

Guardian Acuity Money Market Fund

Open Ended Money Market Fund

2016 May

Current Yield: 9.47%



Guardian Acuity Asset Management Limited

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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
2016 May	0.78%	0.71%	8.92%
3 Months	2.22%	1.85%	8.81%
YTD- 2016	3.45%	2.73%	8.29%
Since Inception	48.44%	40.38%	11.37%

FUND SNAPSHOT

Inception Date	27th February 2012
Fund Size	LKR 4,335.07Mn
Minimum Investment	LKR 1,000

KEY INDICATORS

Average Maturity (Months)	4.23
Duration	0.28
Expense Ratio	0.79%
Unit Price (As at 31-05-2016)	12.89
<i>*Yield on existing assets of the fund.</i>	

FUND FEES

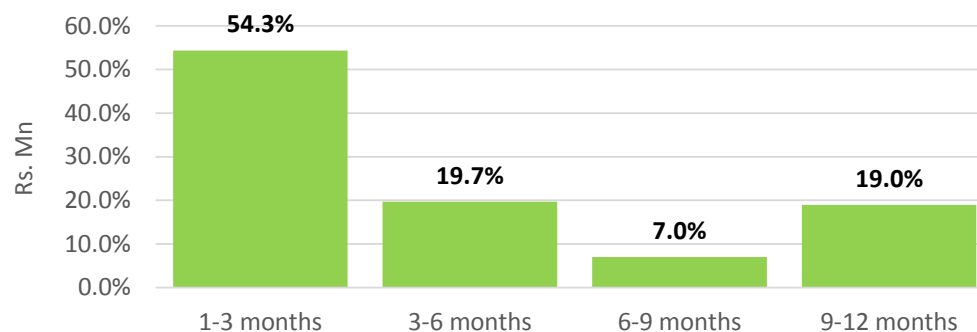
Management Fee**	0.60%
Trustee Fee**	0.15%
<i>**As a percentage of NAV</i>	

FUND MANAGER'S COMMENT

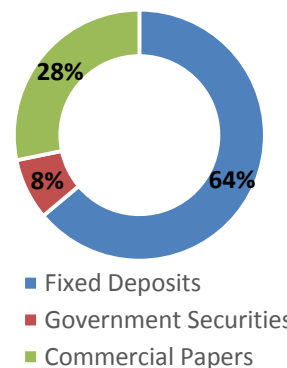
Fund performance & outlook

The fund gave a return of 0.78% for the month of May 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 9.47% p.a. to its investors. In June we expect the running yield to increase with existing investments maturing being reinvested at prevailing higher rates.

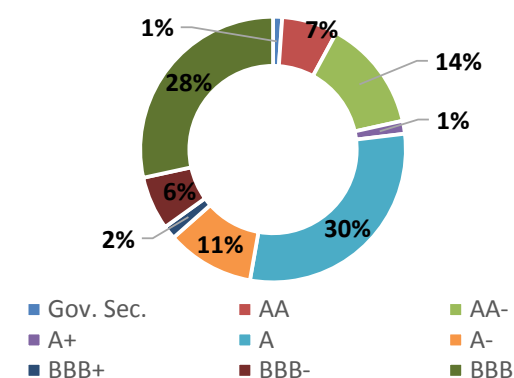
Maturity Profile



Asset Allocation



Fund Credit Quality



FUND MANAGER'S COMMENT- Cont'd

Interest Rates and the Economy

IMF approved to lend USD 1.5 billion under an Extended Facility to overcome Sri Lanka's balance of payment. Government of Sri Lanka is also planning to raise another USD 3 billion via International Sovereign Bond.

After US reported a weaker than expected May jobs gain, global bond traders have scaled down the probability of a rate hike in June 2016. Hence, we feel that Sri Lanka's sovereign bond issuance will be successful under the prevailing global conditions and USD 4 billion repayment requirement over the next 9 months period of can be met with the above fund raising plan.

We expect the short term money market rates and the longer tenure bond yields to come down approximately by 50 basis over next 3 months period