

Guardian Acuity Money Market Fund

Open Ended Money Market Fund

January 2019

HIGHLIGHT

"The fund is currently providing a current yield of 11.53% p.a. to its investor".**

RETURNS***

PERIOD	FUND	NDBIB-CRISIL 91 T-BILL INDEX	ANNUALISED FUND RETURN/CAGR*
2019 January	0.95%	0.85%	11.20%
3 Months	2.76%	2.41%	10.96%
YTD 2019	0.95%	0.85%	11.20%
Since Inception Cum.	98.74%	76.37%	* 10.42%

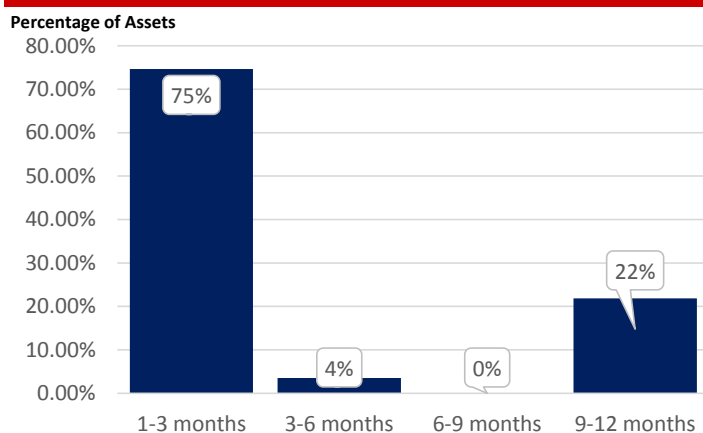
** Current yield based on last 07 days average up to 31st January 2019. The current yield/ return is variable and subject to change.

*** Performances are based on month end prices as of 31st January 2019. Performance data included in this document represents past performance and is no guarantee of the future results.

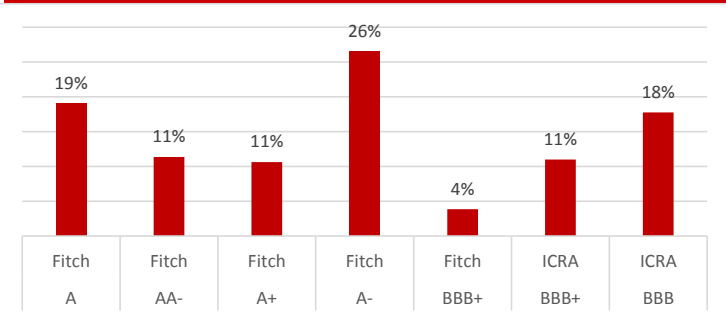
KEY INDICATORS

Average Maturity	(Months)	3.29
Duration	(Months)	0.22
Expense Ratio	%	0.79%
Unit Price as at 31st January 2019	Rs.	17.2577

MATURITY PROFILE



FUND CREDIT QUALITY



CEYLON
GUARDIAN
A CREDIT GUARANTEE COMPANY

ACUITY
Partners (Pvt) Ltd



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Sashika Wickramaratne
Fund Manager

T bill rates started to trend downwards to start off 2019 with the one year Treasury bill rate declining by 50 bps to 10.70% to close the month. The Average Weighted Prime Lending Rate (AWPLR) continued to creep up reflecting a slowdown in credit demand. Accordingly AWPLR increased to 12.20% from 12.09% in last month.

Heavy foreign selling in the government security market continued during 1st half of January with foreign ownership of government securities declining further to Rs.145.5 billion from Rs.164.5 billion as of end December. However the trend was seen reversing towards latter half of the month with foreigners turning net buyers amidst confidence built with the settlement of USD1.5 bn debt repayments due in January and announcement of resuming talks with the IMF. Accordingly the foreign holding in government securities improved back to close the month at Rs.151.1 billion (approximate USD 0.83 billion). Amidst local and foreign buying interest, the secondary market bond rates was seen declining further by approximately 40-50 basis points. On the back drop of foreign inflows to government securities and improved investor confidence, Sri Lankan rupee appreciated by 0.25% to 181.64.

Gross official reserves are at USD 7.0 billion as of end December 2018. However, during the next 3 months period the expected net drain in foreign reserves is around USD 1.98 billion (both principal & interest payments). During January CBSL called for proposals for USD2 billion sovereign bond issuance, whilst another USD505 million due from IMF (provided government successfully resume IMF program following re-negotiations). The above inflows are expected to boost reserve position following external debt repayments.

Amidst continued liquidity shortage witnessed in the money markets, interest rates continued to remain high. However with the inflows to the government securities market, slowdown in credit & import demand, we expect the current liquidity tightness to gradually ease over the next 2-3 months' time leading the rates to drop.

ASSET ALLOCATION

Fixed Deposits	92.33%
Savings	7.67%

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	27th February 2012
Bloomberg Code	GUAACFI SL Equity
Fund Size 31st January 2019	LKR 4,631.86 Mn
Minimum Investment	LKR 1,000

FUND FEES

Management Fee*	0.60% p.a.
Trustee Fee*	0.15% p.a.

*As a percentage of NAV

Investors are advised to read and understand the contents of the Explanatory Memorandum before investing. Among others, investors should consider the fees and the charges involved.