOVATION

WEALTH MANAGEMENT

Asia Securities Unit Trust Funds

ANNUAL REPORT 2025/2026

No.349, Lee hedges Tower,
Galle Road, Colombo 3

TABLE OF CONTENTS

ASIA SECURITIES WEALTH MANAGEMENT (PVT) LIMITED

Asia Securities Wealth Management (Pvt) Ltd. (ASWM) provide wealth management services for individuals, corporates, and institutions. The company was launched in October 2018, with a largest Assets under management (AUM)for a new wealth manager in Sri Lanka.

The company is a fully owned subsidiary of Asia Securities Holdings (Pvt) Ltd and is licensed to operate as an Investment Manager and a Management Company to operate collective investments schemes by the Securities and Exchange Commission of Sri Lanka.

ASWM launched its first unit trust, the Asia Securities Money Market Fund in December 2020 and subsequently launched its flagship equity fund, two Gilt funds and two income funds since then. The company currently manages well over Rs.42Bn of funds under management and is the fourth largest unit trust manager in terms of AUM by March 2026 in Sri Lanka.

Asia Securities Holdings (Pvt) Ltd is a leading investment bank in Sri Lanka providing wealth management, M&A advisory, equity brokerage, and research services through its affiliated companies.

BOARD OF DIRECTORS

Dumith Hemantha Fernando

Chairman,
Asia Securities Wealth Management (Pvt) Limited

Dumith Fernanado is the Chairman of Asia Securities Holdings (Pvt) Ltd, a leading independent Investment Banking, Wealth Management, Research, and Stock Broking firm in Sri Lanka. He has over two decades of experience in international Investment Banking, based in New York and Hong Kong with the U.S. bank J.P. Morgan Chase & Co. and the Swiss bank Credit Suisse AG. Until 2013, he was Managing Director and Group Chief Operating Officer for the Asia Pacific region at Credit Suisse – a business with over USD 2.5bn in revenue across 12 countries, and a member of that firm's Global Leadership Council.

He is a former Chairman of the Colombo Stock Exchange and currently a Director of Union Assurance PLC.

He holds a BA (Honors) in Physics & Economics from Middlebury College in the U.S. and an MBA from Harvard Business School

Harold Avancka Herat

Executive Director,
Asia Securities Wealth Management (Pvt) Limited

Avancka joined Asia Securities as the Chief Executive Officer for Asia Securities Wealth Management (Pvt) Limited to set up its wealth management business in 2018 and there-after has been the Executive Director since 2022.

Avancka was also the CEO of National Asset Management (Pvt) Ltd (NAMAL) from 2011 to 2018. He functioned as the Chief Investment Officer of Aegis Fund Management (fund manager for Sri Lanka Insurance Corporation) in 2004-2010 with an AUM of USD 600mn, where he was responsible for articulating overall investment strategy and execution of asset allocation for both equity and debt markets. Through his career he has worked at Caltex Ceylon, Jardine Fleming HNB Capital, Jardine Fleming HNB Securities, and Lanka Securities. He counts over 25 years of capital markets experience and started his career as an Analyst at Lanka Securities.

Avancka holds a master's degree in Business Finance from Brunel University London, UK and a Bachelor' s Degree in Business Studies from Swansea University, UK

BOARD OF DIRECTORS

Arjuna Kumar Wignaraja

Independent Director,
Asia Securities Wealth Management (Pvt) Limited

Arj started his career at The Boston Consulting Group, where he helped formulate business strategies for Fortune 500 clients. He then joined Stax, a boutique consulting firm in Boston. Over two decades at Stax, he helped establish their Chicago office, where he was a Director, and established their Asia presence by founding the Colombo, Sri Lanka office as Managing Director. More recently Arj served as a Senior Advisor at Stax, working with Sri Lankan corporates on their growth and investment strategies.

He is a Non-Executive Director at Nations Trust Bank, Bartleet & Co (a diversified conglomerate), Cenmetrix (a leader in asset & infrastructure digitization), Asia Securities (a leading investment advisor), and Board Advisor at Medihelp (a leading healthcare provider). He was a Board Member of the Lankan Angel Network (LAN, which promotes entrepreneurship and provides seed funding for startups). Arj was also Chairperson of the South East Asia Leadership Academy (SEALA, a game changing bootcamp for leaders from the region).

Arj holds an M.B.A. from the Kellogg Graduate School of Management at Northwestern University, and a B.A. in Economics, with honors, from Princeton University.

INVESTMENT COMMITTEE

Permanent Members

Steven Enderby	**Independent Member**
Chaya Jayawardena	**Chief Executive Officer**
Pushpika Jeevaratne	**VP Compliance, Asia Securities Wealth Management**

Steven Enderby

Independent Member
Accounts for over 35 yrs of financing, investment, and private equity experience in UK, Africa and South Asia, predominantly in Sri Lanka and India. Mr Enderby was also the former Group CEO, Hemas Holdings PLC.

MANAGEMENT TEAM

Chaya Jayawardena - Chief Executive Officer

Chaya Jayawardane is a seasoned banking and financial services executive with over two decades of strategic leadership experience in corporate banking, global markets, risk management, transaction banking, digital and consumer banking. She has a proven track record of spearheading transformational initiatives, navigating complex regulatory environments, and driving innovative financial solutions that ensure sustainable growth.

Prior banking experience is across ANZ Grindlays, HSBC and Standard Chartered Bank while the last role held was Senior Vice President at Union Bank of Colombo PLC, played a pivotal role in establishing and expanding Retail Banking, including the launch of the credit card business, and leading a high-performing team of 900 professionals across geographies.

Pushpika Jeevaratne - Vice President Compliance

Pushpika is the VP Compliance at Asia Securities Wealth Management and accounts for almost 2 decades of capital markets experience. Pushpika was the former Head of Compliance & Risk at National Assert Management Limited (NAMAL). She is a passed finalist of CIMA and holds BSc in Electronic & Telecommunications Engineering – University of Moratuwa, Sri Lanka.

Cheryl Pasker - Chief Investment Officer

Cheryl currently serves as Senior Vice President cum Chief Investment Officer – Wealth Management at Asia Securities Wealth Management. She is an investment professional with approximately nine years of fund management experience. She was employed at Capital Alliance Investments Limited in Asset Management, where she progressed from Junior Executive to Vice President – Asset Management. She served as the Unit Trust Fund Manager from 2019 to the end of her tenure in Jan 2026, where she was responsible for portfolio performance and stakeholder management, and oversaw significant growth in unit trust AUM.

Nadarajah Gowthaman - Portfolio Manager

Gowthaman joined Asia Securities Wealth Management (Pvt) Ltd as the Vice President/Portfolio Manager. Prior to this role, he was associated with Ceylon Asset Management, one of Sri Lanka's leading asset management firms, where he covered fixed income and equity funds. Before that, he worked as an Investment Manager at ETF Board and as a Forex & FIS Dealer at Indian Bank, amassing over a decade of experience in both domestic and foreign markets.

Harini Wijayaratnam,CFA - Portfolio Manager

Harini joined Asia Securities Wealth Management (Pvt) Ltd as the Vice President/ Portfolio Manager . She is an investment professional with experience in asset management and capital markets, managing both fixed income and equity portfolios. Harini most recently served as a Fund Manager at NDB Wealth Management Ltd , overseeing discretionary portfolios, and previously worked as a Senior Associate at CT Smith Capital Ltd, where she was involved in several landmark transactions. Earlier in her career, she was a Research Analyst at Asia Securities (Pvt) Ltd, covering the Leisure and Healthcare sectors, and a Financial Analyst at CT Smith Asset Management Ltd.

ASIA SECURITIES MONEY MARKET FUND

ASIA SECURITIES MONEY MARKET FUND REVIEW

(Inception: 23rd Dec. 2020)

Fund Manager

Nadarajah Gowthaman.

Fund Objective

The Fund is an open-ended unit trust fund that focuses on investing in short-term government securities and fixed income securities with an investment-grade rating of BBB- or above. These securities have a maturity period of 397 days or less. The investment objective is to generate a high interest income for its investors while preserving capital and providing liquidity.

Fund Return

Period	ASMMF Annualized Return
2025-26	08.52%
2024-25	09.97%
2023-24	19.45%
2022-23	13.19%
2021-22	07.78%

Commentary

Asia Securities Money Market Fund – Performance Overview 2025/26

During the 12-month period ending in 2025/26, the Asia Securities Money Market Fund delivered an annualized return of 8.52% to its investors. The Fund maintained a strong focus on corporate papers and other money market instruments issued by entities with investment-grade credit ratings or higher.

During the 2025/26 financial year, interest rates continued to trend downward, supported by the Central Bank's accommodative monetary policy stance. Policy rates were reduced by a cumulative 25 basis points over the period.

Our portfolio strategy focused on high-yielding corporate papers, enabling the Fund to enhance returns while maintaining adequate liquidity to meet investor requirements. Throughout the year, we carefully balanced yield optimization with prudent liquidity management.

We continue to adopt a dynamic portfolio management approach, guided by in-depth market analysis, with the dual objective of generating competitive returns, preserving capital, and maintaining sufficient liquidity.

ASIA SECURITIES MONEY MARKET FUND REVIEW

(Inception: 23rd Dec. 2020)

Macroeconomic Overview: Sri Lanka (2025/26)

Sri Lanka's economy continued its recovery in 2025, supported by sustained macroeconomic stabilization and ongoing structural reforms. Real GDP growth reached approximately 5%, marking the second consecutive year of expansion. Improved policy consistency and stabilizing economic conditions have enhanced investor confidence and strengthened overall economic resilience.

Inflation turned positive from mid-2025 following a period of deflation, driven by the moderation of energy price declines and an increase in food prices. The Central Bank maintained an accommodative monetary policy stance, supporting a low-interest rate environment and contributing to robust credit growth and domestic demand.

The external sector remained strong, with a current account surplus recorded for the third consecutive year, supported by elevated remittances and services exports. Continued foreign exchange inflows facilitated reserve accumulation, while the Sri Lankan rupee experienced a modest depreciation under a flexible exchange rate regime.

Fiscal performance improved further, with the government maintaining a primary surplus for the third consecutive year, driven by revenue-based consolidation efforts. The financial sector also strengthened, supported by improvements in profitability, asset quality, and capital buffers across institutions.

The recovery has been underpinned by policy discipline, IMF-supported reforms, continued reserve build-up, and financial sector stability, alongside ongoing regulatory enhancements and digital transformation initiatives.

Global Context

Sri Lanka continues to operate in an increasingly uncertain global environment, characterized by geopolitical tensions, rising protectionism, and trade fragmentation. Escalating and protracted conflicts, particularly in the Middle East, could lead to higher energy and shipping costs, supply chain disruptions, and increased volatility in global inflation. Nevertheless, the continued accumulation of reserves and improvements in external sector fundamentals provide a degree of resilience against these external shocks.

Domestic Outlook

Looking ahead, inflation is expected to rise toward the upper end of the Central Bank's target range and remain elevated in the near term, driven by significant adjustments in domestic energy prices, the lagged effects of currency depreciation, and persistently high global commodity prices, before gradually stabilizing. In response to these emerging inflationary pressures, the Monetary Policy Board, at its meeting in May 2026, increased the Overnight Policy Rate (OPR) by 100 basis points to 8.75%. Meanwhile, credit growth is expected to continue at a steady and moderate pace.

The external sector is expected to be more volatile due to heightened geopolitical risks associated with the Middle East conflict and the potential for a wider current account deficit, particularly through higher energy import costs and trade disruptions. Although remittances, tourism, services exports, IMF-related inflows should continue to provide support, these buffers may be partially offset by external shocks and financing pressures. Fiscal policy is expected to remain anchored in revenue-based consolidation, supporting medium-term macroeconomic stability despite a potentially more challenging external environment.

The financial sector is likely to remain resilient, underpinned by strong capital and liquidity buffers. Overall growth momentum is expected to continue, although it will depend on investment activity, reconstruction efforts, and the pace of structural reforms.

ASIA SECURITIES MONEY MARKET FUND REVIEW

(Inception: 23rd Dec. 2020)

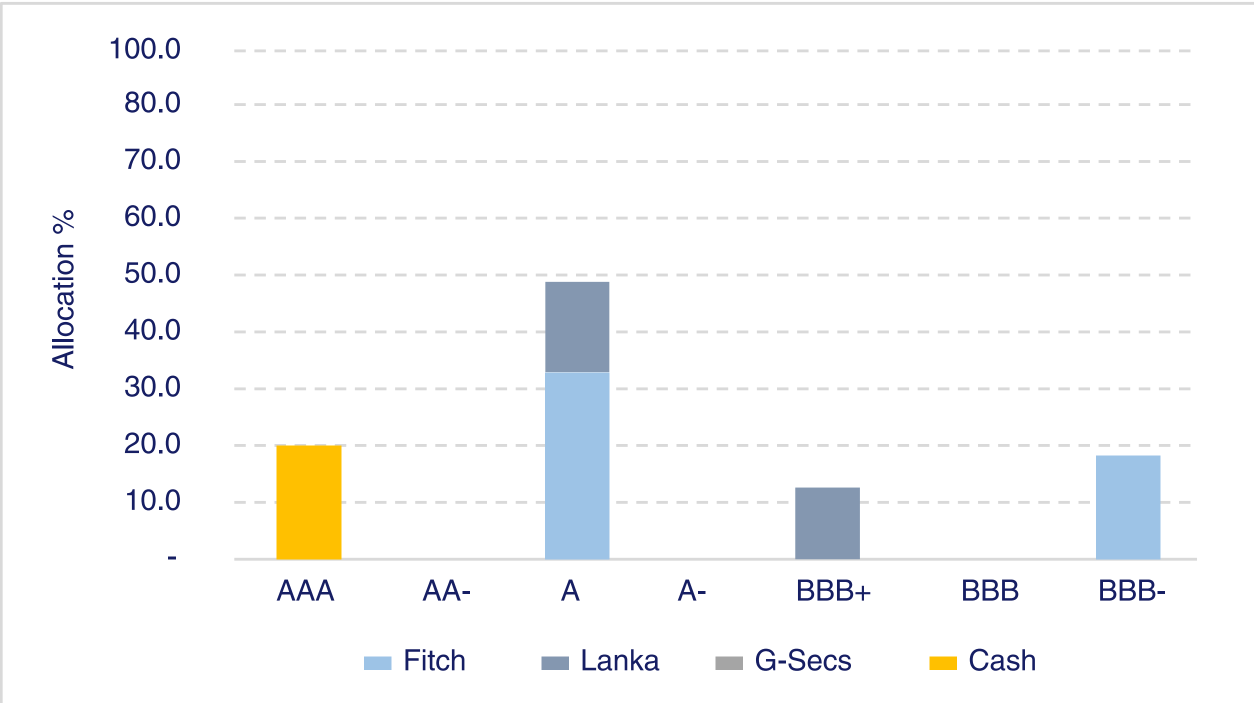
Key Risks

Despite the broadly neutral outlook, several risks remain. On the external front, geopolitical tensions, global trade disruptions, rising energy and logistics costs, and subdued global growth combined with financial market volatility could weigh on the outlook. Domestically, risks include inflationary pressures from global spillovers, climate-related shocks and natural disasters, rapid credit expansion leading to potential sectoral vulnerabilities, and structural constraints that may limit long-term growth.

Source: CBSL

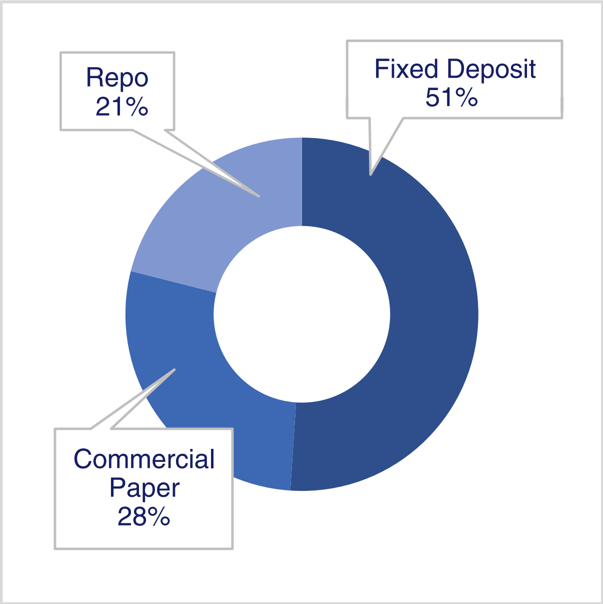
Key Facts of the Fund

Fund Credit Quality -% of NAV

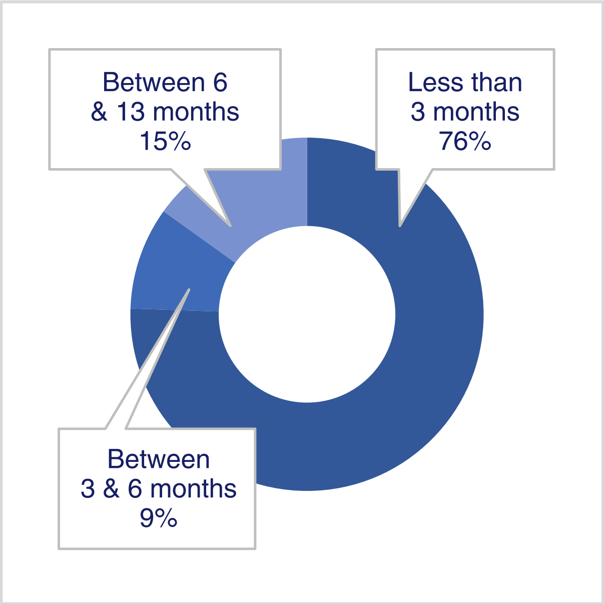


ASIA SECURITIES MONEY MARKET FUND REVIEW

Asset Allocation



Maturity Profile



ASIA SECURITIES MONEY MARKET FUND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Tel : +94-11-2421878-79-70
+94-11-2387002-03
Fax : +94-11-2336064
E-mail : bdopartners@bdo.lk
Website : www.bdo.lk

Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES MONEY MARKET FUND

Report on the audit of the financial statements

Opinion

We have audited the Financial Statements of Asia Securities Money Market Fund ("the Fund"), which comprise the statement of financial position as at 31st March 2026 and the statement of comprehensive income, the statement of changes in unitholders' funds and the statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policy information as set out on pages 19 to 37.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31st 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 matter

The Financial Statements of the Fund for the year ended 31st March 2025 were audited by another auditor who expressed an unmodified opinion on those financial statements on 16th July 2025.

Other information

The fund managing company (Asia Securities Wealth Management (Pvt) Ltd) is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and the Auditor's Report therein. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above, and in doing so, consider whether the other information is materially consistent with the Financial Statements and our knowledge obtained in the audit, or otherwise whether it appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the fund managing company.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES MONEY MARKET FUND

Report on the audit of the financial statements (Contd)

Responsibilities of Fund Managing Company and Those Charged with Governance for the Financial Statements

The Fund Managing Company and the Trustee are responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, fund managing company 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 managing company 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES MONEY MARKET FUND

Report on the audit of the financial statements (Contd)

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

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

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

• obtain an understanding of internal 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 managing company.

• conclude on the appropriateness of fund managing company'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 the 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 have been prepared and presented in accordance with and comply with the Collective Investment Scheme Code (CIS Code) issued by the Securities and Exchange Commission of Sri Lanka under the Act No.19 of 2021 and the Trust Deed.

BDO Partners

CHARTERED ACCOUNTANTS
Colombo
08th July 2026
TR/dm

Asia Securities Money Market Fund
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2026

	Note	2025/2026 Rs.	2024/2025 Rs.
INVESTMENT INCOME			
Interest income	3	371,055,520	195,696,884
Realised gains on financial assets held at amortised cost	4	106,434	4,607,385
Total revenue		**371,161,955**	**200,304,269**
EXPENSES			
Management fees		(21,835,064)	(9,820,884)
Trustee fees		(6,897,574)	(3,565,736)
Custodian fees		(290,462)	(290,462)
Audit fees		(611,425)	(566,240)
WHT expenses		(31,005,814)	(2,729,392)
Other expenses		(304,390)	(364,499)
Total expenses		**(60,944,729)**	**(17,337,213)**
Profit for the period		**310,217,226**	**182,967,056**
Increase in net assets attributable to unit holders		**310,217,226**	**182,967,056**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy infomation and notes from pages 19 to 37 form an integral part of these Financial Statements.

Asia Securities Money Market Fund
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2026

		2026-03-31	**2025-03-31**
ASSETS	**Note**	**Rs.**	**Rs.**
Cash and cash equivalents	**5**	233,493	2,165,789
Financial assets at amortised cost	**6**	2,726,527,623	3,846,807,021
Placement fee receivable	**7**	1,318,630	-
Other receivable		10,519	14,755
Total assets		**2,728,090,265**	**3,848,987,565**
UNIT HOLDERS' FUNDS AND LIABILITIES			
LIABILITIES			
Other payable	**8**	2,485,489	2,824,522
Total liabilities		**2,485,489**	**2,824,522**
UNIT HOLDERS' FUNDS			
Net assets attributable to unit holders		2,725,604,776	3,846,163,043
		2,725,604,776	3,846,163,043
Total unit holders' funds and liabilities		**2,728,090,265**	**3,848,987,565**

The Fund Managing Company and the Trustee are responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and these Financial Statements were approved by the Fund Managing Company and the Trustee on 08th July 2026.

DEUTSCHE BANK AG
Colombo Branch
Authorised Signatories
Trustee

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

Trustee
Deutsche Bank AG

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

BDO PARTNERS
Chartered Accountants

The accounting policy information including a summary of material accounting policy infomation and notes from pages 19 to 37 form an integral part of these Financial Statements.

Colombo
08th July 2026

Asia Securities Money Market Fund
STATEMENT OF CHANGES IN UNITHOLDERS' FUND
FOR THE YEAR ENDED 31ST MARCH 2026

	No of units	Unitholders' fund Rs.
Unitholders' funds as at 31 March 2024	18,460,425	273,760,937
Increase in net assets attributable to unitholders	-	182,967,056
Creation of units	393,380,710	6,138,617,638
Redemption of units	(175,997,117)	(2,749,182,588)
Net increase due to unit holders' transactions	217,383,593	3,389,435,049
Unitholders' funds as at 31 March 2025	**235,844,018**	**3,846,163,043**

	No of units	Unitholders' fund Rs.
Unitholders' funds as at 31 March 2025	235,844,018	3,846,163,043
Increase in net assets attributable to unitholders	-	310,217,226
Creation of units	348,629,242	5,918,254,512
Redemption of units	(430,456,486)	(7,349,030,005)
Net decrease due to unit holders' transactions	(81,827,244)	(1,430,775,493)
Unitholders' funds as at 31 March 2026	**154,016,774**	**2,725,604,776**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy infomation and notes from pages 19 to 37 form an integral part of these Financial Statements.

Asia Securities Money Market Fund
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2026

	Note	2026-03-31 Rs.	2025-03-31 Rs.
Cash flows from operating activities			
Interest received		349,650,329	132,009,823
Other expenses paid		(16,073,243)	(3,622,500)
Management fees Trustee fees and Custody fees paid		(29,407,101)	(11,593,314)
T Bill Sale		-	4,607,385
Investment in repurchase agreements		(14,179,657,363)	(19,330,500,000)
Investment in commercial papers		(9,307,366,504)	(3,665,826,417)
Investment in fixed deposits		(1,320,000,000)	(1,475,000,000)
Investment in T-Bills		-	(3,338,435,904)
Investment in T-Bonds		-	(160,902,250)
Maturity proceeds from repurchase agreements		13,660,457,363	19,312,700,000
Maturity proceeds from commercial papers		9,633,140,526	2,640,913,038
Maturity proceeds from fixed deposits		1,225,000,000	280,000,000
Maturity proceeds from T-Bills		1,252,607,799	2,220,608,771
Maturity proceeds from T-Bonds		160,491,390	-
Net cash flow generated from/(used in) operating activities		**1,428,843,197**	**(3,395,041,368)**
Cash flows from financing activities			
Amounts received on unit creations		5,918,254,513	6,138,617,638
Amounts paid on unit redemptions		(7,349,030,005)	(2,749,182,588)
Net cash (used)/ generated from financing activities		**(1,430,775,492)**	**3,389,435,050**
Net decrease in cash and cash equivalents during the period		(1,932,296)	(5,606,318)
Cash and cash equivalents at the beginning of the period		2,165,789	7,772,107
Cash and bank balances	**5.1**	**233,493**	**2,165,789**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy infomation and notes from pages 19 to 37 form an integral part of these Financial Statements.

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1. Legal and domiciled

Asia Securities Money Market Fund ("the Fund") is an open-ended investment fund approved by the Securities and Exchange Commission of Sri Lanka. The Fund was granted its license on 12th of October 2020 and the operations commenced on 23rd December 2020.

The Fund is managed by Asia Securities Wealth Management (Private) Limited which is incorporated and domiciled in Sri Lanka. The registered office of the fund managing company has been located on 04th Floor, Lee Hedges Tower, No, 349, Galle Road, Colombo 03 since 05th August 2024. The Trustee of the Fund is Deutsche Bank AG - Sri Lanka Branch located at Level 21, One Galle Face Tower, 1A, Central Road, Galle Face, Colombo 02.

The investment objective of the Fund is to generate a high interest income while preserving capital and providing liquidity. The Fund will invest into high quality money market instruments with a residual maturity of less than 397-days.

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

1.2 Date of authorization for issue

The Financial Statements of the Fund for the period ended 31st March 2026 were authorized for issue by the fund managing company and the Trustee on 08th July 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Preparation of Financial Statements

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise it is stated.

2.1.1 Basis of preparation

The Financial Statements of the Fund have been prepared in accordance with Sri Lanka Accounting Standards, which comprise the Sri Lanka Financial Reporting Standards ("SLFRS"), Sri Lanka Accounting Standards ("LKAS"), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC").

These Financial Statements have been prepared under the historical cost convention. The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Fund's Financial Statements are disclosed in note 2.1.4 to the Financial Statements.

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 the current and non- current. The Financial Statements have been presented in Sri Lankan rupees.

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1.1 Basis of preparation (Contd)

Changes in accounting standards

New accounting standards, amendments and interpretations issued but not yet effective

- Amendments to Sri Lanka Accounting Standards relating to SLFRS 9 – Financial Instruments and SLFRS 7 – Financial Instruments; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2026.
- SLFRS 17: Insurance Contracts - Effective for annual reporting periods beginning on or after 01st January 2026
- SLFRS 18: Presentation and Disclosure in Financial Statements – Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted
- SLFRS 19: Subsidiaries without Public Accountability; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted

2.1.2 Statement of Compliance

As per the requirements of the Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka (SEC), Managing Companies and Trustees of the Unit Trusts are directed to maintain a minimum number of fifty (50) unit holders for each Fund at all times. Where the minimum number of unit holders fall below the specified minimum threshold due to redemption by a unit holder or any other supervening circumstance, the managing company of the Fund is required to make the best efforts for compliance within 3 months from the date of the first shortfall and should consult the Commission forthwith. Asia Securities Money Market Fund complies with this rule.

The Financial Statements which comprise the statement of financial position as at 31st March 2026, statement of comprehensive income, statement of changes in unit holders' fund and statement of cash flows for the year then ended, and notes to the Financial Statements including a summary of material accounting policy information have been prepared and presented in accordance with Sri Lanka Accounting Standards and the requirements of the Unit Trust Deed and Collective Investment Scheme Code (CIS code) of the Securities and Exchange Commission of Sri Lanka.

Fund Managing Company's and Trustee's Responsibility for Financial Statements

The fund managing company is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and CIS code 2022 of the Securities and Exchange Commission of Sri Lanka.

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

Financial Statements of the Fund at 31st March 2026 comprise:-

- The statement of comprehensive income providing information on the performance for the year under review
- Statement of financial position providing the information on the financial position of the Fund as at the year end
- Statement of changes in unit holders' fund providing the movement in the unitholders' funds during the year under review
- Notes to the Financial Statements, which comprise the accounting policies including a summary of material accounting policy information and other explanatory notes.

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

2.1.3 Going Concern
These Financial Statements are prepared on the assumption that the Fund is a going concern i.e. as continuing in operation for the foreseeable future. It is, therefore, assumed that the Fund has neither the intention nor the necessity of liquidation nor curtailing materially the scale of its operation.

Managing Company of the Fund has assessed the potential impact of the current economic condition on the Fund's operations, and is confident that it will not impact the going concern ability of the Fund.

2.1.4 Critical accounting estimates and judgements
The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. In the selection and application of the Fund's accounting policies, which are described below, the fund management company is required to make judgements and assumptions and use the assumptions in measuring the items reported in the Financial Statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Actual results may differ from such estimates and judgements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates were revised if the revision affects only that period or in the period of the revision and future periods as well if the revision affects both the current and future periods.

2.2 Financial instruments

2.2.1 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 market place.

2.2.2 Initial measurement of financial instrument
At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset.

2.2.3 Measurement categories of financial instruments
The Fund classifies all of its financial assets to be measured at amortised cost.

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

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

2.2.4 Subsequent measurement

Financial assets at amortised cost is measured at amortised cost if it is held within a business model where the 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 the payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost in the statement of financial position comprise investments in commercial papers, fixed deposits , treasury bills and repurchase agreements. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented as realised gain/(loss) on financial asset held at amortised cost.

2.2.5 Impairment

The Fund assesses on a forward-looking basis, the Expected Credit Losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

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

The Fund uses the ratings from either Fitch Rating Lanka Limited or Lanka Rating Agency (LRA) as applicable to determine the significant deterioration in credit risk and to estimate the ECLs. Consistent with the policies of the Fund, investments when rated below BBB- are considered as non-investment grade investments and the Fund considers such investments as having incurred significantly deteriorated credit risk. Such investments are considered for life time ECL calculation.

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

For financial asset at amortised cost issued by the Sovereign, the Fund applies the low risk simplification.

Investment in repurchase agreements are obtained from primary dealers with a collateral of either treasury bills or bonds that are graded in the top investment category rating and, therefore, are considered to be low risk investments.

Investment in corporate debt securities measured at amortised cost has been considered for 12-month ECLs and as of 31st March 2026, the impact to the Financial Statements resulting from the same is not significant.

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

2.2.6 Derecognition

Financial assets
The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain the control of the financial asset.

The Fund enters into transactions whereby it transfers the assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if:

- There is currently an 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.

2.2.7 Write-offs
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

2.3 Recognition of income
Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. The following specific criteria must be also be met before income is recognised.

Interest income
For all financial instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

2.4 Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at bank. The cash flow statement has been prepared using the direct method. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.5 Income tax
Subsequent to the enactment of the new Inland Revenue Act No. 24 of 2017, effective from 01st April 2018, an Eligible Unit Trust would not be liable for income tax on any income which is a pass through to its unit holders. Accordingly, after 31st March 2018, the Fund has considered all income as being a pass through to its unit holders.

2.6 Expenses
The management, trustee and the custodian fee of the Fund as per the trust deed is as follows,

Management fee	- 0.50% p.a. of net asset value of the fund calculated daily
Trustee fee	- 0.15% p.a. of net asset value of the fund calculated daily
Custodian fee	- Rs 240,000 per Annum

2.7 Accrued expenses
Accrued expenses are recognised initially at fair value and subsequently, stated at amortised cost using the effective interest method.

