Fact sheet-July 2015

Guardian Acuity

Fixed Income Fund

Open ended Income Fund

FUND DESCRIPTION

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

FUND SNAPSHOT

INCEPTION DATE:	**27/Feb/2012**
BLOOMBERG CODE:	**GUAACFI: SL**
FUND SIZE:	**LKR 3,167 MN**
MINIMUM INVESTMENT:	**LKR 1,000**

KEY INDICATORS

Current Yield* (Net of Fees):	6.80%
Duration:	0.30
Average Maturity (Months):	4.74
Expense Ratio:	0.77%

**Yield on existing assets of the fund.*

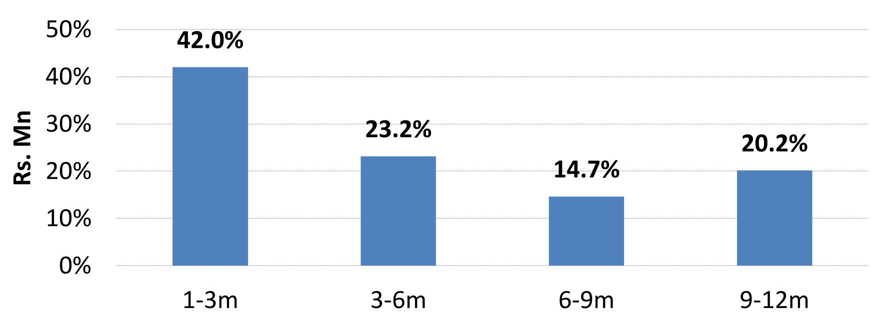
FUND FEES

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

FUND PERFORMANCE

Period	GAFIF	NDBIB-CRISIL 91 Day T-Bill Index	GAFIF- Annualized
1 Month	0.50%	0.45%	6.07%
3 Months	1.68%	1.46%	6.75%
YTD-2015	3.81%	3.43%	6.58%
Cumulative Since Inception	39.11%	33.06%	11.43%

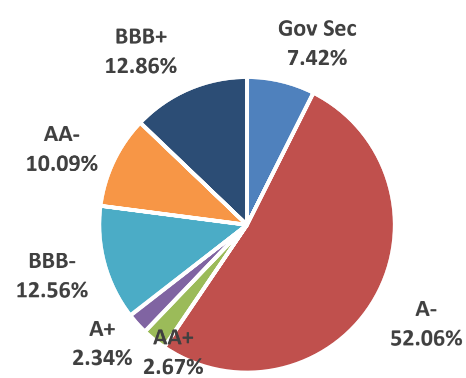
MATURITY PROFILE



ASSET ALLOCATION

	Portfolio Weight (%)
Fixed Deposits	73.2
Commercial Papers	19.3
Government Securities	7.4
Securitization	0.1

FUND CREDIT QUALITY



FUND MANAGER COMMENTS

Fund performance & outlook

The fund gave a return of 0.50% for the month of July 2015 compared to 91 day Treasury bill index of 0.45% for the same period. The fund provides a tax free current yield of 6.80%. We expect the current yield to marginally improve over the next month as short term interest rates have started to increase gradually.

Macro factors: Interest Rates and the Economy

Headline inflation turned negative on a YOY basis largely on account of a base effect where inflation was much higher in July 2014. Food and beverage inflation was moderate while other categories saw increases. The 1 year Treasury bill saw an increase of 20 basis points in the month of July with expectations of this trend gathering momentum into the following month. Several factors contributing to higher expected interest rates include the Federal Reserve increasing interest rates in the USA, excessive consumption imports and the Rupee under pressure. We forecast the rising interest rates to be coupled with a Rupee depreciation in the range of 5% over the short term. Furthermore, with public spending expected to get back on track next year fiscal borrowings may spill over into domestic interest rates.