

Guardian Acuity Equity Fund

Open Ended Growth Fund

January 2019

HIGHLIGHT

The fund recorded a -0.97% return for the month and -0.53% return for 3 Months. The YTD return of the fund was -0.97% vs. Benchmark ASPI return of -1.03%, recording a 0.06% outperformance.

RETURNS*

PERIOD*	FUND	BENCHMARK		
		ASPI	S&P SL 20	ASTRI
2019 January	-0.97%	-1.03%	-1.96%	-1.01%
3 Months	-0.53%	0.61%	-0.34%	0.69%
Year To Date (YTD 2019)	-0.97%	-1.03%	-1.96%	-1.01%
Since Inception Cum.	59.64%	9.37%	4.00%	20.09%
Since Inception CAGR	6.98%	1.30%	0.57%	2.68%

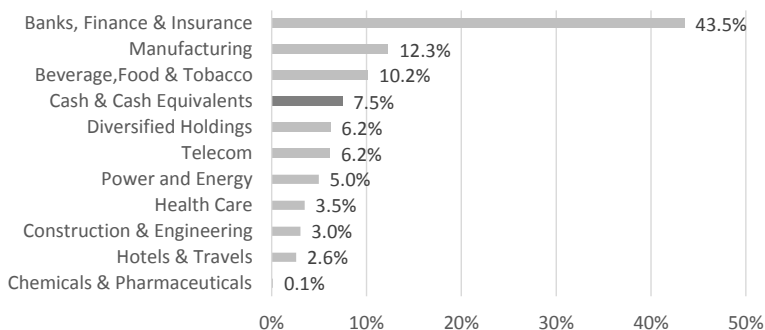
Note : All Share Price Index (ASPI) ,All Share Total Return Index(ASTRI) & S&P Srilanka 20 Index (S&P SL 20) are based on CSE data as of 31st January 2019

* Performances are based on month end prices as of 31st January 2019. Performance data included in this document represents past performance and is no guarantee of the future results.

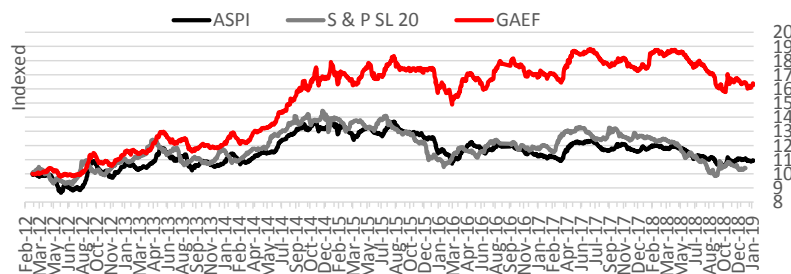
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
NATIONS TRUST BANK PLC	NTB.N	10.65%
CARGILLS (CEYLON) PLC	CARG.N	10.17%
CENTRAL FINANCE COMPANY PLC	CFIN.N	9.14%
SAMPATH BANK PLC	SAMP.N	8.87%
PEOPLE'S LEASING & FINANCE PLC	PLC.N	8.45%

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.



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



Asanka Jayasekara
Senior Fund Manager

The first month of the new year brought good luck to most equity market investors around the world as the heavy losses in the last year recovered to a greater extent in the month of January. Emerging markets (MSCI EM Index) recorded a 7.2% growth while developed markets such as US, UK and Europe(ex UK) recorded growths of 8.0% (S&P 500), 3.6% (FTSE 100) and 6.4% (MSCI Europe ex UK) respectively. Equity markets were buoyed by the US Fed's dovish tone (slowdown in interest rate hikes) and the truce between US and China which boosted the overall investor sentiment.

Despite positive sentiment in other equity markets, Colombo bourse's broader index, ASPI, recorded a negative growth of 1.03% as foreign selling continued in January as well. However the intensity of net foreign selling slowed down in January from last three months average of Rs 5.7bn to Rs 2.3bn. The local debt market (government securities) received a Rs 5.7bn net foreign inflow during the last two weeks of the month which helped to release the LKR depreciation pressure and to reduce the market volatility.

Against this backdrop, the fund dropped by 0.97% during the month in line with the drop of the benchmark index (ASPI). The main contributors to the drop were People's Leasing, Lanka IOC and Ceylinco Insurance while Central Finance and Sampath bank contributed positively.

We expect the volatility we experienced in the last couple of months will contract with the recent improvement in global investment climate and local currency & debt markets. Therefore we remain invested in our core stocks and rebalance the others based on market opportunities.

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 31-01-2019	LKR 304.35 Mn
Minimum Investment	LKR 1,000
Redemption Price as at 31-01-2019	LKR 15.9636

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