



GUARDIAN ACUIITY ASSET MANAGEMENT LTD

UNIT TRUST FUNDS

UNIT TRUST MANAGEMENT COMPANY

(A JOINT VENTURE BETWEEN CEYLON GUARDIAN INVESTMENT TRUST PLC AND ACUIITY PARTNERS)



BETTER REWARDS THROUGH BETTER INVESTMENT PLANS

GUARDIAN ACUITY ASSET MANAGEMENT LIMITED (GAAM) WAS FORMED ON 17TH JUNE 2011 BRINGING TOGETHER EXPERTISE OF TWO JOINT VENTURE PARTNERS. CEYLON GUARDIAN INVESTMENT TRUST PLC WHICH BRINGS FUND MANAGEMENT EXPERTISE WHILE ACUITY PARTNERS (PVT) LTD BRINGS PARTNER NETWORK AND REACH IN MARKETING AND DISTRIBUTION OF FINANCIAL PRODUCTS.

THE COMPANY COMMENCED ITS UNIT TRUST OPERATIONS THROUGH GUARDIAN ACUITY FIXED INCOME FUND AND GUARDIAN ACUITY EQUITY FUND IN 2012 AND ENTERED INTO THE GILT MARKET THROUGH THE LAUNCH OF “GUARDIAN ACUITY MONEY MARKET GILT FUND” IN 2015. THE RISKS AND RETURNS OF EACH FUND WILL VARY DEPENDING ON THE INVESTMENT OBJECTIVES AND STRATEGIES. HENCE, GAAM UNIT TRUSTS OFFER WIDER RANGE OF INVESTMENT SOLUTIONS IN ORDER TO CATER TO THE SPECIFIC RISK APPETITE AND INVESTMENT OBJECTIVE OF EACH AND EVERY INVESTOR.

PAVING THE WAY FOR INVESTORS TO MAKE THEIR INVESTMENT DECISIONS UNDER ONE ROOF, OUR BIGGEST ADVANTAGE REMAINS OUR GROWTH AND CONSISTENT PERFORMANCE. WITH AUM INCREASING OVER 200% DURING THE LAST THREE YEARS, WE OUTPERFORMED BENCHMARK INDICES IN CAPITAL MARKETS USING OUR EXPERTISE ON INVESTMENT DECISIONS THEREBY INCREASING THE RETURNS TO UNIT HOLDERS. INTEGRITY IN MANAGEMENT ALONG WITH PERSEVERANCE THROUGH ADVERSITY HELPED US CREATE DIVERSITY AND VARIETY FOR OUR UNIT HOLDERS.

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Fund Information

		Guardian Acuity Equity Fund	Guardian Acuity Fixed Income Fund	Guardian Acuity Money Market Gilt Fund
Fund Objective		To achieve medium to long term capital appreciation	To provide a high annual income for a low level of risk	To provide a secure annual income by investing in a portfolio of government securities.
Fund Strategy		The Fund will invest in a diversified portfolio of stocks on the Colombo Stock Exchange with an exposure to growth sectors of the economy	The fund will strategically invest in a portfolio of fixed income securities in order to maximize the fund yield for a low level of risk	The fund will invest in a portfolio of government securities to provide a secure annual income.
Fund Fee Structure	Front End Fee	Nil	Nil	Nil
	Management Fee	2.25% p.a.	0.60% p.a.	Maximum 0.3% p.a.
	Trustee Fee	0.25% p.a. +Rs.15,000 Per Month	0.15% p.a.	Maximum 0.2% p.a. based on the Fund size + Rs.25,000/- Per Month
	Exit Fee	2% p.a. in First Year, 0% thereafter	Nil	Nil
Fund Structure	Minimum Subscription	Rs.1,000/-	Rs.1,000/-	Rs.1,000/-
	Fund Structure	Open Ended	Open Ended	Open Ended
	Switching	Allowed	Allowed	Allowed
	Dividend	-	Annual	Annual

Fund Manager

Guardian Acuity Asset Management Limited
61, Janadhipathi Mawatha, Colombo 01

Promoters

Acuity Partners (Pvt) Limited
53, Dharmapala Mawatha, Colombo 03



Ceylon Guardian Investment Trust PLC

(A Carson Cumberbatch Company)
61, Janadhipathi Mawatha, Colombo 01



Distributor

Hatton National Bank
479, T.B Jaya Mawatha, Colombo 10



Trustee & Custodian

Deutsche Bank - AG Filiale Colombo
86, Galle Road, Colombo 03

Bankers

Deutsche Bank - AG Filiale Colombo

Auditors

Ernst & Young
201, De Saram Place, Colombo 10

Registrar

SSP Corporate Services Limited
No. 101, Inner Flower Road, Colombo 03

Board of Directors

Tyrone De Silva
Chairman



Chandima Gunawardena
Director

Dilshan Rodrigo
Director



Krishna Selvanathan
Director

Ruvini Fernando
Executive Director



Ray Abeywardena
Executive Director

Niloo Jayathilake
(Alternate Director to Chandima
Gunawardena)



Sumith Perera
(Alternate Director to Krishna
Selvanathan)

Tyrone De Silva

Chairman

Tyrone de Silva is an Executive Vice President and Head of Lending for DFCC Bank and its commercial banking subsidiary, DFCC Vardhana Bank. He also oversees the Investment Banking business of the Bank, which is carried out through Acuity Partners. He began his career at DFCC in 1989 and has been involved throughout in the Bank's Corporate Finance and Capital Markets businesses. He has also participated in DFCC's corporate structuring transactions including the setting up or acquisition of subsidiaries and associates of the DFCC Group. He is also responsible for transaction execution and overseeing the administration and monitoring of the Bank's share portfolio. Tyrone is a member of DFCC's Credit, Investment, ALCO and Risk Committees. He also serves as Director on the Boards of other DFCC Group companies and those in which DFCC has a significant interest. Prior to his career at DFCC, Tyrone was employed as a foreign exchange and money broker for a period of seven years. He holds a Masters Degree in Business Administration from the University of Warwick (UK). He is also a Graduate Member of the Institute of Mechanical Engineers (UK).

Chandima Gunawardena

Director

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of Carson Cumberbatch PLC and in most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non-Executive status in the Group, he serves as an advisor to the Group's Strategic Planning and Management forums in Sri Lanka and serves on Board committees including the Audit Committees of the

Group in Sri Lanka and overseas covering all operating sectors of the Group.

Mr. Gunawardena has over four decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990. He has served in the Management Committee of the Ceylon Chamber of Commerce for over 10 years and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years. He is fellow of the Chartered Institute of Management Accountants, UK.

Dilshan Rodrigo

Director

Dilshan Rodrigo functions as the Chief Operating Officer at Hatton National Bank. He serves in several board level committees including Risk Management, Strategic Planning, Credit & Asset Liability and Audit. He is a senior banker with extensive experience in Retail Banking, Finance, Institutional Banking and Risk Management in leading local and foreign commercial banks operating in Sri Lanka. He also completed a brief stint in Apparel with Sri Lanka's largest exporter of branded apparel as Supply Chain Head of its Largest SBU. He was fortunate to obtain first hand training from Thomas Group, a global consultancy firm specializing in this area.

He is a member of the Sri Lanka Institute of Directors, Alternate Director for Credit Information Bureau and holds several Directorships in subsidiary companies of the bank. He was elected Chairman for a two year period of the Asian Banker's Policy Advocacy Committee, a forum for advancing the cause of banking and finance in

Board of Directors

the region and promoting regional co-operation. ABA's membership comprises over 100 lending banks from 23 countries in the Asia-Pacific region.

Dilshan holds a MBA from Cranfield University, UK and is a fellow of CIMA and ACCA UK Accounting bodies and has actively served on both councils in Sri Lanka, particularly in the latter where he was elected President for a two year term. He is a lecturer and examiner for Strategic Management for the University of Wales affiliated MBA Program in Sri Lanka, was a guest lecturer at Postgraduate Institute of Management and has presented technical papers in various forums locally and overseas on Strategy and Risk Management. He has received extensive leadership training, most recently from University of Melbourne Leadership Development Program.

Krishna Selvanathan

Director

Krishna Selvanathan is a Director of Carsons Management Services (Private) Limited, Lion Brewery (Ceylon) PLC and the Investment Sector Companies of the Carsons Group. He holds a BA Degree in Accounting & Finance and Business Administration from the University of Kent, U.K.

Ruvini Fernando

Executive Director

Ruvini Fernando is CEO of Guardian Fund Management Limited, investment managers of the Ceylon Guardian Group and a Director of The Sri Lanka Fund, a country fund dedicated to Sri Lankan equities. The Ceylon Guardian Group presently has business interests in listed and private equity as well as managing mutual

funds and institutional client portfolios, a collective portfolio of assets under management of over Rs.35bn. She counts approximately 25 years' experience in diverse fields of accounting, finance, strategic planning and investment management, of which 10 years have been with the Ceylon Guardian Group. She was a former visiting faculty member of the MBA programme of the Postgraduate Institute of Management (PIM). She is a Fellow of the Chartered Association of Certified Accountants (ACCA), UK and the Chartered Institute of Management Accountants (CIMA), UK and holds a Masters in Business Administration from the PIM, University of Sri Jayawardanepura. She currently serves as member of the Banking, Finance and Capital Markets Committee of the Ceylon Chamber of Commerce.