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

Units can be issued and redeemed based on the Fund's net asset value per unit, calculated by dividing the net assets of the Fund as described in the Trust Deed and directives issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

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

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

3. INTEREST INCOME

	2025/2026 Rs.	2024/2025 Rs.
3.1 Interest on		
Fixed deposits	202,298,491	21,040,902
Commercial papers	100,005,061	32,972,915
Treasury bills	44,290,925	104,948,312
Repurchase agreements	18,696,029	24,267,495
Treasury bonds	4,204,508	11,893,242
Saving accounts	241,876	574,018
Placement fee	1,318,630	-
	371,055,520	**195,696,884**

4. REALISED GAINS ON FINANCIAL ASSETS HELD AT AMORTISED COST

Gain on disposal of treasury bills	106,434	4,607,385
	106,434	**4,607,385**

4.1 Income is recognised on accrual basis using the effective interest rate method.

4.2 Notional tax is not applicable as per the new Inland Revenue Act No. 24 of 2017. Effective from 1st April 2024, withholding tax at the rate of 10% has been reintroduced on service fee payments which has a source in Sri Lanka and paid to a resident individual who is not an employee of the payer of such service fee.

5. CASH AND CASH EQUIVALENTS

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
DB Savings account	233,493	2,165,789
	233,493	**2,165,789**

5.1 Cash and bank balances for the purpose of the statement of cash flows

Cash and bank balances	**233,493**	**2,165,789**

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

6. FINANCIAL ASSETS AT AMORTISED COST

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Commercial papers (Note 6.1)	749,454,923	1,082,492,272
Repurchase agreements (Note 6.2)	577,750,678	57,857,125
Fixed deposits Notes (6.3)	1,399,322,022	1,236,694,565
Treasury bills	-	1,310,467,567
Treasury Bonds	-	159,295,492
	2,726,527,623	**3,846,807,021**

6.1 Commercial papers

Asia Securities (Pvt) Ltd	342,470,642	530,639,602
LOLC Holdings PLC	406,984,281	551,852,670
	749,454,923	**1,082,492,272**

6.2 Repurchase agreements

HNB Securities Ltd	-	57,857,125
DFCC Bank PLC	165,666,945	-
Wealth Trust Securities PLC	163,261,023	-
Capital Alliance PLC	248,822,710	-
	577,750,678	**57,857,125**

6.2.1 This represent investment in repurchase agreements entirely backed by the Government securities. No impairment provisions were derived through these investments.

6.3 Fixed Deposits

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
HNB Finance PLC	811,737,812	-
Merchant Bank of Sri Lanka	-	303,556,644
Peoples Leasing and Finance PLC	100,798,732	629,840,510
CBC Finance Ltd	-	303,297,411
Mercantile Investment and Finance PLC	486,785,478	-
	1,399,322,022	**1,236,694,565**

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
7. PLACEMENT FEE RECEIVABLE		
Mercantile Investment and Finance PLC	1,318,630	-
	1,318,630	**-**

8. OTHER PAYABLE		
Management fees	1,422,078	1,637,988
Trustee fees	426,624	594,716
Custodian fees	24,669	24,669
Audit fees	611,425	566,241
WHT	693	909
Other	-	-
	2,485,489	**2,824,522**

8.1 All the accrued balances are payable within one year

9. UNITS IN ISSUE AND UNIT PRICE

Number of units in issue and deemed to be in issue as at 31st March 2026 were 154,016,773 (2025 - 235,844,018) and the net assets value per unit as at 31st March 2026 was Rs. 17.697 (2025 - Rs. 16.308). Please refer to Note 12.

10. RELATED PARTY DISCLOSURE

10.1 Fund managing company and Trustee

The Management Company is Asia Securities Wealth Management (Private) Limited.

Effective from 05th August 2024, the trustee and custodian for the unit trust funds managed by Asia Securities Wealth Management (Private) Limited changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo Branch, located at Level 21, One Galle Face Tower, 1A Centre Road, Galle Face, Colombo 02.

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY DISCLOSURE (CONTD)

10.2 Key management personnel

Key management personnel include persons who were directors of Asia Securities Wealth Management (Private) Limited at any time during the financial period.

a) Directors

Mr.Dumith Fernando Mr.Avancka Herat Mr. Arjuna Kumar Wignaraja

b) Key management personnel compensation

There were no payments made to the directors of Asia Securities Wealth Management (Private) Limited during the period by the Fund.

C) Other transactions within the Fund

Apart from those details disclosed in note 10.3 key management personnel have not entered into any other transactions involving the Fund during the financial period.

10.3 Related party unit holding transactions and balances

The following are the units held by related parties.

		No of Units Held		Value of units held	
		2026-03-31	2025-03-31	2026-03-31	2025-03-31
Company / KMP	Relationship	Rs.	Rs.	Rs.	Rs.
Asia Securities Wealth Management (Private) Ltd	Management Company	-	-	-	-
Asia Securities (Private) Ltd	Affliate				
Mr.Dumith Fernando	Chairman				
Mr.Avancka Herat	Director	-	-	-	-
Mr. Arjuna Kumar Wignaraja	Director				
Ms Chaya Jayawardhane	Chief Executive Officer	-	-	-	-
Others	Othe KMPs	3,038,621	1,732,178	53,773,877	28,248,356

The terms and conditions for the related party holdings are same as for the other normal unit holders. The terms and conditions are set out in detail in our Key Investor Information Document" which is available in our website.

10.4 Given below are the Financial instruments (Commercial Paper/Trust Certificate/ Fixed Deposit) purchased from related parties

Issuer	Relationship	Instrument type	Purchased date	Maturity date of the Investment	Face Value of the Investments (Gross)	Amount purchased
Asia Securities (Pvt) Ltd	Affiliate	Commercial paper	29-Aug-25	01-May-26	26,703,253	25,000,000
Asia Securities (Pvt) Ltd	Affiliate	Commercial paper	29-Aug-25	01-Jun-26	26,937,671	25,000,000
Asia Securities (Pvt) Ltd	Affiliate	Commercial paper	29-Aug-25	01-Jul-26	27,169,247	25,000,000
Asia Securities (Pvt) Ltd	Affiliate	Commercial paper	29-Aug-25	01-Aug-26	21,929,671	20,000,000
Asia Securities (Pvt) Ltd	Affiliate	Commercial paper	29-Aug-25	01-Sep-26	9,957,304	9,000,000
Asia Securities (Pvt) Ltd	Affiliate	Commercial paper	18-Feb-26	19-May-26	82,416,438	80,000,000
Asia Securities (Pvt) Ltd	Affiliate	Commercial paper	19-Feb-26	19-May-26	102,926,027	100,000,000
Asia Securities (Pvt) Ltd	Affiliate	Commercial paper	24-Mar-26	02-Apr-26	50,581,312	50,453,795

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY DISCLOSURE (CONTD.)

10.5 Transactions and balances related to the service provided by related parties

Fees were charged by the management company and trustee for services provided during the period and the balances outstanding related to such services as at period end are as disclosed below:

Charges for the period with related parties	2025/2026 Rs.	2024/2025 Rs.
Management fees by Asia securities Wealth Management (Pvt) Ltd	21,835,064	9,820,884
Trustee fees	6,897,574	3,565,736
Custodian fees	290,462	290,462

Balances with related parties		As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Management fees payable to Asia securities Wealth Management (Pvt) Ltd	(Note 8)	1,422,078	1,637,988
Saving account balance held at Deutshe Bank as at 31st March	(Note 8)	233,493	2,165,789
Trustee fees payable to Deutsche Bank	(Note 8)	426,624	594,716
Custodian fees payable to Deutsche Bank	(Note 8)	24,669	24,669

Deutsche Bank has not invested in the Fund during the year.
Please refer to the note 2.6 for terms and conditions.

11. 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 treasury bills and repurchase agreements, fixed deposits, commercial papers and money market savings deposits for the purpose of generating a return on the investment made by unit holders, in addition to cash at bank and other financial instruments such as receivables and payables, which arise directly from its operations.

The fund manager is responsible for identifying and controlling the risk that arise from these financial instruments. The fund manager agrees on policies for managing each of the risks identified below.

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

The risks are measured using a method that reflects the expected impact on the statement of profit or loss and other comprehensive income and statement of financial position 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, the investment committee, and ultimately the trustee of the fund.

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

a) Credit risk

Credit risk is the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the Fund to incur a financial loss of interest and/or principal. The Fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the carrying amount of financial assets as at the reporting date. It is the Fund's policy to enter contracts with reputable counterparties. The Fund is also subject to credit risk on its bank balances and investment in commercial papers. The credit risk exposure on these instruments is not deemed to be significant.

The Funds' maximum exposure to credit risk is the carrying amount of the financial assets are set out below;

Instrument	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Commercial papers (Note 6.1)	749,454,923	1,082,492,272
Fixed deposits (Note 6.3)	1,399,322,022	1,236,694,565
Repurchase agreements (Note 6.2)	577,750,678	57,857,125
Treasury Bills	-	1,310,467,567
Treasury Bonds	-	159,295,492
Cash and Bank	233,493	2,165,789
Total	**2,726,761,116**	**3,848,972,810**

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

a) Credit risk (contd)

The analysis below summarises the credit quality of the Fund's debt portfolio at 31 March 2026.

2026 Counterparty	Instrument		% of investment	Credit rating	Rating agency
Deutsche Bank	Saving	233,493	0.01%	A -	Fitch Rating
Asia Securities (Pvt) Ltd	Commercial Paper	342,470,643	12.56%	BBB+	LRA
DFCC Bank PLC	Repurchase agreements	165,666,945	6.08%	BBB+	Fitch Rating
LOLC Holdings PLC	Commercial Paper	406,984,281	14.93%	A+	LRA
People's Leasing & Finance PLC	Fixed deposits	100,798,732	3.70%	A	Fitch Rating
Wealth Trust Securities PLC	Repurchase agreements	163,261,023	5.99%	A-	LRA
Capital Alliance PLC	Repurchase agreements	248,822,710	9.13%	A+	LRA
Mercantile Investment & Finance PLC	Fixed deposits	486,785,478	17.85%	BBB-	Fitch Rating
HNB Finance PLC	Fixed deposits	811,737,812	29.77%	A	Fitch Rating
Government Securities		-	0.00%	Risk free Investment	
Total		**2,726,761,116**			

Debt securities by rating category.

Rating	2026
A+	655,806,991
A	912,536,544
A-	163,494,516
BBB+	165,666,945
BB+	342,470,643
BBB-	486,785,478
Others	-
Total	**2,726,761,116**

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

a) Credit risk (contd)

The analysis below summarises the credit quality of the Fund's debt portfolio at 31 March 2025.

2025 Counterparty	Investment value as at 31 March 2025 (LKR)	% of investment	Credit rating	Rating agency
Deutsche Bank	2,165,789	0.06%	A -	Fitch Rating
Asia Securities (Pvt) Ltd	530,639,602	13.79%	BBB	LRA
Acuity Securities Ltd	57,857,125	1.50%	-	Not rated
LOLC Holdings PLC	551,852,670	14.34%	A	LRA
People's Leasing & Finance PLC	629,840,510	16.36%	A	Fitch Rating
Merchant Bank of Sri Lanka & Finance PLC	303,556,644	7.89%	A	Fitch Rating
CBC Finance Ltd	303,297,411	7.88%	A	Fitch Rating
Government Securities	1,469,763,059	38.19%	-	Risk free Investment
Total	**3,848,972,810**			

Debt securities by rating category.

Rating	2026
A	1,788,547,236
A-	2,165,789
BBB	530,639,602
Not Rated	57,857,125
Government Securities	1,469,763,059
Total	**3,848,972,810**

11. FINANCIAL RISK MANAGEMENT (CONTD)

b) Market risk

Market risk represents the risk that the value of the Fund's investments portfolios will fluctuate because of changes in market prices and rates. However, the fund's exposure to price risk and foreign exchange risk are deemed negligible as all its investments are short-term fixed income securities denominated in Sri Lankan Rupees and the financial instruments are subsequently measured on an amortised cost basis. 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.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest-bearing financial assets are exposed 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 the sensitivity analysis. Since the Fund had not held financial instruments with variable interest rates as of 31st March 2026, it was not exposed to interest rate risk. Hence a sensitivity analysis has not been presented.

The table below summarises the fund's exposure to interest rate risk

31-03-2026	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	Rs.	Rs.	Rs.	Rs.
Financial assets				
Cash and cash equivalents		233,493	-	233,493
Financial assets at amortised cost	-	2,726,527,623	-	2,726,527,623
Total exposure	**-**	**2,726,761,116**	**-**	**2,726,761,116**

31-03-2025	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	Rs.	Rs.	Rs.	Rs.
Financial assets				
Cash and cash equivalents		2,165,789	-	2,165,789
Financial assets at amortised cost	-	3,846,807,021	-	3,846,807,021
Total exposure	**-**	**3,848,972,810**	**-**	**3,848,972,810**

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. Units are redeemable at the unitholder's options based on the fund's net asset value per unit at the time of redemption. The Fund manages its obligation when required to do so and its overall liquidity risk by:

- Investing primarily in financial instruments, which under normal market conditions are readily convertible to cash.

- The Fund will also make the Investments within the parameters set out by the Commission in accordance with the Unit Trust Code and the Trust Deed to ensure that there is no concentration of risk.

- Maintaining sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. As a practice, the Fund will maintain a minimum of 3% of the deposited property to be maintained in cash or near cash. (Near cash means investments such as bank/call deposits, repurchase agreements with maturities of less than 3 months, commercial paper endorsed or guaranteed by a Licensed Commercial Bank or Licensed Specialized Bank with maturities of less than 3 months and government securities including government bonds with maturities of less than one year which can be readily convertible into cash.)

- Requiring at least 14 days prior to written notice for unitholder redemption equal to or greater than 3% of the net asset value of the fund

- Continually search for new investors.

The time frame for return of cash to investors is ten business days in which time investments may be recalled for redemption payouts. Further, the fund is also permitted to borrow up to 15% of the deposited property for redemption payouts. Other financial liabilities have no contractual maturities. Due to the short-term nature of these financial instruments, carrying value approximates fair value.

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

c) Liquidity risk

The table below shows the Fund's non-derivative financial assets and liabilities with contractual maturities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

31/03/2026	Less than 30 days	31-90 days	91-180days	181-365days	Total
Financial Assets					
Fixed deposits	-	823,198,125		622,279,200	1,445,477,325
Commercial papers	100,969,861	467,922,248	141,449,109	56,525,000	766,866,219
Repurchase agreements	578,313,199	-	-	-	578,313,199
Cash and bank balances	233,493	-	-	-	233,493
Total	**679,516,554**	**1,291,120,373**	**141,449,109**	**678,804,200**	**2,790,890,237**
Financial Liabilities					
Management fee payable	1,422,078	-	-	-	1,422,078
Trustee fee payable	426,624	-	-	-	426,624
Custody fee payable	24,669	-	-	-	24,669
Audit fee payable	611,425				611,425
WHT payable	693				693
Total	**2,485,489**				**2,485,489**

31/03/2025	Less than 30 days	31-90 days	91-180days	181-365days	Total
Financial Assets					
Fixed Deposits	-	-	-	1,345,068,125	1,345,068,125
Commercial Papers	530,639,601	564,064,670	-	-	1,094,704,271
Treasury Bills	436,632,826	-	100,000,000	819,000,000	1,355,632,826
Treasury Bonds			150,000,000	-	150,000,000
Repurchase agreements	57,863,461	-	-	-	57,863,461
Cash and bank balances	2,165,789	-	-	-	2,165,789
Total	**1,027,301,677**	**564,064,670**	**250,000,000**	**2,164,068,125**	**4,005,434,472**
Financial Liabilities					
Management fee payable	1,637,988	-	-	-	1,637,988
Trustee fee payable	594,716	-	-	-	594,716
Custody fee payable	24,669	-	-	-	24,669
Audit fee payable	566,240				566,240
WHT payable	909				909
Total	**2,824,522**				**2,824,522**

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

d) Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding that the net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly daily as the Fund is subject to daily applications and redemptions at the discretion of unitholders. Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets daily by the Management Company. Under the terms of the Unit Trust Code, the Management Company has the discretion to reject an application for units and to defer redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund. The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to unit holders. All the assets and liabilities are measured at amortised cost. Please refer to the Note 2.2 for more details. Disclosures relevant to unitholders' funds are as follows.

The movement in the unitholders' funds

I. In terms of value

	As at 31.03.2026 Rs.
Unit holders' funds as at the beginning of the year	3,846,163,042
Creations during the year	5,918,254,512
Redemptions during the year	(7,349,030,005)
Increase in net assets attributable to unit holders during the year	310,217,226
Unitholders' funds as at 31st March 2026	**2,725,604,775**

	As at 31.03.2025 Rs.
Unit holders' funds as at the beginning of the year	273,760,937
Creations during the year	6,138,617,638
Redemptions during the year	(2,749,182,588)
Increase in net assets attributable to unit holders during the year	182,967,056
Unitholders' funds as at 31st March 2025	**3,846,163,042**

II. In terms of numbers of units

	As at 31.03.2026
Opening number of units	235,844,018
Unit creations during the year	348,629,242
Unit redemptions during the year	(430,456,486)
Closing number of units as at 31st March 2026	**154,016,774**

	As at 31.03.2025
Opening number of units	18,460,425
Unit creations during the year	393,380,710
Unit redemptions during the year	(175,997,117)
Closing number of units as at 31st March 2025	**235,844,018**

Asia Securities Money Market Fund
NOTES TO THE FINANCIAL STATEMENTS

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

	As at 31.03.2026	As at 31.03.2025
	Rs.	Rs.
Net asset value as per financial statements	2,725,604,776	3,846,163,043
Published net asset value	2,725,696,776	3,846,163,043
Published number of units as at 31 March	154,016,774	235,844,018
Net asset value per unit	**17.697**	**16.308**

13. EVENTS OCCURRING AFTER REPORTING DATE

No other events have occurred since the statement of financial position date which would require adjustments to, or disclosure in, the financial statements.

14. COMMITMENTS

There were no significant capital and financial commitments as at the reporting date (2026 - Nill).

15. CONTINGENCIES

There were no significant contingencies existing as at the reporting date that required adjustments to, or disclosures in, the financial statements (2026 - Nill).

ASIA SECURITIES
INCOME FUND

ASIA SECURITIES INCOME FUND REVIEW

(Inception: 15th Dec. 2022)

Fund Manager

Nadarajah Gowthaman

Fund Objective

The Fund is an open-ended unit trust fund that primarily invests in government securities and fixed income instruments with an investment-grade rating of BBB- or above. These fixed income securities have medium to long-term maturities. The investment objective of the fund is to generate a competitive interest income for its investors while ensuring that best efforts are made to grow capital and provide liquidity.

Fund Return

Period	ASIF Return	CRISIL 364 Benchmark Return
2025-26 (Annualized) (31 Mar 2025 to 31 Mar 2026)	08.85%	07.76%
Since Inception CAGR (15 Dec 2022 to 31 Mar 2025)	17.73%	25.85%

Commentary

Since its inception on December 15, 2022, the Asia Security Income Fund has delivered a strong annualized CAGR of 17.73% as of March 31, 2026, offering attractive returns to investors. The fund primarily focuses on government securities, repos, and corporate papers, ensuring a balanced and strategic approach to fixed-income investments.

During the 2025/26 financial year, interest rates followed a gradual downward trajectory, supported by the Central Bank's accommodative monetary policy stance. Over the period, policy rates were reduced by a cumulative 25 basis points, contributing to improved market liquidity and easing funding conditions.

Against this backdrop, our portfolio strategy remained focused on capitalizing on high-yielding corporate securities, enabling the Fund to enhance return generation while preserving sufficient liquidity to meet investor obligations. We maintained a disciplined approach in balancing yield optimization with prudent liquidity management and selective credit exposure, ensuring that risks were managed within acceptable parameters.

However, between December 2025 and March 2026, the interest rate trajectory reversed, with a gradual upward adjustment driven by climate-related disruptions and emerging geopolitical tensions in the Middle East. In response to this evolving environment, the Fund remained well-positioned to capture opportunities arising from changing market dynamics.

Throughout the year, we adopted a dynamic and actively managed investment approach, underpinned by continuous market analysis and evolving macroeconomic conditions. Our primary objective remained the delivery of competitive risk-adjusted returns, alongside the preservation of capital and the maintenance of adequate liquidity to support investor needs.

ASIA SECURITIES INCOME FUND REVIEW

(Inception: 15th Dec. 2022)

Macroeconomic Overview:
Sri Lanka (2025/26)

Sri Lanka's economy continued its recovery in 2025, supported by sustained macroeconomic stabilization and ongoing structural reforms. Real GDP growth reached approximately 5%, marking the second consecutive year of expansion. Improved policy consistency and stabilizing economic conditions have enhanced investor confidence and strengthened overall economic resilience.

Inflation turned positive from mid-2025 following a period of deflation, driven by the moderation of energy price declines and an increase in food prices. The Central Bank maintained an accommodative monetary policy stance, supporting a low-interest rate environment and contributing to robust credit growth and domestic demand.

The external sector remained strong, with a current account surplus recorded for the third consecutive year, supported by elevated remittances and services exports. Continued foreign exchange inflows facilitated reserve accumulation, while the Sri Lankan rupee experienced a modest depreciation under a flexible exchange rate regime.

Fiscal performance improved further, with the government maintaining a primary surplus for the third consecutive year, driven by revenue-based consolidation efforts. The financial sector also strengthened, supported by improvements in profitability, asset quality, and capital buffers across institutions.

The recovery has been underpinned by policy discipline, IMF-supported reforms, continued reserve build-up, and financial sector stability, alongside ongoing regulatory enhancements and digital transformation initiatives.

Global Context

Sri Lanka continues to operate in an increasingly uncertain global environment, characterized by geopolitical tensions, rising protectionism, and trade fragmentation. Escalating and protracted conflicts, particularly in the Middle East, could lead to higher energy and shipping costs, supply chain disruptions, and increased volatility in global inflation. Nevertheless, the continued accumulation of reserves and improvements in external sector fundamentals provide a degree of resilience against these external shocks.

ASIA SECURITIES INCOME FUND REVIEW

(Inception: 15th Dec. 2022)

Domestic Outlook

Looking ahead, inflation is expected to rise toward the upper end of the Central Bank's target range and remain elevated in the near term, driven by significant adjustments in domestic energy prices, the lagged effects of currency depreciation, and persistently high global commodity prices, before gradually stabilizing. In response to these emerging inflationary pressures, the Monetary Policy Board, at its meeting in May 2026, increased the Overnight Policy Rate (OPR) by 100 basis points to 8.75%. Meanwhile, credit growth is expected to continue at a steady and moderate pace.

The external sector is expected to be more volatile due to heightened geopolitical risks associated with the Middle East conflict and the potential for a wider current account deficit, particularly through higher energy import costs and trade disruptions. Although remittances, tourism, services exports, IMF-related inflows should continue to provide support, these buffers may be partially offset by external shocks and financing pressures. Fiscal policy is expected to remain anchored in revenue-based consolidation, supporting medium-term macroeconomic stability despite a potentially more challenging external environment.

The financial sector is likely to remain resilient, underpinned by strong capital and liquidity buffers. Overall growth momentum is expected to continue, although it will depend on investment activity, reconstruction efforts, and the pace of structural reforms.

Key Risks

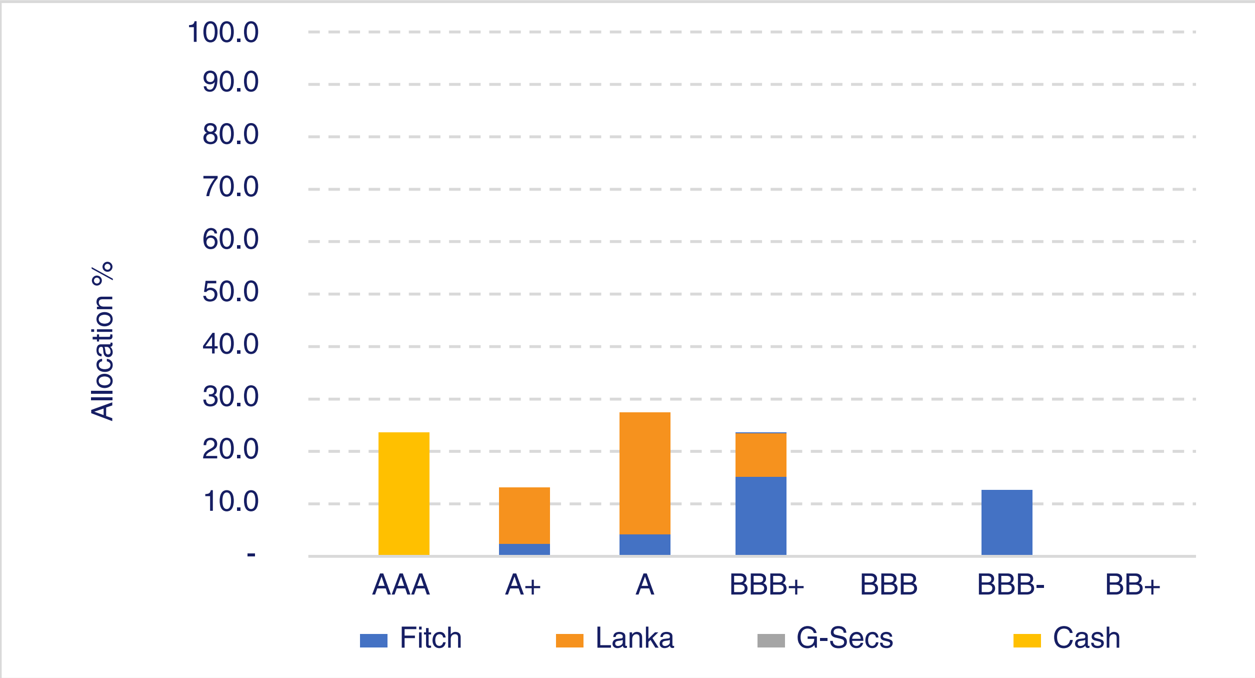
Despite the broadly neutral outlook, several risks remain. On the external front, geopolitical tensions, global trade disruptions, rising energy and logistics costs, and subdued global growth combined with financial market volatility could weigh on the outlook. Domestically, risks include inflationary pressures from global spillovers, climate-related shocks and natural disasters, rapid credit expansion leading to potential sectoral vulnerabilities, and structural constraints that may limit long-term growth.

Source: CBSL

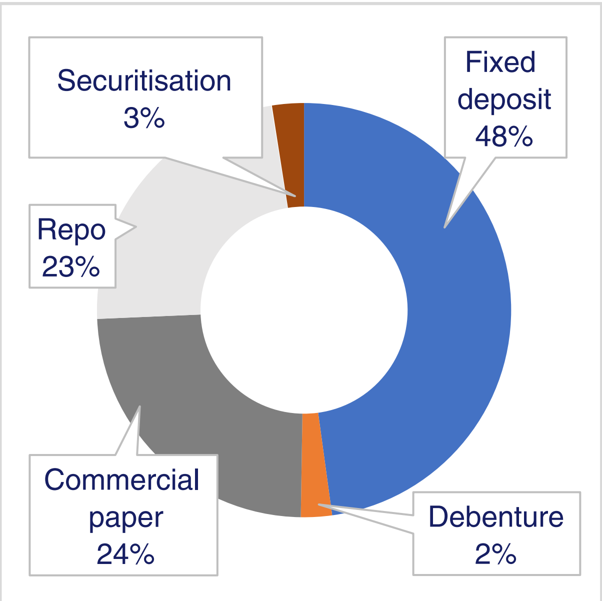
ASIA SECURITIES INCOME FUND REVIEW

Key Facts of the Fund

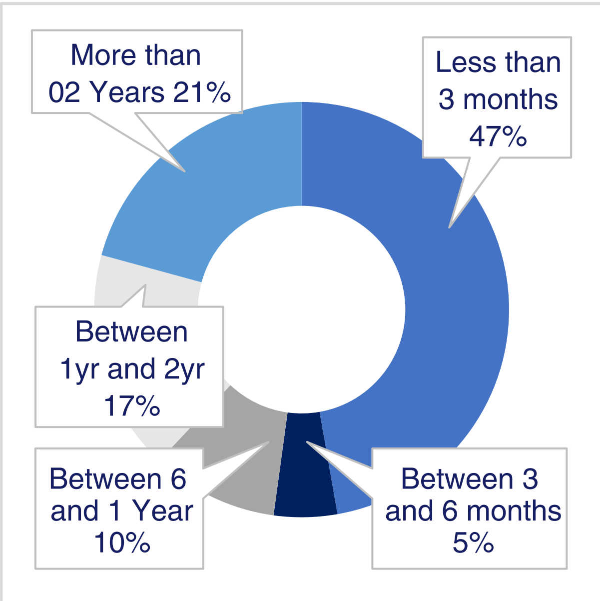
Fund Credit Quality -% of NAV



Asset Allocation



Maturity Profile



ASIA SECURITIES INCOME FUND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Tel : +94-11-2421878-79-70
+94-11-2387002-03
Fax : +94-11-2336064
E-mail : bdopartners@bdo.lk
Website : www.bdo.lk

Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the Financial Statements of Asia Securities Income Fund ("the Fund"), which comprise the statement of financial position as at 31st March 2026 and the statement of comprehensive income, the statement of changes in unitholders' funds and the statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policy information as set out on pages 51 to 68.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31st 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 matter

The Financial Statements of the Fund for the year ended 31st March 2025 were audited by another auditor who expressed an unmodified opinion on those Financial Statements on 16th July 2025.

Other information

The Fund Managing Company (Asia Securities Wealth Management (Pvt) Ltd) is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and the Auditor's Report therein. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above, and in doing so, consider whether the other information is materially consistent with the Financial Statements and our knowledge obtained in the audit, or otherwise whether it appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the fund managing company.

INDEPENDENT AUDITOR’S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES INCOME FUND

Responsibilities of Fund Managing Company and Those Charged with Governance for the Financial Statements

The Fund Managing Company and the Trustee are responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, fund managing company 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 managing company 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES INCOME FUND

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

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

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

- obtain an understanding of internal 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 managing company.

- conclude on the appropriateness of fund managing company'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 the fund managing company 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 have been prepared and presented in accordance with and comply with the Collective Investment Scheme Code (CIS Code) issued by the Securities and Exchange Commission of Sri Lanka under the Act No.19 of 2021 and the Trust Deed.

BDO Partners

CHARTERED ACCOUNTANTS
Colombo
08th July 2026
TR/kp

Asia Securities Income Fund
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2026

	Note	2025/2026 Rs.	2024/2025 Rs.
REVENUE			
Interest income	3	150,707,068	122,999,437
Fair value loss on financial assets held at fair value through profit or loss	4	(297,577)	(17,586,932)
Total revenue		**150,409,491**	**105,412,504**
EXPENSES			
Management fees		(8,455,201)	(5,074,346)
Trustee fees		(2,627,002)	(1,842,378)
Custodian fees		(290,462)	(290,461)
Audit fees		(727,968)	(695,758)
Other expenses		(14,671,622)	(2,542,406)
Total expenses		**(26,772,255)**	**(10,445,349)**
Profit for the year		**123,637,236**	**94,967,155**
Increase in net assets attributable to unit holders		**123,637,236**	**94,967,155**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy infomation and notes from pages 51 to 68 form an integral part of these Financial Statements.

