



# Guardian Acuity Fixed Income Fund

**Guardian Acuity Asset Management Limited**  
(A Joint Venture between Ceylon Guardian & Acuity Partners)

AS OF: 30 June 2015

Current Issue Price: LKR: 12.02  
Current Redemption Price: LKR: 12.02

## FUND SNAPSHOT

STRUCTURE:	<b>OPEN ENDED</b>
TYPE:	<b>INCOME FUND</b>
INCEPTION DATE:	<b>27/Feb/2012</b>
BLOOMBERG CODE:	<b>GUAACFI: SL</b>
FUND SIZE:	<b>LKR 3,220 MN</b>
MINIMUM INVESTMENT:	<b>LKR 1,000</b>

## KEY INDICATORS

Current Yield* (Net of Fees):	6.75%
Duration:	0.33
Average Maturity (Months):	5.03
Expense Ratio:	0.77%

\*Yield on existing assets of the fund.

## FUND FEES

	% of NAV
Management fee:	0.60
Trustee & custodian fee:	0.15

## FUND MANAGER

Sumith Perera

## ASSET ALLOCATION

	Portfolio Weight (%)
Fixed Deposits	72.5
Commercial Papers	16.3
Government Securities	11.1
Securitization	0.2

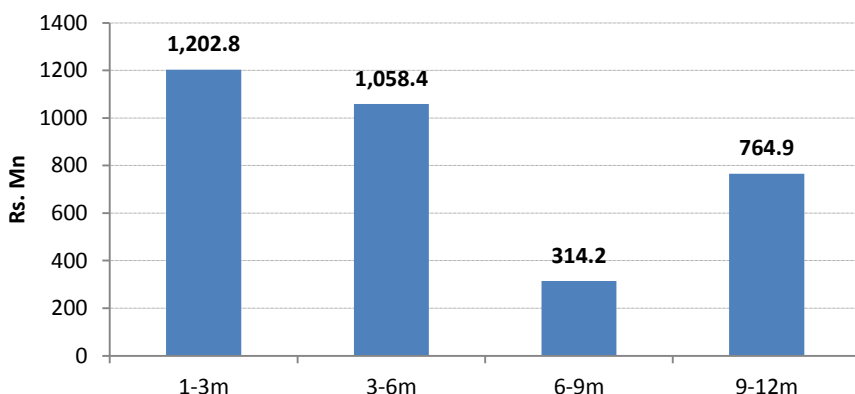
## FUND DESCRIPTION

Guardian Acuity Fixed Income Fund is an open ended unit trust which invests in a portfolio of minimum investment grade fixed income securities consisting of commercial papers, corporate debentures, asset backed securities, government securities and other fixed income securities.

## FUND PERFORMANCE

Period	GAFIF	NDBIB-CRISIL 91 Day T-Bill Index	GAFIF-Annualised
1 Month	0.59%	0.53%	6.90%
3 Months	1.68%	1.67%	6.58%
YTD-2015	3.29%	2.97%	6.63%
Since Inception	38.42%	32.47%	11.50%

## MATURITY PROFILE

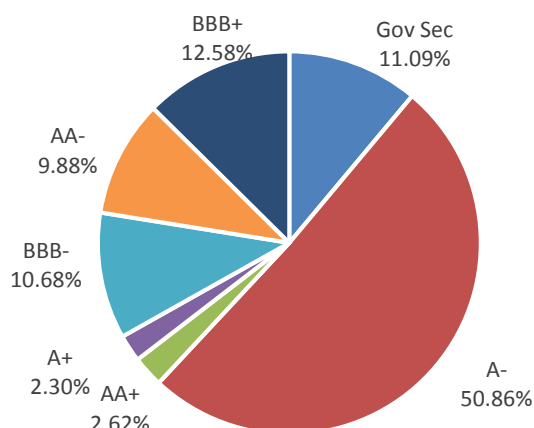


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## FUND CREDIT QUALITY



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## FUND MANAGER COMMENTS

### Fund performance & outlook

The fund gave a return of 0.59% for the month of June 2015 compared to 91 day Treasury bill index of 0.53% for the same period. The fund provides a tax free current yield of 6.75%. We expect the current yield to remain flat till next month as interest rates will remain flat at present levels until the elections are over.

### Interest Rates and the Economy

Headline inflation fell back to its all-time low on a YOY basis, up by a mere 0.1%. The largest contribution came from the Food and Beverage category, which grew 4.0% YOY. Similar to May, this was due to adverse weather which pushed up prices of most vegetables and fish.

Despite declining market liquidity, the Central Bank of Sri Lanka kept policy rates on hold due to slow down in private sector credit growth. Although the domestic environment remains accommodative to keep the policy rates at current levels, the expected increases in US interest rates and Euro concerns surrounding Greece encourage foreign investors to transfer their funds to less risk investments from frontier markets (risky investments).

Therefore foreign outflows from Rupee denominated government securities and external debt servicing can cause upward pressure on the yield curve.

**Guardian Acuity Asset Management Ltd**

**30 June 2015**

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