Ray Abeywardena

Executive Director

Mr. Abeywardena holds an MBA from the University of Wales and a Post Graduate Diploma in Marketing from The Chartered Institute of Marketing, UK (CIM). He serves as the Group Managing Director/CEO of Acuity Partners (Pvt) Ltd; a Joint Venture Investment Banking firm equally owned by the DFCC Bank and Hatton National Bank PLC. He has over 28 years of work experience in the Capital markets in Sri Lanka of which 22 years was spent in stockbroking & since 2009 he has been in Investment Banking. He was appointed to the Board of Directors of the Colombo Stock Exchange in 2013. He is the Chairman of Acuity Stockbrokers (Pvt) Ltd & Acuity Securities Ltd, and he also holds Directorships in Asian Alliance PLC & Lanka Ventures PLC.

Niloo Jayathilake

(Alternate Director to Chandima Gunawardena)

Niloo Jayathilake is a Director of Guardian Fund Management Limited and Heads the Portfolio Management division of the management company. Alternate Director of Guardian Acuity Asset Management Limited and represents the company on the Unit Trust Association of Sri Lanka. Counts over 20 years of experience in the investments and portfolio management field. Prior to joining the Carsons Group worked as Fund Manager at The Unit Trust Management Company Limited, managers of Ceybank Unit Trust Funds in Sri Lanka. Fellow Member of the Chartered Institute of Management Accountants, UK and Associate Member of the Institute of Chartered Secretaries and Administrators, UK.

Sumith Perera

(Alternate Director to Krishna Selvanathan)

Profile under Management Team's Profile

Management Team

Ruvini Fernando

Profile under Directors' profile

Ray Abayawardena

Profile under Directors' profile

Sumith Perera

Fund Manager, Guardian Fund Management Ltd. Has over 10 years experience in the field of Asset Management working as a Fund Manager for CAAM Saudi Fransi LLC (Kingdom of Saudi Arabia), Investment Analyst for Eagle NDB Fund Management (Sri Lanka) and as a Financial Analyst for John Keells Stockbrokers. He holds a Bsc (Hons) in Economics and Business Finance from Brunel University, UK and is an Associate Member of the Chartered Institute of Management Accountants.

Tharinda Jayawardana

Head of Research, Guardian Fund Management Ltd. Has over 8 years of experience in investment research. Before joining the Carsons group, he worked as a research analyst at JB Securities (Pvt) Ltd. Is a CFA charter holder and an associate member of the Chartered Institute of Management Accountants. Also holds BSc Degree from the University of Sri Jayewardenepura specializing in Finance.

Lakmal Wickramaarachchi

Accountant, Guardian Fund Management Limited. Commenced career at KPMG, Chartered Accountants, prior to joining the Carsons Group. Counts over six years of experience in auditing and accounting. Associate Member of the Institute of Chartered Accountants of Sri Lanka. Holds a B.Sc. Finance (Special) Degree from the University of Sri Jayewardenepura, Sri Lanka.

Champa Perera

Manager of Portfolio Operations, Guardian Fund Management with over 8 years' experience in operations, auditing, accounting and financial reporting. She worked as Finance Manager at Hada Group, Dubai & Hayleys Group and an Assistant Manager at KPMG. Holds a Bsc Accounting (Special) in degree from University of Sri Jayewardenepura, Sri Lanka and is an Associate Member of the Chartered Institute of Accountants, Sri Lanka.

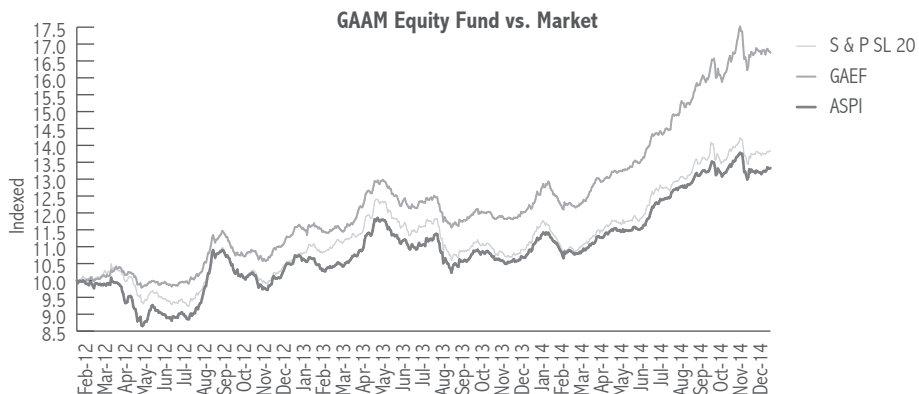
Mohandas V Thangarajah

Mohandas is the General Manager of Guardian Acuity Asset Management Limited and drives the overall marketing and administration of the business. He counts over 18 years of financial industry experience having worked as an inter-bank money broker, a bond trader and a stock broker. Has also worked as a financial journalist, and, was sent to Mumbai as a Rotary Group Study Exchange scholar where he received wide exposure to the capital markets of India.

Manager Review

Guardian Acuity Equity Fund Review

For the year ended 2014 the Guardian Acuity Equity Fund provided a return of 37.89% thereby outperforming the All Share Price Index by 14.45% and the S&P SL 20 by 12.60%. Since inception the fund has outperformed the All Share Price Index by 34.12% giving unit holders a return of 67.40%.



Equity Fund Performance Summary

Period	GAAM EQ Fund	All Share Index	S&P SL20
2014	37.89%	23.44%	25.29%
Since Inception	67.40%	33.28%	38.35%

* Inception was 27th Feb 2012

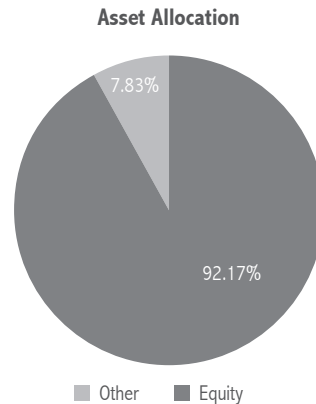
The fund maintained a higher equity exposure during 2014 with the expectation of a strong equity performance for the year. The fund's performance was driven by its exposure to the banking, finance & insurance sector and the diversified sector which drove the strong performance. The year also saw heavy interest in the banking sector with increased foreign participation in this segment of the market which further boosted the fund performance. The higher equity allocation combined with prudent stock selection resulted in the funds stellar outperformance over the ASPI of 14.45%.

Manager Review

The low interest rate environment coupled with higher expected earnings growth are positive factors looking ahead into 2015. However, expectations surrounding general elections and future economic policies may result in market volatility. The fund will look to tactically asset allocate, so that if markets weaken in this period there would be room to increase exposure to fundamentally strong stocks using Guardian Acuity Asset Management's proven value investing approach.

As at 31st December 2014, the high sector weights of the fund were to the Banks Finance & Insurance sector (27.01%), Diversified Holdings sector (21.16%) and Power and Energy (9.17%). The top five holdings of the fund were Dialog Axiata, Nations Trust Bank, Access Engineering, John Keells Holdings and Aitken Spence.

SECTOR ALLOCATION	
	Portfolio Weight (%)
Banks, Finance & Insurance	27.01
Diversified Holdings	21.16
Power and Energy	9.17
Telecommunications	8.94
Construction & Engineering	7.10
Hotels & Travels	5.72
Beverage, Food & Tobacco	5.14
Trading	4.55
Footwear & Textiles	3.38



As at 31st December 2014, the total net asset value of the fund was Rs. 119.64 million with 142 unit holders in the fund. The Guardian Acuity Equity Fund redemption price as at 31st December 2014 was Rs. 16.74 and the subscription price was Rs. 17.09.

Guardian Acuity Fixed Income Fund Review

The Guardian Acuity Fixed Income Fund provided a return of 8.51% for 2014 in comparison to the NDBIB-CRISIL 91 Day T-bill return of 6.86% for the same time period. The fund had a focus on high yielding fixed deposits, commercial paper and other money market instruments with issuers of investment grade rating (BBB-) and above. The fund has reduced its average maturity to 5.8 months in Dec-14 due to an expectation that interest rates will begin a gradual increase throughout 2015. The fund has an exposure of 65% to fixed deposits, 20% to Government securities and, 11% to commercial papers and 4% to other instruments.