Asia Securities Income Fund
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2026

		31.03.2026	31.03.2025
ASSETS	**Note**	**Rs.**	**Rs.**
Cash and cash equivalents	5	1,276,323	1,238,012
Financial assets at amortised cost	6	1,976,240,046	1,099,204,911
Financial assets at fair value through profit or loss	7	101,254,924	52,278,349
Other receivable		739,065	905
Total assets		**2,079,510,357**	**1,152,722,177**
UNIT HOLDERS' FUNDS AND LIABILITIES			
LIABILITIES			
Other payable	8	2,158,652	1,358,629
Total liabilities		**2,158,652**	**1,358,629**
UNIT HOLDERS' FUNDS			
Net assets attributable to unit holders		2,077,351,705	1,151,363,548
		2,077,351,705	1,151,363,548
Total unit holders' funds and liabilities		**2,079,510,357**	**1,152,722,177**

The Fund Managing Company and the Trustee are responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and these Financial Statements were approved by the Fund Managing Company and the Trustee on 08th July 2026.

DEUTSCHE BANK AG
Colombo Branch
Authorised Signatories
Trustee

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

Trustee
Deutsche Bank AG

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

BDO PARTNERS
Chartered Accountants

The accounting policy information including a summary of material accounting policy information and notes on pages 51 to 68 form an integral part of these Financial Statements.

Colombo
08th July 2026

Asia Securities Income Fund
STATEMENT OF CHANGES IN UNITHOLDERS' FUND
FOR THE YEAR ENDED 31ST MARCH 2026

	No of units	Unitholders' fund Rs.
Unitholders' funds as at 31 March 2024	148,656,573	2,129,335,947
Increase in net assets attributable to unitholders	-	94,967,155
Creation of units	82,185,924	1,247,388,002
Redemption of units	(157,629,616)	(2,320,327,556)
Net increase/decrease due to unitholders' transactions	(75,443,692)	(1,072,939,554)
Unitholders' funds as at 31 March 2025	**73,212,881**	**1,151,363,548**

	No of units	Unitholders' fund Rs.
Unitholders' funds as at 31 March 2025	73,212,881	1,151,363,548
Increase in net assets attributable to unitholders	-	123,637,236
Creation of units	85,982,462	1,428,982,672
Redemption of units	(37,842,473)	(626,631,751)
Net increase/decrease due to unitholders' transactions	48,139,989	802,350,921
Unitholders' funds as at 31 March 2026	**121,352,870**	**2,077,351,705**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy infomation and notes from pages 51 to 68 form an integral part of these Financial Statements.

Asia Securities Income Fund
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2026

	Note	2025/2026 Rs.	2024/2025 Rs.
Cash flows from operating activities			
Interest received		94,032,685	158,495,797
Gain on disposal of treasury bills		-	554,548
Gain on disposal of treasury bonds		-	20,323,815
Other expenses paid		(916,645)	(1,703,416)
Management fees, trustee fees and Custodian fees paid		(10,585,399)	(7,398,462)
Investment in repurchase agreements		(9,464,870,000)	(6,232,500,000)
Investment in commercial papers		(2,123,705,165)	(2,106,363,795)
Investment in treasury bills		-	(3,172,183,967)
Investment in treasury bonds		-	(513,597,506)
Investment in fixed deposits		(730,000,000)	-
Maturity procees from repurchase agreements		9,111,370,000	6,229,500,000
Maturity procees from commercial papers		1,897,361,033	2,129,223,795
Investment in Trust Cetificates		(50,000,000)	
Maturity procees from T-Bills		-	1,921,853,613
Maturity proceed from fixed deposits		475,000,000	
Maturity procees from T-Bonds		-	38,723,200
Net cash flow generated from/(used in) operating activities		**(802,313,492)**	**(1,535,072,378)**
Cash flows from financing activities			
Amounts received on unit creations		1,428,983,554	2,473,450,211
Amounts paid on unit redemptions		(626,631,751)	(963,139,796)
Net cash (used in)/ generated from financing activities		**802,351,803**	**1,510,310,415**
Net increase in cash and cash equivalents during the period		38,311	(24,761,964)
Cash and cash equivalents at the beginning of the period		1,238,012	27,439,314
Cash and cash equivalents at the end of the period (Note 5)		**1,276,323**	**1,238,012**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy infomation and notes from pages 51 to 68 form an integral part of these Financial Statements.

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Legal and domiciled

Asia Securities Income Fund (“the Fund”) is an open-ended fund approved by the Securities and Exchange Commission of Sri Lanka. The Fund was launched on 15th December 2022.

The Fund is managed by Asia Securities Wealth Management (Private) Limited which is incorporated and domiciled in Sri Lanka. The registered office of the Fund management company is located on 4th Floor, Lee Hedges Tower, No 349, Galle Road, Colombo 03. Effective from 5th August 2024, the trustee and custodian of the unit trust funds were changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo branch, located at Level 21, One Galle Face Tower, 1A Centre Road, Galle Face, Colombo 02.

The investment objective of the Fund is to generate a high interest income while preserving capital and providing liquidity. The Fund will invest into high quality corporate debt instruments, government securities and securities issued by banks and financial institutions. This also includes both short-term (<397 days) and long-term fixed income instruments with a residual maturity of more than 397 days.There were no significant changes in the nature of the principal activities of the Unit Trust during the year under review.

1.2 Date of authorization for issue

The Financial Statements of the Fund for the year ended 31st March 2026 were authorised for issue by the Fund management company and the Trustee on 08th July 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Preparation of Financial Statements

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Basis of preparation

The Financial Statements of the Fund have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (“SLFRS”), Sri Lanka Accounting Standards (“LKAS”), relevant interpretations of the Standing Interpretations Committee (“SIC”) and International Financial Reporting Interpretations Committee (“IFRIC”).

These Financial Statements have been prepared under the historical cost convention. The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Fund's Financial Statements are disclosed in Note 2.1.4 to the Financial Statements.

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 the current and non-current. The Financial Statements are presented in Sri Lankan rupees.

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1.1 Basis of preparation (Contd)
Changes in accounting standards

New accounting standards, amendments and interpretations issued but not yet effective

- Amendments to Sri Lanka Accounting Standards relating to SLFRS 9 – Financial Instruments and SLFRS 7 – Financial Instruments; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2026.
- SLFRS 17: Insurance Contracts - Effective for annual reporting periods beginning on or after 01st January 2026
- SLFRS 18: Presentation and Disclosure in Financial Statements – Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted
- SLFRS 19: Subsidiaries without Public Accountability; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted

2.1.2 Statement of Compliance
As per the requirements of the Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka (SEC), Managing Companies and Trustees of the Unit Trusts are directed to maintain a minimum number of fifty (50) unit holders for each Fund at all times. Where the minimum number of unit holders fall below the specified minimum threshold due to redemption by a unit holder or any other supervening circumstance, the managing company of the Fund is required to make the best efforts for compliance within 3 months from the date of the first shortfall and should consult the Commission forthwith. Asia Securities Money Market Fund complies with this rule.

The Financial Statements which comprise the statement of financial position as at 31st March 2026, statement comprehensive income, statement of changes in unitholders' fund and statement of cash flows for the year ended 31st March 2026 and notes to the Financial Statements including a summary of material accounting policy information and other explanatory notes have been prepared and presented in accordance with Sri Lanka Accounting Standards and the requirements of the Unit Trust Deed and Unit Trust Code of the Securities and Exchange Commission of Sri Lanka.

Fund Managing Company’s and Trustee’s Responsibility for Financial Statements
The Fund Managing Company is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and CIS code 2022 of the Securities and Exchange Commission of Sri Lanka.

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

Financial Statements of the Fund at 31st March 2026 comprise -

- the statement of comprehensive income providing information on the performance for the year under review.
- statement of financial position providing information on the Financial position of the Fund as at the year end
- statement of changes in unit holders' fund providing the movement in the unitholders' funds during the year under review
- notes to the Financial Statements, which comprise the accounting policies and other explanatory notes and information.

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1.3 Going Concern
These Financial Statements are prepared on the assumption that the Fund is a going concern i.e as continuing in operation for the forseeable future. It is, therefore, assumed that the Fund has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operation.

The managing company of the Fund has assessed the potential impact of the current economic condition on the Fund's operations, and is confident that it will not impact the going concern ability of the Fund.

2.1.4 Critical accounting estimates and judgment
The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. In the selection and application of the Fund's accounting policies, which are described below, the fund management company is required to make judgments and assumptions and use assumptions in measuring items reported in the Financial Statements.

These estimates are based on the management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates were revised if the revision affects only that period or in the period of the revision and future periods as well if the revision affects both the current and future periods. The management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value.

2.2 Financial instruments
2.2.1 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 market place.

2.2.2 Initial measurement of financial instrument
At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset.

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

2.2.3 Measurement categories of financial instruments
The Fund classifies all of its financial assets in the following measurement categories:

- those to be measured at amortised cost
- those to be measured at fair value through profit or loss

2. Summary of material accounting policies (Contd.)

2.2.4 Subsequent measurement

Amortised cost: A debt instrument is measured at amortised cost if it is held within a business model where the 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 statement of financial position comprise investments in treasury bill repurchase agreements. As of 31st December 2025, the Fund has no such in investment. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented as realised gain/(loss) on debt Instruments held at amortised cost.

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 the payments of principal and interest on the principal amount outstanding

or

b) It is not held within a business model where the objective is either to collect contractual cash flows or to both collect contractual cash flows and sell

c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminate or significantly reduces 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 an investment that is subsequently measured at fair value through profit or loss (FVTPL) is recognised in profit or loss and presented on a net basis within unrealised gains/(losses) in the period in which it arises.

Financial assets measured at fair value through profit or loss in Statement of Financial Position have been valued in accordance with the valuation guidelines prescribed by the CIS Code.

2.2.5 Impairment

The Fund recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12months). The maximum period considered when estimating ECLs is the maximum contractual period over which the fund is exposed to credit risk.

2. Summary of material accounting policies (Contd.)

2.2.5 Impairment (Contd)

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due.
- The restructuring of a loan or advance by the Fund on terms that the Fund would not consider otherwise.
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

As of the statement of financial position date, the Fund has not observed any of the above thus no impairment provision has been recognised in the Financial Statements.

The Funds' investments at amortised cost have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses.

The Fund's investments in treasury bill repurchase agreements that are obtained from primary dealers are collateralised with government securities. Therefore, they are considered as low risk investments.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2.2.6 Derecognition

Financial assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain the control of the financial asset.

The Fund enters into transactions whereby it transfers the assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.2.7 Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

2. Summary of material accounting policies (Contd.)

2.3 Recognition of income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific criteria must be also met before income is recognised.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash appropriate, to the net carrying amount of the financial asset.

i. Unrealised gains/(losses) on financial assets held at fair value through profit or loss

This comprises all gains and losses that arise from changes in fair value of financial assets measured at fair value through profit or loss as at the reporting date.

ii. Realised gains/(losses) on financial assets held at fair value through profit or loss

This comprises all realised gains and losses arising from the acquisition and disposal of financial assets measured at fair value through profit or loss and amortised costs.

2.4 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank. The cash flow statement has been prepared using the direct method. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.5 Income tax

Subsequent to the enactment of the new Inland Revenue Act No. 24 of 2017, effective from 01st April 2018, an Eligible Unit Trust would not be liable for income tax on any income which is a pass through to its unit holders. Accordingly, after 31st March 2018, the Fund has considered all income as being a pass through to its unit holders.

2.6 Expenses

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

Management fee	-	0.50% p.a. of net asset value of the Fund calculated daily
Trustee fee	-	0.15% p.a. of net asset value of the Fund calculated daily
Custodian fee	-	Rs 240,000 per Annum

2.7 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.8 Unitholders' funds

Units can be issued and redeemed based on the Fund's net asset value per unit, calculated by dividing the net assets of the Fund as described in the Trust Deed and directives issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

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

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

3. INTEREST INCOME

	2025/2026 Rs.	2024/2025 Rs.
3.1 Interest on		
Commercial papers	36,212,184	9,596,431
Repurchase agreements	14,927,700	10,526,060
Treasury bills	-	27,454,327
Treasury bond	-	41,015,335
Debentures	6,105,857	4,028,985
Fixed deposits	92,649,998	30,068,809
Saving accounts	72,288	309,490
Placement fee	739,041	-
	150,707,068	**122,999,437**

3.2 Income is recognised on accrual basis using the effective interest rate method.

3.3 Notional tax is not applicable as per the new Inland Revenue Act No. 24 of 2017. Effective from 1st April 2024, withholding tax at the rate of 10% has been reintroduced on service fee payments which have a source in Sri Lanka and paid to a resident individual who is not an employee of the payer of such service fee.

4. FAIR VALUE GAIN

		2025/2026 Rs.	2024/2025 Rs.
Unrealised (loss)/gain on financial assets fair value through profit or loss	4.1	(297,577)	1,225,807
Realised (loss)/gain on financial assets fair value through profit or loss	4.2	-	(18,812,740)
		(297,577)	**(17,586,932)**

4.1 Unrealised (loss)/gain on financial assets fair value through profit or loss

Debenture	(1,253,730)	1,225,807
Trust Certificate MTM	956,153	-
	(297,577)	**1,225,807**

4.2 Realised (loss)/gain on financial assets fair value through profit or loss

Treasury bills	-	(2,279,699)
Treasury bonds	-	(16,533,040)
	-	**(18,812,740)**

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
5. CASH AND CASH EQUIVALENTS		
DB Savings account	1,276,323	1,238,012
	1,276,323	**1,238,012**

5.1 Cash and bank balances for the purpose of the statement of cash flows

Cash and cash equivalents	**1,276,323**	**1,238,012**

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

		As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
6. FINANCIAL ASSETS AT AMORTISED COST			
Commercial papers	**6.1**	500,601,531	268,827,805
Repurchase agreements	**6.2**	481,040,650	126,811,737
Fixed deposits	**6.3**	994,597,865	703,565,369
		1,976,240,046	**1,099,204,911**

6.1 Commercial papers

Asia Securities (Pvt) Ltd	203,006,398	130,945,385
LOLC Holdings PLC	297,595,133	137,882,420
	500,601,531	**268,827,805**

6.2 Repurchase agreements

HNB Securities Ltd	-	126,811,737
Wealth Trust Securities	95,962,035	-
CAL	249,795,667	-
DFCC	135,282,948	-
	481,040,650	**126,811,737**

6.3 Fixed deposits

Pan Asia Banking Coporation PLC	251,069,026	225,431,866
Peoples Leasing and Finance PLC	-	277,002,092
Alliance Finance PLC	-	201,131,411
HNB Finance	180,969,548	-
Mercentile Investments and Finance PLC	257,776,962	-
Merchant Bank of Sri Lanka & Finance PLC	101,823,425	-
LOLC Finance PLC	202,958,904	-
	994,597,865	**703,565,369**

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

		As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Debenture	**7.1**	50,298,771	52,278,349
Trust certificates		50,956,153	-
		101,254,924	**52,278,349**

7.1 Debenture

Asia Asset Finance PLC	50,298,771	52,278,349
	50,298,771	**52,278,349**

7.2 Determining of fair value and hierachy of fair value

Level 1
An investment in a fund is classified in Level 1 of the hierarchy when that investment is quoted in an active market and measured at the unadjusted quoted price at the reporting date.

Level 2
An investment in a fund is classified in Level 2 of the hierarchy when that investment is measured using inputs that are directly observable at the reporting date.

Level 3
An investment in a fund is classified in Level 3 of the hierarchy when the investment is measured using unobservable inputs at the reporting date.

Due to the nature of the short-term maturity, carrying value of the financial asset at amortised cost is approximated to their fair value.

The following table show an analysis of financial instruments at fair value and by level of fairvalue hierarchy

As at 31st March 2026	Level 1	Level 2	Level 3	Total fair value
Financial asset measured at fair value through profit or loss				
Quoted debenture	-	50,298,771	-	50,298,771
Trust certificates	-	50,956,153	-	50,956,153
	-	**101,254,924**	-	**101,254,924**

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

		As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
8.	**OTHER PAYABLES**		
	Management fees	1,081,207	453,608
	Trustee fees	324,362	164,695
	Custodian fees	24,669	24,669
	Audit and tax consultancy fees	727,968	715,250
	WHT	446	407
		2,158,652	**1,358,629**

9. UNITS IN ISSUE AND UNIT PRICE

Number of units in issue and deemed to be in issue as at 31 March 2026 was 121,352,870.31 (2025-73,212,881) and net assets value per unit as at 31 March 2026 was Rs. 17.118 (2025 - Rs. 15.726).

10. RELATED PARTY DISCLOSURE

10.1 Management company and trustee

The Fund Managing Company is Asia Securities Wealth Management (Private) Limited.

Effective from 5th August 2024, the trustee and custodian for the unit trust funds managed by Asia Securities Wealth Management (Private) Limited were changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo Branch, located at Level 21, One Galle Face Tower, 1A Centre Road, Galle Face, Colombo 02.

10.2 Key management personnel

Key management personnel includes the persons who were directors of Asia Securities Wealth Management (Private) Limited at any time during the financial period.

a) Directors

Mr.Dumith Fernando

Mr.Avancka Herat

Mr. Arjuna Kumar Wignaraja

b) Key management personnel compensation

There were no payments made to the directors of Asia Securities Wealth Management (Private) Limited during the period by the Fund.

c) Other transactions within the Fund

Apart from those details disclosed in Note 10.3, key management personnel have not entered into any other transactions involving the Fund during the financial period.

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY DISCLOSURE (CONTD)

10.3 Transactions and balances related to the service provided by related parties

Company / KMP	Relationship	No of Units Held	Value of Units Held Rs.
Ms Chaya Jayawardhane	Chief Executive Officer	1,214,565	20,791,170
Others	Othe KMPs	983,325	16,832,746

Fees were charged by the fund managing company and trustee/custodian for the services provided during the period and the balances outstanding related to such services as at period end are as disclosed below:

		As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Charges for the period with related parties			
Management fees by Asia securities Wealth Management (Private) Ltd		8,455,201	5,074,346
Trustee fees		2,627,002	1,842,378
Custodian fee		290,462	290,461
Balances with related parties			
Management fees payable to Asia securities Wealth Management (Private) Ltd	(Note 8)	1,081,207	453,608
Trustee fees payable to Deutsche Bank	(Note 8)	324,362	164,695
Custodian fees payable to Deutsche Bank	(Note 8)	24,669	24,669

Please refer to the note 2.6 for terms and conditions of fees
Deutsche Bank has not invested in the Fund during the year

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

11. 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 treasury bonds, treasury bills and repurchase agreements, fixed deposits, commercial papers, trust certificates and money market savings deposits for the purpose of generating a return on the investment made by unit holders, in addition to cash at bank and other financial instruments such as receivables and payables, which arise directly from its operations.

The fund manager is responsible for identifying and controlling the risk that arise from these financial instruments. 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 the statement of profit or loss and statement of financial position 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, the investment committee and ultimately the trustee of the Fund. The concentration of risk arises when several financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions.

a) Credit risk

Credit risk is the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the Fund to incur a financial loss of interest and/or principal. The Fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the carrying amount of financial assets as at the reporting date. It is the Fund's policy to enter contracts with reputable counterparties. The Fund is subject to credit risk on its bank balances and investments at amortised cost. The credit risk exposure on these instruments is not deemed to be significant.

The Fund's maximum exposure to credit risk is the carrying amount of the financial assets are set out below;

Instrument	31.03.2026	31.03.2025
	Rs.	Rs.
Commercial papers	500,601,531	268,827,805
Repurchase agreements	481,040,650	126,811,737
Fixed deposits	994,597,865	703,565,369
Debentures	50,298,771	52,278,349
Trust certificates	50,956,153	-
Cash at the bank	1,276,323	1,238,012
Total	**2,078,771,293**	**1,152,721,272**

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

a) Credit risk (Contd…)
The analysis below summarises the credit quality of the Fund's investment portfolio at 31st March 2026.

2026 Counterparty	Instrument	Investment	% of investment	Credit rating	Rating agency
Asia Asset Finance PLC	Debenture Investments	50,298,771	2.42%	A+	Fitch Rating
HNB Finance PLC	FD Investments	180,969,548	8.71%	A	Fitch Rating
Pan Asia Banking Coporation PLC	FD Investments	251,069,026	12.08%	BBB	Fitch Rating
Mercentile Investments and Finance PLC	FD Investments	359,600,386	17.30%	BBB-	Fitch Rating
Singer Finance PLC	FD Investments	50,956,153	2.45%	BBB+	Fitch Rating
LOLC Holdings PLC	FD Investments	152,002,752	7.31%	A	Lanka Rating
Asia Securities Pvt Ltd	Commercial Paper	203,006,398	9.77%	BBB+	Lanka Rating
LOLC Holdings PLC	Commercial Paper	297,595,133	14.32%	A	Lanka Rating
Wealth Trust Securities	Repurchase Agreements	95,962,035	4.62%	A-	Lanka Rating
Capital Alliance PLC	Repurchase Agreements	249,795,667	12.02%	A+	Lanka Rating
DFCC Bank PLC	Repurchase Agreements	135,282,948	6.51%	A	Fitch Rating
Deutsche Bank	Saving Account	1,276,323	0.06%	A-	Fitch Rating
Singer Finance PLC	Trust certificates	50,956,153	2.45%	BBB+	Fitch Rating
Total		**2,078,771,293**			

The analysis below summarises the credit quality of the Fund's investment portfolio at 31 March 2025.

2025 Counterparty	Investment value as at 31 March 2025 (LKR)	% of investment	Credit rating	Rating agency
Asia Securities (Private) Limited	130,945,385	11.36%	BBB	Lanka Rating
HNB Securities Ltd	126,811,737	11.00%	Not rated	
LOLC Holdings PLC	137,882,420	11.96%	A	Lanka Rating
Pan Asia Banking Coporation PLC	225,431,866	19.56%	BBB	Fitch Rating
Peoples Leasing and Finance PLC	277,002,092	24.03%	A	Fitch Rating
Alliance Finance PLC	201,131,411	17.45%	BBB	Lanka Rating
Asia Asset Finance PLC	52,278,349	4.54%	A+	Fitch Rating
Deutsche Bank	1,238,012	0.11%	A-	Fitch Rating
Total	**1,152,721,272**			

Debt securities by rating category.

Rating	2026	2025
A+	300,094,438	52,278,349
A	765,850,381	277,002,092
A-	97,238,358	139,120,432
BBB	251,069,026	356,377,251
BBB-	359,600,386	-
BB+		201,131,411
BBB+	304,918,704	126,811,737
Total	**2,078,771,293**	**1,152,721,272**

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

b) Market risk
Market risk represents the risk that the value of the Fund's investments portfolios will fluctuate because of changes in market prices and rates. 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.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest-bearing financial assets are exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below summarises the Fund's exposure to interest rate risks

31-03-2026 Financial assets	Floating interest rate (Rs.)	Fixed interest rate (Rs.)	Non-interest bearing (Rs.)	Total (Rs.)
Cash and bank balances	-	1,276,323	-	1,276,323
Financial assets at FVTPL	101,254,924	-	-	101,254,924
Financial assets at amortized cost	-	1,976,240,046	-	1,976,240,046
Total exposure	**101,254,924**	**1,977,516,369**	**-**	**2,078,771,293**

31-03-2025 Financial assets	Floating interest rate (Rs.)	Fixed interest rate (Rs.)	Non-interest bearing (Rs.)	Total (Rs.)
Cash and bank balances	-	1,238,012	-	1,238,012
Financial assets at FVTPL	52,278,349	-	-	52,278,349
Financial assets at amortised cost	-	1,099,204,911	-	1,099,204,911
Total exposure	**52,278,349**	**1,100,442,923**	-	**1,152,721,272**

c) Liquidity risk
Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. Units are redeemable at the unitholder's options based on the Fund's net asset value per unit at the time of redemption.

The Fund manages its obligation when required to do so and its overall liquidity risk by:

- Investing primarily in financial instruments, which under normal market conditions is readily convertible to cash.
- The Fund will also make the Investments within the parameters set out by the Commission in accordance with the Unit Trust Code and the Deed to ensure there is no concentration of risk.
- Maintaining sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. As a practice the Fund maintain a 3% of the deposited property to be maintained in cash or near cash. (Near cash means investments such as bank/call deposits, repurchase agreements with maturities of less than 3 months, commercial paper endorsed or guaranteed by a Licensed Commercial Bank or Licensed Specialized Bank with maturities of less than 3 months and government securities including government bonds with maturities of less than one year which can be readily convertible into cash.)
- Requiring at least 14 days prior written notice for unitholder redemption equal to, or greater than 3% of the net asset value of the Fund
- Continually search for new investors.

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

c) Liquidity risk (Contd)

The time frame for return of cash to investors is five business days in during which time investments may be recalled for redemption payouts. Further, the Fund is also permitted to borrow up to 15% of the deposited property for redemption payouts. Other financial liabilities have no contractual maturities. Due to the short-term nature of these financial instruments, carrying value approximates fair value.

The table below precises the Fund's non derivative financial assets and liabilities with contractual maturities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

31-03-2026	Less than 30 days	31 - 90 days	91 - 180 days	181 days and more	Total
Financial Assets					
Commercial Papers	98,829,656	338,245,906	69,554,435	-	506,629,996
Fixed deposits	-	-	-	1,087,461,302	1,087,461,302
Trust certificates	-	-	-	62,937,438	62,937,438
Debenture			47,140,000		47,140,000
Repurchase agreements	482,113,230	-	-	-	482,113,230
Total	**580,942,885**	**338,245,906**	**116,694,435**	**1,150,398,740**	**2,186,281,966**
Financial Liabilities					
Management fee	1,081,207	-	-	-	1,081,207
Trustee fee	324,362	-	-	-	324,362
Custody fee	24,669	-	-	-	24,669
Total	**1,430,238**	-	-	-	**1,430,238**

31-03-2025	Less than 30 days	31 - 90 days	91 - 180 days	181 days and more	Total
Financial assets					
Commercial papers	77,128,228	194,966,735	-		272,094,963
Fixed deposits				864,044,777	864,044,777
Debenture				47,140,000	47,140,000
Repurchase agreements	126,888,192				126,888,192
Total	**204,016,420**	**194,966,735**	-	**911,184,777**	**1,310,167,932**
Financial liabilities					
Management fee	453,608	-	-	-	453,608
Trustee fee	164,695	-	-	-	164,695
Custody fee	24,669	-	-	-	24,669
Total	**642,972**	-	-	-	**642,972**

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

d) Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding that net asset attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly daily as the Fund is subject to daily applications and redemptions at the discretion of unitholders. Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets daily by the Management Company. Under the terms of the Unit Trust Code, the Management Company has the discretion to reject an application for units and to defer redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund. The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to unitholders. Please refer to the Note 2 for more details. Disclosures relevant to unitholders' funds are as follows.

The movement in the unitholders' funds for the period ended 31st March 2026

I. In terms of value	**31.03.2026**
Unitholders' funds as at the beginning of the year	**Rs.**
Creations during the year	1,151,363,548
Redemptions during the year	1,428,982,672
Increase in net assets attributable to unitholders during the year	(626,631,751)
Unitholders' funds as at 31 March 2026	123,637,236
	2,077,351,705

II. In terms in numbers of units	**31.03.2026** **Units**
Opening number of units	73,212,881
Unit creations during the year	85,982,462
Unit redemptions during the year	(37,842,473)
Closing number of units as at 31 March 2026	**121,352,870**

The movement in the unitholders' funds for the period ended 31st March 2025

I. In terms of value	**31.03.2025** **Rs.**
Unitholders' funds as at the beginning of the year	2,129,335,947
Creations during the year	1,247,388,002
Redemptions during the year	(2,320,327,556)
Increase in net assets attributable to unitholders during the year	94,967,155
Unitholders' funds as at 31st March 2025	**1,151,363,548**

I. In terms in numbers of units	**31.03.2025** **Units**
Opening number of units	148,656,573
Unit creations during the year	82,185,924
Unit redemptions during the year	(157,629,616)
Closing number of units as at 31 March 2025	**73,212,881**

Asia Securities Income Fund
NOTES TO THE FINANCIAL STATEMENTS

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

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Net asset value as per financial statements	2,077,351,705	1,151,363,548
Published net asset value	2,077,351,705	1,151,363,548
Published number of units as at 31 March	121,352,870	73,212,881
Net asset value per unit	17.118	15.726

13. EVENTS OCCURRING AFTER REPORTING DATE

No other events have occurred since the statement of financial position date which would require adjustments to, or disclosure in the Financial Statements.

14. COMMITMENTS

There were no significant capital and financial commitments as at the reporting date.(2025-Nil)

15. CONTINGENCIES

There were no significant contingencies existing as at the reporting date that required adjustments to, or disclosures in the Financial Statements.(2025 - Nil)

ASIA SECURITIES GILT FUND

ASIA SECURITIES GILT FUND REVIEW

(Inception: 03rd Apr 2023)

Fund Manager

Nadarajah Gowthaman

Fund Objective

To maximize returns to its investors by investing exclusively in government securities and government guaranteed securities.

Fund Return

Period	ASGF Return	CRISIL 364 Benchmark Return
2025-26 (Annualized) (31 Mar 2025 – 31 Mar 2026)	09.85%	07.76%
CAGR Annualized Return since inception (03 Apr 2023 – 31 Mar 2026)	23.75%	14.71%

Commentary

During the 2025/26 financial year, the Asia Securities Gilt Fund delivered an annualized return of 9.85% to its investors. The fund maintained its focus on long-term government securities, strategically positioning its portfolio to benefit from attractive yields and capital appreciation opportunities in a declining interest rate environment, particularly during the period up to February 2026.

Macroeconomic Overview: Sri Lanka (2025/26)

Sri Lanka's economy continued its recovery in 2025, supported by sustained macroeconomic stabilization and ongoing structural reforms. Real GDP growth reached approximately 5%, marking the second consecutive year of expansion. Improved policy consistency and stabilizing economic conditions have enhanced investor confidence and strengthened overall economic resilience.

Inflation turned positive from mid-2025 following a period of deflation, driven by the moderation of energy price declines and an increase in food prices. The Central Bank maintained an accommodative monetary policy stance, supporting a low-interest rate environment and contributing to robust credit growth and domestic demand.

The external sector remained strong, with a current account surplus recorded for the third consecutive year, supported by elevated remittances and services exports. Continued foreign exchange inflows facilitated reserve accumulation, while the Sri Lankan rupee experienced a modest depreciation under a flexible exchange rate regime.

ASIA SECURITIES GILT FUND REVIEW

(Inception: 03rd Apr 2023)

Fiscal performance improved further, with the government maintaining a primary surplus for the third consecutive year, driven by revenue-based consolidation efforts. The financial sector also strengthened, supported by improvements in profitability, asset quality, and capital buffers across institutions.

The recovery has been underpinned by policy discipline, IMF-supported reforms, continued reserve build-up, and financial sector stability, alongside ongoing regulatory enhancements and digital transformation initiatives.

