

Guardian Acuity Money Market Gilt Fund

Open Ended Money Market Gilt Fund

2015 November

Guardian Acuity Asset Management Limited

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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	GAMMGF	NDBIB-CRISIL 91 Day T-Bill Index	GAMMGF-Annualized
2015 November	0.55%	0.58%	6.47%
3 Months	1.56%	1.72%	6.25%
Since Inception	4.27%	4.53%	6.21%

FUND SNAPSHOT

Inception Date	24th March 2015
Fund Size	LKR 775.38 mn
Minimum Investment	LKR 1,000

KEY INDICATORS

Current Yield* (Net of fees)	6.33%
Average Maturity (Months)	3.22
Expense Ratio	0.50%
Unit price (As at 30-11-15)	LKR 104.27
*Yield on existing assets of the fund.	

FUND FEES

Management Fee**	0.25%
Custodian & Trustee Fee**	0.18%
**As a percentage of NAV	

FUND MANAGER'S COMMENT

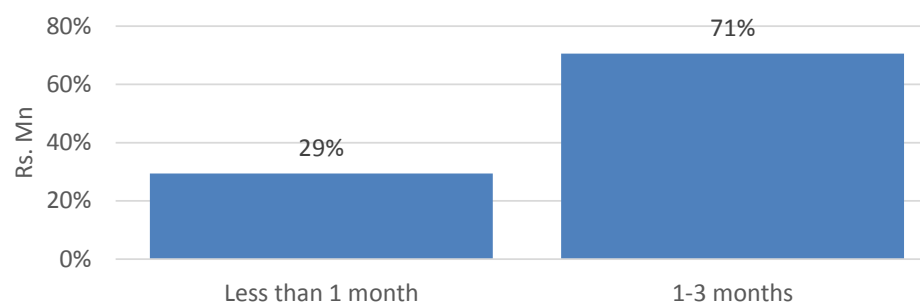
Fund performance & outlook

The fund gave a return of 0.55% for the month of November while 91 day Treasury bill index was increased by 0.58% for the same period. The fund is currently providing a tax free current yield of 6.33% to its investors. In December we expect the running yield to slightly come down in line with the drop in government security rates.

Macro factors : Interest Rates and the Economy

Higher levels of liquidity (Rs.140 billion) in the market caused the short term rates to come down in November. The 182 day Treasury bill yield dropped by 59 basis points to 6.40% relative to the previous month. The issuance of USD 1.5 billion Sovereign bond in October 2015 helped to reduce domestic borrowing pressure in financing the fiscal deficit to a certain extent. Further, the exchange rate depreciated by 1.6% Rs.145.34/= in November showing less intervention by CBSL in defending the exchange rate. Hence, the pressure on excess liquidity to a certain extent has eased off so we expect the short term government security rates to further drop in December. Hence, we are planning to stretch out the gilt fund maturity profile

Maturity Profile



Asset Allocation