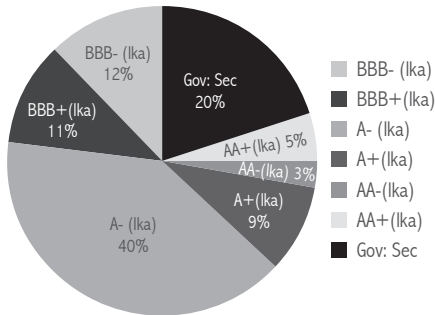
Fixed Income Fund Performance Summary

Period	NDBIB-CRISIL 91		
	GAFIF	Day T-Bill Index	GAFIF-Annualised
2014	8.51%	6.86%	8.51%
Since Inception	34.01%	28.65%	11.96%

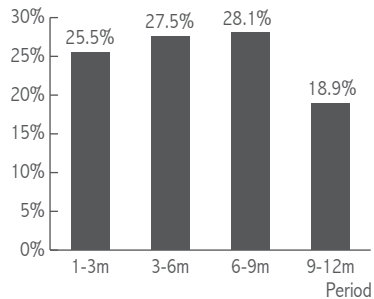
* Inception was 27th Feb 2012

The Fund has an emphasis of investing in high credit quality companies of minimum investment grade to ensure capital protection for its investors. The BBB exposure of the fund was at 23% with the rest of the fund in the higher rated categories and government securities, thus exposing investors to a high quality of debt issuers. Returns earned from unit trusts are tax free and therefore corporate investors enjoy a substantial saving when considering the impact of corporate tax.

Fund Credit Quality



Maturity Profile



As at 31st December 2014, the total net asset value of the fund was Rs. 1,781.82 million with 194 unit holders in the fund.

Introducing the Guardian Acuity Money Market Gilt Fund

Guardian Acuity Asset Management launched its third unit trust fund which is the Guardian Acuity Money Market Gilt Fund. The fund's objective is to provide a secure annual income by investing in a portfolio of Government securities maturing within 365 days. This will allow investors to access the credit-risk free short term government security market while still enjoying the benefits of a unit trust which are professional investment strategy, high liquidity and tax benefits. The AUM as at 26th March 2015 is Rs.623Mn.

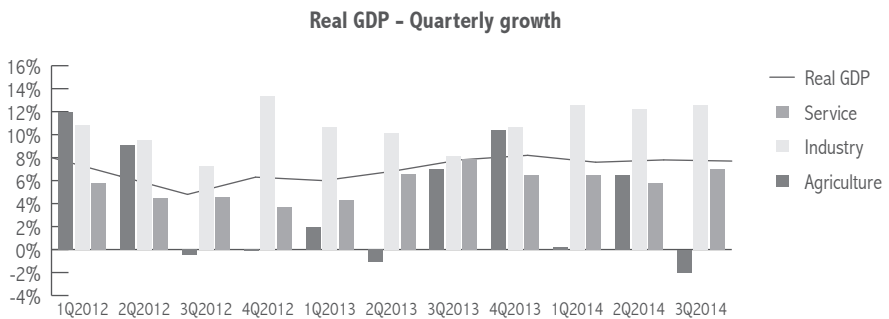
Manager Review

Economic Review

Real GDP growth for 2014 is expected to be 7.8% in 2014 increasing from 7.3% in 2013. The key segments of the economy performed well led by manufacturing, construction, trade, hotels & restaurants and transport & communication. We expect GDP growth for 2015 to reach 7.5% with the key sectors continuing to perform.

Agriculture for the third quarter of 2014 fell by 2.0% due to unfavorable weather conditions. Rubber and paddy production for this period was significantly hampered recording declines of 32% and 35%. Industry for the same period accelerated to 12.6% growth relative to the previous year of 8.1%. The sector benefitted from favorable macroeconomic conditions, better exports, higher economic activity and continued investment into infrastructure. The Service sector grew by 7.0% in the third quarter compared to 7.9% for the same period in the previous year. Wholesale & Retail trade and Transport & Communication which are the largest contributors to the sector grew by 8.8% and 7.5% respectively. The lower interest rate environment helped boost economic activity and saw credit growth begin to recover in the fourth quarter of 2014.

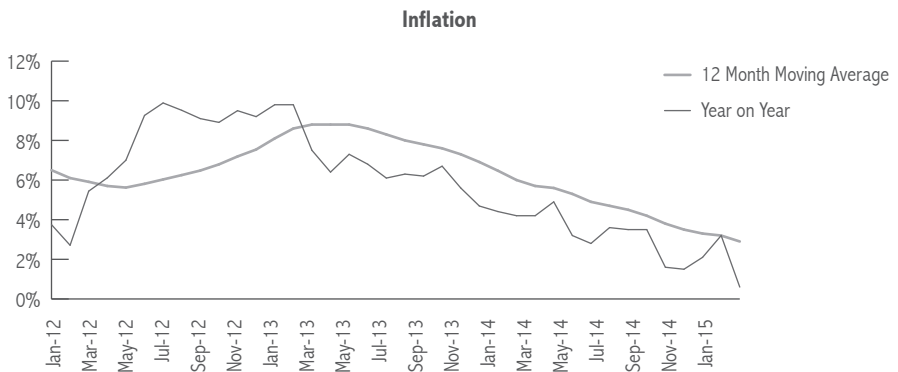
We expect Real GDP to continue to display strong growth due to prevailing accommodative monetary policy and improving consumption patterns. However, the policy change arising from presidential elections and further communicated parliamentary elections may result in differing medium term economic policies.



Exports for 2014 grew by 7.0% to reach USD 11.12 billion. Exports experienced strong growth of 16.8% in the first half of 2014 before normalizing to 7% by year end largely on account of a slowdown in the rate of growth of industrial exports. Industrial exports which dominate exports grew by USD 500 million or 6.5% in 2014. Imports increased by 7.9% in 2014 to USD 19.4 billion. Imports which actually declined by 1.2% by first half of 2014 increased significantly in the second half of the year on account of growth in consumer goods and intermediate goods. The overall trade deficit widened by USD 691 million which is a growth of 9.1% compared to the deficit in 2013.

Worker Remittances grew by 9.5% in 2014 to USD 7.0 billion to help bridge the deficit. Further to this, earnings from tourism and inflows to the government resulted in the balance of payments recording an estimated surplus of USD 1,376 million in 2014.

Inflation reduced throughout 2014 with YOY inflation falling from 4.4% at the start of the year to 2.1% in December 2014. Inflation annual average also displayed a similar trend falling to 3.3% at year end. With the political changes numerous essential items have been reduced in price which should also see inflation further reducing in 2015. Furthermore the drop in oil prices by 50% over the last 8 months due to excess supply should see further easing inflation.

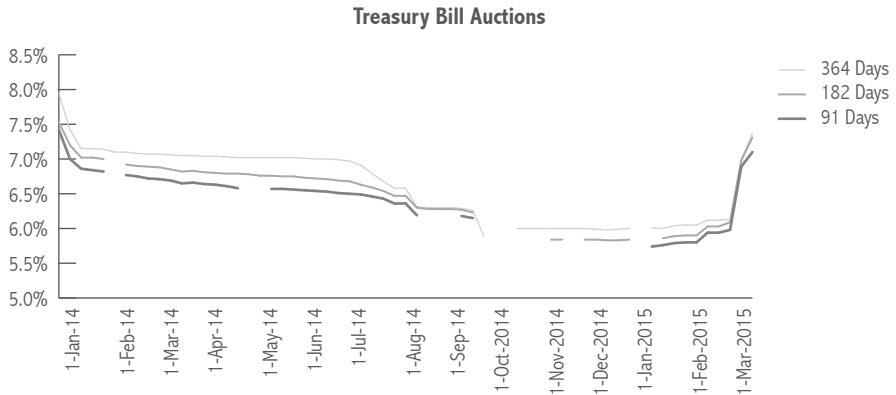


Interest Rates

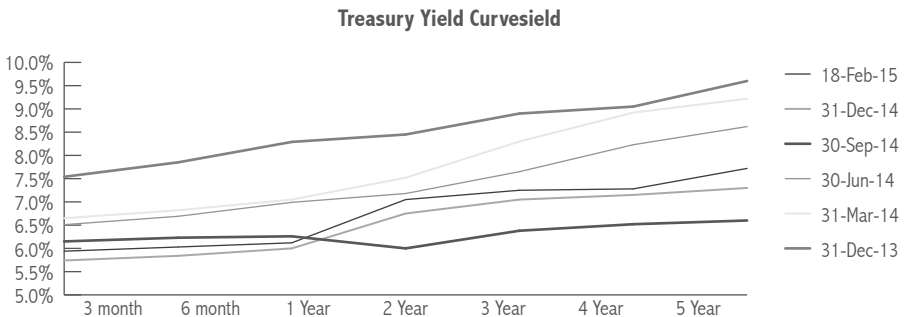
The Central Bank narrowed the policy corridor at the start of the 2014 by reducing the standing lending facility by 0.5% to 8%. Furthermore in September 2014 the central bank rationalized access to the Standing Deposit Facility with a view to spur private sector credit growth. With excess liquidity in the market and tepid credit growth, interest rates continued their downward trend through the year with a slight pick up towards the end of the year. The benchmark 364 day Treasury bill which started the year at a 7.95% auction yield reduced by 195 basis points to 6.00% by year end. However the first two months of 2015 have seen 364 day Treasury bill yield increase by 13 basis points with further increases expected.