Global Context

Sri Lanka continues to operate in an increasingly uncertain global environment, characterized by geopolitical tensions, rising protectionism, and trade fragmentation. Escalating and protracted conflicts, particularly in the Middle East, could lead to higher energy and shipping costs, supply chain disruptions, and increased volatility in global inflation. Nevertheless, the continued accumulation of reserves and improvements in external sector fundamentals provide a degree of resilience against these external shocks.

Domestic Outlook

Looking ahead, inflation is expected to rise toward the upper end of the Central Bank's target range and remain elevated in the near term, driven by significant adjustments in domestic energy prices, the lagged effects of currency depreciation, and persistently high global commodity prices, before gradually stabilizing. In response to these emerging inflationary pressures, the Monetary Policy Board, at its meeting in May 2026, increased the Overnight Policy Rate (OPR) by 100 basis points to 8.75%. Meanwhile, credit growth is expected to continue at a steady and moderate pace.

The external sector is expected to be more volatile due to heightened geopolitical risks associated with the Middle East conflict and the potential for a wider current account deficit, particularly through higher energy import costs and trade disruptions. Although remittances, tourism, services exports, IMF-related inflows should continue to provide support, these buffers may be partially offset by external shocks and financing pressures. Fiscal policy is expected to remain anchored in revenue-based consolidation, supporting medium-term macroeconomic stability despite a potentially more challenging external environment.

The financial sector is likely to remain resilient, underpinned by strong capital and liquidity buffers. Overall growth momentum is expected to continue, although it will depend on investment activity, reconstruction efforts, and the pace of structural reforms.

Key Risks

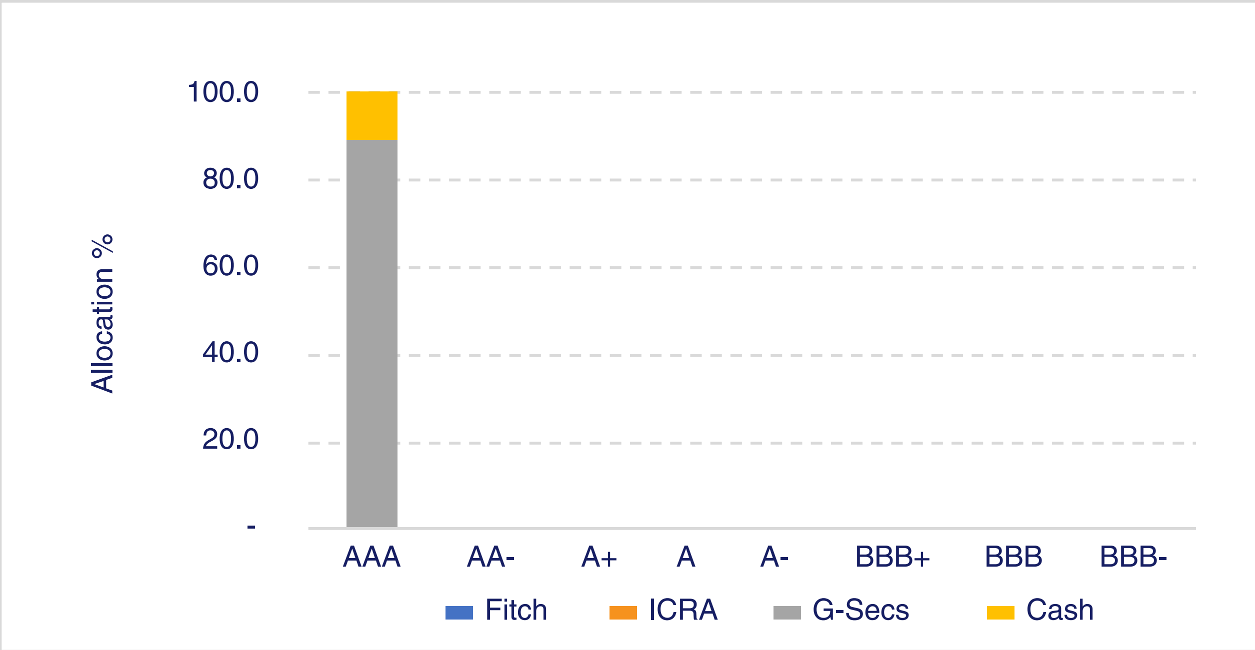
Despite the broadly neutral outlook, several risks remain. On the external front, geopolitical tensions, global trade disruptions, rising energy and logistics costs, and subdued global growth combined with financial market volatility could weigh on the outlook. Domestically, risks include inflationary pressures from global spillovers, climate-related shocks and natural disasters, rapid credit expansion leading to potential sectoral vulnerabilities, and structural constraints that may limit long-term growth.

Source: CBSL

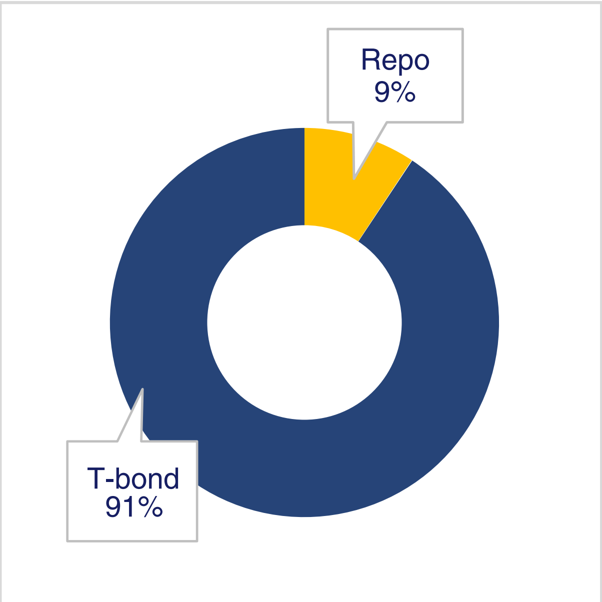
ASIA SECURITIES GILT FUND REVIEW

Key Facts of the Fund

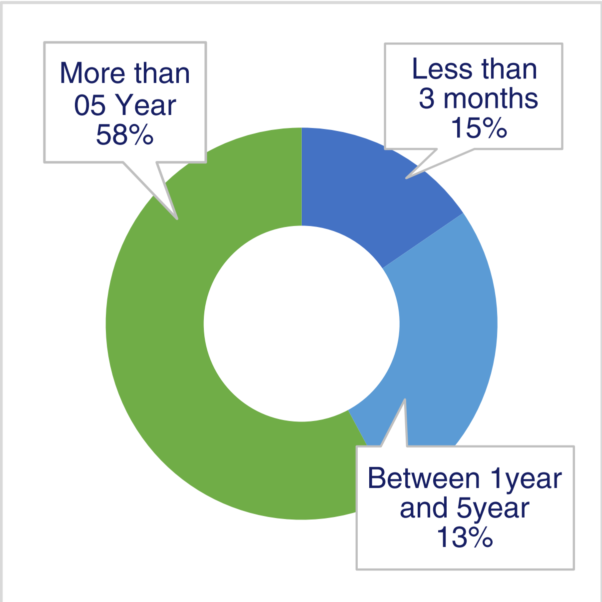
Fund Credit Quality -% of NAV



Instrument Exposure



Maturity Profile



ASIA SECURITIES GILT FUND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Tel : +94-11-2421878-79-70
+94-11-2387002-03
Fax : +94-11-2336064
E-mail : bdopartners@bdo.lk
Website : www.bdo.lk

Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES GILT FUND

Report on the audit of the financial statements

Opinion

We have audited the Financial Statements of Asia Securities Gilt Fund ("the Fund"), which comprise the statement of financial position as at 31st March 2026 and the statement of comprehensive income, the statement of changes in unitholders' funds and the statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policy information as set out on pages 81 to 97.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31st 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 matter

The Financial Statements of the Fund for the year ended 31st March 2025 were audited by another auditor who expressed an unmodified opinion on those financial statements on 16th July 2025.

Other information

The Fund Managing Company (Asia Securities Wealth Management (Pvt) Ltd) is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and the Auditor's Report therein. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above, and in doing so, consider whether the other information is materially consistent with the Financial Statements and our knowledge obtained in the audit, or otherwise whether it appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the Fund managing company.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES GILT FUND

Report on the audit of the financial statements (Contd.)

Responsibilities of Fund Managing Company and Those Charged with Governance for the Financial Statements

The Fund Managing Company and the Trustee are responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, fund managing company 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 managing company 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES GILT FUND

Report on the audit of the financial statements (Contd.)

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

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

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

- obtain an understanding of internal 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 managing company.

- conclude on the appropriateness of fund managing company'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 the 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 have been prepared and presented in accordance with and comply with the Collective Investment Scheme Code (CIS Code) issued by the Securities and Exchange Commission of Sri Lanka under the Act No.19 of 2021 and the Trust Deed.

BDO Partners

CHARTERED ACCOUNTANTS
Colombo
08th July 2026
TR/cc

Asia Securities Gilt Fund
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2026

		2025/2026	2024/2025
REVENUE	**Note**	**Rs.**	**Rs.**
Interest income	3	1,295,829,085	1,145,461,195
Fair value (loss)/gain on financial assets held on fair value through profit or loss	4	(312,324,123)	210,508,743
Total revenue		983,504,962	1,355,969,938
EXPENSES			
Management fees		(28,583,356)	(22,097,479)
Trustee fees		(17,922,206)	(16,297,053)
Custodian fees		(290,462)	(290,462)
Audit fees		(719,804)	(487,670)
Other expenses		(183,768)	(878,015)
Total expenses		(47,699,596)	(40,050,679)
Profit for the year		935,805,366	1,315,919,259
Increase in net assets attributable to unitholders		935,805,366	1,315,919,259

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy information and notes on pages 81 to 97 forms an integral part of these Financial Statements.

Asia Securities Gilt Fund
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2026

	Note	31.03.2026 Rs.	31.03.2025 Rs.
ASSETS			
Cash and cash equivalents	5	204,509	4,175,699
Financial assets at amortised cost	6	894,457,418	1,612,903,965
Financial assets at fair value through profit or loss	7	7,728,366,489	8,069,920,490
Total assets		**8,623,028,416**	**9,687,000,155**
UNITHOLDERS' FUNDS AND LIABILITIES			
LIABILITIES			
Other payables	8	4,295,334	4,172,437
Total liabilities		**4,295,334**	**4,172,437**
UNITHOLDERS' FUNDS			
Net assets attributable to unitholders		8,618,733,082	9,682,827,717
		8,618,733,082	9,682,827,717
Total unitholders' funds and liabilities		**8,623,028,416**	**9,687,000,154**

The accounting policy information including a summary of material accounting policy information and notes on pages 81 to 97 forms an integral part of these Financial Statements.

The Fund Managing Company and the Trustee are responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and these Financial Statements were approved by the Fund Managing Company and the Trustee on 08th July 2026.

DEUTSCHE BANK AG
Colombo Branch
Authorised Signatories
Trustee

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

Trustee
Deutsche Bank AG

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

BDO PARTNERS
Chartered Accountants

Colombo
08th July 2026

Asia Securities Gilt Fund
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2026

	Note	2025/2026	2024/2025
Cash flows from operating activities		**Rs.**	**Rs.**
Interest received		1,299,175,173	1,216,640,575
Gain on disposal of treasury bills/bonds		-	534,833
Gain on disposal of treasury bonds		10,097,688	30,944,286
Other expenses paid		(806,161)	(1,452,451)
Management fees and trustee fees paid		(46,770,537)	(37,855,350)
Tax paid		-	-
Investment in repurchase agreements		(112,967,540,650)	(37,986,629,211)
Investment in T-Bills		-	(2,774,589,389)
Investment in T-Bonds		(5,267,817,810)	(1,280,916,994)
Maturity proceeds from repurchase agreements		113,685,524,069	36,381,174,395
Maturity proceeds from T-Bills		2,341,641,206	2,986,398,392
Maturity proceeds from T-Bonds		2,942,425,833	1,470,452,585
Net cash used in operating activities		**1,995,928,811**	**4,701,671**
Cash flows from financing activities			
Amounts received on unit creations		100,000	1,500,000
Amounts paid on unit redemptions		(2,000,000,001)	(2,056,592)
Net cash generated from financing activities		**(1,999,900,001)**	**(556,592)**
Net increase in cash and cash equivalents during the year		(3,971,190)	4,145,079
Cash and cash equivalents as at the beginning of the year		4,175,699	30,620
Cash and cash equivalents as at the end of the year (Note 5.1)		204,509	**4,175,699**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy information and notes on pages 81 to 97 forms an integral part of these Financial Statements.

Asia Securities Gilt Fund
STATEMENT OF CHANGES IN UNITHOLDERS' FUND
FOR THE YEAR ENDED 31ST MARCH 2026

Description	No. of units	Unitholders' fund Rs.
Unitholders' funds as at 31st March 2024	**561,911,047**	**8,367,465,050**
Increase in net assets attributable to unitholders	-	1,315,919,259
Creation of units	90,148	1,500,000
Redemption of units	(123,113)	(2,056,592)
Net decrease due to unitholders transactions	(32,965)	(556,592)
Unitholders' funds as at 31st March 2025	**561,878,082**	**9,682,827,717**

Description	No. of units	Unitholders' fund Rs.
Unitholders' funds as at 31st March 2025	**561,878,082**	**9,682,827,717**
Increase in net assets attributable to unitholders	-	935,805,366
Creation of units	5,291	100,000
Redemption of units	(106,580,815)	(2,000,000,001)
Net decrease due to unitholders transactions	(106,575,524)	(1,999,900,001)
Unitholders' funds as at 31st March 2026	**455,302,558**	**8,618,733,082**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy information and notes on pages 81 to 97 forms an integral part of these Financial Statements.

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Legal and domiciled

Asia Securities Gilt Fund (“the Fund”) is an open-ended fund approved by the Securities and Exchange Commission of Sri Lanka. The Fund was launched on 03rd April 2023. The Fund is managed by Asia Securities Wealth Management (Private) Limited which is incorporated and domiciled in Sri Lanka. The registered office of the fund managing company is located at 4th Floor, Lee Hedges Tower, No 349, Galle Road, Colombo 03. Effective from 5th August 2024, the trustee and custodian for the unit trust changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo Branch, located at Level 21, One Galle Face Tower, 1A Centre Road, Galle Face, Colombo 02.

The investment objective of the Fund is to maximise the returns by investing exclusively in government securities and government guaranteed securities. There were no significant changes in the nature of the principal activities of the unit trust during the year under review.

1.2 Date of authorization for issue

The Financial Statements of the Fund for the period ended 31st March 2026 were authorised for issue by the fund managing company and the Trustee on 08th July 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Preparation of Financial Statements

The principal accounting policies adopted in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise it is stated.

2.1.1 Basis of accounting

The Financial Statements of the Fund have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (“SLFRS”), Sri Lanka Accounting Standards (“LKAS”), relevant interpretations of the Standing Interpretations Committee (“SIC”) and International Financial Reporting Interpretations Committee (“IFRIC”).

These Financial Statements have been prepared under the historical cost convention. The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Fund's Financial Statements are disclosed in Note 2.1.4 to the Financial Statements.

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

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

2.1.1 Basis of accounting(Contd)

Changes in accounting standards
New accounting standards, amendments and interpretations issued but not yet effective

- Amendments to Sri Lanka Accounting Standards relating to SLFRS 9 – Financial Instruments and SLFRS 7 – Financial Instruments; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2026.
- SLFRS 17: Insurance Contracts - Effective for annual reporting periods beginning on or after 01st January 2026
- SLFRS 18: Presentation and Disclosure in Financial Statements – Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted
- SLFRS 19: Subsidiaries without Public Accountability; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted

2.1.2 Statement of Compliance

As per the requirements of the Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka (SEC), Managing Companies and Trustees of the Unit Trusts are directed to maintain a minimum number of fifty (50) unit holders for each Fund at all times. Where the minimum number of unit holders fall below the specified minimum threshold due to redemption by a unit holder or any other supervening circumstance, the managing company of the Fund is required to make the best efforts for compliance within 3 months from the date of the first shortfall and should consult the Commission forthwith. Asia Securities Money Market Fund complies with this rule.

The Financial Statements which comprise the statement of financial position as at 31st March 2026, statement of comprehensive income, statement of changes in unitholders' fund and statement of cash flows for the period from 20th January 2025 to 31st March 2026 and a summary of material accounting policy information and other explanatory information have been prepared and presented in accordance with Sri Lanka Accounting Standards and the requirements of the Unit Trust Deed and Unit Trust Code of the Securities and Exchange Commission of Sri Lanka.

Fund Managing Company's and Trustee's Responsibility for Financial Statements
The fund manager is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and CIS code 2022 of the Securities and Exchange Commission of Sri Lanka.

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

Financial Statements of the Fund at 31st March 2026 comprise,
- The statement of comprehensive income providing information on the performance for the year under review.
- Statement of financial position providing the information on the financial position of the Fund as at the year end.
- Statement of changes in unitholders' fund providing the movement in the unitholders' funds during the year under review.
- Notes to the Financial Statements, which comprise of the accounting policies and other explanatory notes and information.

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

2.1.3 Going Concern

These Financial Statements are prepared on the assumption that the Fund is a going concern as continuing in operation for the forseeable future. It is therefore assumed that the Fund has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operation. The managing company of the Fund has assessed the potential impact of the current economic condition on the Fund's operations, and is confident that it will not impact the going concern ability of the Fund.

2.1.4 Critical accounting estimates and judgments

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. In the selection and application of the Fund's accounting policies, which are described below, the fund management company is required to make judgments and assumptions and use assumptions in measuring items reported in the Financial Statements.

These estimates are based on the management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates were revised if the revision affects only that period or in the period of the revision and future periods as well if the revision affects both the current and future periods. The management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value.

2.2 Financial instruments

2.2.1 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 market place.

2.2.2 Initial measurement of financial instrument

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset.

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

2.2.3 Measurement categories of financial instruments

The Fund classifies all of its financial assets in the following measurement categories:

- those to be measured at amortised cost
- those to be measured at fair value through profit or loss

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

2.2.4 Subsequent measurement
Amortised cost: A debt instrument is measured at amortised cost if it is held within a business model where the 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 statement of financial position comprise investments in treasury bill repurchase agreements. As of 31st December 2025, the Fund has no such in investment. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented as realised gain/(loss) on debt Instruments held at amortised cost.

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 the payments of principal and interest on the principal amount outstanding
or
b) It is not held within a business model where the objective is either to collect contractual cash flows or to both collect contractual cash flows and sell
c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminate or significantly reduces 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 an investment that is subsequently measured at fair value through profit or loss (FVTPL) is recognised in profit or loss and presented on a net basis within unrealised gains/(losses) in the period in which it arises.

Financial assets measured at fair value through profit or loss in Statement of Financial Position have been valued in accordance with the valuation guidelines prescribed by the CIS Code.

2.2.5 Impairment
The Fund recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12months). The maximum period considered when estimating ECLs is the maximum contractual period over which the fund is exposed to credit risk.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

2.2.5 Impairment (Contd)

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due.
- The restructuring of a loan or advance by the Fund on terms that the Fund would not consider otherwise.
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

As of the statement of financial position date, the Fund has not observed any of the above thus no impairment provision has been recognised in the Financial Statements.

The Funds' investments at amortised cost have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses.

The Fund's investments in treasury bill repurchase agreements that are obtained from primary dealers are collateralised with government securities. Therefore, they are considered as low risk investments.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2.2.6 Derecognition

Financial assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain the control of the financial asset.

The Fund enters into transactions whereby it transfers the assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.2.7 Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

2.3 Recognition of income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. The following specific criteria must also be met before the income is recognised.

Interest income

For all financial instruments, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash appropriate, to the net carrying amount of the financial asset.

i. Unrealised gains/(losses) on financial assets held at fair value through profit or loss

This comprises all gains and losses that arise from changes in fair value of financial assets measured at fair value through profit or loss as at the reporting date.

ii. Realised gains/(losses) on financial assets held at fair value through profit or loss

This comprises all realised gains and losses arising from the acquisition and disposal of financial assets measured at fair value through profit or loss and amortised costs.

2.4 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at bank. The cash flow statement has been prepared using the direct method. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.5 Income tax

Subsequent to the enactment of the new Inland Revenue Act No. 24 of 2017, effective from 01st April 2018, an Eligible Unit Trust would not be liable for income tax on any income which is a pass through to its unit holders. Accordingly, after 31st March 2018, the Fund has considered all income as being a pass through to its unit holders.

2.6 Expenses

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

Management fee	-	0.30% p.a. of net asset value of the Fund calculated daily
Trustee fee	-	0.15% p.a. of net asset value of the Fund calculated daily
Custodian fee	-	Rs 240,000 per Annum

2.7 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.8 Unitholders' funds

Units can be issued and redeemed based on the Fund's net asset value per unit, calculated by dividing the net assets of the Fund as described in the Trust Deed and directives issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

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

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

3. INTEREST INCOME

	2025/2026 Rs.	2024/2025 Rs.
3.1 Interest on		
Repurchase agreements	153,510,552	94,221,724
Treasury bills	90,339,158	218,634,969
Treasury bonds	1,051,914,626	832,534,750
Money market bank accounts	64,749	69,752
	1,295,829,085	1,145,461,195

3.2 Interest Income is recognised on accrual basis using the effective interest rate method.

3.3 Notional tax is not applicable as per the new Inland Revenue Act No. 24 of 2017. Effective from 1st April 2024, withholding tax at the rate of 10% has been reintroduced on service fee payments which have a source in Sri Lanka and paid to a resident individual who is not an employee of the payer of such service fee.

4. FAIR VALUE (LOSS)/GAIN ON FINANCIAL ASSETS HELD ON FAIR VALUE THROUGH PROFIT OR LOSS

		2025/2026 Rs.	2024/2025 Rs.
Unrealised (loss)/gain on financial assets fair value through profit or loss	**4.1**	(311,027,788)	179,321,953
Realised (loss)/gain on financial assets fair value through profit or loss	**4.2**	(1,296,335)	31,186,789
		(312,324,123)	**210,508,743**

4.1 Unrealised (loss)/gain on financial assets fair value through profit or loss

Treasury bills	-	(8,331,214)
Treasury bonds	(311,027,788)	187,653,168
	(311,027,788)	**179,321,953**

4.2 Realised (loss)/gain on financial assets fair value through profit or loss

Treasury bills	(11,394,023)	534,832
Treasury bonds	10,097,688	30,651,957
	(1,296,335)	**31,186,789**

CASH AND CASH EQUIVALENTS	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
DB savings account	204,509	4,175,699
	204,509	**4,175,699**

5.1 Cash and bank balances for the purpose of the statement of cash flows

Cash and cash equivalents	**204,509**	**4,175,699**

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

6. FINANCIAL ASSETS AT AMORTISED COST

		As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Repurchase agreements	6.1	894,457,418	1,612,903,965
		894,457,418	**1,612,903,965**

These repurchase agreements are entirely backed by government securities. No impairment provision derived through these investments.

6.1 Repurchase agreements

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Wealth Trust Securities	894,457,418	-
Commercial Bank PLC	-	1,612,903,965
	894,457,418	**1,612,903,965**

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Treasury bills	-	2,488,477,815
Treasury bonds	7,728,366,489	5,581,442,675
	7,728,366,489	**8,069,920,490**

Determining of fair value and hierarchy of fair value

Level 1: An investment in a fund is classified in Level 1 of the hierarchy when that investment is quoted in an active market and measured at the unadjusted quoted price at the reporting date.

Level 2: An investment in a fund is classified in Level 2 of the hierarchy when that investment is measured using inputs that are directly observable at the reporting date.

Level 3: An investment in a fund is classified in Level 3 of the hierarchy when the investment is measured using unobservable inputs at the reporting date.

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

As at 31st March 2026	Level 1	Level 2	Level 3	Total fair value
Financial asset measured at fair value through profit or loss				
Government securities	7,728,366,489	-	-	7,728,366,489
	7,728,366,489	-	-	**7,728,366,489**

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
8. OTHER PAYABLES		
Management fees	2,218,718	2,041,801
Trustee fees	1,331,231	1,482,661
Custodian fees	24,669	24,669
Audit and tax consultancy fees	719,804	623,135
Others	912	171
	4,295,334	**4,172,437**

All accrued balances are payable within one year.

9. UNITS IN ISSUE AND UNIT PRICE

Number of units in issue and deemed to be in issue as at 31st March 2026 was 455,302,558.70 (2025 -561,878,082.63) and net assets value per unit as at 31st March 2026 was Rs.18.929 (2025 - Rs. 17.232). Please refer to Note 12.

10. RELATED PARTY DISCLOSURE

10.1 Fund Managing Company and Trustee

The Fund Managing Company is Asia Securities Wealth Management (Private) Limited.

Effective from 5th August 2024, the Trustee and Custodian of the unit trust changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo Branch, located at Level 21, One Galle Face Tower, 1A Centre Road, Galle Face, Colombo 02.

10.2 Key management personnel

Key management personnel includes persons who were directors of Asia Securities Wealth Management (Private) Limited at any time during the financial period.

a) Directors

Mr.Dumith Fernando

Mr.Avancka Herat

Mr. Arjuna Kumar Wignaraja

b) Key management personnel compensation

There were no payments made to the directors of Asia Securities Wealth Management (Private) Limited during the period by the Fund.

c) Other transactions within the Fund

Apart from those details disclosed in Note 10.3, key management personnel have not entered into any other transactions involving the Fund during the financial period.

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY DISCLOSURE (CONTD)

10.3 Related party unitholding transactions and balances

The following are the units held by related parties.

Company / KMP	Relationship	No. of units held 31.03.2026 Units	No. of units held 31.03.2025 Units	Value of units held 31.03.2026 Rs.	Value of units held 31.03.2025 Rs.
Mr. Dumith Fernando	Chairman	49,465	49,465	936,349	852,422

10.4 Asia Securities' Discretionary Employee Retirement Benefit Plan

The Discretionary Employee Retirement Benefit Plan programme is available to all employees of Asia Securities Wealth Management (Pvt) Ltd and its affiliates, including non-executive directors. This is a special benefit that the company grants to its employees and its non-executive directors.

	No. of Units Held 31.03.2026	Value of Units Held 31.03.2026
Asia Securities' Discretionary Employee Retirement Benefit Plan		
	1,582,169	29,949,831
	1,582,169	**29,949,831**

	No. of Units Held 31.03.2025	Value of Units Held 31.03.2025
Asia Securities' Discretionary Employee Retirement Benefit Plan		
	1,582,169	27,265,364
	1,582,169	**27,265,364**

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY DISCLOSURE (CONTD)

10.5 Transactions and balances related to the service provided by related parties

Fees were charged by the Fund Managing Company and Trustee/Custodian for services provided during the year and the balances outstanding related to such services as at year end are as disclosed below:

Charges for the year with related parties	2025/2026 Rs.	2024/2025 Rs.
Management fees by Asia securities Wealth Management (Private) Ltd	28,583,356	22,097,479
Trustee fees	17,922,206	16,297,053
Custodian fees	290,462	290,462

Balances with related parties		As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Savings account balance held at Deutsche Bank		204,509	4,175,699
Management fees payable to Asia Securities Wealth Management (Pvt) Ltd	(Note 8)	2,218,718	2,041,801
Trustee fees payable to Deutsche Bank	(Note 8)	1,331,231	1,482,661
Custodian fees payable to Deutsche Bank	(Note 8)	24,669	24,669

Please refer to the note 2.6 for terms and conditions of fees

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

11. 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 treasury bills and repurchase agreements, fixed deposits, commercial papers, trust certificates and money market savings deposits 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.

The Fund manager is responsible for identifying and controlling the risk that arise from these financial instruments. 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 the statement of profit or loss and statement of financial position 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 Management on a regular basis as deemed appropriate, including the fund manager, other key management, the investment committee, and ultimately the trustee of the Fund.

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

a) Credit risk
Credit risk is the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the Fund to incur a financial loss of interest and/or principal. The Fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the carrying amount of financial assets as at the reporting date. It is the Fund's policy to enter contracts with reputable counterparties. The Fund is subject to credit risk on its bank balances and investments at amortised cost. The credit risk exposure on these instruments is not deemed to be significant.

The Fund's maximum exposure to credit risk is the carrying amount of the financial assets set out below;

Instrument	**2026-03-31** **Rs.**	**2025-03-31** **Rs.**
Repurchase agreements	894,457,418	1,612,903,965
Treasury bills	-	2,488,477,815
Treasury bonds	7,728,366,489	5,581,442,675
Cash at bank	204,509	4,175,699
Total	**8,623,028,416**	**9,687,000,154**

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD.)

a) Credit risk (Contd…)
The analysis below summarises the credit quality of the Fund's investment portfolio at 31st March 2026.

2026 Counterparty	Instrument	Investment value as at 31 March 2026 (Rs.)	% of investment	Credit rating	Rating agency
Wealth Trust Securities	Repurchase agreement	894,457,418	10.37%	A-	LRA
Deutsche Bank	Savings	204,509	0.002%	A-	Fitch Rating
Gov Securities	Treasury bonds	7,728,366,489	89.625%	-	-
Total		**8,623,028,416**			

The analysis below summarises the credit quality of the Fund's investment portfolio at 31st March 2025.

2025 Counterparty	Investment value as at 31 March 2025 (Rs.)	% of investment	Credit rating	Rating agency
Capital Alliance PLC	1,612,903,965	16.65%	BBf	Fitch Rating
Deutsche Bank	4,175,699	0.04%	A-	Fitch Rating
Gov Securities	8,069,920,490	83.31%	-	-
Total	**9,687,000,154**			

Debt securities by rating category.

Rating	2026	2025
A-	894,661,927	4,175,699
BBf	-	1,612,903,965
Government Securities	7,728,366,489	8,069,920,490
Total	**8,623,028,416**	**9,687,000,154**

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

b) Market risk
Market risk represents the risk that the value of the Fund's investments portfolios will fluctuate because of changes in market prices and rates. 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.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate because 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 table below summarises the Fund's exposure to interest rate risks.

31-03-2026 Financial assets	**Floating interest rate (Rs.)**	**Fixed interest rate (Rs.)**	**Non-interest bearing (Rs.)**	**Total (Rs.)**
Cash and cash equivalents	-	204,509	-	204,509
Financial assets at fair value through profit or loss	7,728,366,489	-	-	7,728,366,489
Financial assets at amortised cost	-	894,457,418	-	894,457,418
Total exposure	**7,728,366,489**	**894,661,927**	**-**	**8,623,028,416**

31-03-2025 Financial assets	**Floating interest rate (Rs.)**	**Fixed interest rate (Rs.)**	**Non-interest bearing (Rs.)**	**Total (Rs.)**
Cash and cash equivalents	-	4,175,699	-	4,175,699
Financial assets at fair value through profit or loss	8,069,920,490	-	-	8,069,920,490
Financial assets at amortised cost	-	1,612,903,965	-	1,612,903,964
Total exposure	**8,069,920,490**	**1,617,079,664**	**-**	**9,687,000,154**

c) Liquidity risk
Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. Units are redeemable at the unitholder's options based on the Fund's net asset value per unit at the time of redemption.

