

Guardian Acuity Money Market Fund

Open Ended Money Market Fund

February 2018

HIGHLIGHT

"The fund is currently providing a Tax Free current yield of 10.57% p.a. to its investor".**

RETURNS***

PERIOD	FUND	NDBIB-CRISIL 91 T-BILL INDEX	ANNUALISED FUND RETURN/CAGR*
2018 February	0.81%	0.42%	10.59%
3 Months	2.71%	1.87%	10.97%
YTD 2018	1.75%	1.08%	10.82%
Since Inception Cum.	79.79%	63.41%	10.26%*

** Current yield based on last 07 days average up to 28th February '2018. The current yield/ return is variable and subject to change.

*** Performances are based on month end prices as of 28th February

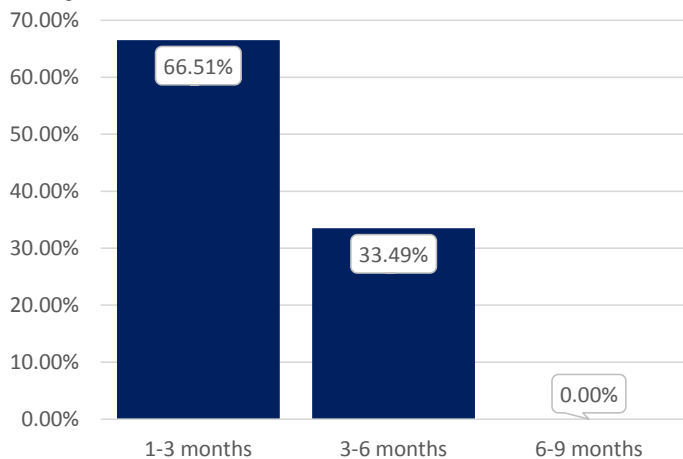
2018. Performance data included in this document represents past performance and is no guarantee of the future results.

KEY INDICATORS

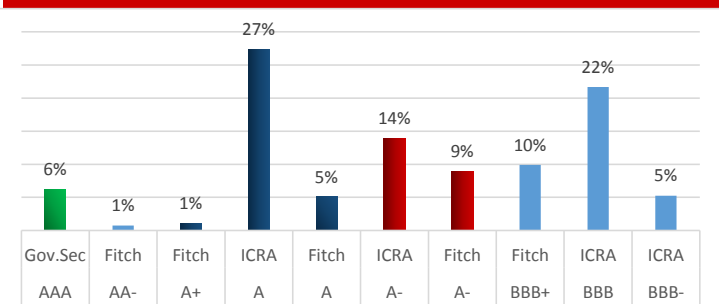
Average Maturity	(Months)	2.32
Duration	(Months)	0.19
Expense Ratio	%	0.79%
Unit price as of 28-02-2018	Rs.	15.6125

MATURITY PROFILE

Percentage of NAV



FUND CREDIT QUALITY



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.

CEYLON
GUARDIAN

ACUITY
Partners (Pvt) Ltd



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



Sashika Wickramaratne
Fund Manager

We expect the Central Bank to maintain the current policy rates in the near future. However, we expect market rates (fixed deposit rates etc.) to come down due to the building up in excess liquidity in the system.

Slowdown in GDP growth and slowing down in credit growth (14.6% YoY in December 2017 after hitting a peak of 28.5% in July 2016) reflects weakening overall demand in the economy. The slowdown in credit growth and the existing government security maturities is currently increasing the existing liquidity level and that is why we expect market rates are come off at the moment.

Gross official reserves remained strong at USD 7.9 billion in December 2017. However, during the next 12 months period the expected net drain in foreign reserves is around USD 6.6 billion (both principal & interest payments). The remaining tranches of IMF extended funding facility, balance payments of the Hambantota port sale deal will help the Central Bank to manage the foreign dollar outflows in 2018. But the cost of rollover of existing debt will be challenging since US has indicated a 1% rate hike in 2018 after the latest FOMC meeting (revised up from previous 75 basis) and other regional countries has also signaled that they will also increase their rates in line with US rate hike. Adverse weather conditions and rising fuel prices can worsen the situation further causing higher import demand.

On this back drop we do not expect the Central Bank to cut policy rates in the near future and in the second half interest rates will remain flat if central bank manage the drain in foreign reserves, unless there is a possibility for rates to go up.

Therefore, the fund will maintain a short maturity profile to until the second half of 2018.

ASSET ALLOCATION

Fixed Deposits	52.90%
Commercial Papers	40.92%
Government Securities	6.18%

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
Bloomberg Code
Fund Size 28 th February 2018
Minimum Investment

27th February 2012
GUAACFI SL Equity
LKR 5,301.18 Mn
LKR 1,000

FUND FEES

Management Fee* 0.6% p.a.
Trustee Fee* 0.15% p.a.

*As a percentage of NAV