Net credit to private sector had slowed significantly to a low of 0.8% in July 2014 but has maintained an upward momentum since then to close the year with a YOY growth of 8.8%. Increased corporate borrowings coupled with increased consumption have filtered into bank lending which helped increase credit growth.

Manager Review



The yield curve has shifted from the start of the year down by approximately 200 basis points across the curve. This was largely on account of higher levels of liquidity in the financial system and reducing inflation figures. Lower oil prices and inflation numbers globally have left room for countries to further reduce policy rates and have further accommodative monetary policy. However, significant selling of government securities by foreign holders, external debt repayments and higher levels of imports have seen Sri Lanka's foreign exchange reserves reducing to USD 7.2 billion from a high of USD 9 billion.

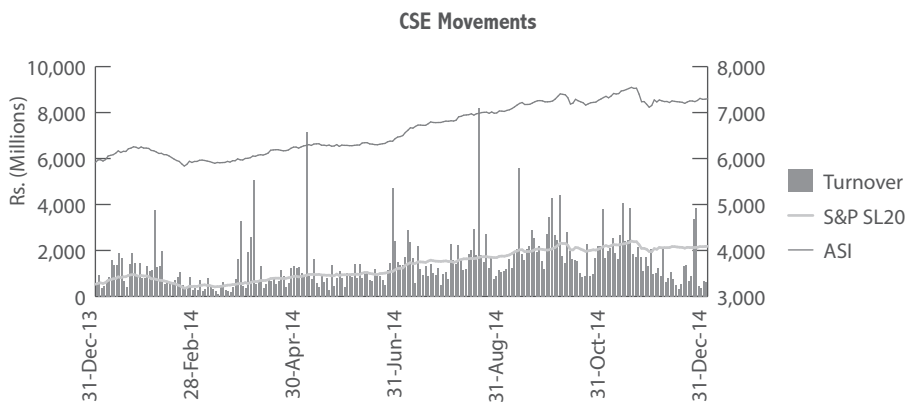


Equity Market

The Colombo Stock Exchange had a strong run in 2014 with the All Share Price Index gaining 23.44% and the S&P SL20 increasing by 25.29%. The first half of the year saw the ASPI provide a return of 7.88% as lower interest rates pushed investors to riskier assets such as equity. Much of the return was gained in the third quarter of the year where the ASI grew by 13.69%. The fourth quarter saw a return of only 0.65% as the announcement of

presidential elections resulted in a lot of market uncertainty. Net foreign inflows to the Colombo Stock Exchange amounted to Rs. 22.0 billion with foreign investors focusing on a larger array of stocks.

The Sectors that performed well for the period under review were Power & Energy (55.19%), Manufacturing (45.09%) and Telecommunication (41.62%). Significant sectors that underperformed the ASPI were Beverage, Food & Tobacco (5.31%), Hotels & Travels (8.48%) and Plantations (13.81%). Daily average turnover levels for the first half of 2014 recorded at Rs.994 million showed good investor participation, however, the second half of the year showed even greater participation with average turnover at Rs. 1,802 million. The historical P/E ratio of the CSE was 19.66x as at December 2014 showing significant upward re-rating. Going forward the equity market is expected to continue to perform well as market fundamentals such as earnings growth continue to gain momentum and low interest rates prevail. However, with the change in power after the presidential elections, upcoming general elections and as investors awaiting ongoing policy direction, higher volatility in the market is expected.



GUARDIAN ACUITY EQUITY FUND

FINANCIAL STATEMENTS

31 DECEMBER 2014



Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 2463500
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Tax : +94 11 5578180
eysl@nk.ey.com
ey.com

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF GUARDIAN ACUITY EQUITY FUND

Report on the Financial Statements

We have audited the accompanying financial statements of Guardian Acuity Equity Fund, ("the Unit Trust"), which comprise the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of movement in unit holder's funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (set out on pages 3 to 15.)

Management's Responsibility for the Financial Statements

Guardian Acuity Asset Management Limited, the Managers and the Trustees of the Unit Trust are responsible for the preparation of these 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.

Auditor's Responsibility, Basis of Opinion, Scope and Limitations of the Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial

statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2014, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on other legal and regulatory requirements

As required by Section 163(2) of the Companies Act No. 7 of 2007, we state the following:

- a) The basis of opinion and Scope and Limitations of the audit are as stated above.
- b) In our opinion:
 - We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Fund,
 - The financial statements of the Fund, comply with the requirements of Section 151 of the Companies Act No. 7 of 2007

16th March 2015
Colombo

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Notes	2014 Rs.	2013 Rs.
INCOME			
Interest Income	3	667,948	1,035,441
Dividend Income		2,078,452	1,218,969
Net realised gain on sale of investments		6,007,747	4,094,003
Net change in unrealized gains on financial assets held at fair value through profit and loss		18,979,468	(1,024,514)
		27,733,615	5,323,899
EXPENSES			
Management Fees		(1,822,801)	(990,825)
Trustee and Custodian Fees		(429,008)	(324,910)
Audit Fees		(301,572)	(182,560)
Transaction Cost		(1,679,328)	(524,942)
Other Expenses		(73,109)	(124,587)
		(4,305,818)	(2,147,824)
NET PROFIT BEFORE TAX		23,427,797	3,176,075
Income Tax Expense		-	-
NET PROFIT AFTER TAX FOR THE YEAR		23,427,797	3,176,075
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		23,427,797	3,176,075

The accounting policies and notes on pages 22 through 33 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 Rs.	2013 Rs.
Cash and cash equivalents	4	291,817	99,135
Financial assets held for trading	5	110,271,379	40,067,505
Financial assets - loans and receivables	6	5,817,025	14,534,821
Other Receivables	7	3,711,273	213,106
Income Tax Receivable		264,550	187,979
		120,356,044	55,102,546
LIABILITIES			
Accrued Expenses	8	489,603	300,518
CDS Payable		36,967	777,613
		526,570	1,078,131
NET ASSETS		119,829,474	54,024,415
UNIT HOLDERS' FUNDS			
Net Assets Attributable to Unitholders		119,829,474	54,024,415
		119,829,474	54,024,415

These Financial Statements were approved by the Management Company, and adopted by the Trustee.

Sgd.
Management Company

Sgd.
Management Company

Sgd.
Trustee

The accounting policies and notes on pages 22 through 33 form an integral part of the Financial Statements.

16 March 2015
Colombo

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

Year ended 31 December 2014

	2014 Rs.	2013 Rs.
UNITHOLDERS' FUNDS AS AT 01 JANUARY	54,024,415	35,013,323
Total Comprehensive Income for the Period	23,427,797	3,176,075
Received on Creation of Units	78,801,401	18,611,295
Paid on Redemption of Units	(36,424,139)	(2,776,278)
Net Increase due to Unitholders' Transactions	42,377,262	15,835,017
UNITHOLDERS' FUNDS AS AT 31 DECEMBER	119,829,474	54,024,415

The accounting policies and notes on pages 22 through 33 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 December 2014

	2014 Rs.	2013 Rs.
Cash Flows from Operating Activities		
Interest Received	603,213	930,606
Dividend Received	1,901,731	1,007,863
Management Fees and Trustee Fees Paid	(2,089,526)	(1,382,700)
Other Expenses Paid	(2,664,442)	(832,090)
Net Cash Flow generated from Operating Activities	(2,249,025)	(276,321)
Cash Flows from Investing Activities		
Sale Proceeds from Sale of Equity Securities	51,998,035	20,197,874
Equity Investments	(100,641,095)	(27,756,504)
Treasury Bill Repos	8,717,796	(8,023,605)
Net Cash used in Investing Activities	(39,925,263)	(15,582,235)
Cash Flows from Financing Activities		
Cash Received on Creation of Units	78,790,401	18,619,295
Cash Paid on Redemption of Units	(36,423,432)	(2,776,278)
Net Cash generated from Financing Activities	42,366,970	15,843,017
Net Increase in Cash and Cash Equivalents	192,682	(15,539)
Cash and Cash Equivalents at the beginning of the period Year	99,135	114,674
Cash and Cash Equivalents at the End of the Year	291,817	99,135

The accounting policies and notes on pages 22 through 33 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. GENERAL INFORMATION

Guardian Acuity Equity Fund is an open ended unit trust fund approved by the Securities and Exchange Commission of Sri Lanka. The fund was launched on 27 February 2012.