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

c) Liquidity risk (Contd)

The Fund manages its obligation when required to do so and its overall liquidity risk by the following.

- Investing primarily in financial instruments, which under normal market conditions are readily convertible to cash.
- The Fund will also make the Investments within the parameters set out by the Commission in accordance with the Unit Trust Code and the Trust Deed to ensure there is no concentration of risk.
- Maintaining sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. As a practice, maintaining a minimum of 3% of the deposited property to be maintained in cash or near cash. (Near cash means investments such as bank/call deposits, repurchase agreements with maturities of less than 3 months, commercial paper endorsed or guaranteed by a Licensed Commercial Bank or Licensed Specialised Bank with maturities of less than 3 months and government securities including government bonds with maturities of less than one year which can be readily convertible into cash.)
- Requiring at least 14 days prior written notice for unitholder redemption equal to or greater than 3% of the net asset value of the Fund.
- Continually searching for new investors.

The time frame for return of cash to investors is five business days in which time investments may be recalled for redemption payouts. Further, the Fund is also permitted to borrow up to 15% of the deposited property for redemption payouts. Other financial liabilities have no contractual maturities. Due to the short-term nature of these financial instruments, carrying value approximates fair value.

The table below precises the Fund's non derivative financial assets and liabilities with contractual maturities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

31-03-2026	Less than 30 days	31 - 90 days	91 - 180 days	181 days and above	Total
Financial Assets					
Treasury bonds	235,000,000	-	-		6,655,058,667
Repurchase agreements	895,419,456	-	-	6,420,058,667	895,419,456
Cash and bank balances	204,509			-	204,509
Total	**1,130,419,456**	-	-		**7,550,478,123**
				6,420,058,667	
Financial Liabilities					
Management fee	2,218,718	-	-		2,218,718
Trustee fee	1,331,231	-	-	-	1,331,231
Custody fee	24,669	-	-	-	24,669
Total	**3,574,618**	-	-	-	**3,574,618**
				-	

31-03-2026	Less than 30 days	31 - 90 days	91 - 180 days	181 days and above	Total
Financial Assets					
Treasury bills	359,643,606	864,973,344	234,868,000	1,107,938,000	2,567,422,950
Treasury bonds	-	-	-	4,272,465,429	4,272,465,429
Repurchase agreements	1,613,972,839	-	-	-	1,613,972,839
Total	**1,973,616,445**	**864,973,344**	**234,868,000**	**5,380,403,429**	**8,453,861,218**
Financial Liabilities					
Management fee	2,041,801	-	-	-	2,041,801
Trustee fee	1,482,661	-	-	-	1,482,661
Custody fee	24,669	-	-	-	24,669
Total	**3,549,131**	-	-	-	**3,549,131**

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

d) Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly daily as the Fund is subject to daily applications and redemptions at the discretion of unitholders. Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets daily by the Fund Managing Company. Under the terms of the Unit Trust Code, the Fund Managing Company has the discretion to reject an application for units and to defer redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund. The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to unitholders. Please refer to Note 2 for more details. Disclosures relevant to unitholders' funds are as follows.

The movement in the unitholders' funds for the period ended 31st March 2026

I. In terms of value

	2026-03-31 Rs.
Unitholders' funds as at the beginning of the year	9,682,827,717
Creations during the year	100,000
Redemptions during the year	(2,000,000,001)
Increase in net assets attributable to unitholders during the year	935,805,366
Unitholders' funds as at 31st March 2026	**8,618,733,082**

II. In terms in numbers of units

	2026-03-31 Units
Opening number of units	561,878,082
Unit creations during the period	5,291
Redemptions during the period	(106,580,815)
Closing number of units as at 31st March 2026	**455,302,558**

The movement in the unitholders' funds for the year ended 31st March 2025

I. In terms of value

	2025-03-31 Rs.
Unitholders' funds as at the beginning of the year	8,367,465,050
Creations during the year	1,500,000
Redemptions during the year	(2,056,592)
Increase in net assets attributable to unitholders during the year	1,315,919,259
Unitholders' funds as at 31st March 2025	**9,682,827,717**

II. In terms in numbers of units

	2025-03-31 Units
Opening number of units	561,911,047
Unit creations during the period	90,148
Redemptions during the period	(123,113)
Closing number of units as at 31st March 2025	**561,878,082**

Asia Securities Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

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

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Net asset value as per Financial Statements	8,618,733,082	9,682,827,717
Published net asset value	8,618,733,083	9,682,827,717
Published number of units as at 31st March	455,302,559	561,878,083
Net asset value per unit	**18.929**	**17.232**

13. EVENTS OCCURRING AFTER REPORTING DATE

No other events have occurred since the statement of financial position date which would require adjustments to or disclosure in the Financial Statements.

14. CAPITAL COMMITMENTS

There were no significant capital and financial commitments as at the reporting date.

15. CONTINGENCIES

There were no significant contingencies existing as at the reporting date that required adjustments to or disclosures in the Financial Statements.

ASIA SECURITIES
EQUITY OPPORTUNITIES FUND

ASIA SECURITIES EQUITY OPPORTUNITIES FUND REVIEW
(Inception: 23rd Dec. 2023)

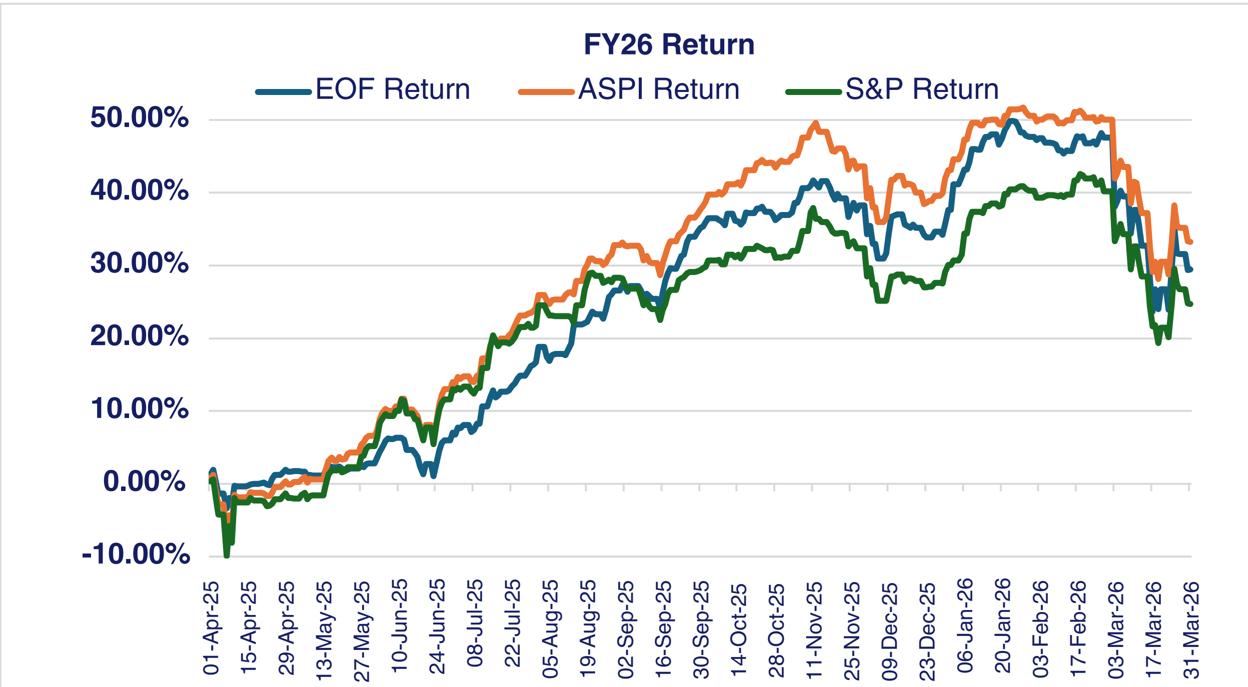
Fund Manager
Harini Wijayaratnam

Fund Objective
The primary objective of the Asia Securities Equity Opportunities Fund is to deliver long-term capital appreciation by primarily investing in listed equities on the Colombo Stock Exchange (CSE). The fund aims to outperform its benchmark index through a blend of top-down macroeconomic analysis and bottom-up fundamental research, focusing on companies with strong growth prospects, robust financial positions, and sustainable competitive advantages.

The portfolio spans a wide range of industries, enabling the fund to capture opportunities arising from evolving economic trends. Risk management remains integral to the investment process, with emphasis on maintaining a well-balanced portfolio to mitigate equity market risk, interest rate risk, credit risk, and liquidity risk.

Through broad sector diversification, the Asia Securities Equity Opportunities Fund seeks to generate attractive risk-adjusted returns over the long term while remaining aligned with its defined risk tolerance and investment objectives.

Fund Return vs. Benchmark Return
For the period from 31st December 2025 to 31st March 2026, the fund declined by 5.94%, outperforming the overall market, as the ASPI declined by 6.89%, but underperforming the S&P SL20, which declined by 4.11% (all YTD returns are non-annualized). The market downturn was primarily driven by heightened geopolitical tensions following the escalation of the USA–Iran conflict and subsequent retaliatory actions across the Gulf region.



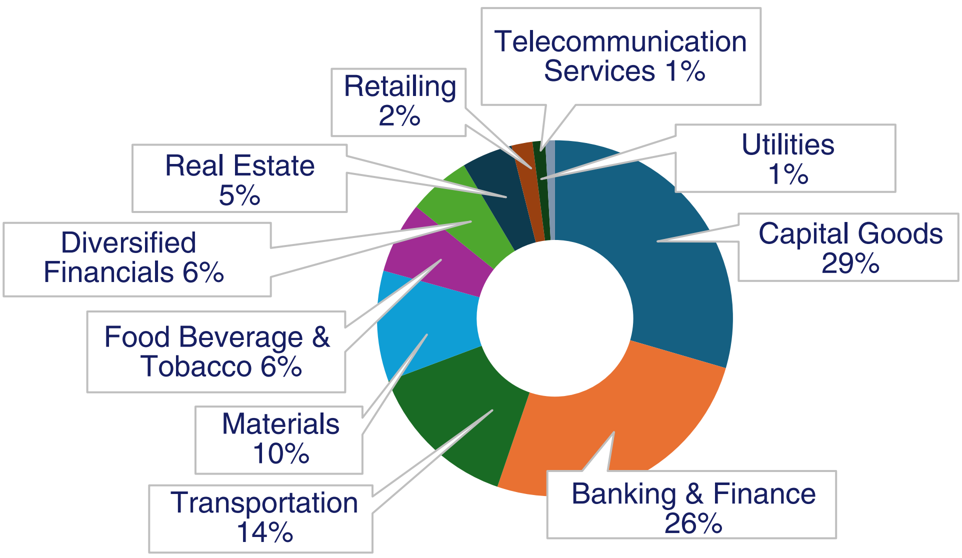
ASIA SECURITIES EQUITY OPPORTUNITIES FUND REVIEW

Period	Non-Annualized Fund Return	Non-Annualized ASPI Return	Non-Annualized S&P SL20 Return
Three months ended 31st March 2026	-5.9%	-6.9%	-4.1%
Six months ended 31st March 2026	-4.2%	-3.3%	-3.6%
Twelve months ended 31st March 2026	29.4%	33.2%	24.7%

Top Holdings

Counter	% Equity
Digital Mobility Solutions Lanka PLC	**13.10%**
Hatton National Bank PLC - Non Voting	**11.02%**
Commercial Bank of Ceylon PLC	**10.11%**
Access Engineering PLC	**8.29%**
CIC Holdings PLC - Non Voting	**7.47%**

Sector Allocation



ASIA SECURITIES EQUITY OPPORTUNITIES FUND REVIEW

Sri Lankan Equity Market Commentary

In FY26, the Sri Lankan equity market experienced a strong bullish recovery through December 2025, supported by macroeconomic stabilization, declining interest rates, robust corporate earnings, and a shift of capital from fixed income instruments into equities driven by tax advantages and improved investor confidence.

Following the impact of Cyclone Ditwah, the market saw some profit-taking activity, with investors adopting a more cautious stance in the near term. However, equities rebounded strongly thereafter, underpinned by improving macroeconomic fundamentals and sustained domestic participation, pushing the market to all-time highs on the back of resilient investor confidence.

That said, the market later faced renewed pressure due to heightened geopolitical tensions, resulting in increased volatility and intermittent corrections.

Market Performance

During FY26, the CSE, delivered a broadly positive yet highly volatile performance, characterized by strong gains over the first three quarters followed by a notable correction toward the end of the fiscal year. Early market momentum was supported by improving macroeconomic stability, easing inflation, declining interest rates, and sustained participation from domestic investors. This environment carried a strong rally in both the ASPI and S&P SL20, with the ASPI reaching multiple record highs in late 2025 and early January 2026, led by broad-based gains across banking, capital goods, and diversified conglomerates.

From February 2026 onwards, sentiment shifted as geopolitical tensions and renewed macroeconomic uncertainty weighed on emerging market flows. The market recorded consecutive monthly declines in February and March 2026, with both the ASPI and S&P SL20 falling by over 10% in March alone, resulting in a pullback from earlier peak levels. Despite this late-year correction, FY26 still reflected a strong overall performance, supported by improved corporate earnings, ample liquidity, and continued dominance of domestic investors, which helped offset foreign outflows.

ASIA SECURITIES EQUITY OPPORTUNITIES FUND REVIEW

Outlook for 2026/27

Sri Lanka's economic growth is expected to moderate in 2026 relative to 2025, reflecting slower momentum amid lingering ripple effects from recent geopolitical tensions. Inflation is projected to remain above 5% through 2026 before gradually easing and stabilizing around that level. In response to heightened global uncertainty and rising commodity prices—particularly driven by Middle East tensions, the Central Bank of Sri Lanka (CBSL) increased policy rates by 100 bps in May 2026. Headline inflation in May 2026 stood at 5.5%, largely driven by supply-side pressures; however, underlying demand conditions have also strengthened, supported by continued credit expansion, credit-fueled imports, and improving economic activity indicators.

Interest rates are expected to remain elevated, while the external sector may face near-term pressure due to global headwinds, higher fuel import costs, and a slowdown in tourism earnings. However, the outlook is expected to stabilize over time, supported by sizable multilateral inflows and a potential easing of geopolitical tensions, which should help restore balance to external sector dynamics.

From an equity market perspective, the CSE is expected to deliver moderate yet selective returns. Market performance is likely to become increasingly earnings-driven, with investors favoring cash-generating businesses. While banks may initially benefit from higher lending yields, credit growth could moderate if borrowing costs remain elevated for a prolonged period, alongside a potential rise in NPLs amid an economic slowdown.

The consumer sector, particularly essential goods and services, is expected to benefit from inelastic demand, supporting steady revenue resilience. In contrast, discretionary segments may experience subdued demand due to increased price sensitivity. Additionally, segments within construction and manufacturing that possess pricing power to pass through rising input costs are expected to gradually gain traction. Overall, these dynamics suggest a more selective market environment, where fundamentally strong, cash-generative sectors are best positioned to drive equity market performance in the coming year.

Key Risks

On the global front, escalating trade tensions, geopolitical conflicts, and policy uncertainties in major economies continue to create a volatile environment for financial markets. These factors have heightened investor caution and contributed to increased market unpredictability. Domestically, the economy faces several pressing challenges, and we continue to closely monitor economic developments and their potential impact on equity markets.

Sources: CSE, CBSL, Asia Securities Research

ASIA SECURITIES EQUITY OPPORTUNITIES FUND

AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2026

Tel : +94-11-2421878-79-70
+94-11-2387002-03
Fax : +94-11-2336064
E-mail : bdopartners@bdo.lk
Website : www.bdo.lk

Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES EQUITY OPPORTUNITIES FUND

Report on the audit of the financial statements

Opinion

We have audited the Financial Statements of Asia Securities Equity Opportunities Fund ("the Fund"), which comprise the statement of financial position as at 31st March 2026 and the statement of comprehensive income, the statement of changes in unitholders' funds and the statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policy information as set out on pages 111 to 130.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31st 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 matter

The Financial Statements of the Fund for the year ended 31st March 2025 were audited by another auditor who expressed an unmodified opinion on those Financial Statements on 16th July 2025.

Other information

The Fund Managing Company (Asia Securities Wealth Management (Pvt) Ltd) is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and the Auditor's Report therein. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above, and in doing so, consider whether the other information is materially consistent with the Financial Statements and our knowledge obtained in the audit, or otherwise whether it appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the Fund managing company.

INDEPENDENT AUDITOR’S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES EQUITY OPPORTUNITIES FUND

Report on the audit of the financial statements (Contd.)

Responsibilities of Fund Managing Company and Those Charged with Governance for the Financial Statements

The Fund Managing Company and the Trustee are responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, fund managing company 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 managing company 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

- obtain an understanding of internal 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 managing company.

BDO

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES EQUITY OPPORTUNITIES FUND

Report on the audit of the financial statements (Contd.)

Auditor's Responsibilities for the Audit of the Financial Statements

- conclude on the appropriateness of fund managing company'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 the 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 have been prepared and presented in accordance with and comply with the Collective Investment Scheme Code (CIS Code) issued by the Securities and Exchange Commission of Sri Lanka under the Act No.19 of 2021 and the Trust Deed.

BDO Partners

CHARTERED ACCOUNTANTS
Colombo
08th July 2026
TR/kp

Asia Securities Equity Opportunities Fund
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2026

REVENUE	**Note**	**2025/2026 Rs.**	**For the period from 28th December 2023 to 31st March 2025 Rs.**
Interest income	**3.1**	3,396,432	2,527,868
Dividend income	**3.2**	8,817,922	2,206,343
Realised gain on financial assets held at fair value through profit or loss	**4**	19,517,474	29,119,341
Unrealised gain on financial assets held at fair value through profit or loss	**5**	12,414,631	12,411,829
Total revenue		**44,146,459**	**46,265,381**

EXPENSES

Management fees	(7,769,801)	(1,575,540)
Trustee fees	(1,318,372)	(317,788)
Custodian fees	(290,462)	(365,205)
Audit fees	(424,194)	(392,846)
Other expenses	(15,444,742)	(5,587,128)
Total expenses	(25,247,571)	(8,238,507)
Profit for the year/period	18,898,888	38,026,873
Increase in net assets attributable to unit holders	18,898,888	38,026,873

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy information and notes on pages 111 to 130 form an integral part of these Financial Statements.

Asia Securities Equity Opportunities Fund
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2026

ASSETS	Note	31.03.2026 Rs.	31.03.2025 Rs.
Cash and cash equivalents	6	436,217	220,389
Financial assets at amortised cost	7	50,010,589	69,675,077
Financial assets at fair value through profit or loss	8	659,459,325	105,751,632
Dividend receivable			173,803
Other receivable		12,039	10,001
Total assets		**709,918,170**	**175,830,902**
UNIT HOLDERS' FUNDS AND LIABILITIES			
LIABILITIES			
Other payable		2,834,121	684,458
Total liabilities	9	2,834,121	684,458
UNIT HOLDERS' FUNDS			
Net assets attributable to unit holders		707,084,049	175,146,444
Total unit holders' funds and liabilities		709,918,170	175,830,902

The Fund Managing Company and the Trustee are responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and these Financial Statements were approved by the Fund Managing Company and the Trustee on 08th July 2026.

DEUTSCHE BANK AG
Colombo Branch
Authorised Signatories
Trustee

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

Trustee
Deutsche Bank AG

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

BDO PARTNERS
Chartered Accountants

The accounting policy information including a summary of material accounting policy information and notes on pages 111 to 130 form an integral part of these Financial Statements.

Colombo
08th July 2026

Asia Securities Equity Opportunities Fund
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2026

	No of units	Unitholders' fund Rs.
For the year ended 31st March 2025		
Increase in net assets attributable to unitholders	-	38,026,873
Creation of units	12,589,579	137,119,571
Redemption of units	-	-
Net increase due to unit holders transactions	12,589,579	137,119,571
Unitholders' funds as at 31st March 2025	**12,589,579**	**175,146,444**

	No of units	Unitholders' fund Rs.
Unitholders' funds as at 31st March 2025	12,589,579	175,146,444
Increase in net assets attributable to unitholders	-	18,898,888
Creation of units	28,159,793	540,271,693
Redemption of units	(1,481,508)	(27,232,976)
Net increase due to unit holders transactions	26,678,285	513,038,717
Unitholders' funds as at 31st March 2026	**39,267,864**	**707,084,049**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy information and notes on pages 111 to 130 form an integral part of these Financial Statements.

Asia Securities Equity Opportunities Fund
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2026

	2025/2026 Rs.	For the period from 28th December 2023 to 31st March 2025 Rs.
Cash flows from operating activities		
Interest received	3,441,704	2,452,790
Dividend received	8,295,467	1,872,804
Gain on disposal Unit		-
Gain on disposal shares	19,514,522	29,119,341
Other expenses paid	(14,059,904)	(5,587,066)
Management fees and trustee fees paid	(8,335,688)	(1,966,983)
ASMMF Unit Inv	(6,800,000)	-
Investments - repurchase agreements	(8,687,274,000)	(3,679,500,000)
Investments - equity	(860,513,307)	(260,208,111)
Maturity proceeds from repurchase agreements	8,706,874,000	3,609,900,000
ASMMF Unit Redemption	6,802,952	
Cost of equity sales	319,220,233	167,028,044
Net cash used in operating activities	**(512,834,021)**	**(136,889,181)**
Cash flows from financing activities		
Amounts received on unit creations	540,281,693	137,109,570
Amounts paid on unit redemptions	(27,231,844)	-
Net cash generated from financing activities	**513,049,849**	**137,109,570**
Net increase in cash and cash equivalents during the period	215,828	220,389
Cash and cash equivalents at the beginning of the period	220,389	215,830
Cash and cash equivalents at the end of the period (Note 6.1)	**436,217**	**220,389**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy information and notes on pages 111 to 130 form an integral part of these Financial Statements.

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Legal and domiciled

Asia Securities Equity Opportunities Fund (“the Fund”) is an open-ended fund approved by the Securities and Exchange Commission of Sri Lanka. The Fund was launched in 28th December 2023.

The Fund is managed by Asia Securities Wealth Management (Private) Limited which is incorporated and domiciled in Sri Lanka. The registered office of the Fund management company is located on 4th Floor, Lee Hedges Tower, No 349, Galle Road, Colombo 03. Effective from 5th August 2024, the Trustee and Custodian of the unit trust changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo branch, located at Level 21, One Galle Face Tower, 1A Centre Road, Galle Face, Colombo 02.

The investment objective of the Fund is to achieve a long-term capital growth by investing mainly in quoted equities on the Colombo Stock Exchange. There were no significant changes in the nature of the principal activities of the Unit Trust during the year under review.

1.2 Date of authorization for issue

The Financial Statements of the Fund for the year ended 31st March 2026 were authorised for issue by the Fund management company and the Trustee on 08th July 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Preparation of Financial Statements

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Basis of preparation

The Financial Statements of the Fund have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (“SLFRS”), Sri Lanka Accounting Standards (“LKAS”), relevant interpretations of the Standing Interpretations Committee (“SIC”) and International Financial Reporting Interpretations Committee (“IFRIC”).

These Financial Statements have been prepared under the historical cost convention. The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Fund's Financial Statements are disclosed in Note 2.1.4 to the Financial Statements.

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 the current and non-current. The Financial Statements are presented in Sri Lankan rupees.

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD)

Changes in accounting standards

New accounting standards, amendments and interpretations issued but not yet effective

- Amendments to Sri Lanka Accounting Standards relating to SLFRS 9 – Financial Instruments and SLFRS 7 – Financial Instruments; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2026.
- SLFRS 17: Insurance Contracts - Effective for annual reporting periods beginning on or after 01st January 2026
- SLFRS 18: Presentation and Disclosure in Financial Statements – Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted
- SLFRS 19: Subsidiaries without Public Accountability; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted

2.1.2 Statement of Compliance
As per the requirements of the Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka (SEC), Managing Companies and Trustees of the Unit Trusts are directed to maintain a minimum number of fifty (50) unit holders for each Fund at all times. Where the minimum number of unit holders fall below the specified minimum threshold due to redemption by a unit holder or any other supervening circumstance, the managing company of the Fund is required to make the best efforts for compliance within 3 months from the date of the first shortfall and should consult the Commission forthwith. Asia Securities Money Market Fund complies with this rule.

The Financial Statements which comprise the statement of financial position as at 31st March 2026, statement comprehensive income, statement of changes in unitholders' fund and statement of cash flows for the year ended 31st March 2026 and notes to the Financial Statements including a summary of material accounting policy information and other explanatory notes have been prepared and presented in accordance with Sri Lanka Accounting Standards and the requirements of the Unit Trust Deed and Unit Trust Code of the Securities and Exchange Commission of Sri Lanka.

Fund Managing Company's and Trustee's Responsibility for Financial Statements
The Fund Managing Company is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and CIS code 2022 of the Securities and Exchange Commission of Sri Lanka.

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

Financial Statements of the Fund at 31st March 2026 comprise -
- the statement of comprehensive income providing information on the performance for the year under review.
- statement of financial position providing information on the Financial position of the Fund as at the year end
- statement of changes in unit holders' fund providing the movement in the unitholders' funds during the year under review
- notes to the Financial Statements, which comprise the accounting policies including a summary of material accounting policy information and other explanatory notes.

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD)

2.1.3 Going Concern
These Financial Statements are prepared on the assumption that the Fund is a going concern i.e as continuing in operation for the forseeable future. It is, therefore, assumed that the Fund has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operation.

The managing company of the Fund has assessed the potential impact of the current economic condition on the Fund's operations, and is confident that it will not impact the going concern ability of the Fund.

2.1.4 Critical accounting estimates and judgments
The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. In the selection and application of the Fund’s accounting policies, which are described below, the fund management company is required to make judgments and assumptions and use assumptions in measuring items reported in the Financial Statements.

These estimates are based on the management’s knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates were revised if the revision affects only that period or in the period of the revision and future periods as well if the revision affects both the current and future periods. The management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value.

2.2 Financial instruments

2.2.1 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 market place.

2.2.2 Initial measurement of financial instrument
At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset.

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

2.2.3 Measurement categories of financial instruments
The Fund classifies all of its financial assets in the following measurement categories:

- those to be measured at amortised cost
- those to be measured at fair value through profit or loss

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD)

2.2.4 Subsequent measurement

Amortised cost: A debt instrument is measured at amortised cost if it is held within a business model where the 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 statement of financial position comprise investments in treasury bill repurchase agreements. As of 31st December 2025, the Fund has no such in investment. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented as realised gain/(loss) on debt Instruments held at amortised cost.

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 the payments of principal and interest on the principal amount outstanding

or

b) It is not held within a business model where the objective is either to collect contractual cash flows or to both collect contractual cash flows and sell

c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminate or significantly reduces 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 an investment that is subsequently measured at fair value through profit or loss (FVTPL) is recognised in profit or loss and presented on a net basis within unrealised gains/(losses) in the period in which it arises.

Financial assets measured at fair value through profit or loss in Statement of Financial Position have been valued in accordance with the valuation guidelines prescribed by the CIS Code.

2.2.5 Impairment

The Fund recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12months). The maximum period considered when estimating ECLs is the maximum contractual period over which the fund is exposed to credit risk.

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD)

2.2.5 Impairment (Contd)
Credit-impaired financial assets
At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due.
- The restructuring of a loan or advance by the Fund on terms that the Fund would not consider otherwise.
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

As of the statement of financial position date, the Fund has not observed any of the above thus no impairment provision has been recognised in the Financial Statements.

The Funds' investments at amortised cost have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses.

The Fund's investments in treasury bill repurchase agreements that are obtained from primary dealers are collateralised with government securities. Therefore, they are considered as low risk investments.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2.2.6 Derecognition
Financial assets
The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain the control of the financial asset.

The Fund enters into transactions whereby it transfers the assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.2.7 Write-offs
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD)

2.3 Recognition of income
Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific criteria must be also met before income is recognised.

Interest income
For all financial instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash appropriate, to the net carrying amount of the financial asset.

i. Unrealised gains/(losses) on financial assets held at fair value through profit or loss
This comprises all gains and losses that arise from changes in fair value of financial assets measured at fair value through profit or loss as at the reporting date.

ii. Realised gains/(losses) on financial assets held at fair value through profit or loss
This comprises all realised gains and losses arising from the acquisition and disposal of financial assets measured at fair value through profit or loss and amortised costs.

2.4 Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at bank. The cash flow statement has been prepared using the direct method. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.5 Income tax
Subsequent to the enactment of the new Inland Revenue Act No. 24 of 2017, effective from 01st April 2018, an Eligible Unit Trust would not be liable for income tax on any income which is a pass through to its unit holders. Accordingly, after 31st March 2018, the Fund has considered all income as being a pass through to its unit holders.

2.6 Expenses
The management, trustee and custodian fees of the Fund as per the trust deed are as follows,

Management fee	-	0.50% p.a. of net asset value of the Fund calculated daily
Trustee fee	-	0.15% p.a. of net asset value of the Fund calculated daily
Custodian fee	-	Rs 240,000 per Annum

2.7 Accrued expenses
Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.8 Unitholders' funds
Units can be issued and redeemed based on the Fund's net asset value per unit, calculated by dividing the net assets of the Fund as described in the Trust Deed and directives issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

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

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENT INCOME

	2025/2026 Rs.	For the period from 28th December 2023 to 31st March 2025 Rs.
3.1 Interest on		
Repurchase agreements	3,248,804	2,368,053
Savings accounts	147,628	159,815
	3,396,432	**2,527,868**
3.2 Dividend income		
Dividend income	8,817,922	2,206,343
	8,817,922	**2,206,343**

3.3 Income is recognised on accrual basis using the Effective Interest Rate method.

3.4 Notional tax is not applicable as per the new Inland Revenue Act No. 24 of 2017. Effective from 1st April 2023, withholding tax at the rate of 10% has been reintroduced on service fee payments which has a source in Sri Lanka and paid to a resident individual who is not an employee of the payer of such service fee.

