

# Guardian Acuity Money Market Fund

Open Ended Money Market Fund

2016 April

Guardian Acuity Asset Management Limited

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**Current Yield: 8.80%**

## FUND DESCRIPTION

Guardian Acuity Money Market Fund is an open ended unit trust which invests in a portfolio of investment grade securities that are maturing within 365 days.

## FUND PERFORMANCE

Period	GAMMF	NDBIB-CRISIL 91 Day T-Bill Index	GAMMF-Annualized
2016 April	0.71%	0.81%	8.92%
3 Months	2.08%	1.57%	8.32%
YTD- 2016	2.65%	2.01%	8.06%
Since Inception	47.29%	39.39%	11.33%

## FUND SNAPSHOT

Inception Date	27th February 2012
Fund Size	LKR 4,492.83Mn
Minimum Investment	LKR 1,000

## KEY INDICATORS

Average Maturity (Months)	2.00
Duration	0.15
Expense Ratio	0.78%
Unit Price (As at 29-04-2016)	12.79
<i>*Yield on existing assets of the fund.</i>	

## FUND FEES

Management Fee**	0.60%
Trustee Fee**	0.15%

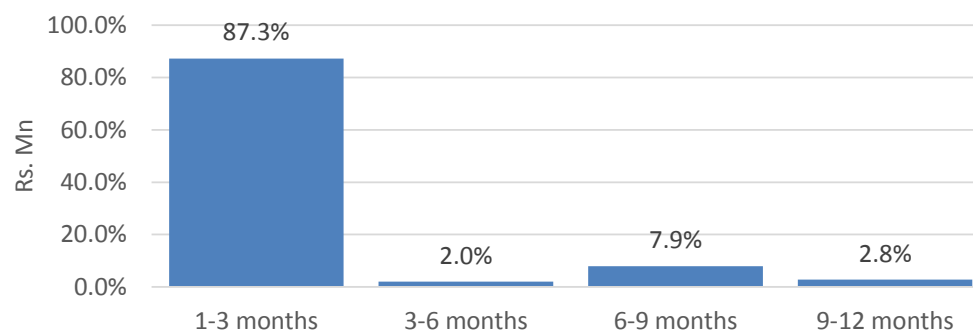
\*\*As a percentage of NAV

## FUND MANAGER'S COMMENT

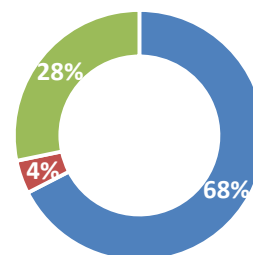
### Fund performance & outlook

The fund is currently providing a tax free current yield of 8.8% p.a. to its investors. In May we expect the running yield to increase with existing investments maturing being reinvested at prevailing higher rates. The fund gave a return of 0.71% for the month of April while the 91 day Treasury bill index increased by 0.81% for the same period.

## Maturity Profile

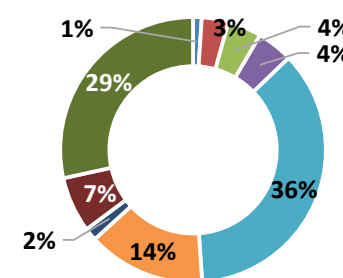


## Asset Allocation



■ Fixed Deposits  
■ Government Securities  
■ Commercial Papers

## Fund Credit Quality



■ Gov. Sec.  
■ AA  
■ AA-  
■ A+  
■ A  
■ A-  
■ BBB+  
■ BBB  
■ BBB-

## **FUND MANAGER'S COMMENT- Cont'd**

### **Interest Rates and the Economy**

*IMF agreed to lend USD 1.5 billion under an extended fund facility to overcome Sri Lanka's balance of payment problem. Another US\$650 million was approved by other multilateral and bilateral institution, bringing the total support to about \$2.2 billion. Government of Sri Lanka is also planning to raise another USD 3 billion via an International Sovereign Bond.*

*With the delay in FOMC rate hike, the global risk appetite has changed and the funds are flowing back again to the emerging markets. We feel that Sri Lanka's sovereign bond issuance will be successful under the prevailing global conditions and USD 4 billion debt repayment requirement by Sri Lanka over the next 9 months period can be overcome with the above fund raising plan.*

*Government also increased the VAT (Value Added Tax rate) from 11% to 15% in an effort to meet the budget deficit target, hence, the government borrowing requirement will reduce and the pressure on interest rates will also ease off in the next couple of months.*

*Due to the above developments we expect the short term money market rates to stabilize at these level and longer tenure bond yields to come down slightly.*