The fund is managed by Guardian Acuity Asset Management Limited which is incorporated and domiciled in Sri Lanka. The registered office of the management company is located at No 61, Janadhipathi Mawatha, Colombo 01. The trustee of the fund is Deutsche Bank AG having its place of business at No 86, Galle Road, Colombo 03.

The investment objective of the fund is to achieve long term capital appreciation through investing prudently in a portfolio of listed shares.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements are prepared in accordance with and comply with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka and adopted as directed by the Securities and Exchange Commission of Sri Lanka.

The financial statements have been prepared on a historical cost basis, except for financial assets held for Trading all of which have been measured at fair value. The financial statements are presented in Sri Lanka Rupees. The statement of financial position is presented broadly in order of a liquidity basis.

2.1.1 Statement of Compliance

These financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs and LKASs) which are effective from 01 January 2012.

2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

2.2.1 Impairment losses on financial assets – Loans and receivables

The fund reviews its financial investments classified as loans and receivables at each reporting date to assess whether they are impaired. In particular management judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting future changes to the allowance.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1 Financial instruments – initial recognition and subsequent measurements

Financial Assets within the scope of LKAS 39 are classified as Financial Assets at Fair Value through Profit or Loss and Loans and Receivables as appropriate. The Fund determines the classification of its Financial Assets at initial recognition.

2.3.1.1 Date of recognition

All financial assets are initially recognized on the trade date, i.e. the date that the fund

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

becomes a party to the contractual provisions of the instrument. This includes purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

2.3.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management intention in acquiring them. All financial assets are measured initially at the fair value plus transaction costs, except in the cases of financial assets recorded at fair value through profit or loss.

2.3.1.3 Financial Assets at Fair Value through Profit and Loss

- **Financial Assets Held for Trading**

Financial assets or financial liabilities held for trading are recorded in the Statement of Financial Position at fair value. Changes to the fair values of financial assets or financial liabilities held for trading is recorded in 'Statement of Comprehensive Income'.

Included in this classification are debt securities that have been acquired principally for the purpose of selling or repurchasing in the near term.

2.3.1.4 Financial assets - loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active

market. Loan and receivables in the statement of financial position comprise of Treasury bill reverse repurchase agreements.

After initial measurement, loans and receivable are subsequently measured at amortised cost using the effective interest rate, less allowance for impairment. The amortization is included in the "interest income" in the statement of comprehensive income. The losses arising from impairment is recognised in the statement of comprehensive income in "credit loss expense".

2.3.1.5 Derecognition of financial assets

A financial asset is derecognised when,

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2.3.1.6 Determination of Fair Value

The fair value for financial instruments traded in active markets at the reporting date is based on their average quoted market price or average dealer price quotations without any deduction for transaction costs.

2.3.2 Recognition of income

Revenue 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 also be met before revenue is recognised.

(i) 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. Interest income of treasury bills repurchase agreements are recognised at gross of notional tax credit .

(ii) Dividend Income

Dividend income is recognised when the fund's right to receive payment is established.

(iii) Net change in unrealised gains/(losses) on financial assets held for trading

Net change in unrealised gain/(losses) on financial assets held for trading includes all

gains and losses arise from changes in fair value for financial assets held for trading.

(iv) Net realised gains/(losses) on financial assets held for trading

Net realised gains/(losses) on financial assets held for trading includes results of buying and selling of quoted equity securities.

2.3.3 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.3.4 Income tax

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The fund is liable to pay income tax at the rate of 10% in accordance with the Inland Revenue Act No.10 of 2006.

2.3.5 Expenses

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

Management fee -	2.25% of net asset value of the fund
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

Trustee fee - 0.25% of net asset value of the fund and a fixed sum of Rs. 15,000 per month.

2.3.6 Accrued expenses

Payables are initially recognised at fair value, which is the fair value of the consideration to be paid in the future for service received, whether or not billed to the fund, and subsequently at amortised cost.

2.3.7 Unitholders' funds and net assets attributable to unit holders

Unitholders' funds has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to Unitholders, as at the balance 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 calculated in accordance with the valuation guidelines issued by the Unit Trust Association of Sri Lanka and approved 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.

2.4 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Financial Instruments

The Fund's principal financial assets comprise investments in trading securities, Loans and

receivables and cash at bank. The main purpose of these financial instruments is to generate a return on the investment made by Unit holders. The Fund's principal financial liabilities comprise amounts attributable to Unit holders, which are the amounts owed to Unit holders of the Fund. The Fund also has receivables and payables which arise directly from its operations.

In accordance with LKAS 39 Financial Instruments: Recognition and Measurement, the Fund's receivables are classified as 'loans and receivables'. Trading securities are classified as 'held for trading', meaning they are valued at fair value through profit or loss. Amounts attributable to Unit holders are classified as 'other financial liabilities' and are carried at the redemption amount being net asset value. Payables are designated as 'other financial liabilities' at amortised cost.

(b) Financial risk management objectives, policies and processes

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 business/economic risks, market risk and liquidity risk.

Financial instruments of the Fund comprise investments in trading securities for the purpose of generating a return on the investment made by Unit holders, in addition to cash at bank and other financial instruments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

such as receivables and payables, which arise directly from its operations.

The manager also monitors information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment restrictions stated in explanatory memorandum of the fund. These investment restrictions reflect the investment strategy 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 Manager on a regular basis as deemed appropriate, including the Compliance manager, key management, Investment Committee, and ultimately the Trustees of the Fund.

(c) Credit risk

Credit risk is the risk that the counterparty to the financial statement will fail to discharge an obligation and cause the Fund to incur a financial loss.

The Fund is subject to credit risk on its bank balance. The credit risk exposure on these instruments is not deemed to be significant.

(d) Market risk

Market risk represents the risk that the value of the Fund's investments portfolios will fluctuate as a result of changes in market prices.

This risk is managed by ensuring that all investment activities are undertaken in

accordance with established investment restrictions and investments strategies. As such, Unit holders can manage this risk through their choices of which investment portfolios to participate in.

Within the underlying investment portfolio, diversification is achieved at a number of levels. The diversified portfolio is invested across a range of market sectors.

Price risk

Price risk is the risk 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 portfolio. Price risk is caused by volatility in trading activity of securities listed on the Colombo Stock Exchange.

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 prices of the Fund's investments in trading securities, with all other variables held constant:

	Increases/ (decreases) on amounts attributable to Unit holders and Profit before tax	
	2014 (LKR)	2013 (LKR)
Change in price of the Fund's investment in trading securities:		
+10%	11,027,138	4,006,750
-10%	(11,027,138)	(4,006,750)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

The above figures are calculated across the entire investment portfolio on an annual basis. There is a corresponding change to the fair value of trading securities within the Statement of Financial Position.

Interest rate risk

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

The Fund's exposure to interest rate risk primarily arises from changes in interest rates applicable to the financial assets.

Foreign exchange risk

Foreign exchange risk is the risk that value of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The Fund is not exposed to foreign exchange risk due to trading securities denominated in Sri Lankan Rupees.

(e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet its obligation to pay Unit holders.

Due to the nature of a unit trust, it is unlikely that a significant number of unit holders would exit at the same time. However, to control liquidity risk, the Fund's investments in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund invests within

established limits to ensure there is no concentration of risk.

Receivables outstanding at balance sheet date are due to be settled within 3 days of balance sheet date. Due to the short term nature of these financial instruments, carrying value approximates to fair value.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3. GROSS INCOME

	2014 Rs.	2013 Rs.
Interest on		
Treasury Bill Reverse Repurchase Agreement (3.1)	667,948	1,035,441
	667,948	1,035,441

3.1 Interest on Treasury Bill Reverse Repurchase Agreements has been accounted for Gross of Notional Tax.

4. CASH AND CASH EQUIVALENTS

	2014 Rs.	2013 Rs.
Cash at Bank	291,817	99,135
	291,817	99,135

5. FINANCIAL ASSETS - HELD FOR TRADING**a) Investment in Equity shares**

	2014 Rs.	2013 Rs.
Cost as at 31 December	89,033,997	37,809,591
Provision for Appreciation of Marketable Securities	21,237,382	2,257,914
Market Value as at 31 December	110,271,379	40,067,505

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

Company	2014		2013		
	Number of Shares	Market Value Rs.	"Number of Shares"	Market Value Rs.	
			Holding as a % of Net Asset Value	Holding as a % of Net Asset Value	
Banks, Finance and Insurance					
Central Finance Company PLC	-	-	17,000	2,992,000	6%
Commercial Bank of Ceylon PLC	25,707	4,395,897	30,233	3,640,053	7%
People's Leasing and Finance PLC	219,217	5,370,817	257,617	3,452,068	6%
Sampath Bank PLC	30,150	7,124,445	13,550	2,329,245	4%
Nations Trust Bank PLC	87,824	8,518,928	66,502	4,136,424	8%
Seylan Bank PLC	120,000	6,900,000	-	-	-
		32,310,087		16,549,790	31%
Beverage, Food and Tobacco					
Ceylon Tobacco Company PLC	-	-	1,443	1,709,089	3%
Distilleries Company of Srilanka PLC	29,279	6,148,590	14,279	2,755,847	5%
		6,148,590		4,464,936	8%
Diversified Holdings					
John Keells Holdings PLC	32,996	8,249,000	16,396	3,726,811	7%
John Keells Holdings PLC- Warrants	58,000	4,205,000			4%
Expolanka Holdings PLC	-	-	80,000	600,000	1%
Hemas Holdings PLC	72,982	5,422,563	119,482	4,062,388	8%
Aitken Spence PLC	71,925	7,444,238			6%
		25,320,800		8,389,199	16%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

