

Guardian Acuity Money Market Gilt Fund

Open Ended Money Market Fund
June 2017

HIGHLIGHT

The fund is currently providing a current yield of 8.89% p.a. to its investors".*



Sashika Wickramaratne
Fund Manager

RETURNS**

PERIOD	FUND	NDBIB-CRISIL 91 T-BILL INDEX	ANNUALISED FUND RETURN
2017 June	0.75%	0.79%	9.11%
3 Months	2.30%	2.40%	9.24%
YTD 2017	4.64%	4.47%	9.36%
Since Inception Cum.	19.22%	18.48%	8.46%

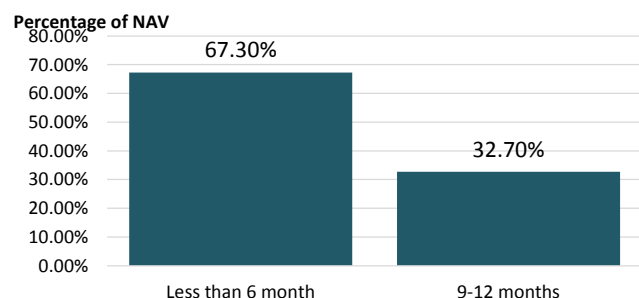
* Current yield based on last 07 days average up to 30th June 2017. The current yield/ return is variable and subject to change

** Performances are based on month end prices as of 30th June 2017. Performance data included in this document represents past performance and is no guarantee of the future results.

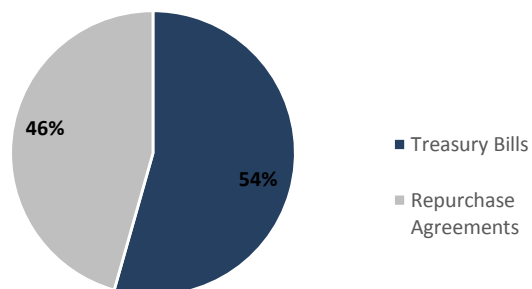
KEY INDICATORS

Average Maturity	(Months)	4.69
Expense Ratio	%	0.49%
Unit Price as at 30 th June 2017	Rs.	119.2207

MATURITY PROFILE



ASSET ALLOCATION



Private sector credit growth marginally dropped down to 20% in April 2017 from 21% in December 2016. Borrowings from state owned enterprises grew by 9% in April. Higher SOE borrowings resulted from rising oil prices and higher oil consumption due to lower hydro power generation as a result of the drought situation in the country.

However based on the recent published data, thermal power generation has dropped to 91% in March 2017 to 77% in July and the WTI oil prices has dropped to \$46.55 from \$53.08 in April. Hence we believe the SOE borrowings will ease off in the next quarter.

Gross Official Reserves in May increased to USD 6.7Bn from USD 5.0Bn in April 2017 following the USD 1.5 billion sovereign bond issue and the USD 285 million SLDB (Sri Lanka Development Bond) issue. The foreign loan repayments of USD 4.1 billion are due over the next 11 months period. Under the current global situation it is favorable for Sri Lanka to mobilize foreign funds. Against this backdrop we feel that there is approximately 60% chance for rates to remain at current levels this year and around 40% chance for rates to come down conditional upon a sale of a state own asset to a foreign party.

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 30 th June 2017	LKR 1,545.51Mn
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.