4. REALISED GAIN ON FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025/2026 Rs.	For the period from 28th December 2023 to 31st March 2025 Rs.
Gain on marketable securities	19,514,522	29,119,341
Gain on disposal of units	2,952	
	19,517,474	**29,119,341**

5. UNREALISED GAIN ON FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

Unrealised appreciation of Equity Shares	12,414,631	12,411,829
	12,414,631	**12,411,829**

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

		As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
6. CASH AND BANK BALANCES			
DB savings account	6.1	436,217	220,389
		436,217	**220,389**

6.1 Cash and bank balances for the purpose of the statement of cash flow

Cash and cash equivalents	**436,217**	**220,389**

7. FINANCIAL ASSETS AT AMORTISED COST

Repurchase agreements	50,010,589	69,675,077
	50,010,589	**69,675,077**

7.1 Repurchase agreements

HNB Securities Ltd	50,010,589	69,675,077
	50,010,589	69,675,077

These repurchase agreements are entirely backed by government securities.
No impairment provisions derived through investments

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
8.1 Cost of purchases	634,632,877	93,339,804
Appreciation of marketable securities	24,826,448	12,411,829
Market Value as at end of the year	**659,459,325**	**105,751,632**

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTD…)

8.2 Quoted investments

	31-Mar-26				31-Mar-25			
	No of ordinary shares	Market Price Rs	Market value Rs	% of NAV	No of ordinary shares	Market Price Rs	Market value Rs	% of NAV
Banks								
Hatton National Bank	220,000	354.25	77,935,000	10.98%	1,650	255.25	421,163	0.24%
Commercial bank of ceylon PLC	350,000	204.25	71,487,500	10.07%	-	-	-	-
Nations trust bank PLC	70,000	289.25	20,247,500	2.85%	-	-	-	-
DFCC Bank PLC	-	-	-	-	28,163	106.00	2,985,278	1.70%
Sampath Bank PLC	-	-	-	-	130,000	122.50	15,925,000	9.06%
			169,670,000	23.90%			19,331,441	10.99%
Capital Goods								
Hemas holdings PLC	704,363	29.60	20,849,145	2.94%	-	-	-	-
Vallibel one PLC	62,932	91.90	5,783,451	0.81%	-	-	-	-
Hayleys PLC		-	-	-	53,000	137.00	7,261,000	4.13%
Sierra Cables PLC	900,000	28.30	25,470,000	3.59%	-	-	-	-
John Keells Holdings PLC					45,000	20.20	909,000	0.52%
Access Engineering PLC	875,000	67.00	58,625,000	24.00%	-	-	-	-
ACL Cables PLC	600,000	85.00	51,000,000	24.00%	-	-	-	-
Royal Ceramic Lanka PLC	900,000	43.00	38,700,000	24.00%	135,800	37.00	5,024,600	2.86%
			200,427,596	24.00%			13,194,600	7.50%
Diversified financials								
Peoples' Leasing & Finance PLC	-	-	-	-	305,000	17.90	5,459,500	3.10%
Central Finance Company PLC	80,000	228.00	18,240,000	2.57%	-	-	-	-
Commercial Credit and Finance PLC	150,000	110.00	16,500,000	2.32%	-	-	-	-
Mercantile Investments and Finance PLC	88,600	29.90	2,649,140	0.37%	-	-	-	-
			37,389,140	5.27%			5,459,500	3.10%
Foods Beverages & Tobacco								
Sunshine Holdings PLC	1,450,000	29.40	42,630,000	6.00%	674,800	21.50	14,508,200	8.25%
Lion Brewery Ceylon PLC	-	-	-	-	3,527	1,271.50	4,484,581	2.55%
			42,630,000	6.00%			18,992,781	10.80%
Materials								
Alumex PLC	800,000	16.60	13,280,000	1.87%	1,253,615	15.20	19,054,948	10.84%
CIC Holdings PLC	2,200,000	24.00	52,800,000	7.44%	109,150	77.90	8,502,785	4.84%
Dipped Product PLC	-	-	-	-	100,000	55.00	5,500,000	3.13%
Ex-Pack Corrugated Cartons PLC	-	-	-	-	573,279	13.90	7,968,578	4.53%
			66,080,000	9.31%			41,026,311	23.33%
Energy								
Lanka IOC PLC	-	-	-	-	61,000	127.00	7,747,000	4.41%
							7,747,000	4.41%
Realstate								
Prime Residencies PLC	652,973	46.70	30,493,839	4.30%	-	-	-	-
R I L Property PLC	500,000	25.10	12,550,000	1.77%	-	-	-	-
			43,043,839	6.06%				
Telecommunication Services								
Dialog axiata PLC	250,000	30.30	7,575,000	1.07%	-	-	-	-
			7,575,000	1.07%				
Transportation								
Digital Mobility Solutions Lanka PLC	675,000	137.25	92,643,750	13.05%	-	-	-	-
			92,643,750	13.05%				
			659,459,325	**92.89%**			**105,751,632**	**60.14%**

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTD...)

8.3 Determining of fair value and hierachy of fair value

Level 1 An investment in a fund is classified in Level 1 of the hierarchy when that investment is quoted in an active market and measured at the unadjusted quoted price at the reporting date.

Level 2 An investment in a fund is classified in Level 2 of the hierarchy when that investment is measured using inputs that are directly observable at the reporting date.

Level 3 An investment in a fund is classified in Level 3 of the hierarchy when the investment is measured using unobservable inputs at the reporting date.

Due to the nature of the short-term maturity, carrying value of the financial asset at amortised cost is approximated to their fair value.

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

As at 31st March 2026	Level 1	Level 2	Level 3	Total fair value
Financial asset measured at fair value through profit or loss				
Investment in listed shares	659,459,325	-	-	659,459,325
	659,459,325	-	-	**659,459,325**

As at 31st March 2025	Level 1	Level 2	Level 3	Total fair value
Financial asset measured at fair value through profit or loss				
Investment in listed shares	105,751,632	-	-	105,751,632
	105,751,632	-	-	**105,751,632**

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

9. OTHER PAYABLE

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Management fees	1,122,703	222,084
Trustee fees	187,117	44,797
Custodian fees	24,669	24,669
Audit and tax consultancy fees	424,194	392,846
Other	1,075,438	62
	2,834,121	**684,458**

All accrued balances are payable within one year

10. UNITS IN ISSUE AND UNIT PRICE

Number of units in issue and deemed to be in issue as at 31st March 2026 were 39,267,864.59 and net assets value per unit as at 31st March 2026 was Rs 18.078.

11. RELATED PARTY DISCLOSURE

11.1 Fund Managing Company and Trustee

The Fund Managing Company is Asia Securities Wealth Management (Private) Limited.

Effective from 5th August 2024, the trustee and custodian for the unit trust changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo Branch.

11.2 Key management personnel

Key management personnel include the persons who were directors of Asia Securities Wealth Management (Private) Limited at any time during the financial period.

a) Directors
Mr.Dumith Fernando
Mr.Avancka Herat
Mr.Arjuna Kumar Wignaraja

b) Key management personnel compensation
There were no payments made to the directors of Asia Securities Wealth Management (Private) Limited during the period by the fund.

c) Other transactions within the Fund
Apart from those details disclosed in Note 11.3, key management personnel have not entered into any other transactions involving the Fund during the financial period.

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

11. RELATED PARTY DISCLOSURE

11.3 Related party unit holding transactions and balances

The following are the units held by related parties.

	Relationship	No. of units 31.03.2026	Value of units held Rs. 31.03.2026
Unitholders			
Dumith Fernando	Chairman	2,073,210	36,941,493
Avancka Herat	Director	901	16,051
Asia Securities (Pvt) Ltd	Affiliate	21,510,638	383,287,298
Ms Chaya Jayawardhane	Chief Executive Officer	374,080	6,665,544
Others	Other KMPs	15,635	278,587.08

	Relationship	No. of units 31.03.2025	Value of units held Rs. 31.03.2025
Unitholders			
Dumith Fernando	Chairman	100,000	1,381,790
Avancka Herat	Director	901	12,447
Asia Securities (Pvt) Ltd	Affiliate	10,056,330	138,957,367
Others	Other KMPs	10,199	140,934.98

"Others" include other KMPs and spouses and children of directors. "Other KMPs" refers to all individuals who, directly or indirectly, had responsibility for planning, directing, and controlling the activities of the Fund during the financial period.

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

11. RELATED PARTY DISCLOSURE

11.4 Transactions and balances related to the service provided by related parties

Fees were charged by the Fund Managing Company and Trustee/Custodian for services provided during the period and the balances outstanding related to such services as at period end are as disclosed below:

Charges for the period with related parties	**2025/2026 Rs.**	**For the period from 28th December 2023 to 31st March 2025 Rs.**
Management fees by Asia securities Wealth Management (Pvt) Ltd	7,769,801	1,575,540
Trustee fees		
Custodian fee	1,318,372	317,788
	290,462	365,205

Balances with related parties		**As at 31.03.2026 Rs.**	**As at 31.03.2025 Rs.**
Saving account balance held at Deutsche Bank	Note 6	436,217	220,320
Management fees payable to Asia securities Wealth Management (Pvt) Ltd	Note 9	1,122,703	222,084
Trustee fees payable	Note 9	187,117	44,797
Custodian fees payable	Note 9	24,669	24,669

Please refer to the note 2.6 for terms and conditions of fees

12. 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 treasury bills and repurchase agreements, fixed deposits, commercial papers, trust certificates and money market savings deposits for the purpose of generating a return on the investment made by unit holders, in addition to cash at bank and other financial instruments such as receivables and payables, which arise directly from its operations.

The fund manager is responsible for identifying and controlling the risk that arise from these financial instruments. The fund manager agrees on policies for managing each of the risks identified below.

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

12. FINANCIAL RISK MANAGEMENT (CONTD…)

The risks are measured using a method that reflects the expected impact on the statement of profit or loss and statement of financial position 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, are 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, the investment committee, and ultimately the trustee of the Fund.

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

a) Credit risk

Credit risk is the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the Fund to incur a financial loss of interest and/or principal. The Fund’s exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the carrying amount of financial assets as at the reporting date. It is the Fund’s policy to enter into contracts with reputable counterparties. The Fund is subject to credit risk on its bank balances and investments at amortised cost. The credit risk exposure on these instruments is not deemed to be significant.

The Fund's maximum exposure to credit risk is the carrying amount of the financial assets are set out below;

Instrument	2026-03-31 Rs.	2025-03-31 Rs.
Repurchase agreements	50,010,589	69,675,077
Cash at the bank	436,217	220,389
Total	**50,446,806**	**69,895,466**

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

12. FINANCIAL RISK MANAGEMENT (CONTD…)

a) Credit risk (Contd)

The analysis below summarises the credit quality of the Fund's debt portfolio.

2026 Counterparty	Instrument	Investment value as at 31st March 2026(Rs.)	% of investment	Credit rating	Rating agency
HNB Securities Ltd	Repurchase Agreements	50,010,589	99.14%	A	Fitch Rating
Deutsche Bank	Savings	436,217	0.86%	A-	Fitch Rating
Total		**50,446,806**			

2025 Counterparty	Investment value as at 31st March 2025(Rs.)	% of investment	Credit rating	Rating agency
HNB Securities Ltd	69,675,077	99.68%	A	Fitch Rating
Deutsche Bank	220,389	0.32%	A-	Fitch Rating
Total	**69,895,466**			

b) Market risk

Market risk represents the risk that the value of the Fund's investments portfolios will fluctuate because of changes in market prices and rates. 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.

c) Price risk

Price risk is that the fair value of the fund's investment in trading securities will fluctuate as a result of changes in the price of the fund's investments in trading securities.Price risk exposure arises from the fund's investment portfolios.

The table below shows the impact on the statement of comprehensive income and statement of financial position due to a reasonably possible change in the price of the Funds' investment in trading securities, with all other variable held constatnt.

Change in the price of the funds investments in trading securities existing as of reporting date	31/03/2025	
	Increase / (Decreases) on profit before tax	Increases/(decreases) on amounts attributable to unit holders
+10%	10,575,163	10,575,163
-10%	10,575,163	10,575,163

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

12. FINANCIAL RISK MANAGEMENT (CONTD…)

d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest-bearing financial assets are exposed it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below summarises the Fund's exposure to interest rate risks

31st March 2026	Floating interest rate Rs.	Fixed interest rate Rs.	Non-interest bearing Rs.	Total Rs.
Financial assets				
Cash and cash equivalents	-	436,217	-	436,217
Financial assets at fair value through profit or loss	-	-	659,459,325	659,459,325
Financial assets at amortised cost	-	50,010,589	-	50,010,589
Total exposure	-	**50,446,806**	**659,459,325**	**709,906,131**

31st March 2025	Floating interest rate Rs.	Fixed interest rate Rs.	Non-interest bearing Rs.	Total Rs.
Financial assets				
Cash and cash equivalents	-	220,389	-	220,389
Financial assets at fair value through profit or loss	-	-	105,751,632	105,751,632
Financial assets at amortised cost	-	69,675,077	-	69,675,077
Total exposure	-	**69,895,466**	**105,751,632**	**175,647,098**

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

12. FINANCIAL RISK MANAGEMENT (CONTD…)

e) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. Units are redeemable at the unitholder's options based on the Fund's net asset value per unit at the time of redemption. The Fund manages its obligation when required to do so and its overall liquidity risk by:

- Investing primarily in financial instruments, which under normal market conditions is readily convertible to cash.
- The Fund will also make the Investments within the parameters set out by the Commission in accordance with the Unit Trust Code and the Trust Deed to ensure there is no concentration of risk.
- Maintaining sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. As a practice, we maintain a minimum of 3% of the deposited property to be maintained in cash or near cash. (Near cash means investments such as bank/call deposits, repurchase agreements with maturities of less than 3 months, commercial paper endorsed or guaranteed by a Licensed Commercial Bank or Licensed Specialized Bank with maturities of less than 3 months and government securities including government bonds with maturities of less than one year which can be readily convertible into cash.)
- Requiring at least 14 days prior to a written notice for unitholder redemption equal to, or greater than 3% of the net asset value of the Fund
- Continually search for new investors.

The time frame for return of cash to investors is five business days in which time investments may be recalled for redemption payouts. Further, the Fund is also permitted to borrow up to 15% of the deposited property for redemption payouts. Other financial liabilities have no contractual maturities. Due to the short-term nature of these financial instruments, carrying value approximates fair value.

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

12. FINANCIAL RISK MANAGEMENT (CONTD…)

e) Liquidity risk

The table below precises the Fund's non-derivative financial assets and liabilities with contractual maturities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

31.03.2026	Less than 30 days	31-90 days	91-180days	181 days and above	Total
Financial Assets					
Repurchase agreements	50,010,589				50,010,589
Total	**50,010,589**	-	-	-	**50,010,589**
Financial Liabilities					
Management Fee	(1,122,703)	-	-	-	(1,122,703)
Trustee Fee	(187,117)	-	-	-	(187,117)
Custody Fee	(24,669)	-	-	-	(24,669)
Total	**(1,334,489)**	-	-	-	**(1,334,489)**

31.03.2025	Less than 30 days	31-90 days	91-180days	181 days and above	Total
Financial Assets					
Repurchase agreements	69,678,782				69,678,782
Total	**69,678,782**	-	-	-	**69,678,782**
Financial Liabilities					
Management Fee	222,084	-	-	-	222,084
Trustee Fee	44,796	-	-	-	44,796
Custody Fee	24,669	-	-	-	24,669
Total	**291,549**	-	-	-	**291,549**

e) Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly daily as the Fund is subject to daily applications and redemptions at the discretion of unitholders. Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets daily by the Management Company. Under the terms of the Unit Trust Code, the Management Company has the discretion to reject an application for units and to defer redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund. The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to unit holders. Please refer to the Note 2 for more details. Disclosures relevant to unitholders' funds are as follows.

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

12. FINANCIAL RISK MANAGEMENT (CONTD…)

e) Capital risk management

The movement in the unitholders' funds for the period ended 31 March 2026.

I. In terms of value

	31/03/2026 Rs.
Unitholders' funds as at the beginning of the year	175,146,444
Creations during the year	540,271,693
Redemptions during the year	(27,232,976)
Increase in net assets attributable to unitholders during the year	18,898,888
Unitholders' funds as at 31 March 2026	**707,084,049**

II. In terms in numbers of units

	31/03/2026 Units
Opening number of units	12,589,579
Unit creations during the year	28,159,793
Unit redemptions during the year	(1,481,508)
Closing number of units as at 31 March 2026	**39,267,864**

The movement in the unitholders' funds for the period ended 31 March 2025.

I. In terms of value

	31/03/2025 Rs.
Unitholders' funds as at the beginning of the year	-
Creations during the year	137,119,571
Redemptions during the year	-
Increase in net assets attributable to unitholders during the year	38,026,873
Unitholders' funds as at 31 March 2025	**175,146,444**

II. In terms in numbers of units

	31/03/2025 Units
Opening number of units	-
Unit creations during the year	12,589,579
Unit redemptions during the year	-
Closing number of units as at 31 March 2025	**12,589,579**

Asia Securities Equity Opportunities Fund
NOTES TO THE FINANCIAL STATEMENTS

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

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Net asset value as per financial statements	709,918,170	175,146,444
Published net asset value	709,918,170	175,146,444
Published number of units	39,267,865	12,589,579
Net asset value per unit	18.078	13.912

14. EVENTS OCCURRING AFTER REPORTING DATE

No other events have occurred since the statement of financial position date which would require adjustments to, or disclosure in, the Financial Statements.

15. COMMITMENTS

There were no significant capital and financial commitments as at the reporting date.

16. CONTINGENCIES

There were no significant contingencies existing as at the reporting date that required adjustments to, or disclosures in, the Financial Statements.

ASIA SECURITIES
DYNAMIC INCOME FUND

ASIA SECURITIES DYNAMIC INCOME FUND REVIEW
(Inception: 20th Jan 2025)

Fund Manager
Nadarajah Gowthaman

Fund Objective
The investment objective is to optimize income at low to medium levels of risk through investments only in Fitch rated BBB- or above corporate debt instruments and government securities.

Fund Return

Period	ASDIF Return	CRISIL 364 Benchmark Return
2025-26 (Annualized) (31 Mar 2025 to 31 Mar 2026)	09.08%	07.76%
Since Inception CAGR (15 Dec 2022 to 31 Mar 2025)	09.12%	01.33%

Commentary
Since its inception on Jan 20, 2025, the Asia Security Dynamic Income Fund has delivered a strong annualized CAGR of 09.12% as of March 31, 2026, offering attractive returns to investors. The fund primarily focuses on government securities, repos, and corporate papers, ensuring a balanced and strategic approach to fixed-income investments.

During the 2025/26 financial year, interest rates followed a gradual downward trajectory, supported by the Central Bank's accommodative monetary policy stance. Over the period, policy rates were reduced by a cumulative 25 basis points, contributing to improved market liquidity and easing funding conditions.

Against this backdrop, our portfolio strategy remained focused on capitalizing on high-yielding corporate securities, enabling the Fund to enhance return generation while preserving sufficient liquidity to meet investor obligations. We maintained a disciplined approach in balancing yield optimization with prudent liquidity management and selective credit exposure, ensuring that risks were managed within acceptable parameters.

However, between December 2025 and March 2026, the interest rate trajectory reversed, with a gradual upward adjustment driven by climate-related disruptions and emerging geopolitical tensions in the Middle East. In response to this evolving environment, the Fund remained well-positioned to capture opportunities arising from changing market dynamics.

ASIA SECURITIES DYNAMIC INCOME FUND REVIEW

(Inception: 15th Dec. 2022)

Macroeconomic Overview: Sri Lanka (2025/26)

Sri Lanka's economy continued its recovery in 2025, supported by sustained macroeconomic stabilization and ongoing structural reforms. Real GDP growth reached approximately 5%, marking the second consecutive year of expansion. Improved policy consistency and stabilizing economic conditions have enhanced investor confidence and strengthened overall economic resilience.

Inflation turned positive from mid-2025 following a period of deflation, driven by the moderation of energy price declines and an increase in food prices. The Central Bank maintained an accommodative monetary policy stance, supporting a low-interest rate environment and contributing to robust credit growth and domestic demand.

The external sector remained strong, with a current account surplus recorded for the third consecutive year, supported by elevated remittances and services exports. Continued foreign exchange inflows facilitated reserve accumulation, while the Sri Lankan rupee experienced a modest depreciation under a flexible exchange rate regime.

Fiscal performance improved further, with the government maintaining a primary surplus for the third consecutive year, driven by revenue-based consolidation efforts. The financial sector also strengthened, supported by improvements in profitability, asset quality, and capital buffers across institutions.

The recovery has been underpinned by policy discipline, IMF-supported reforms, continued reserve build-up, and financial sector stability, alongside ongoing regulatory enhancements and digital transformation initiatives.

Global Context

Sri Lanka continues to operate in an increasingly uncertain global environment, characterized by geopolitical tensions, rising protectionism, and trade fragmentation. Escalating and protracted conflicts, particularly in the Middle East, could lead to higher energy and shipping costs, supply chain disruptions, and increased volatility in global inflation. Nevertheless, the continued accumulation of reserves and improvements in external sector fundamentals provide a degree of resilience against these external shocks.

Domestic Outlook

Looking ahead, inflation is expected to rise toward the upper end of the Central Bank's target range and remain elevated in the near term, driven by significant adjustments in domestic energy prices, the lagged effects of currency depreciation, and persistently high global commodity prices, before gradually stabilizing. In response to these emerging inflationary pressures, the Monetary Policy Board, at its meeting in May 2026, increased the Overnight Policy Rate (OPR) by 100 basis points to 8.75%. Meanwhile, credit growth is expected to continue at a steady and moderate pace.

The external sector is expected to be more volatile due to heightened geopolitical risks associated with the Middle East conflict and the potential for a wider current account deficit, particularly through higher energy import costs and trade disruptions. Although remittances, tourism, services exports, IMF-related inflows should continue to provide support, these buffers may be partially offset by external shocks and financing pressures. Fiscal policy is expected to remain anchored in revenue-based consolidation, supporting medium-term macroeconomic stability despite a potentially more challenging external environment.

The financial sector is likely to remain resilient, underpinned by strong capital and liquidity buffers. Overall growth momentum is expected to continue, although it will depend on investment activity, reconstruction efforts, and the pace of structural reforms.

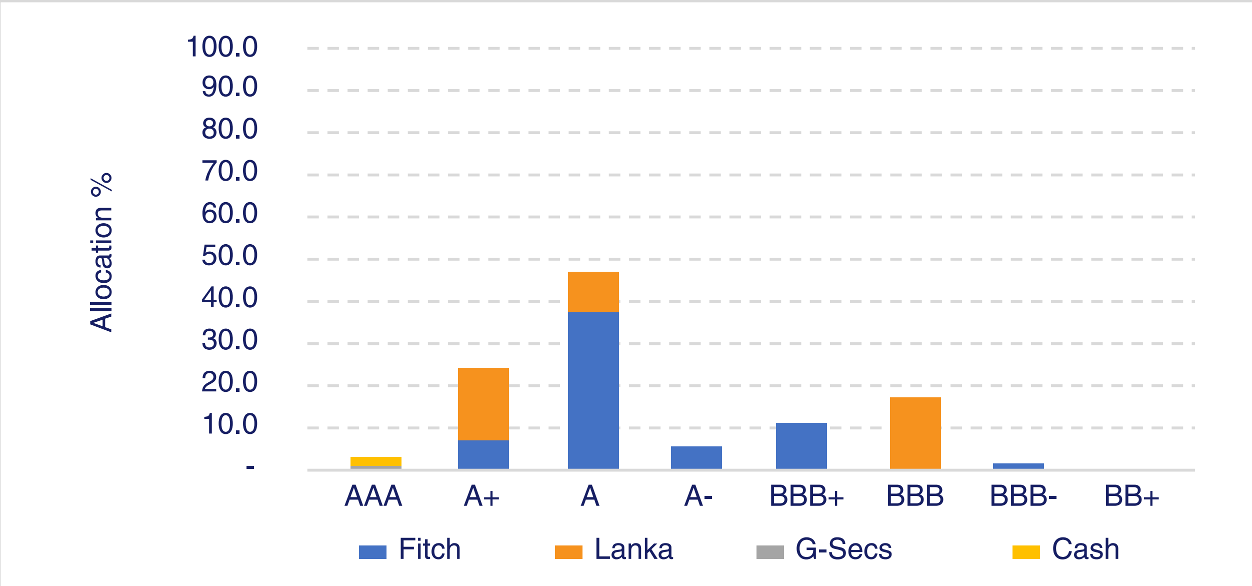
ASIA SECURITIES DYNAMIC INCOME FUND REVIEW

Key Risks

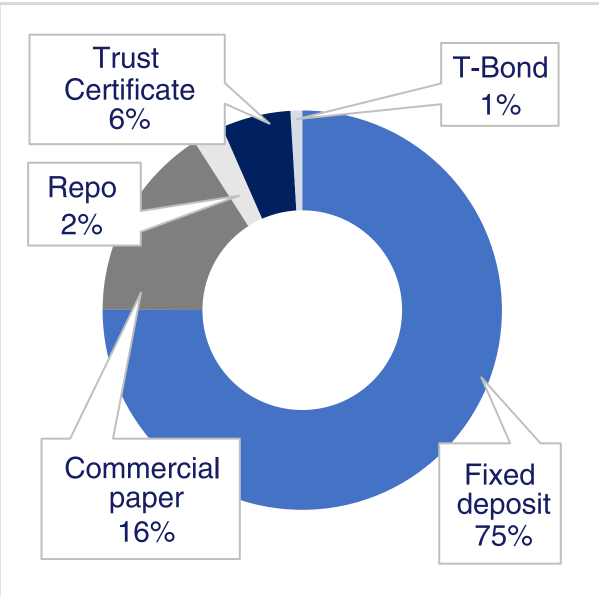
Despite the broadly neutral outlook, several risks remain. On the external front, geopolitical tensions, global trade disruptions, rising energy and logistics costs, and subdued global growth combined with financial market volatility could weigh on the outlook. Domestically, risks include inflationary pressures from global spillovers, climate-related shocks and natural disasters, rapid credit expansion leading to potential sectoral vulnerabilities, and structural constraints that may limit long-term growth
Source: CBSL

Key Facts of the Fund

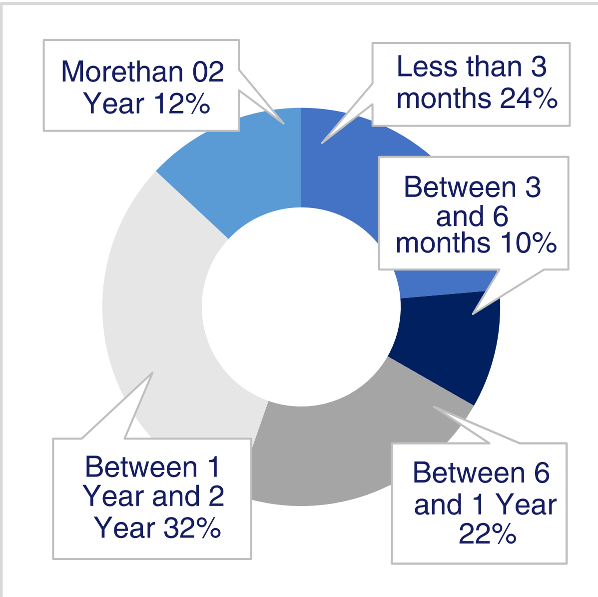
Fund Credit Quality -% of NAV



Instrument Allocation



Maturity Profile



ASIA SECURITIES DYNAMIC INCOME FUND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Tel : +94-11-2421878-79-70
+94-11-2387002-03
Fax : +94-11-2336064
E-mail : bdopartners@bdo.lk
Website : www.bdo.lk

Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES DYNAMIC INCOME FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Asia Securities Dynamic Income Fund ("the Fund"), which comprise the statement of financial position as at 31st March 2026 and the statement of comprehensive income, the statement of changes in unitholders' funds and the statement of cash flows for the period then ended, and notes to the Financial Statements, including a summary of material accounting policy information as set out on pages 143 to 159.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31st March 2026, and of its financial performance and its cash flows for the period 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 (Asia Securities Wealth Management (Pvt) Ltd) is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and the Auditor's Report therein. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above, and in doing so, consider whether the other information is materially consistent with the Financial Statements and our knowledge obtained in the audit, or otherwise whether it appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the Fund managing Company.

Responsibilities of Fund Managing Company and Those Charged with Governance for the Financial Statements

The Fund Managing Company and the Trustee are responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, fund managing company 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 managing company 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.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES DYNAMIC INCOME FUND

Report on the audit of the financial statements (Contd.)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- obtain an understanding of internal 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 managing company.

- conclude on the appropriateness of fund managing company'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 the fund managing company 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.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES DYNAMIC INCOME FUND

Report on the audit of the financial statements (Contd.)

Report on Other Legal and Regulatory Requirements

The Financial Statements have been prepared and presented in accordance with and comply with the Collective Investment Scheme Code (CIS Code) issued by the Securities and Exchange Commission of Sri Lanka under the Act No.19 of 2021 and the Trust Deed.

BDO Partners

CHARTERED ACCOUNTANTS
Colombo
08th July 2026
TR/cc

Asia Securities Dynamic Income Fund
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST MARCH 2026

	Note	For the period from 20.01.2025 to 31.03.2026 Rs.
REVENUE		
Interest income	3	1,888,191,453
Fair value gain on financial assets held at fair value through profit or loss	4	55,419,563
Total revenue		**1,943,611,016**
EXPENSES		
Management fees		(63,802,640)
Trustee fees		(34,647,416)
Custodian fees		(346,167)
Audit fees		(748,378)
Other expenses		(172,618,988)
Total expenses		**(272,163,589)**
Profit for the period		**1,671,447,427**
Increase in net assets attributable to unit holders		**1,671,447,427**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy information and notes on pages 143 to 159 forms an integral part of these Financial Statements.

Asia Securities Dynamic Income Fund
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2026

	Note	As at 31.03.2026
ASSETS		**Rs.**
Cash and cash equivalents	5	73,388
Financial assets at amortised cost	6	23,860,079,253
Financial assets at fair value through profit or loss	7	1,576,739,659
Total assets		**25,436,892,300**
UNIT HOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Other payable	8	12,508,382
Total liabilities		**12,508,382**
UNIT HOLDERS' FUNDS		
Net assets attributable to unit holders		
Total unit holders' funds and liabilities		25,424,383,918
		25,436,892,300

The accounting policy information including a summary of material accounting policy information and notes on pages 143 to 159 forms an integral part of these Financial Statements.

The Fund Managing Company and the Trustee are responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and these Financial Statements were approved by the Fund Managing Company and the Trustee on 08th July 2026

DEUTSCHE BANK AG
Colombo Branch
Authorised Signatories
Trustee

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

Trustee
Deutsche Bank AG

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

BDO PARTNERS
Chartered Accountants

Colombo
08th July 2026

Asia Securities Dynamic Income Fund
STATEMENT OF CHANGES IN UNITHOLDERS' FUND
FOR THE PERIOD ENDED 31ST MARCH 2026

	No of units	Unitholders' fund Rs.
Increase in net assets attributable to unitholders	-	1,671,447,427
Creation of units	2,367,294,178	24,583,531,039
Redemption of units	(76,027,422)	(830,594,548)
Net increase due to unitholders transactions	2,291,266,756	23,752,936,491
Unitholders' funds as at 31st March 2026	**2,291,266,756**	**25,424,383,918**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy information and notes on pages 143 to 159 forms an integral part of these Financial Statements.

Asia Securities Dynamic Income Fund
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31ST MARCH 2026

	For the period from 20.01.2025 to 31.03.2026 Rs.
Cash flows from operating activities	
Interest received	415,351,050
Other expenses paid	(657,215)
Management fees and trustee fees paid	(87,036,662)
Investment in repurchase agreements	(91,357,879,423)
Investment in Commercial Papers	(5,334,275,059)
Investment in Fixed Deposits	(22,206,095,000)
Investment in Trust Certificates	(1,390,000,000)
Investment in T-Bonds	(3,447,765,382)
Maturity proceed from repurchase agreements	90,728,379,423
Maturity proceed from Commercial Papers	1,664,401,886
Maturity proceed from Fixed Deposits	4,040,868,000
Maturity proceed from T-Bills	3,221,845,280
Net cash used in operating activities	**(23,752,863,103)**
Cash flows from financing activities	
Amounts received on unit creations	24,583,531,039
Amounts paid on unit redemptions	(830,594,548)
Net cash generated from financing activities	**23,752,936,491**
Net increase in cash and cash equivalents during the period	73,388
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period (Note 5)	**73,388**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy information and notes on pages 143 to 159 forms an integral part of these Financial Statements.

