

Guardian Acuity Money Market Gilt Fund

Open Ended Money Market Gilt Fund

2015 October

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 October	0.50%	0.61%	6.13%
3 Months	1.53%	1.61%	6.06%
Since Inception	3.70%	3.92%	6.14%

FUND SNAPSHOT

Inception Date	24th March 2015
Fund Size	LKR 870.71 mn
Minimum Investment	LKR 1000

KEY INDICATORS

Current Yield*	6.42%
Average Maturity (Months)	3.39
Expense Ratio	0.50%
*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

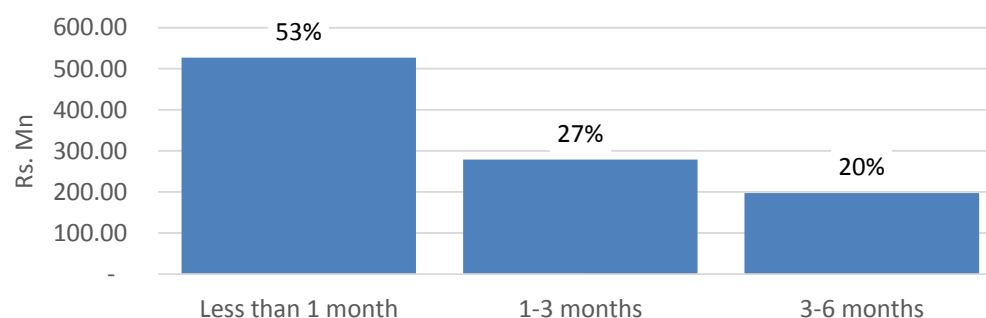
Fund performance & outlook

The fund gave a return of 0.49% 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 6.42%. We expect the running yield to remain flat in November due to the drop in government security rates.

Macro factors : Interest Rates and the Economy

Higher levels of liquidity in the market have seen the 1 year Treasury bill yield reduce by 18 basis points to 7.0% relative to the previous month. The issuance of USD 1.5 billion Sovereign bond in October has reduced external debt repayment pressures to some extent. Furthermore, the expected increase of tax revenue in 2016 budget should reduce pressures relating to government borrowings and see treasury bill yields further reduce. Inflation numbers announced for October resulted in a 1.7% YOY increase due to the removal of a high base effect resulting from downward administered price revisions from September 2014. However, commodity prices remain subdued and therefore inflation is expected to show moderate growth over the next few months.

Maturity Profile



Asset Allocation

