

Guardian Acuity Money Market Fund

Open Ended Money Market Fund

April 2019

HIGHLIGHT

"The fund is currently providing a current yield of 11.72% p.a. to its investor". **

PERIOD	FUND	NDBIB-CRISIL 91 T-BILL INDEX	ANNUALISED FUND RETURN/CAGR*
2019 April	0.99%	0.84%	12.08%
3 Months	2.99%	2.40%	12.26%
YTD 2019	3.97%	3.27%	12.07%
Since Inception Cum.	104.68%	80.60%	* 10.50%

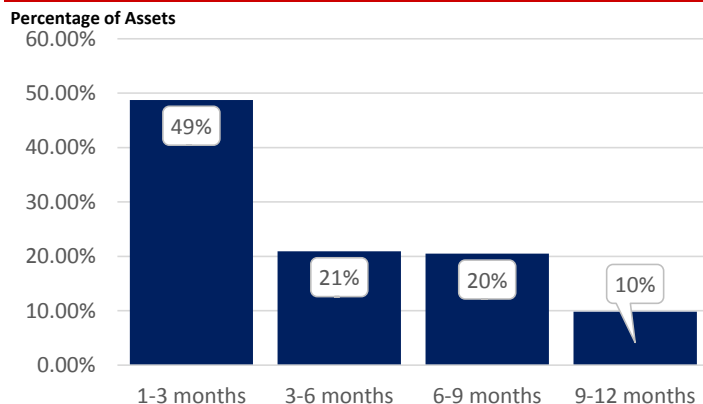
** Current yield based on last 07 days average up to 30th April 2019. The current yield/ return is variable and subject to change.

*** Performances are based on month end prices as of 30th April 2019. Performance data included in this document represents past performance and is no guarantee of the future results.

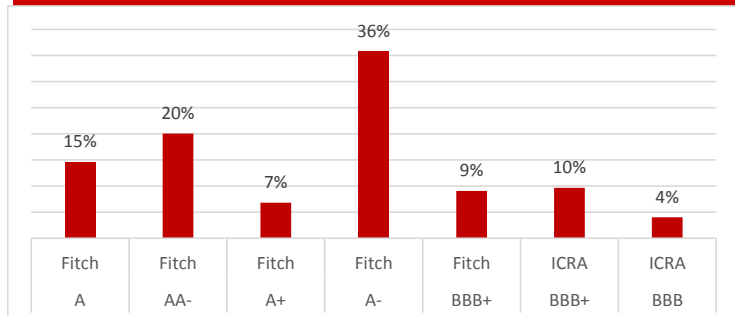
KEY INDICATORS

Average Maturity	(Months)	3.98
Duration		0.25
Expense Ratio	%	0.79%
Unit Price as at 30th April 2019	Rs.	17.7735

MATURITY PROFILE



FUND CREDIT QUALITY



CEYLON
GUARDIAN
A CREDIT GUARANTEE COMPANY

ACUITY
Partners (Pvt) Ltd



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Crishani Perera

Assistant Fund Manager

The Central banks "mechanisms to drop market interest rates" as hinted in the previous policy review which we discussed in the March Fact sheet came into play during April. The ceiling on finance company fixed deposit rates were slashed down whilst extending it to debt instruments as well. Accordingly the previous FD ceiling rate of 14.22% valid for any maturity up to 1 year was revised to 10.04%, 10.54%, 11.04% & 12.79% (for 1, 3, 6 & 12 months respectively). So far unregulated bank FD rates were also brought under the framework. The next move as explicitly mentioned would be to extend the rate decreases to lending.

The aforementioned path to monetary easing is backed by weak credit growth so far during 2019, buildup of liquidity as we discussed in our previous comments, improving trade balance (driven by weak imports) and inflation that remains at targeted levels. Whilst discussing the Easter Sunday terror attacks my heartfelt condolences go out to my fellow Sri Lankans who lost their loved ones on that tragic day. The Easter Sunday terror attacks will have a prolonged impact on key sectors of the economy. Accordingly achieving the 4% GDP growth target for 2019 will be challenging. Therefore we can expect further a policy rate cut at least in the 2H2019 in order to stimulate credit and growth.

The prevalent restriction on foreign holding in government securities (5%) is assisting in minimizing volatility due to external shocks. The IMF program is expected to resume in May which was put on hold following the political turmoil in November 2018. However concerns remain on the sliding down of tourism earnings which is the 3rd largest foreign currency earner in the economy. The sector recorded USD4.4 bn earnings during 2018 which is expected to substantially deteriorate in 2019 due to the impact from the recent terror attacks to several city hotels.

ASSET ALLOCATION

Fixed Deposits	84.53%
Savings	14.88%

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 30th April 2019	LKR 5,030.92 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.