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Legal and domiciled

Asia Securities Dynamic Income Fund (“the Fund”) is an open-ended fund approved by the Securities and Exchange Commission of Sri Lanka. The Fund was launched on 20th January 2025. The Fund is managed by Asia Securities Wealth Management (Private) Limited which is incorporated and domiciled in Sri Lanka. The registered office of the fund managing company is located at 4th Floor, Lee Hedges Tower, No 349, Galle Road, Colombo 03. Effective from 5th August 2024, the Trustee and Custodian of the unit trust changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo Branch, located at Level 21, One Galle Face Tower, 1A Centre Road, Galle Face, Colombo 02.

The investment objective of the Fund is to maximise the returns by investing in high quality corporate debt instruments, government securities and securities issued by banks and non banking financial institutions. There were no significant changes in the nature of the principal activities of the unit trust during the year under review.

1.2 Date of authorization for issue

The Financial Statements of the Fund for the period ended 31st March 2026 were authorised for issue by the fund managing company and the Trustee on 08th July 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Preparation of Financial Statements

The principal accounting policies adopted in the preparation of these Financial Statements are set out below.

2.1.1 Basis of preparation

The Financial Statements of the Fund have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (“SLFRS”s), Sri Lanka Accounting Standards (“LKAS”s), relevant interpretations of the Standing Interpretations Committee (“SIC”) and International Financial Reporting Interpretations Committee (“IFRIC”).

These Financial Statements have been prepared under the historical cost convention. The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Fund's Financial Statements are disclosed in Note 2.1.4 to the Financial Statements.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Changes in accounting standards

New accounting standards, amendments and interpretations issued but not yet effective

- Amendments to Sri Lanka Accounting Standards relating to SLFRS 9 – Financial Instruments and SLFRS 7 – Financial Instruments; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2026.
- SLFRS 17: Insurance Contracts - Effective for annual reporting periods beginning on or after 01st January 2026
- SLFRS 18: Presentation and Disclosure in Financial Statements – Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted
- SLFRS 19: Subsidiaries without Public Accountability; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted

2.1.2 Statement of Compliance

As per the requirements of the Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka (SEC), Managing Companies and Trustees of the Unit Trusts are directed to maintain a minimum number of fifty (50) unit holders for each Fund at all times. Where the minimum number of unit holders fall below the specified minimum threshold due to redemption by a unit holder or any other supervening circumstance, the managing company of the Fund is required to make the best efforts for compliance within 3 months from the date of the first shortfall and should consult the Commission forthwith. Asia Securities Money Market Fund complies with this rule.

The Financial Statements which comprise the statement of financial position as at 31st March 2026, statement of comprehensive income, statement of changes in unitholders' fund and statement of cash flows for the period from 20th January 2025 to 31st March 2026 and a summary of material accounting policy information and other explanatory information have been prepared and presented in accordance with Sri Lanka Accounting Standards and the requirements of the Unit Trust Deed and Unit Trust Code of the Securities and Exchange Commission of Sri Lanka.

Fund Managing Company’s and Trustee’s Responsibility for Financial Statements

The fund managing company is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and CIS code 2022 of the Securities and Exchange Commission of Sri Lanka.

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

Financial Statements of the Fund at 31st March 2026 comprise,

- The statement of comprehensive income providing information on the performance for the period under review.
- Statement of financial position providing information on the financial position of the Fund as at the end of the period.
- Statement of changes in unitholders' fund providing the movement in the unitholders' funds during the period under review.
- Notes to the Financial Statements, which comprise of the accounting policies including a summary of material accounting policy information and other explanatory notes.

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1.3 Going Concern

These Financial Statements are prepared on the assumption that the Fund is a going concern as continuing in operation for the forseeable future. It is therefore assumed that the Fund has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operation. The managing company of the Fund has assessed the potential impact of the current economic condition on the Fund's operations, and is confident that it will not impact the going concern ability of the Fund.

2.1.4 Critical accounting estimates and judgments

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. In the selection and application of the Fund’s accounting policies, which are described below, the fund management company is required to make judgments and assumptions and use assumptions in measuring items reported in the Financial Statements.

These estimates are based on the management’s knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates were revised if the revision affects only that period or in the period of the revision and future periods as well if the revision affects both the current and future periods. The management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value.

2.2 Financial instruments

2.2.1 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 market place.

2.2.2 Initial measurement of financial instrument

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset.

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

2.2.3 Measurement categories of financial instruments

The Fund classifies all of its financial assets in the following measurement categories:

- those to be measured at amortised cost
- those to be measured at fair value through profit or loss

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.2.4 Subsequent measurement

Amortised cost: A debt instrument is measured at amortised cost if it is held within a business model where the 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 statement of financial position comprise investments in treasury bill repurchase agreements. As of 31st December 2025, the Fund has no such in investment. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented as realised gain/(loss) on debt Instruments held at amortised cost.

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 the payments of principal and interest on the principal amount outstanding
or
b) It is not held within a business model where the objective is either to collect contractual cash flows or to both collect contractual cash flows and sell
c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminate or significantly reduces 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 an investment that is subsequently measured at fair value through profit or loss (FVTPL) is recognised in profit or loss and presented on a net basis within unrealised gains/(losses) in the period in which it arises.

Financial assets measured at fair value through profit or loss in Statement of Financial Position have been valued in accordance with the valuation guidelines prescribed by the CIS Code.

2.2.5 Impairment

The Fund recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12months). The maximum period considered when estimating ECLs is the maximum contractual period over which the fund is exposed to credit risk.

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due.
- The restructuring of a loan or advance by the Fund on terms that the Fund would not consider otherwise.
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

As of the statement of financial position date, the Fund has not observed any of the above thus no impairment provision has been recognised in the Financial Statements.

The Funds' investments at amortised cost have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses.

The Fund's investments in treasury bill repurchase agreements that are obtained from primary dealers are collateralised with government securities. Therefore, they are considered as low risk investments.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2.2.6 Derecognition

Financial assets
The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain the control of the financial asset.

The Fund enters into transactions whereby it transfers the assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.2.7 Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.3 Recognition of income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. The following specific criteria must also be met before the income is recognised.

Interest income

For all financial instruments, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash appropriate, to the net carrying amount of the financial asset.

i. Unrealised gains/(losses) on financial assets held at fair value through profit or loss

This comprises all gains and losses that arise from changes in fair value of financial assets measured at fair value through profit or loss as at the reporting date.

ii. Realised gains/(losses) on financial assets held at fair value through profit or loss

This comprises all realised gains and losses arising from the acquisition and disposal of financial assets measured at fair value through profit or loss and amortised costs.

2.4 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at bank. The cash flow statement has been prepared using the direct method. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.5 Income tax

Subsequent to the enactment of the new Inland Revenue Act No. 24 of 2017, effective from 01st April 2018, an Eligible Unit Trust would not be liable for income tax on any income which is a pass through to its unit holders. Accordingly, after 31st March 2018, the Fund has considered all income as being a pass through to its unit holders.

2.6 Expenses

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

Management fee	-	0.30% p.a. of net asset value of the Fund calculated daily
Trustee fee	-	0.15% p.a. of net asset value of the Fund calculated daily
Custodian fee	-	Rs 240,000 per Annum

2.7 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.8 Unitholders' funds

Units can be issued and redeemed based on the Fund's net asset value per unit, calculated by dividing the net assets of the Fund as described in the Trust Deed and directives issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

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

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

		For the period from 20.01.2025 to 31.03.2026 Rs.
3.	**INTEREST INCOME**	
	3.1 Interest on	
	Repurchase agreements	118,700,040
	Fixed deposits	1,306,503,427
	Commercial papers	414,991,432
	Treasury bond-coupon	37,319,752
	Money market bank accounts	70,328
	T Bond - Discount income	2,455,789
	Trust certificate	3,772,603
	Placement fee	4,378,082
		1,888,191,453

3.2 Interest Income is recognised on accrual basis using the effective interest rate method.

3.3 Notional tax is not applicable as per the new Inland Revenue Act No. 24 of 2017. Effective from 1st April 2024, withholding tax at the rate of 10% has been reintroduced on service fee payments which have a source in Sri Lanka and paid to a resident individual who is not an employee of the payer of such service fee.

			For the period from 20.01.2025 to 31.03.2026 Rs.
4.	**FAIR VALUE GAIN**		
	Unrealised gains on financial assets held at fair value through profit or loss	**(Note 4.1)**	37,020,827
	Realised gains on financial assets held at fair value through profit or loss	**(Note 4.2)**	18,398,736
			55,419,563

4.1 Unrealised gain/(loss) on financial assets held at fair value through profit or loss

Treasury bonds	(391,169)
Trust certificates	37,411,996
	37,020,827

4.2 Realised gain on financial assets held at fair value through profit or loss

Treasury bonds	18,398,736
	18,398,736

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2026 Rs.
5. CASH AND CASH EQUIVALENTS	
DB Savings account	73,388
	73,388

5.1 Cash and cash equivalents for the purpose of the statement of cash flow

Cash and cash equivalents	**73,388**

	As at 31.03.2026 Rs.
6. FINANCIAL ASSETS AT AMORTISED COST	
Repurchase agreements	630,377,373
Fixed deposits	19,090,491,091
Investment in commercial papers	4,043,937,365
Investment in trust certificates	93,395,342
Placement fee receivable	1,878,082
	23,860,079,253

6.1 Repurchase agreements

Wealth Trust Securities	263,108,293
DFCC Bank PLC	367,269,080
	630,377,373

These repurchase agreements are entirely backed by government securities. No impairment provision derived through these investments.

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2026 Rs.
7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	
Treasury bonds	239,327,663
Investment in trust certificates	1,337,411,996
	1,576,739,659

Trust certificates having a remaining maturity period of more than 397 days shall be valued on a marked to market basis in accordance with the applicable valuation requirements.

Determining of fair value and hierachy of fair value

Level 1
An investment in a fund is classified in Level 1 of the hierarchy when that investment is quoted in an active market and measured at the unadjusted quoted price at the reporting date.

Level 2
An investment in a fund is classified in Level 2 of the hierarchy when that investment is measured using inputs that are directly observable at the reporting date.

Level 3
An investment in a fund is classified in Level 3 of the hierarchy when the investment is measured using unobservable inputs at the reporting date.

Due to the nature of the short-term maturity, carrying value of the financial asset at amortised cost is approximated to their fair value.

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

As at 31st March 2026	Level 1	Level 2	Level 3	Total fair value
Financial asset measured at fair value through profit or loss				
Treasury bonds	-	239,327,663	-	239,327,663
Trust certificates	-	-	1,337,411,996	1,337,411,996
	-	-	-	1,576,739,659

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

8. OTHER PAYABLES

	As at 31.03.2026 Rs.
Management fees	7,823,261
Trustee fees	3,911,631
Custodian fees	24,669
Audit and tax consultancy fees	748,378
Others	443
	12,508,382

All accrued balances are payable within one year

9. UNITS IN ISSUE AND UNIT PRICE

Number of units in issue and deemed to be in issue as at 31st March 2026 was 2,291,266,756.39 and net assets value per unit as at 31st March 2026 was Rs.11.096. Please refer to Note 12.

10. RELATED PARTY DISCLOSURE

10.1 Fund managing company and Trustee
The management company is Asia Securities Wealth Management (Private) Limited.

Effective from 5th August 2024, the trustee and custodian for the unit trust funds managed by Asia Securities Wealth Management (Pvt) Limited changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo Branch, located at Level 21, One Galle Face Tower, 1A Centre Road, Galle Face, Colombo 02.

10.2 Key management personnel
Key management personnel includes persons who were directors of Asia Securities Wealth Management (Private) Limited at any time during the financial period.

a) Directors

Mr.Dumith Fernando
Mr.Avancka Herat
Mr. Arjuna Kumar Wignaraja

b) Key management personnel compensation

There were no payments made to the directors of Asia Securities Wealth Management (Private) Limited during the period by the Fund.

c) Other transactions within the Fund

Apart from those details disclosed in Note 10.3, key management personnel have not entered into any other transactions involving the Fund during the financial period.

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY DISCLOSURE (CONTD)

10.3 Related party unitholding transactions and balances

The following are the units held by related parties.

Company / KMP	Relationship	No of Units Held 31.03.2026 Rs.	Value of units held 31.03.2026 Rs.
Mr. Dumith Fernando	Chairman	Nil	Nil
Mr. Avancka Herat	Director	Nil	Nil
Mr. Arjuna Kumar Wignaraja	Director	Nil	Nil
Ms Chaya Jayawardhane	Chief Executive Officer	9,219	102,296
Other		Nil	Nil

10.4 Asia Securities' Discretionary Employee Retirement Benefit Plan

The Discretionary Employee Retirement Benefit Plan program is available to all the employees of Asia Securities Wealth Management (Pvt) Ltd and its affilliates,including non-executive directors.This is a special benefit that the Company grants to its employees and its non-executive directors.

	No of Units Held 31.03.2026	Value of units held 31.03.2026
Asia Securities' Discretionary Employee Retirement Benefit Plan	276,635	3,069,598
	276,635	3,069,598

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY DISCLOSURE (CONTD)

10.5 Transactions and balances related to the service provided by related parties

Fees were charged by the management company and trustee for services provided during the period and the balances outstanding related to such services as at period end are as disclosed below:

Charges for the period with related parties	For the period from 20.01.2025 to 31.03.2026 Rs.
Management fees by Asia securities Wealth Management (Private) Ltd	63,802,640
Trustee fees	34,647,416
Custodian fee	346,167

Balances with related parties		As at 31.03.2026 Rs.
Saving account balance held at Deutsche Bank at 31st March		73,388
Management fees payable to Asia securities Wealth Management (Pvt) Ltd	(Note 8)	7,823,261
Trustee fees payable Deutsche Bank	(Note 8)	3,911,631
Custodian fees payable Deutsche Bank	(Note 8)	24,669

Please refer to the Note 2.6 for terms and conditions

11. 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 treasury bills and repurchase agreements, fixed deposits, commercial papers, trust certificates and money market savings deposits 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.

The fund manager is responsible for identifying and controlling the risk that arise from these financial instruments. 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 the statement of profit or loss and statement of financial position 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, the investment committee, and ultimately the trustee of the Fund.

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

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

a) Credit risk
Credit risk is the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the Fund to incur a financial loss of interest and/or principal. The Fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the carrying amount of financial assets as at the reporting date. It is the Fund's policy to enter contracts with reputable counterparties. The Fund is subject to credit risk on its bank balances and investments at amortised cost. The credit risk exposure on these instruments is not deemed to be significant.

The Fund's maximum exposure to credit risk is the carrying amount of the financial assets are set out below;

Instrument	31st March 2026 (Rs.)
Repurchase agreements	630,377,373
Treasury bonds	239,327,663
Cash at the bank	73,388
Investment in trust certificate	1,430,807,338
Fixed deposits	19,090,491,091
Investment in commercial papers	4,043,937,365
Placement fee receivable in fixed deposits	1,878,082
Total	**25,436,892,302**

The analysis below summarises the credit quality of the Fund's investment portfolio at 31st March 2026.

2026 Counterparty	Instrument	Investment value as at 31 March 2026 (Rs.)	% of investment	Credit rating	Rating agency
Wealth Trust Securities	Repurchase agreements	263,108,293	1.03%	A-	LRA Rating
DFCC Bank	Repurchase agreements	367,269,080	1.44%	A	LRA Rating
Deutsche Bank	Savings	73,388	0.00%	A-	Fitch Rating
Peoples Leasing and Finance PLC	Fixed deposits	3,683,202,885	14.48%	A-	LRA Rating
HNB Finance	Fixed deposits	3,269,514,146	12.85%	A	LRA Rating
Siyapatha Finance	Fixed deposits	956,103,978	3.76%	A	LRA Rating
LOLC Finance	Fixed deposits	4,091,582,099	16.09%	A+	LRA Rating
LB Finance PLC	Fixed deposits	1,458,286,795	5.73%	A+	LRA Rating
Merchant Bank of Sri Lanka & Finance PLC	Fixed deposits	766,453,914	3.01%	BBB+	LRA Rating
Singer (Lanka) Finance PLC	Fixed deposits	2,105,405,537	8.28%	AA-	LRA Rating
Mercantile Investment and Finance PLC	Fixed deposits	309,139,710	1.22%	BBB-	LRA Rating
Asia Asset Finance PLC	Fixed deposits	1,674,073,151	6.58%	A+	LRA Rating
CBC Finance PLC	Fixed deposits	778,606,959	3.06%	BBB+	LRA Rating
Asia Asset Finance PLC	Investment in trust certificate	93,395,342	0.37%	A+	Fitch Rating
Siyapatha Finance	Investment in trust certificate	541,443,771	2.13%	BBB+	LRA Rating
Singer Finance	Investment in trust certificate	795,968,225	3.13%	BBB+	LRA Rating
Asia Securities (Pvt) Ltd	Commercial Papers	1,792,940,713	7.05%	BB+	LRA Rating
LOLC Holdings PLC	Commercial Papers	2,250,996,653	8.85%	A	LRA Rating
Investment in Government Bond		239,327,663	0.94%	-	-
Total		**25,436,892,302**			

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD.)

a) Credit risk (Contd…)
Debt securities by rating category.

Rating	31.03.2026
A	6,843,883,857
A+	7,317,337,386
A-	3,946,384,566
AA-	2,105,405,537
BB+	1,792,940,713
BBB+	2,882,472,869
BBB-	309,139,710
Government securities	239,327,663
Total	**25,436,892,301**

b) Market risk
Market risk represents the risk that the value of the Fund's investments portfolios will fluctuate because of changes in market prices and rates. 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.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate because 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 table below summarises the Fund's exposure to interest rate risks.

31/03/2026	**Floating interest rate (Rs.)**	**Fixed interest rate (Rs.)**	**Non-interest bearing (Rs.)**	**Total Rs.**
Financial assets				
Cash and cash equivalents	-	73,388	-	73,388
Financial assets at fair value through profit or loss	1,576,739,659	-	-	1,576,739,659
Financial assets at amortised cost	-	23,860,079,253	-	23,860,079,253
Total exposure	**1,576,739,659**	**23,860,152,641**	**-**	**25,436,892,300**

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. Units are redeemable at the unitholder's options based on the Fund's net asset value per unit at the time of redemption.

The Fund manages its obligation when required to do so and its overall liquidity risk by:

- Investing primarily in financial instruments, which under normal market conditions are readily convertible to cash.
- The Fund will also make the investments within the parameters set out by the Commission in accordance with the Unit Trust Code and the Deed to ensure there is no concentration of risk.
- Maintaining sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. As a practice we maintain a minimum of 3% of the deposited property to be maintained in cash or near cash. (Near cash means investments such as bank/call deposits, repurchase agreements with maturities of less than 3 months, commercial paper endorsed or guaranteed by a licensed Commercial Bank or licensed specialised bank with maturities of less than 3 months and government securities including government bonds with maturities of less than one year which can be readily convertible into cash.)
- Requiring at least 14 days prior written notice for unitholder redemption equal to or greater than 3% of the net asset value of the Fund.
- Continually search for new investors.

The time frame for return of cash to investors is five business days in which time investments may be recalled for redemption payouts. Further, the Fund is also permitted to borrow up to 15% of the deposited property for redemption payouts. Other financial liabilities have no contractual maturities. Due to the short-term nature of these financial instruments, carrying value approximates fair value.

The table below precises the Fund's non derivative financial assets and liabilities with contractual maturities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

31-03-2026	Less than 30 days	31 - 90 days	91 - 180 days	181 days and above	Total
Financial Assets					
Treasury bills	-	-	-	-	-
Treasury bonds	-	-	-	240,383,872	240,383,872
Repurchase agreements	630,377,373	-	-	-	630,377,373
Fixed deposits	548,750,000	2,184,275,000	2,514,773,000	14,346,117,500	19,593,915,500
Commercial paper	855,789,070	1,844,569,276		1,539,228,785	4,239,587,131
Trust certificates				1,593,777,630	1,593,777,630
Total	**2,034,916,443**	**4,028,844,276**	**2,514,773,000**	**17,719,507,787**	**26,298,041,506**
Financial Liabilities					
Management fee	7,823,261	-	-	-	7,823,261
Trustee fee	3,911,631	-	-	-	3,911,631
Custody fee	24,669	-	-	-	24,669
Total	**11,759,561**	-	**-**	**-**	**11,759,561**

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

d) Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding that net asset attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly daily as the Fund is subject to daily applications and redemptions at the discretion of unitholders. Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets by the management company. Under the terms of the Unit Trust Code, the management company has the discretion to reject an application for units and to defer redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund. The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to unitholders. Please refer to the Note 2.2 for more details. Disclosures relevant to unitholders' funds are as follows.

The movement in the unitholders' funds for the period ended 31st March 2026

I. In terms of value

	31st March 2026 **Rs.**
Unitholders' funds as at the beginning of the period	-
Creations during the period	24,583,531,039
Redemptions during the period	(830,594,548)
Increase in net assets attributable to unitholders during the period	1,671,447,427
Unitholders' funds as at 31st March 2026	**25,424,383,918**

II. In terms in numbers of units

	31st March 2026 **Units**
Opening number of units	-
Unit creations during the period	2,367,294,178
Redemptions during the period	(76,027,422)
Closing number of units as at 31st March 2026	**2,291,266,756**

Asia Securities Dynamic Income Fund
NOTES TO THE FINANCIAL STATEMENTS

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

	As at 31.03.2026 Rs.
Net asset value as per Financial Statements	25,424,383,918
Published net asset value	25,424,383,919
Published number of units as at 31st March	2,291,266,756
Net asset value per unit	**11.096**

13. EVENTS OCCURRING AFTER REPORTING DATE

No other events have occurred since the statement of financial position date which would require adjustments to or disclosure in the Financial Statements.

14. COMMITMENTS

There were no significant capital and financial commitments as at the reporting date.

15. CONTINGENCIES

There were no significant contingencies existing as at the reporting date that required adjustments to or disclosures in the Financial Statements.

ASIA SECURITIES
DYNAMIC GILT FUND

ASIA SECURITIES DYNAMIC GILT FUND REVIEW

(Inception: 31st July 2024)

Fund Manager

Nadarajah Gowthaman

Fund Objective

Maximize the returns at the moderate level of risk, with the potential of making capital gains through exclusively investing in medium to long term government securities in both primary and secondary markets.

Fund Return

Period	ASDGF Return	CRISIL 364 Benchmark Return
2025-26 (Annualized) (31 Mar 2025 -31 Mar 2026)	07.63%	07.76%
YTD (Annualized) (31 Dec 2025 – 31 Mar 2026)	05.20%	07.69%

Commentary

Over the course of the 2025/26 financial year, the Asia Securities Dynamic Gilt Fund delivered an annualized return of 7.63% to its investors. The fund primarily invests in long-term government securities and actively manages duration to capitalize on higher yields in a declining interest rate environment. However, market volatility arising from geopolitical tensions in the Middle East towards the end of the financial year had a negative impact on performance, partially offsetting the gains generated during the period.

ASIA SECURITIES DYNAMIC GILT FUND REVIEW

(Inception: 31st July 2024)

Macroeconomic Overview:
Sri Lanka (2025/26)

Sri Lanka's economy continued its recovery in 2025, supported by sustained macroeconomic stabilization and ongoing structural reforms. Real GDP growth reached approximately 5%, marking the second consecutive year of expansion. Improved policy consistency and stabilizing economic conditions have enhanced investor confidence and strengthened overall economic resilience.

Inflation turned positive from mid-2025 following a period of deflation, driven by the moderation of energy price declines and an increase in food prices. The Central Bank maintained an accommodative monetary policy stance, supporting a low-interest rate environment and contributing to robust credit growth and domestic demand.

The external sector remained strong, with a current account surplus recorded for the third consecutive year, supported by elevated remittances and services exports. Continued foreign exchange inflows facilitated reserve accumulation, while the Sri Lankan rupee experienced a modest depreciation under a flexible exchange rate regime.

Fiscal performance improved further, with the government maintaining a primary surplus for the third consecutive year, driven by revenue-based consolidation efforts. The financial sector also strengthened, supported by improvements in profitability, asset quality, and capital buffers across institutions.

The recovery has been underpinned by policy discipline, IMF-supported reforms, continued reserve build-up, and financial sector stability, alongside ongoing regulatory enhancements and digital transformation initiatives.

Global Context

Sri Lanka continues to operate in an increasingly uncertain global environment, characterized by geopolitical tensions, rising protectionism, and trade fragmentation. Escalating and protracted conflicts, particularly in the Middle East, could lead to higher energy and shipping costs, supply chain disruptions, and increased volatility in global inflation. Nevertheless, the continued accumulation of reserves and improvements in external sector fundamentals provide a degree of resilience against these external shocks.

Domestic Outlook

Looking ahead, inflation is expected to rise toward the upper end of the Central Bank's target range and remain elevated in the near term, driven by significant adjustments in domestic energy prices, the lagged effects of currency depreciation, and persistently high global commodity prices, before gradually stabilizing. In response to these emerging inflationary pressures, the Monetary Policy Board, at its meeting in May 2026, increased the Overnight Policy Rate (OPR) by 100 basis points to 8.75%. Meanwhile, credit growth is expected to continue at a steady and moderate pace.

The external sector is expected to be more volatile due to heightened geopolitical risks associated with the Middle East conflict and the potential for a wider current account deficit, particularly through higher energy import costs and trade disruptions. Although remittances, tourism, services exports, IMF-related inflows should continue to provide support, these buffers may be partially offset by external shocks and financing pressures. Fiscal policy is expected to remain anchored in revenue-based consolidation, supporting medium-term macroeconomic stability despite a potentially more challenging external environment.

The financial sector is likely to remain resilient, underpinned by strong capital and liquidity buffers. Overall growth momentum is expected to continue, although it will depend on investment activity, reconstruction efforts, and the pace of structural reforms.

ASIA SECURITIES DYNAMIC GILT FUND REVIEW

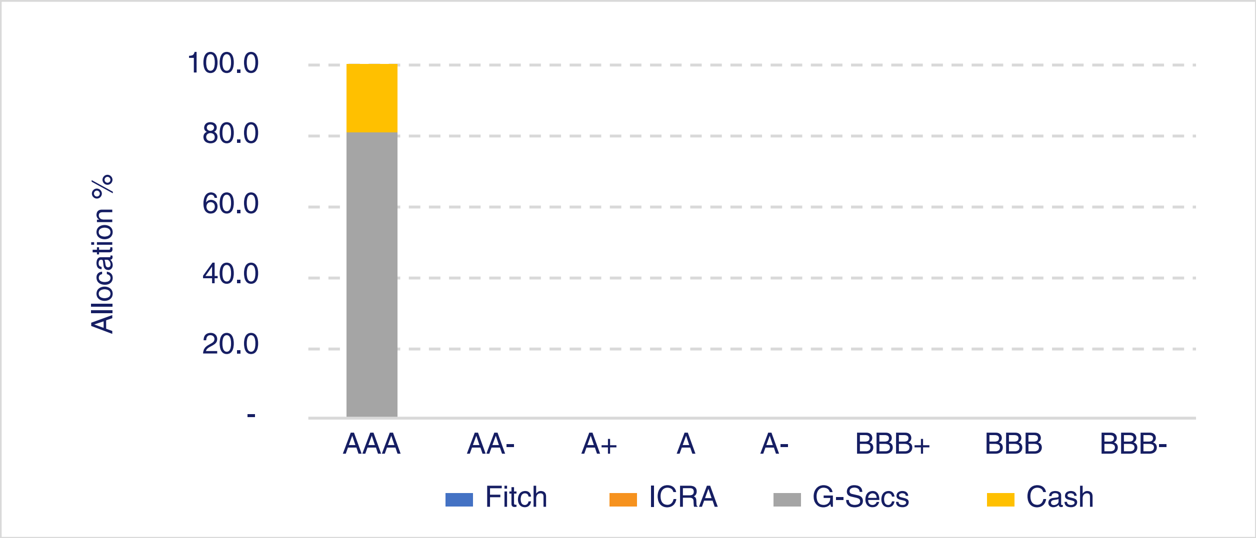
Key Risks

Despite the broadly neutral outlook, several risks remain. On the external front, geopolitical tensions, global trade disruptions, rising energy and logistics costs, and subdued global growth combined with financial market volatility could weigh on the outlook. Domestically, risks include inflationary pressures from global spillovers, climate-related shocks and natural disasters, rapid credit expansion leading to potential sectoral vulnerabilities, and structural constraints that may limit long-term growth

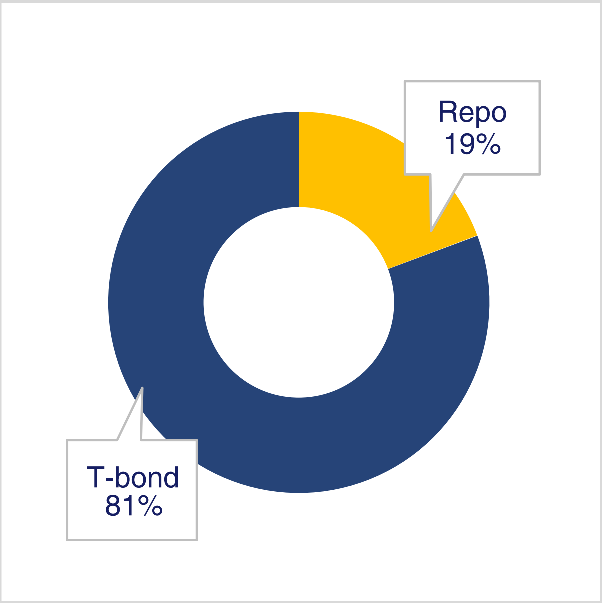
Source: CBSL

Key Facts of the Fund

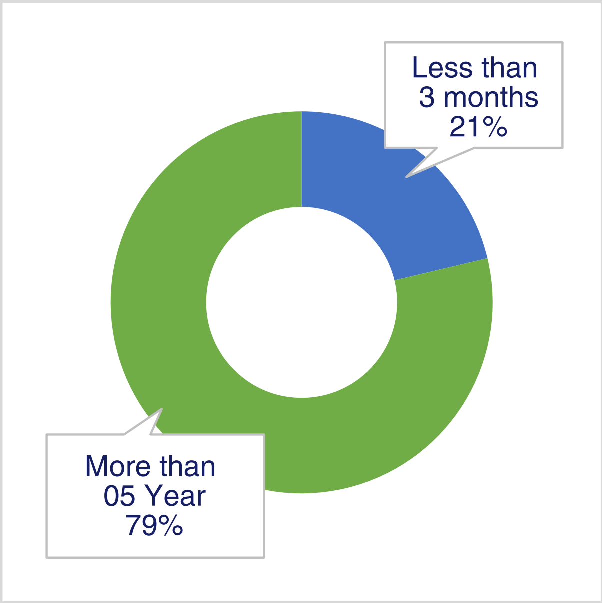
Fund Credit Quality -% of NAV



Instrument Exposure



Maturity Profile



ASIA SECURITIES DYNAMIC GILT FUND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Tel : +94-11-2421878-79-70
+94-11-2387002-03
Fax : +94-11-2336064
E-mail : bdopartners@bdo.lk
Website : www.bdo.lk

Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES DYNAMIC GILT FUND

Report on the audit of the financial statements

Opinion

We have audited the Financial Statements of Asia Securities Dynamic Gilt Fund ("the Fund"), which comprise the statement of financial position as at 31st March 2026 and the statement of comprehensive income, the statement of changes in unitholders' funds and the statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policy information as set out on pages 172 to 187.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31st 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 matter

The Financial Statements of the Fund for the year ended 31st March 2025 were audited by another auditor who expressed an unmodified opinion on those financial statements on 16th July 2025.

