

LISTED CORPORATE DEBT

Acuity Securities has also been licensed by the Securities and Exchange Commission (SEC) of Sri Lanka as a broker & dealer for listed corporate debt. Listed corporate debt refers mainly to Debentures, which are long term debt securities issued by institutions in order to meet their funding requirements. These instruments are generally 03-05 years in duration & are rated by reputed local / foreign rating agencies.

As per the prevalent budgetary regulations, the profits & interest income from any investment made on or after 01st January 2013 in corporate debt securities, quoted in any stock exchange licensed by the SEC is exempt from tax. Furthermore, investors also benefit from periodic coupon payments and being able to trade on such debentures in the secondary market.

BENEFITS OF CONDUCTING CORPORATE DEBT INVESTMENTS / TRADING THROUGH ACUITY SECURITIES

- Qualified and experienced staff involved in offering investment advice.
- Partnerships and affiliations in the sphere of corporate debt in offering the most recent and high yielding offerings from the market.
- Ability to switch between corporate debt, government securities, equity and unit trusts within the ACUITY group itself thereby maximising returns.
- Island wide strategic distribution network to facilitate investments.



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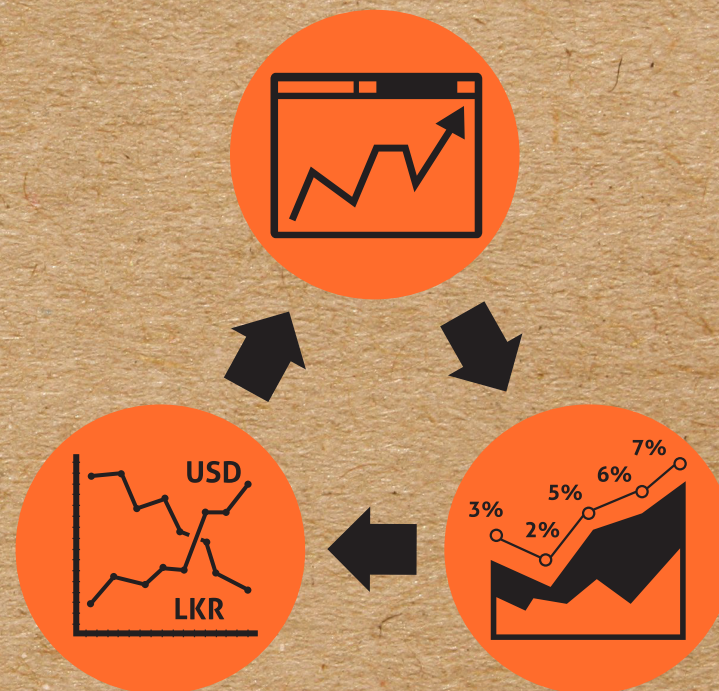
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Find us on

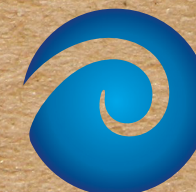


CORPORATE DEBT

CAPITALISE ON MARKET TRENDS IN ENHANCING WEALTH



YOUR TRADING AND INVESTMENT PARTNER
FOR TREASURY BONDS & CORPORATE DEBT



ACUITY
SECURITIES LTD

WHY BE AN ACTIVE INVESTOR?

