

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 3,795 MN
MINIMUM INVESTMENT:	LKR 1,000

KEY INDICATORS

Current Yield* (Net of Fees):	7.03%
Duration:	0.22
Average Maturity (Months):	3.37
Expense Ratio:	0.77%

*Yield on existing assets of the fund.

FUND FEES

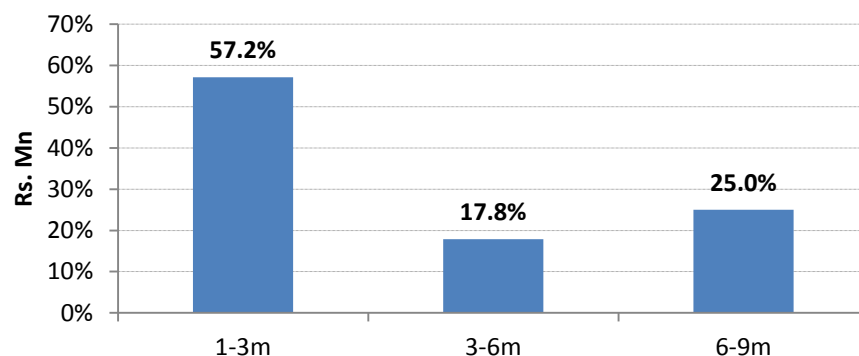
	% of NAV
Management fee:	0.60
Trustee & custodian fee:	0.15

FUND PERFORMANCE

Period	GAFIF	NDBIB-CRISIL 91 Day T-Bill Index	GAFIF- Annualized
1 Month	0.49%	0.52%	6.00%
3 Months	1.66%	1.44%	6.60%
YTD-2015	5.01%	4.46%	6.70%
Cumulative Since Inception	40.73%	34.39%	11.34%

CAGR LKR depreciation since inception is -4.48%

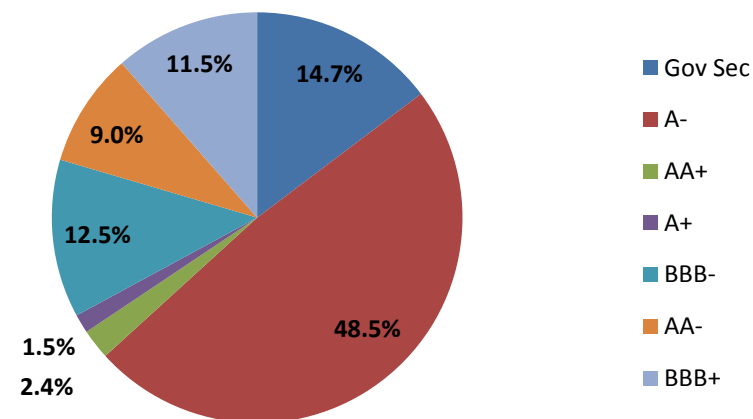
MATURITY PROFILE



ASSET ALLOCATION

	Portfolio Weight (%)
Fixed Deposits	63.6
Commercial Papers	24.0
Government Securities	12.5

FUND CREDIT QUALITY



FUND MANAGER COMMENTS

Fund performance & outlook

The fund gave a return of 0.49% for the month of September 2015 compared to 91 day Treasury bill index of 0.52% for the same period. The fund provides a tax free current yield of 7.03% we expect the current yield to marginally improve over the next month as short term interest rates continue to pick up. The maturity profile of fund remains invested in instruments with a low term to maturity due to the expectation that overall interest rates may maintain an uptrend due to accelerating loan growth, high fiscal borrowings and uncertainty on the international front.

Macro factors: Interest Rates and the Economy

The 1 year Treasury bill yield was relatively flat throughout the month of September at 7.18% despite secondary market bond yields increasing for the same time period by approximately 50 basis points on average. The much anticipated announcement of an increase in rates by the Federal Reserve did not take place due to global growth concerns and low inflation levels cited by Janet Yellen, the chair of the Fed's Board of Governors of the Federal Reserve System. With Sri Lanka's revenue collection being a key concern raised by the IMF, investors will look to the November 2016 budget to get a better understanding of interest rate movements to come.