

Guardian Acuity Money Market Fund

Open Ended Money Market Fund

2015 November

Guardian Acuity Asset Management Limited

61, Janadhipathi Mawatha, Colombo, Sri Lanka

Tel: +94112039377, E-mail: info@guardianacuity.com, Website: www.guardianacuity.com

FUND DESCRIPTION

Guardian Acuity Money Market Fund is an open ended unit trust which invests in a portfolio of investment grade securities that are maturing within 365 days.

FUND PERFORMANCE

Period	GAMMF	NDBIB-CRISIL 91 Day T-Bill Index	GAMMF-Annualized
2015 November	0.65%	0.58%	7.91%
3 Months	1.81%	1.72%	7.26%
YTD	6.38%	5.72%	6.98%
Since Inception Cum.	42.57%	36.00%	11.32%

FUND SNAPSHOT

Inception Date	27th February 2012
Fund Size	LKR 4,549.78 mn
Minimum Investment	LKR 1,000

KEY INDICATORS

Current Yield* (Net of fees)	7.37%
Average Maturity (Months)	3.69
Duration	27.64%
Expense Ratio	0.77%
Unit Price (As at 30-11-15)	12.38
*Yield on existing assets of the fund.	

FUND FEES

Management Fee**	0.60%
Custodian & Trustee Fee**	0.15%
**As a percentage of NAV	

FUND MANAGER'S COMMENT

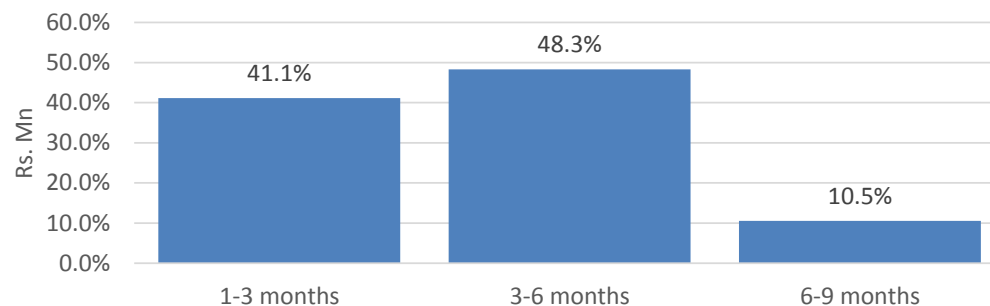
Fund performance & outlook

The fund gave a return of 0.65% for the month of November while 91 day Treasury bill index increased by 0.58% for the same period. The fund is currently providing a tax free current yield of 7.37% to its investors. We expect the yield to further improve with reinvestment of December maturities at the prevailing higher interest rates.

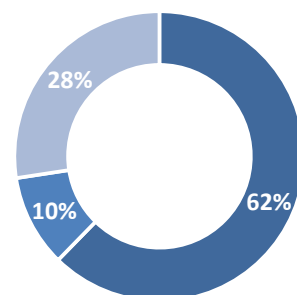
Macro factors : Interest Rates and the Economy

Higher levels of liquidity (Rs.140 billion) in the market caused the short term rates to come down in November. The 182 day Treasury bill yield dropped by 59 basis points to 6.40% relative to the previous month. The issuance of USD 1.5 billion Sovereign bond in October 2015 helped to reduce domestic borrowing pressure in financing the fiscal deficit to a certain extent. Further, the exchange rate depreciated by 1.6% Rs.145.34/= in November showing less intervention by CBSL in defending the exchange rate. Hence, the pressure on excess liquidity to a certain extent has eased off so we expect the short term government security rates to further drop in December. However, we believe in the medium term interest rates to increase, hence, we will continue to keep the maturity profile shorter to take advantage of the medium term interest rates spikes.

Maturity Profile

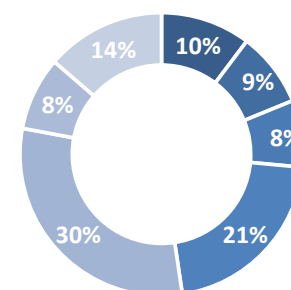


Asset Allocation



- Fixed Deposits
- Government Securities
- Commercial Papers

Fund Credit Quality



- Gov. Sec.
- AA-
- A+
- A-
- A
- BBB-