Hotels and Travels						
Aitken Spence Hotel Holdings PLC	87,117	6,838,685	6%	53,845	3,763,766	7%
		6,838,685	6%		3,763,766	7%
Manufacturing						
Piramal Glass Ceylon PLC	-	-	-	399,200	1,796,400	3%
		-	-		1,796,400	3%
Construction & Engineering						
Access Engineering PLC	264,800	8,500,080	7%	172,800	3,818,880	7%
		8,500,080	7%		3,818,880	7%
Telecommunication						
Dialog Axiata PLC	803,926	10,692,216	9%	142,726	1,284,534	2%
		10,692,216	9%		1,284,534	2%
Footwear & Textiles						
Hayleys MGT Knitting Mills PLC	232,290	4,041,846	3%	-	-	-
		4,041,846	3%		-	-
Power & Energy						
Vallibell Power Erathna PLC	700,000	5,040,000	4%	-	-	-
PanAsian Power PLC	1,100,000	3,520,000	3%	-	-	-
Laugfs Gas Limited	59,654	2,415,987	2%	-	-	-
		10,975,987	9%		-	-
Trading						
Singer Sri Lanka PLC	46,167	5,443,089	5%	-	-	-
		5,443,089	5%		-	-
		110,271,379	92%		40,067,505	74%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

6. FINANCIAL INVESTMENTS - LOANS AND RECEIVABLES

	2014 Rs.	2013 Rs.
Treasury Bill Reverse Repurchase Agreement (Maturity less than 3 months)	5,817,025	14,534,821
	5,817,025	14,534,821

7. ACCRUED INCOME AND OTHER RECEIVABLES

	2014 Rs.	2013 Rs.
Amount Receivable on creation of units	13,000	2,000
Receivables from Securities sold	3,300,670	-
Dividend receivable	397,603	211,106
	3,711,273	213,106

8. ACCRUED EXPENSES

	2014 Rs.	2013 Rs.
Fund Manager Payable	228,355	99,636
Trustee Fee and Custodian Fee Payable	45,541	29,522
Audit Fee	215,000	171,360
Other payables	707	-
	489,603	300,518

9. CONTINGENCIES

There are no material contingencies existing as at the reporting date that require adjustments to, or disclosure in the Financial Statements.

10. POST BALANCE SHEET EVENTS

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

11. CAPITAL COMMITMENTS

The Fund does not have significant Capital Commitments at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

12. UNITS IN ISSUE AND UNIT PRICE

	Units 2014	Units 2013
Units at the beginning of the year	4,397,749	3,120,421
Units sold	5,020,183	1,504,059
Units redeemed	(2,345,873)	(226,731)
Net decrease in units	2,674,310	1,277,328
Units at the end of the year	7,072,059	4,397,749

15. RELATED PARTY TRANSACTIONS

The following institutions have been identified as related parties to the Fund in accordance with Sri Lanka Accounting Standards LKAS 24.

Company	Names of Directors	Nature of Transactions
Guardian Acuity Asset Management Limited (Management Company)	Mr.D.C.R Gunawardena Mr.K Selvanathan Mr.T De Silva Ms.R Fernando Mr.R.Abeywardena Mr.D.Rodrigo	The Fund has paid Rs.1,594,446/ (2013 - Rs.990,825/-) as management fees during the year. The fee payable as at 31 December 2014 is Rs. 228,355 (2013- Rs.99,636/-)
Deutsche Bank (Trustee) AG Filiale Colombo		The Fund has paid Rs.383,466/- (2013- Rs.324,910/-) as trustee and custodian fees during the period. The fee payable as at 31 December 2014 is Rs.45,541/- (2013- Rs.29,522/-)
Ceylon Guardian Investment Trust PLC	Mr.D.C.R Gunawardena Mr.K Selvanathan	Ceylon Guardian Investment Trust PLC hold 1,250,000 units in Guardian Acuity Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

Company	Names of Directors	Nature of Transactions
(Joint Venture partner in management company)		(Value of units as at 31 December 2014 is Rs. 20,925,000/-, 2013-Rs.15,175,000/-)
Ceylon Investment PLC (Subsidiary of Ceylon Guardian Investment Trust PLC)	Mr.D.C.R Gunawardena Mr.K Selvanathan	Ceylon Investment PLC hold 1,250,000 units in Guardian Acuity Equity Fund (Value of units as at 31 December 2014 is Rs. 20,925,000/-, 2013-Rs.15,175,000/-)
Guardian Fund Management Staff (Fund Management Company of Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC)		Guardian Fund Management Limited Staff hold 172,978 units in Guardian Acuity Equity Fund (Value of units as at 31 December 2014 is Rs. 2,895,655/-, 2013-Rs.2,160,652/-)

GUARDIAN ACUITY FIXED INCOME FUND

FINANCIAL STATEMENTS

31 DECEMBER 2014



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INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF GUARDIAN ACUITY FIXED INCOME FUND

Report on the Financial Statements

We have audited the accompanying financial statements of Guardian Acuity Fixed Income Fund, ("the Unit Trust"), which comprise the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of movement in unit holder's funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (set out on pages 3 to 15.)

Management's Responsibility for the Financial Statements

Guardian Acuity Asset Management Limited, the Managers and the Trustees of the Unit Trust are responsible for the preparation of these 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.

Auditor's Responsibility, Basis of Opinion, Scope and Limitations of the Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial

statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2014, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on other legal and regulatory requirements

As required by Section 163(2) of the Companies Act No. 7 of 2007, we state the following:

- a) The basis of opinion and Scope and Limitations of the audit are as stated above.
- b) In our opinion:
 - We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Fund,
 - The financial statements of the Fund, comply with the requirements of Section 151 of the Companies Act No. 7 of 2007

16th March 2015
Colombo

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Notes	2014 Rs.	2013 Rs.
INCOME			
Interest Income	3	89,305,799	46,999,782
		89,305,799	46,999,782
EXPENSES			
Management Fees		(5,704,138)	(2,104,067)
Trustee Fees		(1,597,178)	(589,150)
Audit Fees		(278,532)	(145,824)
Bank Charges		(116,537)	(146,284)
Other Expenses		(79,369)	-
		(7,775,754)	(2,985,325)
NET PROFIT BEFORE TAX		81,530,045	44,014,457
Income Tax Expense		(8,153,004)	(4,399,141)
NET PROFIT AFTER TAX FOR THE YEAR		73,377,040	39,615,316
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		73,377,040	39,615,316

The accounting policies and notes on pages 40 through 52 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 Rs.	2013 Rs.
ASSETS			
Cash and cash equivalents	4	39,838	89,052
Financial assets held for trading	5	28,527,513	-
Financial assets - loans and receivables	6	1,754,580,067	476,373,362
Income Tax Receivables		610,815	-
Other Receivables		87,500	13,000
		1,783,845,733	476,475,414
LIABILITIES			
Accrued Expenses	7	1,479,892	418,214
Income Tax Payable		-	166,762
		1,479,892	584,976
NET ASSETS		1,782,365,841	475,890,438
UNIT HOLDERS' FUNDS			
Net Assets Attributable to Unitholders		1,782,365,841	475,890,438
		1,782,365,841	475,890,438

These Financial Statements were approved by the Management Company, and adopted by the Trustee.

Sgd.
Management Company

Sgd.
Management Company

Sgd.
Trustee

The accounting policies and notes on pages 40 through 52 form an integral part of the Financial Statements.

