

Guardian Acuity Money Market Fund

Open Ended Money Market Fund

March 2021

* "The fund is currently providing a current yield of 4.59% p.a. to its investor. Current yield based for the week ended 26th March 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 March	0.39%	0.37%	4.57%
Year To Date (YTD 2021)	1.17%	1.08%	4.73%
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.	135.50%	105.76%	9.87%

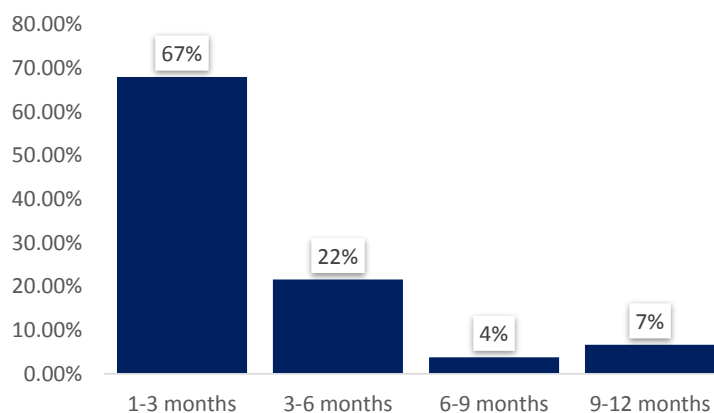
* The current yield/ return is variable and subject to change.

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

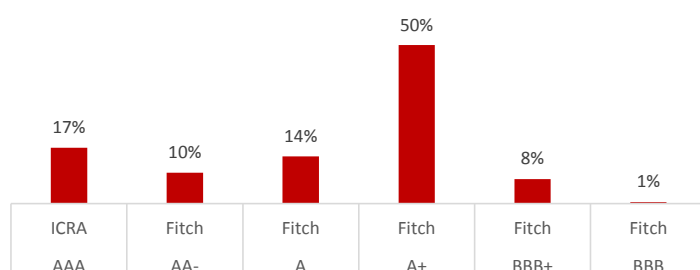
KEY INDICATORS

Average Maturity	(Months)	2.62
Duration		0.20
Expense Ratio	%	0.77%
Unit Price as at 31st March 2021	Rs.	20.4500

MATURITY PROFILE



FUND CREDIT QUALITY



Following much anticipation, Sri Lanka finalized a USD1.5 bn swap facility with China during March. However several previously discussed loan facilities are yet to be realized. With the practical challenges the country is facing in raising funds via commercial borrowings in the near future, smooth negotiation of bilateral funding will be vital to ensure timely dollar debt repayments during the coming period. So far government has not indicated keenness to restart negotiations with the IMF despite market anticipation.

Meanwhile private sector credit and inflation indicated some momentum during February & March respectively. Private credit demand recorded the highest figure since September 2020 when the country was hit by second wave of COVID-19. Despite drop in food inflation, non-food inflation continued to rise during March resulting in a 4.1% YoY change in CCPI. The increase in commodity prices globally could be expected to negatively reflect on the inflation in the coming period.

Ahead of the festive season the currency experienced depreciatory pressure. As of end March the LKR has depreciated by 6.79% YTD. A globally strengthening USD would act as a negative factor exerting pressure on the LKR during rest of 2021. Furthermore overall rupee liquidity has seen a declining trend during the month despite continuous increases to CBL holdings of government securities. Despite excessive liquidity positions in the private banks, increasing state borrowing requirement likely to keep overall market liquidity in check.

Interest rates on government securities broadly stabilized during the month. However, the government securities auctions continued to be undersubscribed indicating underlying pressure on g-sec rates. From an investment strategy perspective we are currently focusing our investments in the shorter tenure in order to capitalize on the expected pick up in rates during 2021 due to above discussed factors.

ASSET ALLOCATION

Fixed Deposits	92%
Savings	8%
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 SNAPSHOT

Inception Date	27th February 2012
Bloomberg Code	GUAACFI SL Equity
Fund Size 31st March 2021	LKR 2,642.26Mn
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.