

Guardian Acuity Fixed Income Fund

Open Ended Money Market Fund

2015 October

Guardian Acuity Asset Management Limited

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FUND DESCRIPTION

Guardian Acuity Fixed Income Fund is an open ended unit trust which invests in a portfolio of investment grade fixed income securities that are maturing within 364 days.

FUND PERFORMANCE

Period	GAFIF	NDBIB-CRISIL 91 Day T-Bill Index	GAFIF-Annualized
2015 October	0.65%	0.61%	7.71%
3 Months	1.82%	1.61%	7.15%
YTD	5.70%	5.10%	6.84%
Since Inception Cum.	41.65%	35.21%	11.33%

FUND SNAPSHOT

Inception Date	27th February 2012
Fund Size	LKR 4,242.92 mn
Minimum Investment	LKR 1000

KEY INDICATORS

Current Yield* (Net)	7.33%
Average Maturity (Months)	3.60
Expense Ratio	0.77%
*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

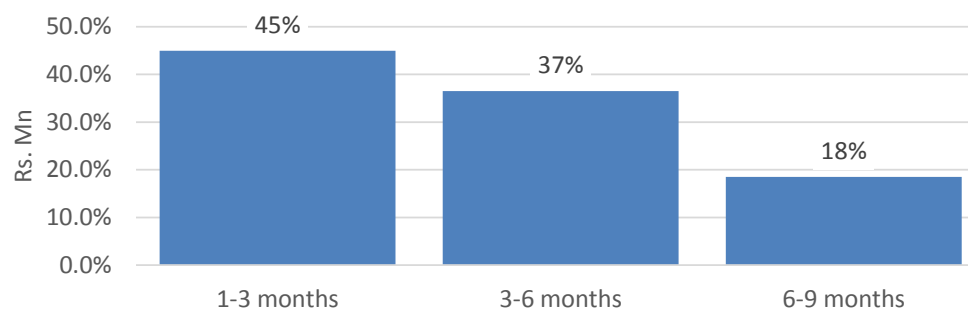
Fund performance & outlook

The fund gave a return of 0.65% for the month of October 2015 compared to 91 day Treasury bill index of 0.61% for the same period. The fund provides a tax free current yield of 7.33%. We expect the yield to improve in November as significant portion of the fund is maturing in November which can be re-invested at the prevailing higher interest rates.

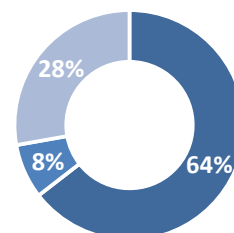
Macro factors : Interest Rates and the Economy

Higher levels of liquidity in the market have seen the 1 year Treasury bill yield reduce by 18 basis points to 7.0% relative to the previous month. The issuance of USD 1.5 billion Sovereign bond in October has reduced external debt repayment pressures to some extent. Furthermore, the expected increase of tax revenue in 2016 budget should reduce pressures relating to government borrowings and see treasury bill yields further reduce. Inflation numbers announced for October resulted in a 1.7% YOY increase due to the removal of a high base effect resulting from downward administered price revisions from September 2014. However, commodity prices remain subdued and therefore inflation is expected to show moderate growth over the next few months.

Maturity Profile

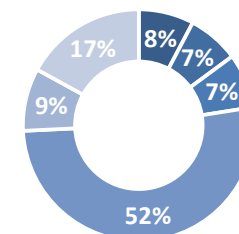


Asset Allocation



- Fixed Deposits
- Government Securities
- Commercial Papers

Fund Credit Quality



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