



Guardian Acuity Asset Management Limited
(A Joint Venture between Ceylon Guardian & Acuity Partners)

Guardian Acuity Money Market Gilt Fund

AS OF: 31st MAY 2015

Current Issue Price: LKR: 101.11
Current Redemption Price: LKR: 101.11

FUND SNAPSHOT

STRUCTURE:	OPEN ENDED
TYPE:	MONEY MARKET
INCEPTION DATE:	24/MAR/2015
FUND SIZE:	LKR 713.39 MN
MINIMUM INVESTMENT:	LKR 1,000

KEY INDICATORS

Current Yield* (Net of Fees):	6.00%
Average Maturity (Months):	4.12
Expense Ratio:	0.50%

*Yield on existing assets of the fund.

FUND FEES

	% of NAV
Management fee:	0.25
Trustee & custodian fee:	0.18

FUND MANAGER

Sumith Perera

ASSET ALLOCATION

	Portfolio Weight (%)
Treasury Bills	46
Repurchase Agreements	54

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FUND DESCRIPTION

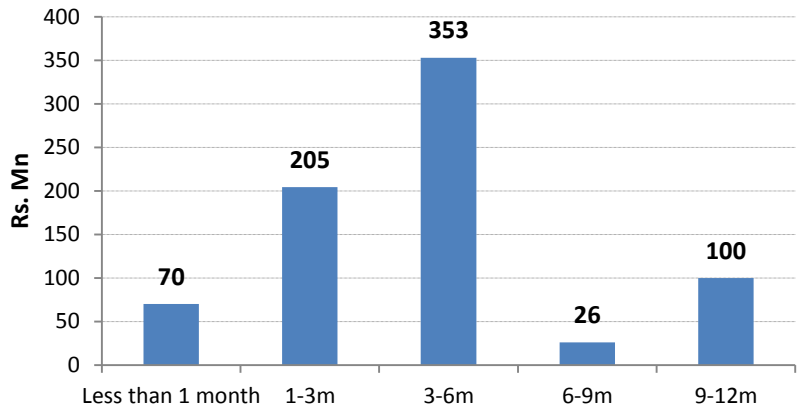
The fund objective is to provide a secure annual income by investing in a portfolio of Government securities maturing within 365 days.

The fund will maintain a minimum level of liquidity and look to invest in Treasury bills, Treasury bonds and repurchase agreements.

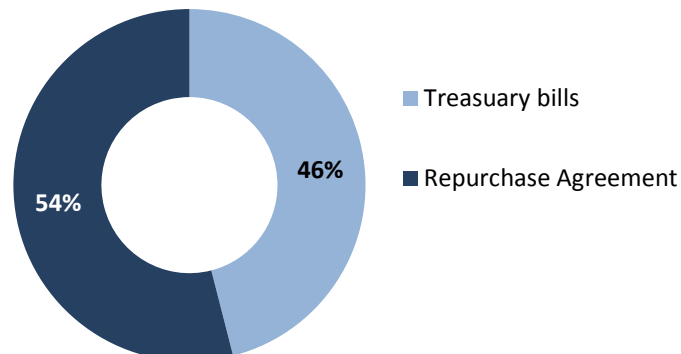
FUND PERFORMANCE

Period	Fund	NDBIB-CRISIL 91 Day T-Bill Index	GAMMGF-Annualized
May 2015	0.48%	0.48%	5.62%
Since Inception	1.11%	1.28%	5.96%

MATURITY PROFILE



FUND ASSET ALLOCATION



FUND MANAGER'S COMMENTS

Fund performance & outlook

The fund gave a return of 0.48% for the month of May 2015 which was in line with the 91 day Treasury bill index also giving 0.48% for the same period. The fund provides a tax free current yield of 6.0%. Benign inflation and slower economic growth will result in interest rates sustaining at these levels for the coming months. However, the servicing the of external debt and impact on reserves will need to be monitored closely.

Interest Rates and the Economy

Headline inflation in May increased 0.2% YOY and 0.2% MOM. These numbers are higher from the previous month but extremely low relative to historical inflation. The rise of the F&B component of the index by 4.6% YOY was largely due to anticipated seasonal fluctuations and expected adverse weather patterns.

The Central Bank of Sri Lanka has kept policy rates on hold despite expectations in the market of another policy rate cut. Treasury bill rates reduced throughout the month and the steepness of the yield curve declined as the longer end government security yields came off. Significant pressure was experienced throughout the month on the exchange rate which eased after the issuance of the sovereign bond with three month forwards trading currently at 136.80/137.10 levels.

Guardian Acuity Asset Management Ltd

31st May 2015

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