

Guardian Acuity Money Market Fund

Open Ended Money Market Fund

JULY 2016



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HIGHLIGHT

The Guardian Acuity Money Market fund gave a return of 0.77% for the month of July while the 91 day Treasury bill index increased by 0.71% for the same period. The fund is currently providing a tax free current yield of 10.17% p.a. to its investors.

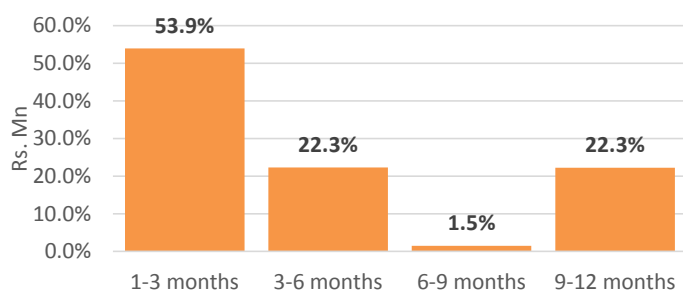
RETURNS

PERIOD	FUND	NDBIB-CRISIL 91 T-BILL INDEX	ANNUALISED FUND RETURN
2016 July	0.77%	0.71%	9.69%
3 Months	2.35%	2.12%	9.41%
YTD 2016	5.06%	4.17%	8.75%
Since Inception Cum.	50.74%	42.34%	11.48%

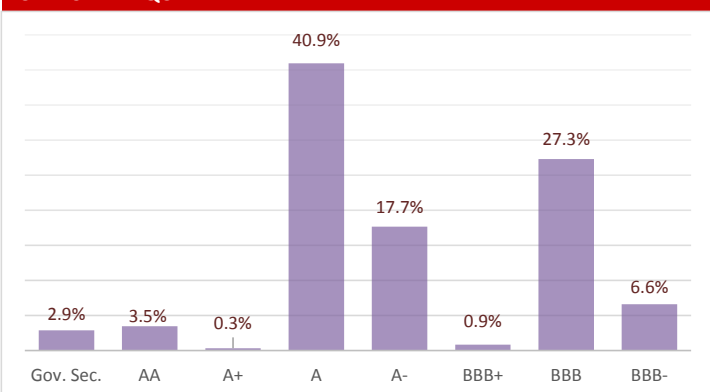
KEY INDICATORS

Average Maturity	(Months)	4.24
Duration	(Months)	0.29
Expense Ratio	%	0.78%
Unit Price as at 29 July 2016	Rs.	13.0974

MATURITY PROFILE



FUND CREDIT QUALITY



ASSET ALLOCATION

Fixed Deposits	%	55
Commercial Papers	%	39
Government Securities	%	6



COMMENTARY
By Fund Manager,
Sashika Wickramaratne

FUND PERFORMANCE

The fund gave a return of 0.77% for the month of July while the 91 day Treasury bill index increased by 0.71% for the same period. The fund is currently providing a tax free current yield of 10.17% p.a. to its investors. In August we expect the running yield to increase with existing investments that mature being reinvested at prevailing higher rates.

INTEREST RATES AND THE ECONOMY

Forex reserves rose to 6,485 million dollars in July 2016, from 5,295 million in June, following the sale of USD 1.5 bn sovereign bond. Credit growth in May touched 28%, however it is expected to decelerate following the recent policy rate hike by 50 basis points. We expect market rates to adjust with the recent policy rate hike over the next one month period and then the rates to be stable until the end of this year.

We take this opportunity to mention to investors that this Fund won the Silver Award in the Best Unit Trust category at the recently held CFA Capital Market Awards, the premier event which recognizes good performers in capital markets. The award took into consideration, not only performance but more importantly, good governance practices such as the quality of investor reporting, fund management decision making process, placing investors' interests first, strong risk management & compliance frameworks and ethical management practices.

ABOUT THE FUND

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 SNAPSHOT

Inception Date	27th February 2012
Bloomberg Code	GUAACFI SL Equity
Fund Size	LKR 5,146.38Mn
Minimum Investment	LKR 1,000

FUND FEES

Management Fee*	0.60%
Custodian & Trustee Fee*	0.15%

*As a percentage of NAV

Disclaimer: Performance data included in this document represents past performance and is no guarantee of the future results. Investment returns and principal values may fluctuate depending on various factors and forces, affecting capital markets.