

# Guardian Acuity Money Market Gilt Fund

Open Ended Money Market Fund

July 2017



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## HIGHLIGHT

*The fund is currently providing a current yield of 9.53% p.a. to its investors.\*\**



**Sashika Wickramaratne**  
Fund Manager

## RETURNS\*\*\*

PERIOD	FUND	NDBIB-CRISIL 91 T-BILL INDEX	ANNUALISED FUND RETURN/CAGR*
2017 July	0.80%	0.84%	9.43%
3 Months	2.35%	2.43%	9.33%
YTD 2017	5.48%	5.35%	9.44%
Since Inception Cum.	20.18%	19.47%	8.11%*

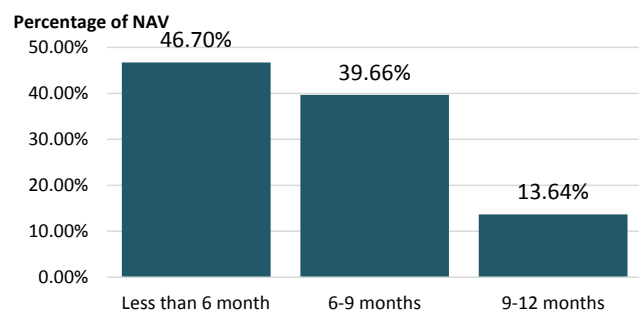
\*\* Current yield based on last 07 days average up to 31st July 2017. The current yield/ return is variable and subject to change

\*\*\* Performances are based on month end prices as of 31st July 2017. Performance data included in this document represents past performance and is no guarantee of the future results.

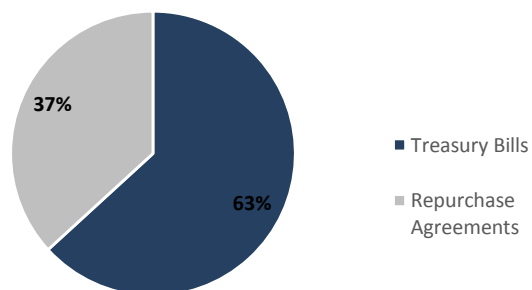
## KEY INDICATORS

Average Maturity	(Months)	6.02
Expense Ratio	%	0.50%
Unit Price as at 31 th July 2017	Rs.	120.1751

## MATURITY PROFILE



## ASSET ALLOCATION



The upward pressure on interest rates experienced during the first half of 2017 due to drop in foreign reserves, excessive private sector credit growth and rising inflation, is now easing off.

The foreign reserves increased to USD 6.7 billion in July from USD 5.0 billion in April 2017 following the receipt of USD 167.2 million third tranche of the IMF-Extended Fund Facility (EFF) and USD 1.5 billion proceeds from the sovereign bond issuance. After the Hambanthota port sale another USD 1.1 billion is yet to be received, hence, the foreign reserves will increase to USD 8 billion towards this year end.

Private sector credit growth dropped to 18.6% in June 2017 after hitting a peak of 28.5% in July 2016. Policy rate hikes in July 2016, February 2017 and increase in taxes weakened credit demand.

Inflation based on the CCPI Index declined to 4.8% after hitting 7.3% in March 2017. Drop in inflation reflects the supply side recovery from the first quarter flood effect and weakening demand side pressure.

One year treasury bill rate came down to 9.38% in August 2017 from a peak of 11.11% in April. Against this back drop we expect the market rates to adjust downwards in line with the government security rates.

## ABOUT THE FUND

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 SNAPSHOT

Inception Date	24th March 2015
Fund Size 31 th July 2017	LKR 1,342.31Mn
Minimum Investment	LKR 1,000

## FUND FEES

Management Fee*	Max 0.30% p.a.
Custodian & Trustee Fee*	Max 0.20% 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.