

Guardian Acuity Money Market Fund

Open Ended Money Market Fund

July 2020



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
2020 July	0.61%	0.48%	7.20%
Year To Date (YTD 2020)	4.28%	4.63%	7.34%
2019	10.78%	9.15%	10.78%
2018	11.41%	8.17%	11.41%
2017	11.97%	9.56%	11.97%
Since Inception Cum.	127.42%	99.72%	10.24%

*Performances are based on month end prices as of 31st July 2020. Performance data included in this document represents past performance and is no guarantee of the future results.

Despite the aggressive stimulus measures private sector credit remained negative for second month in June. Lending rate dropped more aggressively during July with PLR at 7.4% (As at 07.08.2020). This could stimulate credit demand, however will be a very gradual recovery. GDP which contracted 1.6% during 1Q should witness a steeper drop in 2Q. The negative trend most likely to continue to 3Q as well.

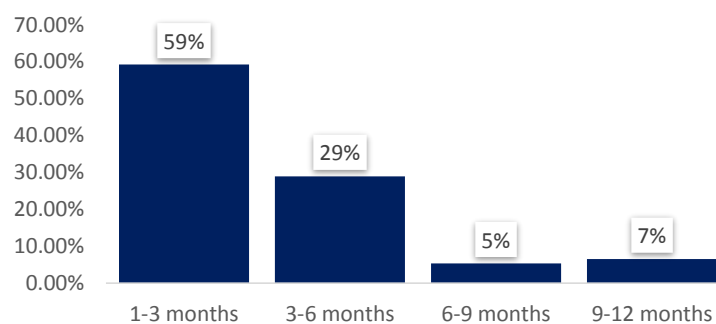
With the confirmed line up of USD facilities by the Central Bank, the government will be in a position to meet its USD obligations till end 2020 without deteriorating its reserve position. Together with the import restrictions in place the LKR is likely to be managed without coming under major depreciatory pressure during rest of 2020. In terms of budget financing there is a possibility of IMF support realizing with the abundant liquidity existing globally. However this means the fiscal & other economic reform requirements will have to be adhered to.

KEY INDICATORS

Average Maturity	(Months)	3.06
Duration		0.23
Expense Ratio	%	0.76%
Unit Price as at 31st July 2020	Rs.	19.7486

We feel that the interest rates broadly have bottomed out. Yet for a country like Sri Lanka which needs the backing of imports for the economic engine to start reviving. Therefore we believe growth will eventually require import controls to be somewhat relaxed. This could be expected early 2021 when interest rates also could be expected to start ticking up.

MATURITY PROFILE



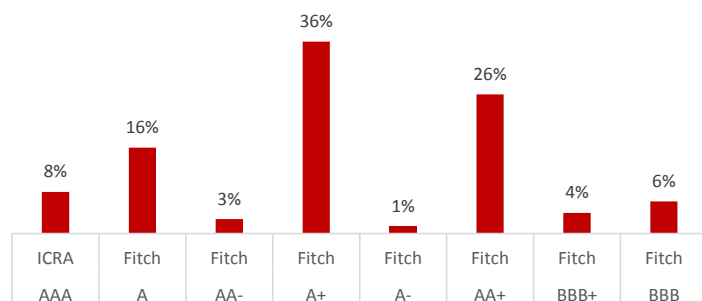
ASSET ALLOCATION

Fixed Deposits	75.05%
Savings	24.95%
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
Bloomberg Code
Fund Size 31st July 2020
Minimum Investment

27th February 2012
GUAACFI SL Equity
LKR 3,749.45Mn
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.