CT Smith Equity Fund

Monthly Newsletter – May 2026

CT SMITH ASSET MANAGEMENT

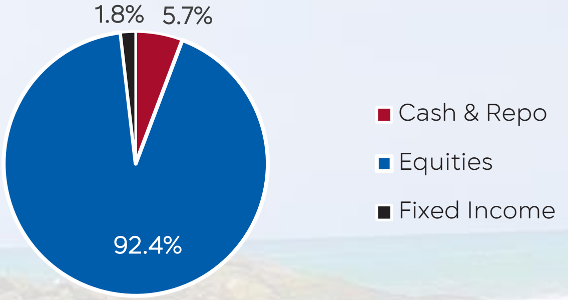
Fund Manager's View of the Market – May 2026

In May 2026, the Colombo Stock Exchange (CSE) fell -1.1% MoM (-1.4% YTD) amid heightened volatility tied to the developments in the US/Iran war and the CBSL monetary policy decision. The average daily turnover continued to weaken to Rs.3,647mn (vs. Rs.3,655mn in April) as investors adopted a cautious approach to equities amid the earnings season. A weakening LKR intensified foreign selling in May to Rs.7,324mn with foreign selling observed in AAIC, CTC and JKH

Your Fund rose +0.9% MoM in May (+6.0% YTD) led by positive contributions from DIAL & PKME **(strong earnings outperformance)** and HAYC **(2HFY26 topline grew +71% YoY).** The Fund maintained its equity allocation at ~92% as of end-May

The CBSL delivered a 100bps rate hike at its May monetary policy meeting potentially marking an end to the policy easing cycle. Meanwhile, on the war front, although, notable progress has been made on negotiating a peace deal, a final agreement to end the war remains elusive. The situation in the gulf remains fluid and a resumption of military actions to force an outcome can not be ruled out yet. Notwithstanding near-term volatility, we maintain a positive outlook for equities in 2H2026E led by healthy earnings growth for portfolio companies, reasonable valuations and muted real interest rates

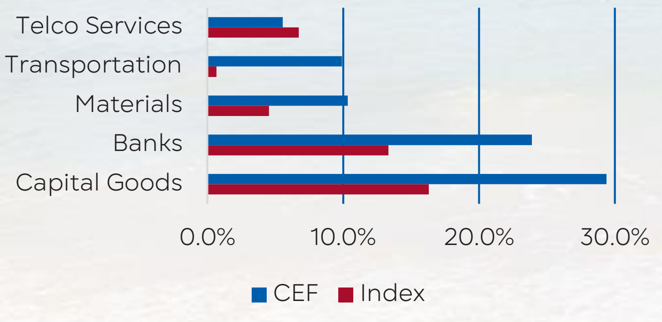
Asset Allocation (as a % of NAV) – 31 May 2026



Fund Details – 31 May 2026

Category	Balanced Fund
AUM	602.1mn
NAV per Unit (Rs.)	70.07
5 Year CAGR – CEF	31.0%
5 Year CAGR - ASPI	24.7%
Inception Date	Feb-1992
3M|6M|12M Returns – CEF	-1.8% | 6.9% | 47.7%
3M|6M|12M Returns – ASPI	-6.0% | -1.8% | 32.4%

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



Risk and Return Characteristics – 31 May 2026

3 Year CAGR – CEF	40.9%
3 Year CAGR – ASPI	37.6%
Over/Under Performance (alpha)	3.2%
Tracking Error (annualized)*	5.6%
Information Ratio (annualized)*	0.58
TTM Max Drawdown – CEF | ASPI	-15.3% | -15.5%

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

Top 5 Holdings	As a % of NAV	Relative to Index	Price to Book Value^	Gross Dividend Yield^	YTD Price Movement	6m Price Movement	Est. Portfolio Contribution - May 2026
Nations Trust Bank – Voting	10.0%	Overweight	1.1x	2.2%	2.6%	6.4%	0.2%
Digital Mobility Solutions	9.2%	Overweight	14.1x	2.7%	8.5%	6.6%	0.6%
Access Engineering	8.2%	Overweight	1.9x	2.6%	5.2%	7.7%	0.01%
Hemas Holdings	5.7%	Overweight	1.7x	3.1%	-7.8%	-10.6%	-0.2%
Dialog Axiata	5.1%	Overweight	4.0x	5.1%	45.6%	50.2%	1.1%

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

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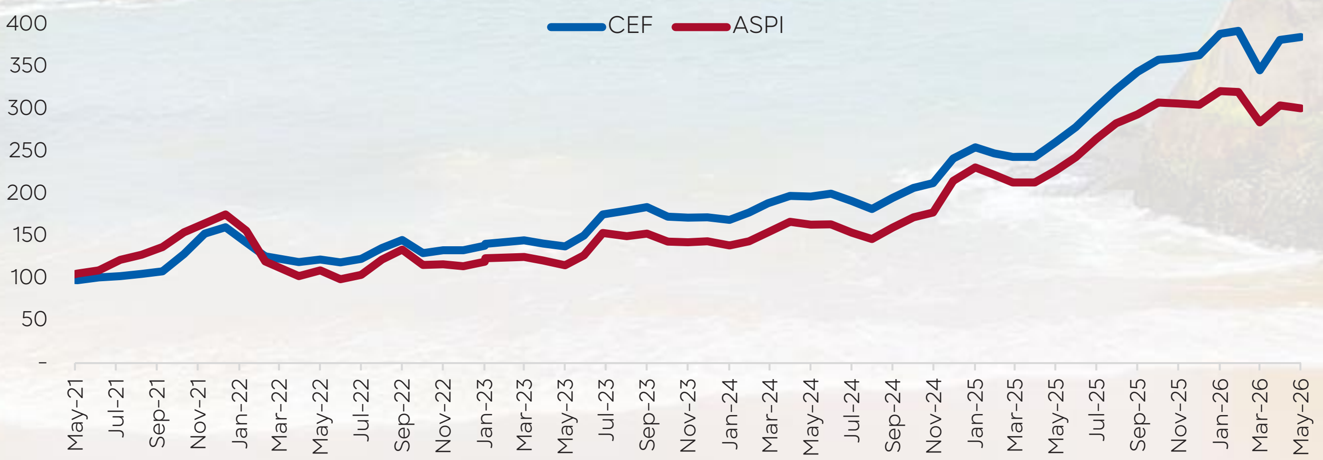
About CT Smith Equity Fund

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

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

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ASPI
2022	4.9%	-11.2%	-11.5%	-5.3%	2.5%	-2.7%	3.5%	10.4%	6.8%	-10.6%	2.7%	-0.1%	-12.9%	-30.6%
2023	4.0%	1.7%	3.0%	-2.7%	-2.5%	9.5%	16.3%	2.7%	2.3%	-6.1%	-0.7%	0.2%	29.2%	25.5%
2024	-1.7%	5.0%	6.3%	4.5%	-0.4%	1.7%	-4.3%	-4.9%	7.2%	6.1%	2.6%	13.7%	40.4%	49.7%
2025	5.5%	-2.9%	-1.8%	0.0%	7.1%	6.8%	8.4%	7.1%	6.4%	4.2%	0.5%	0.9%	50.4%	41.9%
2026	7.0%	0.9%	-11.9%	10.3%	0.9%								6.0%	-1.4%

CT Smith Equity Fund NAV vs ASPI – Indexed to May 2021



Trustee	Management Fee	Front End Fee	Minimum Investment
Hatton National Bank	2.0%	3.0%	Rs.1,000

Disclaimer

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