

Guardian Acuity Equity Fund

Open Ended Growth Fund

February 2019

HIGHLIGHT

The fund recorded a -3.39% return for the month and -5.93% return for 3 Months. The YTD return of the fund was -4.33% vs. benchmark ASPI return of -3.90%.

RETURNS*

PERIOD*	FUND	BENCHMARK		
		ASPI	S&P SL 20	ASTRI
2019 February	-3.39%	-2.90%	-3.08%	-2.86%
3 Months	-5.93%	-3.37%	-6.28%	-3.30%
Year To Date (YTD 2019)	-4.33%	-3.90%	-4.98%	-3.84%
Since Inception Cum.	54.22%	6.20%	0.79%	16.65%
Since Inception CAGR	6.38%	0.86%	0.11%	2.22%

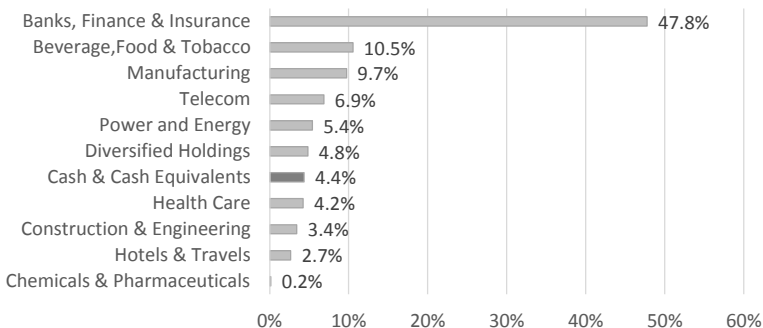
Note : All Share Price Index (ASPI) ,All Share Total Return Index(ASTRI) & S&P Srilanka 20 Index (S&P SL 20) are based on CSE data as of 28th February 2019

* Performances are based on month end prices as of 28th February 2019. Performance data included in this document represents past performance and is no guarantee of the future results.

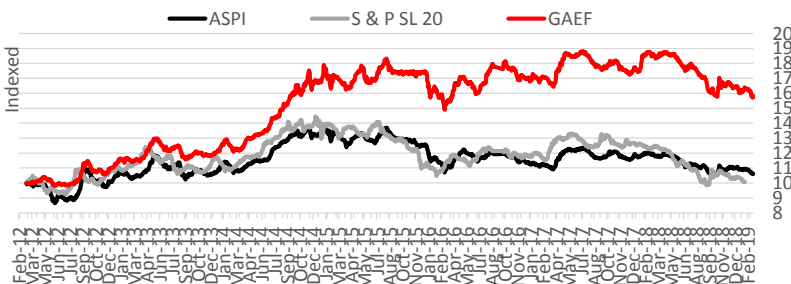
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
NATIONS TRUST BANK PLC	NTB.N	12.54%
CARGILLS (CEYLON) PLC	CARG.N	10.53%
SAMPATH BANK PLC	SAMP.N	9.79%
CENTRAL FINANCE COMPANY PLC	CFIN.N	9.36%
PEOPLE'S LEASING & FINANCE PLC	PLC.N	8.76%

SECTOR ALLOCATION (WITH CASH & CASH EQUIVALENTS)



GAEF VS. THE MARKET



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.



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Asanka Jayasekara
Senior Fund Manager

Continued from last month, February recorded positive equity returns across all major regions around the globe. Investor sentiment was buoyed by the progressive US -China trade talks and the Federal Reserves' signalling of more patience with further rate hikes. Announcement of Chinese stimulus measures to support growth also helped to lift emerging stock markets during the month.

Nevertheless, CSE experienced another negative month recording a 2.9% drop in All Share Price Index. Foreign selloff continued for the eighth consecutive month, a Rs 2.6bn (~USD 15mn) net outflow, albeit emerging equity markets received USD 14bn in February following a USD 33bn inflow in January. Weak December quarter earnings also hurt investors sentiment though it was expected given the sluggish economic situation. Further investors adopted a wait and see approach before the upcoming national budget in March which would provide a guidance of government plans to revive the economy during the year.

Against this back drop, the fund recorded -3.39% return, trailing a -2.90% drop of the benchmark ASPI. The main contributors to the drop were Central Finance PLC (-10.0%), Chevron Lubricants (-14.9%) and People's Leasing & Finance (-4.7%). Both finance companies' prices dropped with the concern of rising NPLs while Chevron Lubricants stock fell after disappointed quarterly earnings. The two detractors were Nation Trust banks (+3.4%) and Lanka Hospitals (+7.3%).

We are yet to see the impact of the recent currency depreciation in consumer's purchasing power. We continue to maintain a degree of caution and stick to our investment strategy with a medium term outlook.

ABOUT THE FUND

Guardian Acuity Equity Fund is a growth fund which invests in a diversified portfolio of listed equity securities with the objective of achieving medium to long term capital appreciation.

FUND SNAPSHOT

Inception Date	27th February 2012
Bloomberg Code	GACUEQI: SL
Fund Size as of 28-02-2019	LKR 267.29 Mn
Minimum Investment	LKR 1,000
Redemption Price as at 28-02-2019	LKR 15.4224

FUND FEES

Management Fee*	2.25% p.a.
Custodian & Trustee Fee*	0.30% p.a.
Exit Fee**	2.00% p.a.

*As a percentage of NAV

**If withdrawn prior to 1 year