

# Guardian Acuity Money Market Fund

Open Ended Money Market Fund

January 2017



Tel: +94 112039377 E-mail: info@guardianacuity.com

## HIGHLIGHT

"The fund gave a return of 0.97% for the month of January while the 91 day Treasury bill index increased by 0.66% for the same period. The fund is currently providing a tax free current yield of 11.39% p.a. to its investor".

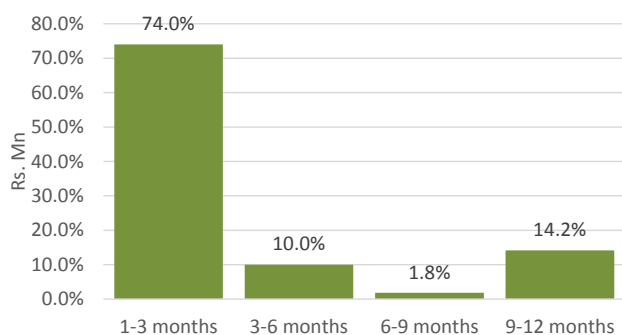
PERIOD	FUND	NDBIB-CRISIL 91 T-BILL INDEX	ANNUALISED FUND RETURN
2017 January	0.97%	0.66%	11.39%
3 Months	2.86%	2.09%	11.34%
YTD 2017	0.97%	0.66%	11.39%
Since Inception Cum.	59.34%	48.53%	12.03%

\*\* Performances are based on month end prices. The current yield/ return is variable and subject to change. Performance data included in this document represents past performance and is no guarantee of the future results.

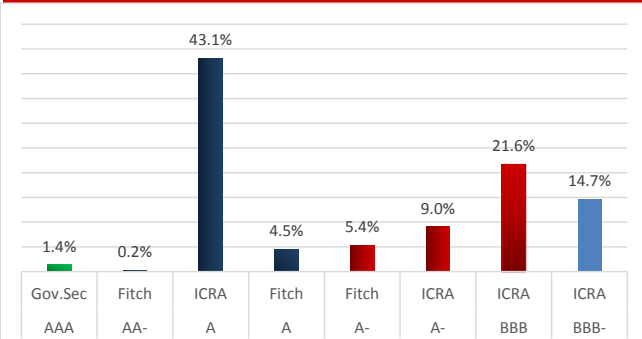
## KEY INDICATORS

Average Maturity	(Months)	2.82
Duration	(Months)	0.19
Expense Ratio	%	0.79%
Unit Price as at 31-01-2017	Rs.	13.8367

## MATURITY PROFILE



## FUND CREDIT QUALITY



## ASSET ALLOCATION

Fixed Deposits	62.34%
Commercial Papers	28.67%
Securitization	7.57%
Government Securities	1.42%



## COMMENTARY

By Fund Manager,

Sashika Wickramaratne

## FUND PERFORMANCE

The fund gave a return of 0.97% for the month of January while the 91 day Treasury bill index increased by 0.66% for the same period. The fund is currently providing a tax free current yield of 11.39% p.a. to its investors.

## INTEREST RATES AND THE ECONOMY

Following the policy rate hike in July private sector credit growth decelerated to 21.9% in November from the peak of 28.5% in July 2016. Even though the credit data from December onwards is not published, the Credit demand from SOEs (State Own Entities) may have increased due to the increase in oil prices (from USD 49.52 per barrel in October 2016 to USD 53.32 per barrel in January 2017) and increase in thermal power generation in the country due to the prevailing draught condition (Jan to Sep 2016 thermal power generation was 68.7% and on 5th February 2017 it was 87.2%).

We believe the SOE credit demand to accelerate if the current drought situation continue during the next couple of months.

Gross Official Reserves in December increased to US\$ 6.0Bn from 5.6Bn in November 2016. In January 2017 government planned to issue a USD 1 billion sovereign bond and expected to receive USD 1 billion by selling 80% stake in the Hambantotha port. However, the government managed to raise only USD 458 billion via a SLDB ( Sri Lanka Development Bond) Vs. foreign loan repayment of approximately USD 1 billion in January 2017. Foreign selling was seen in the G Sec market in last month, hence we estimated the gross official reserves to come down to USD 5.3 billion level in January.

Against this backdrop we expect the market rates to increase over the next 6 months and then slightly drop towards the 2H of 2017.

## ABOUT THE FUND

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 SNAPSHOT

Inception Date  
Bloomberg Code  
Fund Size 31 Jan. 2017  
Minimum Investment

27th February 2012  
GUAACFI SL Equity  
LKR 4,559.32Mn  
LKR 1,000

## FUND FEES

Management Fee\*  
Custodian & Trustee Fee\*  
\*As a percentage of NAV

0.6% p.a.  
0.15% p.a.