

# Guardian Acuity Money Market Fund

Open Ended Money Market Fund

January 2021

\* "The fund is currently providing a current yield of 4.65% p.a. to its investor. Current yield based for the week ended 29th January 2021 ( 7 days average )"



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Fund Manager

Central bank reiterated its intention to maintain current accommodative monetary policy in its road map for 2021 with the aim of reviving economic growth. The economy which recorded a sharp contraction of 16.3% during 2Q2020 is estimated to have recorded a marginal growth during 3Q as per estimates. Despite the resurgence of COVID-19 during 4Q, growth is expected to remain positive during 1Q2021 onwards.

The government extended import control measures till mid-2021 in order to ease off pressure on the currency. Furthermore rupee liquidity infusions continued which has been instrumental in keeping domestic interest rates at low levels. However amidst USD debt repayments in January 2021 and growth in credit & import demand towards end 2020, we have seen both the currency coming under pressure and rupee liquidity waning. Also CBSL was seen turning net sellers of USD during the month of December 2020.

With the above internal economic developments, the next area of focus for 2021 for the Sri Lankan economy is the USD debt repayments due which is estimated over a USD 6bn. The government is currently negotiating several facilities with China & India in order to strengthen its reserve position from a USD5.7 bn as of end 2020. Due to country rating downgrades and resultant spike in SL sovereign bond rates, access to funds via commercial sources is currently challenged.

Central Bank from its recent policy review highlighted that it expects a further drop in lending rates whilst planning to introduce priority sector lending targets for the micro, small and medium scale enterprises (MSME). However CBSL do not expect deposit rates to drop further. Therefore the intention will be to maintain interest rates in the lower territory during 1H2021. Thereafter, economic growth would have improved, imports relaxations and overhang of large external debt repayments is likely to drive up interest rates. Our strategy would be to keep FI investments in the short 3-6 month tenor with the aim of extending duration as the interest rates start to pick up from current lows.

## RETURNS\*\*

PERIOD	FUND	NDBIB-CRISIL 91 T-BILL INDEX	ANNUALISED FUND RETURN/CAGR
2021 January	0.42%	0.39%	4.92%
Year To Date (YTD 2021)	0.42%	0.39%	4.92%
2020	6.74%	6.65%	6.72%
2019	10.78%	9.15%	10.78%
2018	11.41%	8.17%	11.41%
2017	11.97%	9.56%	11.97%
Since Inception Cum.	133.76%	104.35%	9.97%

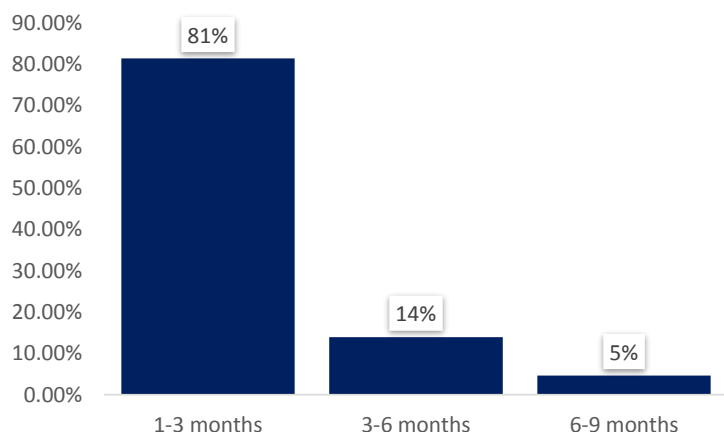
\* The current yield/ return is variable and subject to change.

\*\*Performances are based on month end prices as of 31st January 2021. Performance data included in this document represents past performance and is no guarantee of the future results.

## KEY INDICATORS

Average Maturity	(Months)	1.93
Duration		0.15
Expense Ratio	%	0.77%
Unit Price as at 31st January 2021	Rs.	20.2985

## MATURITY PROFILE



## ASSET ALLOCATION

Fixed Deposits	71%
Savings	29%
<b>Total Assets</b>	<b>100.00%</b>

## 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

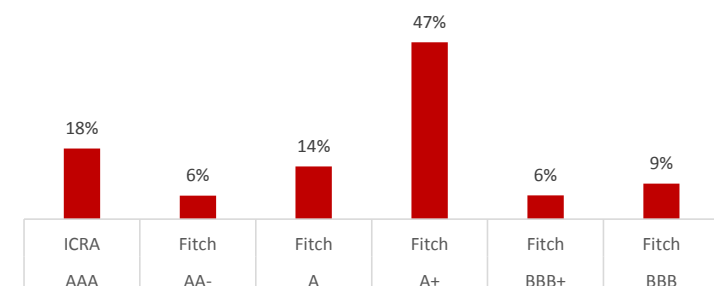
## FUND SNAPSHOT

Inception Date	27th February 2012
Bloomberg Code	GUAACFI SL Equity
Fund Size 31st January 2021	LKR 3,379.88Mn
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.