

Guardian Acuity Money Market Gilt Fund

Open ended Money Market Fund

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 SNAPSHOT

INCEPTION DATE: **24/MAR/2015**
 FUND SIZE: **LKR 905.6 MN**
 MINIMUM INVESTMENT: **LKR 1,000**

KEY INDICATORS

Current Yield* (Net of Fees): 5.85%
 Average Maturity (Months): 1.89
 Expense Ratio: 0.50%
**Yield on existing assets of the fund.*

FUND FEES

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

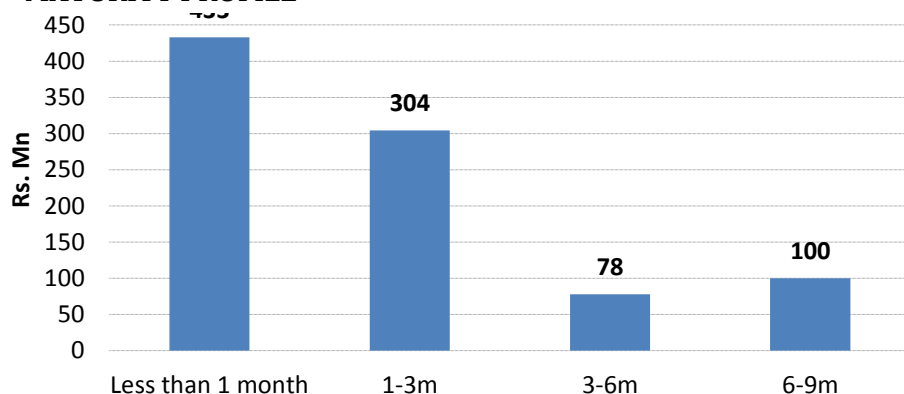
FUND PERFORMANCE

Period	Fund	NDBIB-CRISIL 91 Day T-Bill Index	GAMMGF-Annualized
1 Month	0.52%	0.48%	5.92%
3 Months	1.54%	1.46%	6.12%
Since Inception	2.67%	2.76%	6.09%

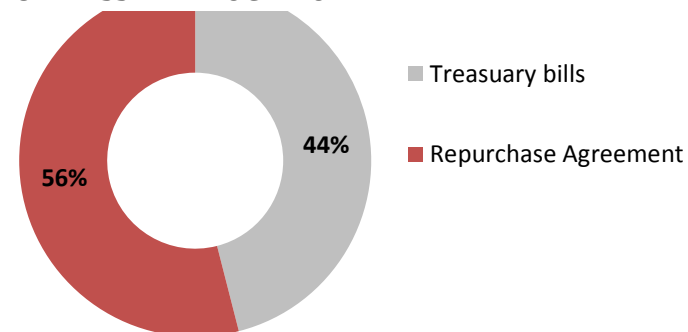
ASSET ALLOCATION

	Portfolio Weight (%)
Treasury Bills	44
Repurchase Agreements	56

MATURITY PROFILE



FUND ASSET ALLOCATION



FUND MANAGER'S COMMENTS

Fund performance & outlook

The fund gave a return of 0.52% for the month of August 2015 compared to 91 day Treasury bill index of 0.48% for the same period. The fund provides a tax free current yield of 5.85%. We expect the current yield to marginally improve over the next month as short term interest rates have started to increase at a faster pace.

Macro factors: Interest Rates and the Economy

The 1 year Treasury bill saw an increase of 49 basis points in the month of August with expectations of this trend gathering momentum into the following month. The devaluation of the Yuan may reduce pressure on the Federal Reserve to increase interest rates in the USA for now. However, domestically there still lies the concern of excessive consumption imports and the overvalued Rupee. Our forecasts see a continued rising interest rates scenario coupled with Rupee depreciation in the short term. Furthermore, with public spending expected to get back on track next year fiscal borrowings may spill over into domestic interest rates.