

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 1,002.6 MN**
 MINIMUM INVESTMENT: **LKR 1,000**

KEY INDICATORS

Current Yield* (Net of Fees): 6.02%
 Average Maturity (Months): 1.78
 Expense Ratio: 0.49%

*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	0.50%	0.52%	6.04%
3 Months	1.52%	1.44%	6.01%
Since Inception	3.18%	3.29%	6.11%

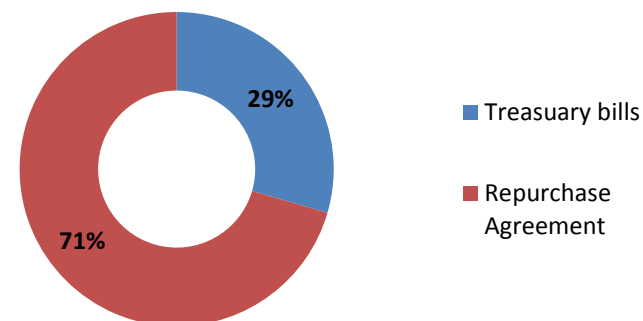
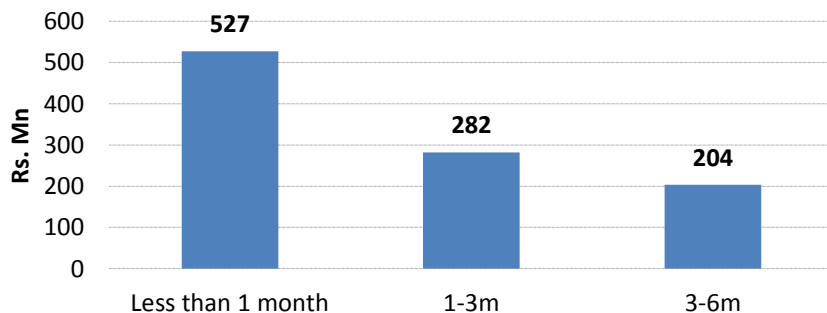
ASSET ALLOCATION

Portfolio Weight (%)

Treasury Bills	29
Repurchase Agreements	71

FUND ASSET ALLOCATION

MATURITY PROFILE



FUND MANAGER COMMENTS

Fund performance & outlook

The fund gave a return of 0.50% 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 6.04% 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.