

Guardian Acuity Money Market Fund

Open Ended Money Market Fund

November 2019

HIGHLIGHT

"The fund is currently providing a gross current yield of 9.62% p.a. & net current yield of 9.14% to its investor".*

CEYLON
GUARDIAN
A CAUTION CONCERNING COMPANY

ACUITY
Partners (Pvt) Ltd



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



Crishani Perera

Assistant Fund Manager

RETURNS**

PERIOD	FUND	NDBIB-CRISIL 91 T-BILL INDEX	ANNUALISED FUND RETURN/CAGR	EQUIVALENT GROSS RETURN (ANNUALIZED) ***
2019 November	0.76%	0.64%	9.20%	9.69%
3 Months	2.24%	1.91%	9.00%	9.47%
YTD 2019	9.93%	8.48%	10.86%	11.43%
Since Inception Cum.	116.42%	89.70%	10.46%	11.01%

Fiscal discipline which was subject to much discussion in our previous reviews as well as generally among the investment community came back to limelight with the sweeping tax concessions announced by the newly elected government. Accordingly tax cuts were introduced in VAT, NTB, PAYE & Withholding tax among others. Based on government estimates a revenue loss of over Rs.400 bn is expected due to the tax changes implemented. The fiscal stimulus whilst expected to positively reflect on the economic growth in 2020, would result in further expansion in an already burgeoning fiscal deficit. This is an area which we feel require close attention in maneuvering the future monetary policy.

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

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

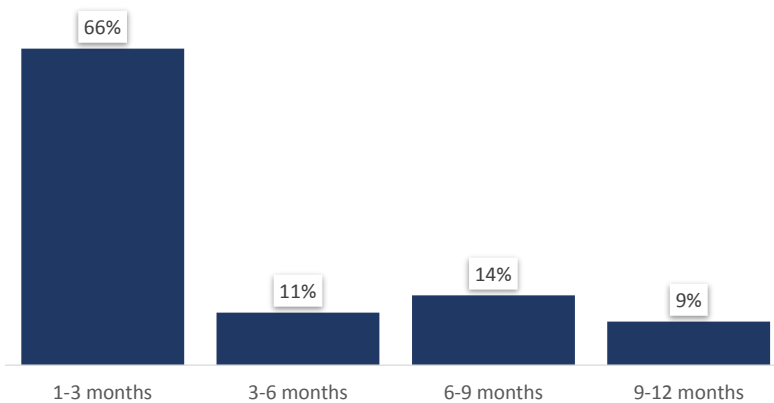
***Return prior to deducting WHT of 5%

The other factors such as credit demand, inflation, external sector performance and global economic outlook for 2020 so far points to a positive outlook on interest rates in the coming year. However more clarity is required on government policy on external trade and also pace of credit demand recovery. Therefore whilst continuing to be positive on the short term interest rate outlook, we remain cautious on possible challenges particularly towards 2nd half of 2020. Furthermore despite initial positive reaction from foreign investors in the government securities market following the conclusion of election, we have seen some caution from investors following substantial tax cuts.

KEY INDICATORS

Average Maturity	(Months)	3.55
Duration		0.23
Expense Ratio	%	0.79%
Unit Price as at 30th November 2019	Rs.	18.7932

MATURITY PROFILE



Market lending rates have been continuing to adjust downwards whilst deposit rates have remained broadly around similar levels. With the regulatory cap on the bank lending rates to be fully implemented by end 2019, we could expect this trend to continue whilst deposit rates are also expected to adjust marginally downwards in the short term.

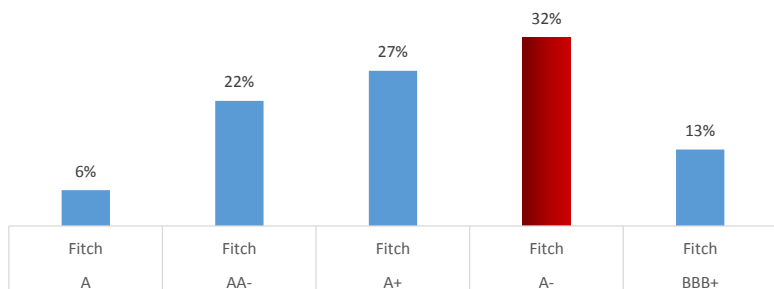
ASSET ALLOCATION

Fixed Deposits	92.42%
Savings	7.58%
Total Assets	100.00%

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 CREDIT QUALITY



FUND SNAPSHOT

Inception Date	27th February 2012
Bloomberg Code	GUAACFI SL Equity
Fund Size 30th November 2019	LKR 5,671.29 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.