

Guardian Acuity Money Market Fund

Open Ended Money Market Fund

February 2021

* "The fund is currently providing a current yield of 4.66% p.a. to its investor. Current yield based for the week ended 26th February 2021 (7 days average)"



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Crishani Perera

Fund Manager

RETURNS**

PERIOD	FUND	NDBIB-CRISIL 91 T-BILL INDEX	ANNUALISED FUND RETURN/CAGR
2021 February	0.36%	0.32%	4.66%
Year To Date (YTD 2021)	0.78%	0.71%	4.80%
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.	134.59%	105.01%	9.92%

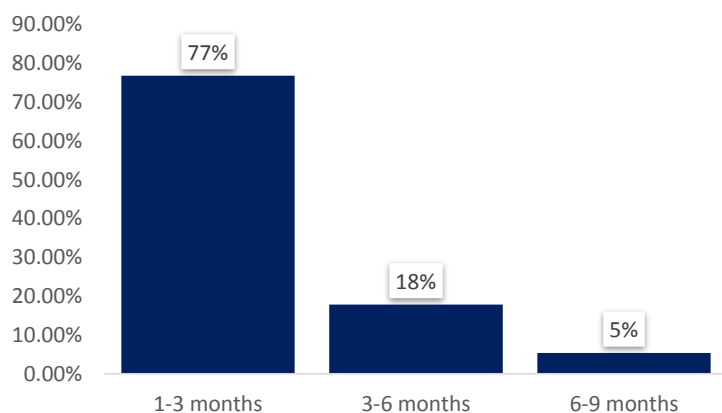
* The current yield/ return is variable and subject to change.

** Performances are based on month end prices as of 28th February 2021. Performance data included in this document represents past performance and is no guarantee of the future results.

KEY INDICATORS

Average Maturity	(Months)	2.02
Duration		0.15
Expense Ratio	%	0.77%
Unit Price as at 28th February 2021	Rs.	20.3710

MATURITY PROFILE



February was an eventful month which imposed several challenges with the highlight been plummeting of foreign reserves to USD4.8 bn. The drop was mainly due to debt settlements with difficulties being experienced in raising the required funds via SLDBs & also having to settle a SWAP facility with India. However the CB has lined up over USD2 bn facilities with China which if materialized within the next few weeks, would provide breathing space until next repayments become due.

Credit growth continued to be fueled by government sector & public corporations. Accordingly Broad money (M2b) recorded a 23.7% growth YoY as of end January. We could expect government borrowing requirement to continue to remain dominant with the expansion in fiscal deficit. Crude oil price which currently has reached above pre-covid levels, could possibly increase the SOE borrowings requirement as well during 2021. On the contrary, private sector credit indicated sluggish momentum.

Central Bank continued to strengthen its measures to minimize depreciatory pressure on the currency where increased levels of forex interventions were seen during January. Further measures were taken requiring every exporter to convert 25% of the export proceeds to rupees. An improvement could be expected towards 2H in tourism earnings with the rollout of vaccinations. However BOP likely to remain under pressure during the year with other concerns remaining on the external sector.

On the backdrop of discussed events, interest rates on government securities indicated upward movement during the month. With the prevalent indicative rates on T.bills, the auctions continued to be undersubscribed. The longer tenor bonds were seen increasing in the range 40-50 bps to end February. We expect pressure on g-sec rates to remain and gradually reflect on economy's overall interest rates towards 2H2021. From an investment strategy perspective we are currently focusing our investments in the shorter tenure in order to capitalize on the expected pickup in rates.

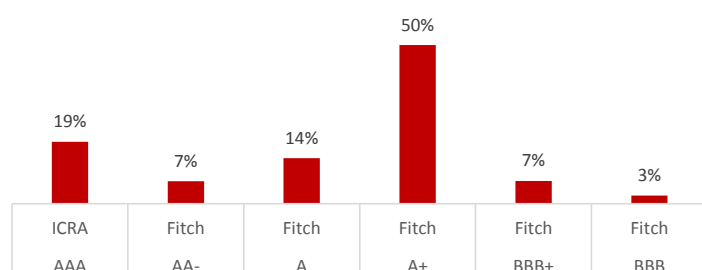
ASSET ALLOCATION

Fixed Deposits	81%
Savings	19%
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 28th February 2021	LKR 3,013.95Mn
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.