16 March 2015
Colombo

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

Year ended 31 December 2014

	2014 Rs.	2013 Rs.
Opening balance	475,890,438	282,074,704
Total Comprehensive Income for the Period	73,377,040	39,615,316
Income Distribution	(34,336,911)	(18,900,258)
Received on Creation of Units	1,493,528,880	294,637,512
Paid on Redemption of Units	(226,093,607)	(121,536,836)
Net Increase due to Unitholders' Transactions	1,267,435,273	173,100,676
UNITHOLDERS' FUNDS AS AT 31 DECEMBER	1,782,365,841	475,890,438

The accounting policies and notes on pages 40 through 52 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 December 2014

	2014 Rs.	2013 Rs.
Cash Flows from Operating Activities		
Interest Received	55,831,430	44,545,142
Management Fees and Trustee Fees Paid	(6,406,534)	(2,810,618)
Other Expenses Paid	(332,991)	(292,108)
Net Investment in Treasury Bill Repos	(320,478,264)	(1,392,684)
Net Investment in Treasury Bill	(28,304,550)	9,469,028
Net Investment in Fixed Deposits	(751,928,487)	(308,137,999)
Net Investment in Commercial Papers	(154,787,016)	56,974,341
Net Investment in Commercial Papers Repo		15,000,000
	(26,666,664)	
Net Investment in Promissory Notes		32,500,000
Net Cash Flow generated from Operating Activities	(1,233,073,076)	(154,144,899)
Cash Flows from Financing Activities		
Cash Received on Creation of Units	1,493,454,380	294,626,012
Cash Paid on Redemption of Units	(226,093,607)	(121,536,836)
Dividends Paid	(34,336,911)	(18,900,258)
Net Cash generated from Financing Activities	1,233,023,862	154,188,918
Net Increase in Cash and Cash Equivalents	(49,214)	44,019
Cash and Cash Equivalents at the beginning of the year	89,052	45,033
Cash and Cash Equivalents at the end of the year	39,838	89,052

The accounting policies and notes on pages 40 through 52 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. GENERAL INFORMATION

Guardian Acuity Fixed Income Fund is an open ended unit trust fund approved by the Securities and Exchange Commission of Sri Lanka. The fund was launched on 27 February 2012.

The fund is managed by Guardian Acuity Asset Management Limited which is incorporated and domiciled in Sri Lanka. The registered office of the management company is located at No.61, Janadhipathi Mawatha Colombo 01. The trustee of the fund is Deutsche Bank AG having its place of business at No 86, Galle Road, Colombo 03.

The investment objective of the fund is to provide an annual income by investing in a portfolio of fixed income securities with a lower level of risk by investing with high credit quality institutions.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements are prepared in accordance with and comply with the Sri Lanka Accounting Standards comprising LKAS and SLFRS's issued by the Institute of Chartered Accountants of Sri Lanka and adopted as directed by the Securities and Exchange Commission of Sri Lanka.

The financial statements have been prepared on a historical cost basis, except for financial assets classified as Held for Trading all of which have been measured at fair value.

The financial statements are presented in Sri Lankan Rupees. The statement of financial position is presented broadly in order of a liquidity basis.

2.1.1 Statement of Compliance

These financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs and LKASs) which are effective from 01 January 2012.

2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

2.2.1 Impairment losses on financial assets – Loans and receivables

The fund reviews its financial investments classified as loans and receivables at each reporting date to assess whether they are impaired. In particular management judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss.

These estimates are based on assumptions about a number of factors and actual results may differ, resulting future changes to the allowance.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1 Financial instruments – initial recognition and subsequent measurements

Financial Assets within the scope of LKAS 39 are classified as Financial Assets at Fair Value through Profit or Loss and Loans and Receivables as appropriate. The Fund

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Year ended 31 December 2014

determines the classification of its Financial Assets at initial recognition.

2.3.1.1 Date of recognition

All financial assets are initially recognized on the trade date, i.e the date that the fund becomes a party to the contractual provisions of the instrument. This includes purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

2.3.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management intention in acquiring them. All financial assets are measured initially at the fair value plus transaction costs, except in the cases of financial assets recorded at fair value through profit or loss.

2.3.1.3 Financial Assets Held at Fair Value through Profit and Loss

• Financial Assets Held for Trading

Financial assets or financial liabilities held for trading are recorded in the Statement of Financial Position at fair value. Changes to the fair values of financial assets or financial liabilities held for trading is recorded in 'Net Trading Income'. Included in this classification are debt securities that have been acquired principally for the purpose of selling or repurchasing in the near-term.

2.3.1.4 Financial assets - loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables in the statement of financial position comprise commercial papers, trust certificates and Treasury bill reverse repurchase agreements.

After initial measurement, loans and receivable are subsequently measured at amortised cost using the effective interest rate, less allowance for impairment. The amortization is included in the "interest income" in the statement of comprehensive income. The losses arising from impairment is recognised in the statement of comprehensive income in "credit loss expense".

2.3.1.5 Derecognition of financial assets

A financial asset is derecognised when,

- 1) The rights to receive cash flows from the asset have expired.
- 2) The fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either,
 - The fund has transferred substantially all the risks and rewards of the asset

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

- The fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

2.3.1.6 Determination of Fair Value

The fair value for financial instruments traded in active markets at the reporting date is based on their average quoted market price or average dealer price quotations without any deduction for transaction costs.

2.3.2 Recognition of income

Revenue 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 also be met before revenue is recognised.

(i) 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. Interest income of treasury bills reverse repurchase agreements, commercial papers and corporate debt securities are recognised at gross of notional tax credit or withholding tax.

(ii) Net change in unrealised gains/(losses) on financial assets held for trading

Net change in unrealised gain/(losses) on financial assets held for trading includes all

gains and losses arise from changes in fair value for financial assets held for trading.

(iii) Net realised gains/(losses) on financial assets held for trading

Net realised gains/(losses) on financial assets held for trading includes results of buying and selling of quoted equity securities.

2.3.3 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.3.4 Income tax

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The fund is liable to pay income tax at the rate of 10% in accordance with the Inland Revenue Act No.10 of 2006.

2.3.5 Expenses

The management fee and trustee fee of the fund as per the explanatory memorandum is as follows,

Management fee -	0.60% p.a. of net asset value (Calculated on daily basis)
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

Trustee fee - 0.15% p.a. of net asset value (Calculated on daily basis)

2.3.6 Accrued expenses

Payables are initially recognised at fair value, which is the fair value of the consideration to be paid in the future for service received, whether or not billed to the fund, and subsequently at amortised cost.

2.3.7 Unit holders' funds and net assets attributable to unit holders

Unit holders' funds has 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 balance sheet 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 calculated in accordance with the valuation guidelines issued by the Unit Trust Association of Sri Lanka and approved 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.

2.4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Financial Instruments

The Fund's principal financial assets comprise investments in trading securities and cash at bank. The main purpose of these financial

instruments is to generate a return on the investment made by Unit holders. The Fund's principal financial liabilities comprise amounts attributable to Unit holders, which are the amounts owed to Unit holders of the Fund. The Fund also has receivables and payables which arise directly from its operations.

In accordance with LKAS 39 Financial Instruments: Recognition and Measurement, the Fund's receivables are classified as 'loans and receivables'. Trading securities are classified as 'held for trading', meaning they are valued at fair value through profit or loss. Amounts attributable to Unit holders are classified as 'other financial liabilities' and are carried at the redemption amount being net asset value. Payables are designated as 'other financial liabilities' at amortized cost.

(b) Financial risk management objectives, policies and processes

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 trading securities for the purpose of generating a return on the investment made by Unit holders.

The manager also monitors information about the total fair value of financial instruments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

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 Manager on a regular basis as deemed appropriate, including the Fund manager, other key management, Investment Committee, and ultimately the Trustees of the Fund.

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

(c) Credit risk

Credit risk is the risk that the counterparty to the financial statement will fail to discharge an obligation and cause the Trust to incur a financial loss.

The Trust'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 balance sheet date. The credit risk exposure on these instruments is not deemed

to be significant. It is the trust's policy to enter into financial instruments with reputable counterparties with high credit quality.

The credit ratings of the counterparties with which the Trust places investments are as set out below:

Counterparty	Rating Agency	Credit Rating
Central Finance PLC	Fitch Ratings	A+(lka)
Peoples Leasing & Finance PLC	Fitch Ratings	AA-(lka)
Senkadagala Finance PLC	Fitch Ratings	BBB+(lka)
Melsta Regal Finance LTD	Fitch Ratings	A+(lka)
Bank of Ceylon	Fitch Ratings	AA+(lka)
Hatton National Bank PLC	Fitch Ratings	AA-(lka)
People's Bank	Fitch Ratings	AA+(lka)
National Development Bank PLC	Fitch Ratings	AA-(lka)
Merchant Bank of Sri Lanka	RAM Ratings	AA-(lka)

The Fund is also subject to credit risk on its bank balance. The credit risk exposure on these instruments is not deemed to be significant.

(d) Market risk

Market risk represents the risk that the value of the Fund's investments portfolios will fluctuate as a result of changes in market prices.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

This risk is managed by ensuring that all investment activities are undertaken in accordance with established mandate limits and investments strategies.

Price risk

Price risk is the risk that the fair value of the Fund's investment in trading securities, fluctuate as a result of changes in the price of the Fund's investments in trading securities.

According to the Fund Manager a hypothetical 100 basis points change in the yield rates of the held for trading financial assets at 31 December 2014 would impact net income by approximately Rs. 283,045.50(2013 : Rs.Nil).

The above figures are calculated across the entire investment portfolio on an annual basis. There is a corresponding change to the fair value of trading securities within the Statement of Financial Position.