Other Information

The Fund Managing Company (Asia Securities Wealth Management (Pvt) Ltd) is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and the Auditor's Report therein. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above, and in doing so, consider whether the other information is materially consistent with the Financial Statements and our knowledge obtained in the audit, or otherwise whether it appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the Fund managing Company.

Responsibilities of Fund Managing Company and Those Charged with Governance for the Financial Statements

The Fund Managing Company and the Trustee are responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES DYNAMIC GILT FUND

In preparing the Financial Statements, fund managing company 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 managing company 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

- obtain an understanding of internal 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 managing company.

- conclude on the appropriateness of fund managing company'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 the those charge 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.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIA SECURITIES DYNAMIC GILT FUND

Report on Other Legal and Regulatory Requirements

The Financial Statements have been prepared and presented in accordance with and comply with the Collective Investment Scheme Code (CIS Code) issued by the Securities and Exchange Commission of Sri Lanka under the Act No.19 of 2021 and the Trust Deed.

BDO Partners

CHARTERED ACCOUNTANTS
Colombo
08th July 2026
TR/dm

Asia Securities Dynamic Gilt Fund
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2026

		2025/2026	For the period from 31st July 2024 to 31st March 2025
REVENUE	**Note**	**Rs.**	**Rs.**
Interest income	3	400,088,005	289,668,566
Fair value (loss)/gain on financial assets held on fair value through profit or loss	4	(39,193,637)	60,670,516
Total revenue		360,894,368	350,339,082
EXPENSES			
Management fees		(15,298,441)	(9,110,921)
Trustee fees		(8,038,348)	(5,513,275)
Custodian fees		(290,462)	(193,376)
Audit fees		(704,156)	(609,588)
Other expenses		(154,305)	(396,135)
Total expenses		(24,485,712)	(15,823,295)
Profit for the year/period		336,408,656	334,515,787
Increase in net assets attributable to unitholders		336,408,656	334,515,787

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy infomation and notes from pages 172 to 187 form an integral part of these Financial Statements.

Asia Securities Dynamic Gilt Fund
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2026

	Note	31/03/2026 Rs.	31/03/2025 Rs.
ASSETS			
Cash and cash equivalents	5	36,616	2,036,219
Financial assets at amortised cost	6	464,642,868	1,960,711,358
Financial assets at fair value through profit or loss	7	2,403,698,341	3,091,969,617
Total assets		2,868,377,825	5,054,717,194
UNITHOLDERS' FUNDS AND LIABILITIES			
LIABILITIES			
Other payables	8	2,060,518	2,692,029
Total liabilities		2,060,518	2,692,029
UNITHOLDERS' FUNDS			
Net assets attributable to unitholders		2,866,317,307	5,052,025,165
		2,866,317,307	5,052,025,165
Total unitholders' funds and liabilities		2,868,377,825	5,054,717,194

The accounting policy information including a summary of material accounting policy infomation and notes from pages 172 to 187 form an integral part of these Financial Statements.

The Fund Managing Company and the Trustee are responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and these Financial Statements were approved by the Fund Managing Company and the Trustee on 08th July 2026.

DEUTSCHE BANK AG
Colombo Branch
Authorised Signatories
Trustee

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

Trustee
Deutsche Bank AG

Director
Asia Securities Wealth Management (Private) Limited
Fund Managing Company

BDO PARTNERS
Chartered Accountants

Colombo
08th July 2026

Asia Securities Dynamic Gilt Fund
STATEMENT OF CHANGES IN UNITHOLDERS' FUND
FOR THE YEAR ENDED 31ST MARCH 2026

Description	No. of units	Unitholders' fund Rs.
Increase in net assets attributable to unitholders	-	334,515,787
Creation of units	469,989,275	4,719,509,378
Redemption of units	(187,268)	(2,000,000)
Net increase/(decrease) due to unitholders' transactions	469,802,007	4,717,509,378
Unitholders' funds as at 31st March 2025	**469,802,007**	**5,052,025,165**

Description	No. of units	Unitholders' fund Rs.
Unitholders' funds as at 31st March 2025	469,802,007	5,052,025,164
Increase in net assets attributable to unitholders	-	336,408,656
Creation of units	67,673	750,000
Redemption of units	(222,225,510)	(2,522,866,513)
Net increase/(decrease) due to unitholders' transactions	(222,157,837)	(2,522,116,513)
Unitholders' funds as at 31st March 2026	**247,644,170**	**2,866,317,307**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy infomation and notes from pages 172 to 187 form an integral part of these Financial Statements.

Asia Securities Dynamic Gilt Fund
STATEMENT OF CASH FLOWS
FOR THE YAER ENDED 31ST MARCH 2026

		2025/2026	For the period from 31st July 2024 to 31st March 2025
Cash flows from operating activities		**Rs.**	**Rs.**
Interest received		493,552,724	182,209,302
Gain on disposal of treasury bills		-	1,498,374
Gain on disposal of treasury bonds		11,756,802	37,765,335
Other expenses paid		(759,949)	(395,954)
Management fees, trustee fees and custodian fees paid		(24,353,427)	(12,735,312)
Investment in repurchase agreements		(85,214,730,654)	(52,699,608,566)
Investment in T-Bills		-	(4,346,832,974)
Investment in T-Bonds		(5,342,669,133)	(1,906,838,396)
Maturity proceeds from repurchase agreements		86,709,570,693	50,740,625,407
Maturity proceeds from T-Bills		2,503,059,846	1,843,773,128
Maturity proceeds from T-Bonds		3,384,690,009	1,445,066,497
Net cash used in operating activities		**2,520,116,910**	**(4,715,473,159)**
Cash flows from financing activities			
Amounts received on unit creations		750,000	4,719,509,378
Amounts paid on unit redemptions		(2,522,866,513)	(2,000,000)
Net cash generated from financing activities		**(2,522,116,513)**	**4,717,509,378**
Net increase in cash and cash equivalents during the year		(1,999,603)	2,036,219
Cash and cash equivalents as at the beginning of the year		2,036,219	-
Cash and cash equivalents as at the end of the year	**(Note 5.1)**	**36,616**	**2,036,219**

Figures in brackets indicate deductions.

The accounting policy information including a summary of material accounting policy infomation and notes from pages 172 to 187 form an integral part of these Financial Statements.

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Legal and domiciled

Asia Securities Dynamic Gilt Fund (“the Fund”) is an open-ended fund approved by the Securities and Exchange Commission of Sri Lanka. The Fund was launched on 31st July 2024. The Fund is managed by Asia Securities Wealth Management (Private) Limited which is incorporated and domiciled in Sri Lanka. The registered office of the fund managing company is located at 4th Floor, Lee Hedges Tower, No 349, Galle Road, Colombo 03. Effective from 5th August 2024, the trustee and custodian for the unit trust changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo Branch, located at Level 21, One Galle Face Tower, 1A Centre Road, Galle Face, Colombo 02.

The investment objective of the Fund is to maximise the returns at moderate level of risk, with the potential of making capital gains through exclusively investing in medium to long term government securities in both primary and secondary markets. There were no significant changes in the nature of the principal activities of the unit trust during the year under review.

1.2 Date of authorization for issue

The Financial Statements of the Fund for the period ended 31st March 2026 were authorised for issue by the fund managing company and the Trustee on 08th July 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Preparation of Financial Statements

The principal accounting policies adopted in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise it is stated.

2.1.1 Basis of accounting

The Financial Statements of the Fund have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (“SLFRS”), Sri Lanka Accounting Standards (“LKAS”), relevant interpretations of the Standing Interpretations Committee (“SIC”) and International Financial Reporting Interpretations Committee (“IFRIC”).

These Financial Statements have been prepared under the historical cost convention. The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Fund's Financial Statements are disclosed in Note 2.1.4 to the Financial Statements.

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

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1.1 Basis of accounting (Contd)

Changes in accounting standards

New accounting standards, amendments and interpretations issued but not yet effective

- Amendments to Sri Lanka Accounting Standards relating to SLFRS 9 – Financial Instruments and SLFRS 7 – Financial Instruments; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2026.
- SLFRS 17: Insurance Contracts - Effective for annual reporting periods beginning on or after 01st January 2026
- SLFRS 18: Presentation and Disclosure in Financial Statements – Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted
- SLFRS 19: Subsidiaries without Public Accountability; Disclosures - Effective for annual reporting periods beginning on or after 01st January 2027 with early application permitted

2.1.2 Statement of Compliance

As per the requirements of the Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka (SEC), Managing Companies and Trustees of the Unit Trusts are directed to maintain a minimum number of fifty (50) unit holders for each Fund at all times. Where the minimum number of unit holders fall below the specified minimum threshold due to redemption by a unit holder or any other supervening circumstance, the managing company of the Fund is required to make the best efforts for compliance within 3 months from the date of the first shortfall and should consult the Commission forthwith. Asia Securities Money Market Fund complies with this rule.

The Financial Statements which comprise the statement of financial position as at 31st March 2026, statement of comprehensive income, statement of changes in unitholders' fund and statement of cash flows for the period from 20th January 2025 to 31st March 2026 and a summary of material accounting policy information and other explanatory information have been prepared and presented in accordance with Sri Lanka Accounting Standards and the requirements of the Unit Trust Deed and Unit Trust Code of the Securities and Exchange Commission of Sri Lanka.

Fund Managing Company's and Trustee's Responsibility for Financial Statements

The fund manager is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and CIS code 2022 of the Securities and Exchange Commission of Sri Lanka.

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

Financial Statements of the Fund at 31st March 2026 comprise,

- The statement of comprehensive income providing information on the performance for the year under review.
- Statement of financial position providing the information on the financial position of the Fund as at the year end.
- Statement of changes in unitholders' fund providing the movement in the unitholders' funds during the year under review.
- Notes to the Financial Statements, which comprise of the accounting policies and other explanatory notes and information.

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1.3 Going Concern
These Financial Statements are prepared on the assumption that the Fund is a going concern as continuing in operation for the forseeable future. It is therefore assumed that the Fund has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operation. The managing company of the Fund has assessed the potential impact of the current economic condition on the Fund's operations, and is confident that it will not impact the going concern ability of the Fund.

2.1.4 Critical accounting estimates and judgments
The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. In the selection and application of the Fund's accounting policies, which are described below, the fund management company is required to make judgments and assumptions and use assumptions in measuring items reported in the Financial Statements.

These estimates are based on the management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates were revised if the revision affects only that period or in the period of the revision and future periods as well if the revision affects both the current and future periods. The management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value.

2.2 Financial instruments
2.2.1 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 market place.

2.2.2 Initial measurement of financial instrument
At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset.

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

2.2.3 Measurement categories of financial instruments
The Fund classifies all of its financial assets in the following measurement categories:

- those to be measured at amortised cost
- those to be measured at fair value through profit or loss

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.2.4 Subsequent measurement
Amortised cost: A debt instrument is measured at amortised cost if it is held within a business model where the 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 statement of financial position comprise investments in treasury bill repurchase agreements. As of 31st December 2025, the Fund has no such in investment. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented as realised gain/(loss) on debt Instruments held at amortised cost.

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 the payments of principal and interest on the principal amount outstanding
or
b) It is not held within a business model where the objective is either to collect contractual cash flows or to both collect contractual cash flows and sell
c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminate or significantly reduces 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 an investment that is subsequently measured at fair value through profit or loss (FVTPL) is recognised in profit or loss and presented on a net basis within unrealised gains/(losses) in the period in which it arises.

Financial assets measured at fair value through profit or loss in the Statement of Financial Position have been valued in accordance with the valuation guidelines prescribed by the CIS Code.

2.2.5 Impairment
The Fund recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12months). The maximum period considered when estimating ECLs is the maximum contractual period over which the fund is exposed to credit risk.

Credit-impaired financial assets
At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due.
- The restructuring of a loan or advance by the Fund on terms that the Fund would not consider otherwise.
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

As of the statement of financial position date, the Fund has not observed any of the above thus no impairment provision has been recognised in the Financial Statements.

The Funds' investments at amortised cost have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses.

The Fund's investments in treasury bill repurchase agreements that are obtained from primary dealers are collateralised with government securities. Therefore, they are considered as low risk investments.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2.2.6 Derecognition

Financial assets
The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain the control of the financial asset.

The Fund enters into transactions whereby it transfers the assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.2.7 Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.3 Recognition of income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. The following specific criteria must also be met before the income is recognised.

Interest income

For all financial instruments, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash appropriate, to the net carrying amount of the financial asset.

i. Unrealised gains/(losses) on financial assets held at fair value through profit or loss

This comprises all gains and losses that arise from changes in fair value of financial assets measured at fair value through profit or loss as at the reporting date.

ii. Realised gains/(losses) on financial assets held at fair value through profit or loss

This comprises all realised gains and losses arising from the acquisition and disposal of financial assets measured at fair value through profit or loss and amortised costs.

2.4 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at bank. The cash flow statement has been prepared using the direct method. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.5 Income tax

Subsequent to the enactment of the new Inland Revenue Act No. 24 of 2017, effective from 01st April 2018, an Eligible Unit Trust would not be liable for income tax on any income which is a pass through to its unit holders. Accordingly, after 31st March 2018, the Fund has considered all income as being a pass through to its unit holders.

2.6 Expenses

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

Management fee - 0.30% p.a. of net asset value of the Fund calculated daily
Trustee fee - 0.15% p.a. of net asset value of the Fund calculated daily
Custodian fee - Rs 240,000 per Annum

2.7 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.8 Unitholders' funds

Units can be issued and redeemed based on the Fund's net asset value per unit, calculated by dividing the net assets of the Fund as described in the Trust Deed and directives issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

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

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

3. INTEREST INCOME

	2025/2026	For the period from 31st July 2024 to 31st March 2025
	Rs.	Rs.
3.1 Interest on		
Repurchase agreements	117,319,529	98,688,324
Treasury bills	140,849,154	148,507,715
Treasury bonds	141,873,852	42,382,263
Money market bank accounts	45,470	90,264
	400,088,005	**289,668,566**

3.2 Income is recognised on accrual basis using the effective interest rate method.

3.3 Notional tax is not applicable as per the new Inland Revenue Act No. 24 of 2017. Effective from 1st April 2024, withholding tax at the rate of 10% has been reintroduced on service fee payments which have a source in Sri Lanka and paid to a resident individual who is not an employee of the payer of such service fee.

4. FAIR VALUE (LOSS)/GAIN ON FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

		2025/2026	For the period from 31st July 2024 to 31st March 2025
		Rs.	Rs.
Unrealised (loss)/gain on financial assets fair value through profit or loss	**4.1**	(35,698,871)	21,406,808
Realised (loss)/gain on financial assets fair value through profit or loss	**4.2**	(3,494,766)	39,263,708
		(39,193,637)	**60,670,516**

4.1 Unrealised (loss)/gain on financial assets fair value through profit or loss

Treasury bills	-	15,251,568
Treasury bonds	(35,698,871)	6,155,240
	(35,698,871)	**21,406,808**

4.2 Realised (loss)/gain on financial assets fair value through profit or loss

Treasury bills	(15,251,568)	1,498,373
Treasury bonds	11,756,802	37,765,335
	(3,494,766)	**39,263,708**

CASH AND CASH EQUIVALENTS

	As at 31.03.2026	As at 31.03.2025
	Rs.	Rs.
Deutsche Bank savings account	36,616	2,036,219
	36,616	2,036,219

5.1 Cash and bank balances for the purpose of the statement of cash flows

Cash and cash equivalents	36,616	2,036,219

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

			As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
6.	**FINANCIAL ASSETS AT AMORTISED COST**			
	Repurchase agreements	6.1	464,642,868	1,960,711,358
			464,642,868	**1,960,711,358**
	6.1 Repurchase agreements			
	Wealth Trust Securities		464,642,868	1,960,711,358
			464,642,868	**1,960,711,358**

These repurchase agreements are entirely backed by government securities. No impairment provisions are derived through investments.

		As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
7.	**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**		
	Treasury bills	-	2,611,300,380
	Treasury bonds	2,403,698,341	480,669,237
		2,403,698,341	**3,091,969,617**

7.1 Determining of fair value and hierarchy of fair value

Level 1: An investment in a fund is classified in Level 1 of the hierarchy when that investment is quoted in an active market and measured at the unadjusted quoted price at the reporting date.

Level 2: An investment in a fund is classified in Level 2 of the hierarchy when that investment is measured using inputs that are directly observable at the reporting date.

Level 3: An investment in a fund is classified in Level 3 of the hierarchy when the investment is measured using unobservable inputs at the reporting date.

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

As at 31st March 2026	Level 1	Level 2	Level 3	Total fair value
Financial asset measured at fair value through profit or loss				
Government securities	2,403,698,341	-	-	2,403,698,341
	2,403,698,341	-	-	**2,403,698,341**

As at 31st March 2025	Level 1	Level 2	Level 3	Total fair value
Financial asset measured at fair value through profit or loss				
Government securities	3,091,969,617	-	-	3,091,969,617
	3,091,969,617	-	-	**3,091,969,617**

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
8. OTHER PAYABLES		
Management fees	887,608	1,281,885
Trustee fees	443,803	775,705
Custodian fees	24,669	24,669
Audit and tax consultancy fees	704,156	609,588
Others	282	182
	2,060,518	**2,692,029**

All accrued balances are payable within one year.

9. UNITS IN ISSUE AND UNIT PRICE

Number of units in issue and deemed to be in issue as at 31st March 2026 was 247,644,169.95 and net assets value per unit as at 31st March 2026 was Rs 11.574.

10. RELATED PARTY DISCLOSURE

10.1 Fund Managing Company and Trustee

The Fund Managing Company is Asia Securities Wealth Management (Private) Limited.

Effective from 5th August 2024, the Trustee and Custodian for the unit trust changed from Hatton National Bank PLC to Deutsche Bank AG, Colombo Branch, located at Level 21, One Galle Face Tower, 1A Centre Road, Galle Face, Colombo 02.

10.2 Key management personnel

Key management personnel includes persons who were directors of Asia Securities Wealth Management (Private) Limited at any time during the financial period.

Company / KMP

Mr.Dumith Fernando

Mr.Avancka Herat

Mr. Arjuna Kumar Wignaraja

10.3 Key management personnel compensation

There were no payments made to the directors of Asia Securities Wealth Management (Private) Limited during the period by the Fund.

10.4 Other transactions within the Fund

Apart from those details disclosed in Note 10.7, key management personnel have not entered into any other transactions involving the Fund during the financial period.

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY DISCLOSURE (CONTD)

10.5 Related party unitholding transactions and balances

Key management personnel made no investments during the financial period.

10.6 Asia Securities' discretionary employee retirement benefit plan

The discretionary employee retirement benefit plan programme is available to all employees of Asia Securities Wealth Management (Pvt) Ltd and its affiliates, including non-executive directors. This is a special benefit that the company grants to its employees and its non-executive directors.

	No. of Units Held 2026	Value of Units Held 2026
Asia Securities' discretionary employee retirement benefit plan	330,584	3,826,278
	330,584	**3,826,278**

	No. of Units Held 2025	Value of Units Held 2025
Asia Securities' discretionary employee retirement benefit plan	330,584	3,554,940
	330,584	**3,554,940**

10.7 Transactions and balances related to the service provided by related parties

Fees were charged by the fund managing company and trustee/custodian for services provided during the period and the balances outstanding related to such services as at the year end are as disclosed below:

Charges for the period with related parties	**2025/2026 Rs.**	**For the period from 31st July 2024 to 31st March 2025 Rs.**
Management fees to Asia Securities Wealth Management (Private) Limited	15,298,441	9,110,921
Trustee fees	8,038,348	5,513,275
Custodian fees	290,462	193,376

Balances with related parties	**As at 31.03.2026 Rs.**	**As at 31.03.2025 Rs.**
Savings account balance held at Deutsche Bank 31st March (Note 05)	36,616	2,036,219
Management fees payable to Asia Securities Wealth Management (Pvt) Ltd (Note 08)	887,608	1,281,885
Trustee fees payable (Note 08)	443,803	775,705
Custodian fees payable (Note 08)	24,669	24,669

Please refer to the note 2.6 for terms and conditions

Deutsche Bank has not invested in the Fund during the year.

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

11. 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 treasury bills, treasury bonds, and repurchase agreements, and money market savings deposits 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.

The Fund Manager is responsible for identifying and controlling the risk that arise from these financial instruments. 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 the statement of profit or loss and statement of financial position 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 management on a regular basis as deemed appropriate, including the fund manager, other key management, the investment committee, and ultimately the trustee of the Fund. The concentration of risk arises when several financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions.

a) Credit risk
Credit risk is the risk that the counterparty to the financial instruments will fail to discharge an obligation and cause the Fund to incur a financial loss of interest and/or principal. The Fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the carrying amount of financial assets as at the reporting date. It is the Fund's policy to enter into contracts with reputable counterparties. The Fund is subject to credit risk on its bank balances and investments at amortised cost. The credit risk exposure on these instruments is not deemed to be significant.

The Fund's maximum exposure to credit risk is the carrying amount of the financial assets set out below.

Instrument	**31/03/2026 Rs.**	**31/03/2025 Rs.**
Repurchase agreements	464,642,868	1,960,711,358
Treasury bills	-	2,611,300,380
Treasury bonds	2,403,698,341	480,669,237
Cash at bank	36,616	2,036,219
Total	**2,868,377,825**	**5,054,717,194**

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD.)

a) Credit risk (Contd…)
The analysis below summarises the credit quality of the Fund's investment portfolio as at 31st March 2026.

2026 Counterparty	Instrument	Investment value as at 31 March 2026 (Rs.)	% of investment	Credit rating	Rating agency
Wealth Trust Securities	Repo	464,642,868	16.20%	A-	LRA Rating
Deutsche Bank	Savings	36,616	0.001%	A-	Fitch Rating
Government Securities	Treasury Bond	2,403,698,341	83.800%	-	-
Total		**2,868,377,825**			

The analysis below summarises the credit quality of the Fund's investment portfolio as at 31st March 2025.

2025 Counterparty	Investment value as at 31 March 2026 (Rs.)	% of investment	Credit rating	Rating agency
HNB Securities Ltd	1,960,711,358	38.79%		Not rated
Deutsche Bank	2,036,219	0.04%	A-	Fitch Rating
Government Securities	3,091,969,617	61.17%		
Total	**5,054,717,194**			

Debt securities by rating category

Rating	2026	2025
A-	464,679,484	2,036,219
BBB		
Not rated	2,403,698,341	1,960,711,358
Government securities	-	3,091,969,617
Total	**2,868,377,825**	**5,054,717,194**

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD.)

b) Market risk

Market risk represents the risk that the value of the Fund's investments portfolios will fluctuate because of changes in market prices and rates. 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.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because 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 table below summarises the Fund's exposure to interest rate risks.

03/31/2026 Financial assets	Floating interest rate (Rs.)	Fixed interest rate (Rs.)	Non-interest bearing (Rs.)	Total (Rs.)
Cash and cash equivalents	-	36,616	-	36,616
Financial assets at fair value through profit or loss	-	2,403,698,341	-	2,403,698,341
Financial assets at amortised cost	-	464,642,868	-	464,642,868
Total exposure	-	**2,868,377,825**	-	**2,868,377,825**

03/31/2025 Financial assets	Floating interest rate (Rs.)	Fixed interest rate (Rs.)	Non-interest bearing (Rs.)	Total (Rs.)
Cash and cash equivalents	-	2,036,219	-	2,036,219
Financial assets at fair value through profit or loss	-	3,091,969,617	-	3,091,969,617
Financial assets at amortised cost	-	1,960,711,358	-	1,960,711,358
Total exposure	-	**5,054,717,194**	-	**5,054,717,194**

c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. Units are redeemable at the unitholder's options based on the Fund's net asset value per unit at the time of redemption.

The Fund manages its obligation when required to do so and its overall liquidity risk by the following.

- Investing primarily in financial instruments, which under normal market conditions are readily convertible to cash.
- The Fund will also make the investments within the parameters set out by the Commission in accordance with the Unit Trust Code and the Deed to ensure there is no concentration of risk.
- Maintaining sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. As a practice we maintain a minimum of 3% of the deposited property to be maintained in cash or near cash. (Near cash means investments such as bank/call deposits, repurchase agreements with maturities of less than 3 months, commercial paper endorsed or guaranteed by a licensed Commercial Bank or licensed specialised bank with maturities of less than 3 months and government securities including government bonds with maturities of less than one year which can be readily convertible into cash.)
- Requiring at least 14 days prior written notice for unitholder redemption equal to or greater than 3% of the net asset value of the Fund.
- Continually search for new investors.

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

c) Liquidity risk

The time frame for returning of cash to investors is five business days in which time investments may be recalled for redemption payouts. Further, the Fund is also permitted to borrow up to 15% of the deposited property for redemption payouts. Other financial liabilities have no contractual maturities. Due to the short-term nature of these financial instruments, carrying value approximates fair value.

The table below precises the Fund's non derivative financial assets and liabilities with contractual maturities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

31-03-2026	Less than 30 days	31 - 90 days	91 - 180 days	181 days above	Total
Financial Assets					
Treasury Bills		-	-		-
Treasury Bonds	-	-	-	2,434,058,666	2,434,058,666
Repurchase Agreements	465,142,617	-	-	-	465,142,617
Total	**465,142,617**	-	-	**2,434,058,666**	**2,899,201,283**
Financial Liabilities					
Management fee	887,608	-	-	-	887,608
Trustee fee	443,803	-	-	-	443,803
Custody fee	24,669	-	-	-	24,669
Total	**1,356,080**	-	-	-	**1,356,080**

31-03-2025	Less than 30 days	31 - 90 days	91 - 180 days	181 days above	Total
Financial Assets					
Treasury Bills	14,643,606	-	730,261,000	1,991,993,359	2,736,897,965
Treasury Bonds	-	-	-	464,570,571	464,570,571
Repurchase Agreements	1,962,007,507	-	-	-	1,962,007,507
Total	**1,976,651,113**	-	**730,261,000**	**2,456,563,930**	**5,163,476,043**
Financial Liabilities					
Management fee	1,281,885	-	-	-	1,281,885
Trustee fee	775,705	-	-	-	775,705
Custody fee	24,669	-	-	-	24,669
Total	**2,082,260**	-	-	-	**2,082,260**

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT (CONTD)

d) Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly daily as the Fund is subject to daily applications and redemptions at the discretion of unitholders. Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets daily by the fund managing company. Under the terms of the Unit Trust Code, the fund managing company has the discretion to reject an application for units and to defer redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund. The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to unitholders. Please refer to the Note 2 for more details. Disclosures relevant to unitholders' funds are as follows.

The movement in the unitholders' funds for the period ended 31st March 2026

I. In terms of value	31/03/2026 Rs.
Unitholders' funds as at the beginning of the period	5,052,025,164
Creations during the period	750,000
Redemptions during the period	(2,522,866,513)
Increase in net assets attributable to unitholders during the period	336,408,656
Unitholders' funds as at 31st March 2026	**2,866,317,307**

II. In terms of numbers of units	31/03/2026 Units
Opening number of units	469,802,007
Unit creations during the period	67,673
Redemptions during the period	(222,225,510)
Closing number of units as at 31st March 2026	**247,644,170**

The movement in the unitholders' funds for the period ended 31st March 2025

I. In terms of value	31/03/2025 Rs.
Unitholders' funds as at the beginning of the period	-
Creations during the period	4,719,509,378
Redemptions during the period	(2,000,000)
Increase in net assets attributable to unitholders during the period	334,515,787
Unitholders' funds as at 31st March 2025	**5,052,025,165**

II. In terms of numbers of units	31/03/2025 Units
Opening number of units	-
Unit creations during the period	469,989,275
Redemptions during the period	(187,268)
Closing number of units as at 31st March 2025	**469,802,007**

Asia Securities Dynamic Gilt Fund
NOTES TO THE FINANCIAL STATEMENTS (CONTD)

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

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Net asset value as per Financial Statements	2,866,317,307	5,052,025,165
Published net asset value	2,866,317,309	5,052,025,165
Published number of units as at 31st March	247,644,170	469,802,007
Net asset value per unit	**11.574**	**10.753**

13. EVENTS OCCURRING AFTER REPORTING DATE

No other events have occurred since the statement of financial position date which would require adjustments to or disclosure in the Financial Statements.

14. COMMITMENTS

There were no significant capital and financial commitments as at the reporting date.

15. CONTINGENCIES

There were no significant contingencies existing as at the reporting date that required adjustments to or disclosures in the Financial Statements.

CORPORATE INFORMATION

MANAGEMENT COMPANY
Asia Securities Wealth Management (Pvt) Limited
4th Floor, Lee Hedges Tower,
349, Galle Road, Colombo 3

TRUSTEE & CUSTODIAN
Deutsche Bank AG
Level 21, One Galle Face Tower,
1A,Centre Road, Galle Face, Colombo 2

AUDITORS
BDO Partners- Chartered Accountants
"Charter House",
65/2, Sir Chittampalam A Gardiner Mawatha,
Colombo - 02

LAWYERS
Nithya Partners
97/A, Galle Main Road, Colombo 3

BANKERS
Deutsche Bank AG
Level 21, One Galle Face Tower,
1A,Centre Road, Galle Face, Colombo 2

DECLARATION BY THE TRUSTEES AND MANAGEMENT COMPANY

This declaration is issued in line with the SEC Circular No. 02/2009 on Guidelines for Trustees and Managing Companies of Unit Trusts Funds, by the Trustees and Management Company. Deutsche Bank AG, the Trustee and Asia Securities Wealth Management (Pvt) Ltd, the Managers of the Asia Securities Money Market Fund, Asia Securities Income Fund, Asia Securities Gilt Fund, Asia Securities Equity Opportunities Fund, Asia Securities Dynamic Income Fund and Asia Securities Dynamic Gilt Fund hereby declare that;

1. the requirements of the Guidelines for Trustees and Managing Companies of Unit Trust Funds set by the Securities and Exchange Commission of Sri Lanka have been complied with during the year.

2. the transactions were and will be carried out at an arm's length basis and on terms which are best available for the fund, as well as act, at all times, in the best interest of the fund's unit holder.

		DEUTSCHE BANK AG Colombo Branch
Director Management Company	Director Management Company	Authorized Signatories Trustee

Asia Securities Wealth Management (Pvt) Limited
4th Floor, Lee Hedges Tower, 349, Galle Road, Colombo 3
T: +94 11 772 2020 | F: +94 11 237 2280 / +94 11 237 2263 | E: wealth@asiasecurities.lk
www.asiasecurities.lk