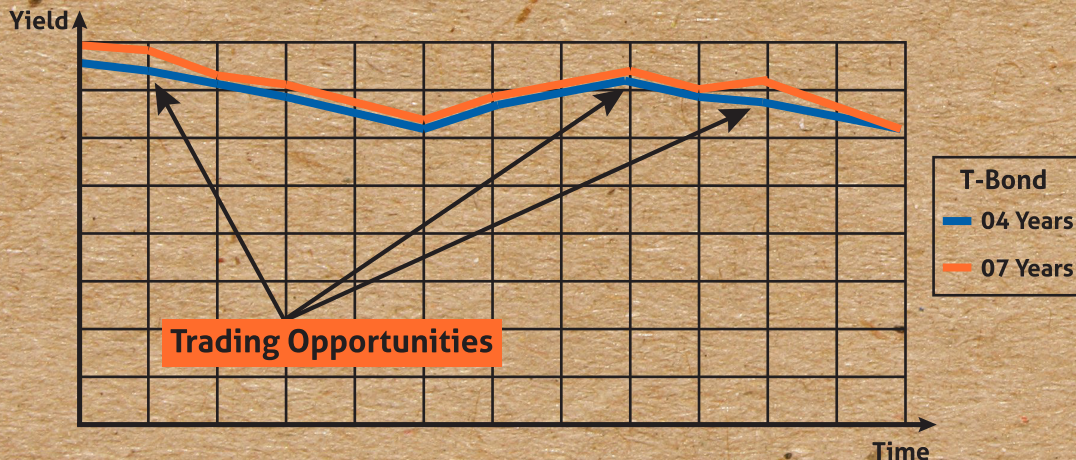
Market fluctuations offer many opportunities for undertaking investments & trading. Active investors make use of these market opportunities to enhance their returns by way of capital gains, which would not be feasible under a passive stance. Bond Trading is another avenue for active investors looking to capitalise on market movements in maximising their capital gains and overall returns.

HOW WOULD YOU CAPITALISE ON TREASURY BONDS THROUGH TRADING?

Treasury Bonds (T-Bonds) are long term gilt-edged instruments that offer a fixed return to the investor, while paying out a bi-annual coupon payment. As a passive investor you would tend to hold the Treasury Bond till maturity, while collecting the coupon payment. However, there are daily fluctuations in the value of your bond in the market, which you would not be capitalising on.

Bond trading in essence involves capitalising on fluctuating interest rates that are prevalent in the market. The price/value of a Treasury Bond has an inverse relationship with its' interest rate. Hence, when bond rates decline, its' price / value increases & vice versa. In trading, you would ideally buy when rates are high which converts to lower prices, and sell when rates decline (higher prices).

USING THE YIELD CURVE FOR TREASURY BOND TRADING



Consider the Following Scenario

Investor (A) purchases a face value LKR 100 T-Bond for LKR 90, at 10%. After a month the same bond is priced at 9% & sold to investor (B), who buys it at LKR 91. Investor (A) thus makes a capital gain of LKR 01 including the interest of 10% for 01 month the bond was held.

Acuity Securities Ltd is one of the few capable entities in the market that would facilitate all your trading activities & act as an intermediary between you & the market.

ACUITY SECURITIES LTD - YOUR ACTIVE TRADING PARTNER

What makes Acuity Securities Ltd. unique is its association with Acuity Partners (Pvt) Ltd, - *the joint venture Investment Banking firm equally owned by DFCC Bank PLC & HNB PLC*, allowing Acuity Securities to provide investors investment perspectives from a range of areas such as equity, corporate finance, unit trusts & fund management through the ACUITY group. This is in addition to its' core competencies in proprietary trading and distribution of Government Securities and Corporate Debt within the local and foreign markets.

TYPES OF BOND TRADING

Based on your risk profile and holding capability, two types of trading options are available for investors - Discretionary / Non-Discretionary.

BENEFITS OF TRADING THROUGH ACUITY SECURITIES

- Highly experienced and competent staff in managing trading functions.
- We strive to provide the best possible buy / sell rates for trading purposes.
- No management fee. Only competitive margin.
- Funds invested in GSEC Repos awaiting trading opportunities, thus avoiding interest loss.
- Ability to diversify into listed corporate debt and other asset classes.

SOME POINTS TO REMEMBER PRIOR TO EMBARKING ON TRADING

- Ensure you understand the concept of trading by speaking to us.
- Open a CDS account with Acuity Securities by completing the required documentation.
- Discuss and earmark liquid bonds for trading purposes.
- Arrange funding.