Interest rate risk

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

The Fund's exposure to interest rate risk primarily arises from changes in interest rates applicable to the financial assets. In Unit Trust valuation, short term instruments are valued at cost plus accrued interest basis and long term instruments are valued at mark to market basis.

(e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet its obligation to pay Unit holders.

Due to the nature of a unit trust, it is unlikely that a significant number of unit holders would exit at the same time. However, to control liquidity risk, the Fund's investments in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund invests within established limits to ensure there is no concentration of risk. Due to the short term nature of these financial instruments, carrying value approximates to fair value.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3. GROSS INCOME

	2014 Rs.	2013 Rs.
Interest on		
Fixed Deposits	64,697,828	25,861,469
Treasury Bill Reverse Repurchase Agreements	9,795,495	1,664,372
Treasury Bills (3.1)	977,404	914,181
Debentures	1,856,000	2,662,833
Promissory Notes	-	1,964,571
Commercial Paper and Repo	10,699,713	1,375,603
Securitization	1,279,359	12,556,755
	89,305,799	46,999,782

3.1 Interest on Treasury Bill Repurchase Agreements has been accounted for Gross of Notional Tax.

4. CASH AND CASH EQUIVALENTS

	2014 Rs.	2013 Rs.
Cash at Bank	39,838	89,052
	39,838	89,052

5. FINANCIAL ASSETS - HELD FOR TRADING

	2014 Rs.	2013 Rs.
Government debt securities	28,527,513	-
	28,527,513	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

6. FINANCIAL INVESTMENTS - LOANS AND RECEIVABLES

	2014 Rs.	2013 Rs.
Treasury Bill Reverse Repurchase Agreement (Less than 3 months)	335,805,428	10,722,448
Commercial Papers (Note 6.1)	200,061,632	42,392,912
Fixed Deposits (Note 6.2)	1,170,457,270	402,284,941
Unquoted Debentures (Note 6.3)	20,704,772	20,973,060
Securitization (Note 6.4)	27,550,965	-
	1,754,580,067	476,373,362

6.1 Commercial Papers

Softlogic Holdings PLC	123,711,727	-
Softlogic Retail (Private) Limited	76,349,905	-
Merchant Bank of Ceylon	-	42,392,912
	200,061,632	42,392,912

6.2 Fixed Deposits

Hatton National Bank PLC	11,404,534	16,022,698
Bank of Ceylon	40,739,726	15,007,761
Central Finance PLC	136,832,795	47,230,697
Melsta Regal Finance Limited	6,580,858	69,036,196
People's Bank	40,739,726	21,005,258
National Development Bank	-	101,335,238
Commercial Credit and Finance	141,281,616	-
Commercial Leasing & Finance	264,399,932	-
LB Finance	209,476,015	-
Lanka Orix Leasing Finance PLC	85,835,293	-
Peoples Leasing Limited	42,613,304	69,180,560
Senkadagala Finance PLC	190,553,471	63,466,533
	1,170,457,270	402,284,941

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

6.3 Unquoted Debentures

	2014 Rs.	2013 Rs.
Central Finance PLC	20,704,772	20,973,060
	20,704,772	20,973,060

6.4 Securitization

Assetline Leasing Company Limited	27,550,965	-
	27,550,965	-

7. ACCRUED EXPENSES

	2014 Rs.	2013 Rs.
Fund Manager Payable	918,676	219,629
Trustee Fee and Custodian Fee Payable	257,232	61,497
Audit Fee	175,000	137,088
Other payables	128,984	-
	1,479,892	418,214

8. CONTINGENCIES

There are no material contingencies existing as at the reporting date that require adjustments to, or disclosure in the Financial Statements.

9. POST BALANCE SHEET EVENTS

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

10. CAPITAL COMMITMENTS

The Fund does not have significant Capital Commitments at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

11. UNITS IN ISSUE AND UNIT PRICE

Transactions in units for the year ended 31 December are summarised as follows:

	Units 2014	Units 2013
Units at the beginning of the year	40,800,992	25,613,215
Units sold	127,150,705	25,753,507
Units redeemed	(19,220,465)	(10,565,730)
Net decrease in units	107,930,241	15,187,777
Units at the end of the year	148,731,233	40,800,992

Units in issue and deemed to be in issue as at 31 December 2014 is 148,731,233.17 (December 2013: 40,800,992.98) and the creation and redemption Unit price as at this date is Rs.11.98.

12. RELATED PARTY TRANSACTIONS

Company	Names of Directors	Nature of Transactions
Guardian Acuity Asset Management Limited (Managing Company)	Mr.D.C.R Gunawardena Mr.K Selvanathan Mr.T De Silva Ms.R Fernando Mr.R.Abeywardena Mr.D.Rodrigo	Guardian Acuity Asset Management Limited holds 3,745,318 units in Guardian Acuity fixed Income Fund Value of the units held by Guardian Acuity Asset Management Limited in Guardian Acuity Fixed Income Fund as at 31 December 2014 is Rs. 44,868,910/- Fund has paid Rs.5,005,092/- as management fees during the period. The fee payable as at 31 December 2014 is Rs.918,676/-.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

Company	Names of Directors	Nature of Transactions
Deutsche Bank (Trustee) AG Filiale Colombo		Fund has paid Rs. 1,401,443/- as trustee and custodian fees during the period. The payable as at 31 December 2014 is Rs.257,232/-
Acuity Partners (Pvt) Ltd (Joint Venture Partner in Managing Company)	Mr.R.Abeywardena Mr.T.De Silva Mr.D.Rodrigo	Acuity Partners (Pvt) Ltd hold 2,500,000 units in Guardian Acuity Fixed Income Fund Value of the units held by Acuity Partners (Pvt) Ltd in Guardian Acuity Fixed Income fund as at 31 December 2014 is Rs.29,950,000/-
Ceylon Guardian Investment Trust PLC (Joint Venture Partner in Managing Company)	Mr.D.C.R Gunawardena Mr.K Selvanathan	Ceylon Guardian Investment Trust PLC holds 3,964,004 units in Guardian Acuity Fixed Income Fund Value of the units held by Ceylon Guardian Investment Trust PLC in Guardian Acuity Fixed Income fund as at 31 December 2014 is Rs. 47,488,762/-
Ceylon Investment PLC (Subsidiary of Ceylon Guardian Investment Trust PLC)	Mr.D.C.R Gunawardena Mr.K Selvanathan	Ceylon Investment PLC holds 3,964,004 units in Guardian Acuity Fixed Income Fund Value of the units held by Ceylon Investment PLC in Guardian Acuity Fixed Income fund as at 31 December 2014 is Rs. 47,488,762/-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

Company	Names of Directors	Nature of Transactions
HNB Assurance PLC (Subsidiary of Hatton National Bank PLC, one of the ultimate parent companies of Acuity Partners (Pvt) Ltd)	Mr.D.Rodrigo	HNB Assurance PLC holds 4,155,034 units in Guardian Acuity Fixed Income Fund Value of the units held by HNB Assurance PLC in Guardian Acuity Fixed Income fund as at 31 December 2014 is Rs. 49,777,306/-
Hatton National Bank PLC (Joint Parent company of Acuity Partners (Pvt) Ltd)		Total interest income from Hatton National Bank PLC Ltd is Rs.356,459/- Balance of outstanding fixed deposits maintained with Hatton National Bank PLC amounts to Rs.6,198,528/-
Carson Cumberbatch & Co.Ltd: Administrative Staff Provident Fund (Parent Company of Ceylon Guardian Investment Trust PLC)	Mr.D.C.R Gunawardena	Carson Cumberbatch & Co.Ltd: Administrative Staff Provident Fund holds 3,395,586 units in Guardian Acuity Fixed Income Fund Value of the units held by Carson Cumberbatch & Co.Ltd: Administrative Staff Provident Fund in Guardian Acuity Fixed Income fund as at 31 December 2014 is Rs.40,679,117/-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

Company	Names of Directors	Nature of Transactions
Rubber Investment Trust Ltd	Mr.D.C.R Gunawardena	Rubber Investment Trust Ltd holds 42,517,007 units in Guardian Acuity Fixed Income Fund Value of the units held by Rubber Investment Trust Ltd in Guardian Acuity Fixed Income fund as at 31 December 2014 is Rs. 509,353,741/-
Guardian Fund Management Ltd	Ms.Ruvini Fernando Mr.K Selvanathan	Guardian Fund Management Ltd holds 1,039,861 units in Guardian Acuity Fixed Income Fund Value of the units held by Rubber Investment Trust Ltd in Guardian Acuity Fixed Income fund as at 31 December 2014 is Rs. 12,457,539/-
Guardian Fund Management-Staff (Fund Management Company of Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC)		Guardian fund management limited staff hold 718,488 units in Guardian Acuity fixed Income Fund Value of the units held by Guardian Fund Management Ltd staff in Guardian Acuity Fixed Income fund as at 31 December 2013 is Rs. 8,607,482/-



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