

Guardian Acuity Equity Fund

Open Ended Growth Fund

December 2018

HIGHLIGHT

The fund recorded a -1.67% return for the month and 1.87% return for 3 Months. The YTD return of the fund was -5.54% vs. Benchmark ASPI return of -4.98%, recording a 0.56% outperformance.

RETURNS*

PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20	ASTRI
2018 December	-1.67%	0.55%	-1.36%	0.56%
3 Months	1.87%	3.24%	4.44%	3.31%
Year To Date (YTD 2018)	-5.54%	-4.98%	-14.61%	-4.61%
Since Inception Cum.	61.21%	10.51%	6.08%	21.31%
Since Inception CAGR	7.22%	1.47%	0.87%	2.86%

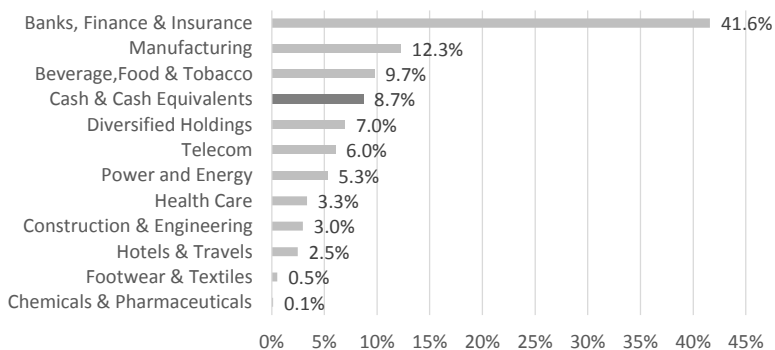
Note : All Share Price Index (ASPI) ,All Share Total Return Index(ASTRI) & S&P Srilanka 20 Index (S&P SL 20) are based on CSE data as of 31st December 2018

* Performances are based on month end prices as of 31st December 2018. Performance data included in this document represents past performance and is no guarantee of the future results.

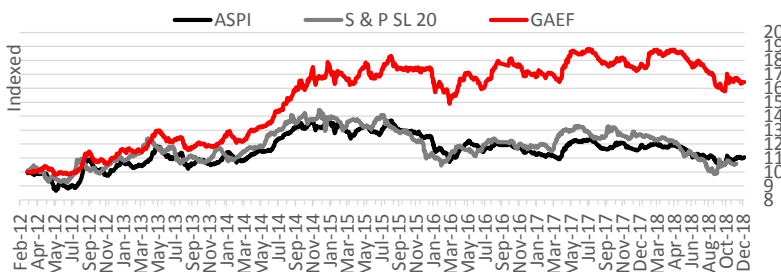
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
NATIONS TRUST BANK PLC	NTB.N	10.34%
CARGILLS (CEYLON) PLC	CARG.N	9.74%
PEOPLE'S LEASING & FINANCE PLC	PLC.N	8.80%
SAMPATH BANK PLC	SAMP.N	8.35%
CENTRAL FINANCE COMPANY PLC	CFIN.N	7.76%

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

Global equity markets, both developed and emerging, ended 2018 on a sour note. Markets were dominated by increasing US interest rates, slowdown in Chinese economic growth and rising geopolitical concerns including the US-China trade dispute.

The negative investor sentiment across global markets extended to Colombo Bourse (CSE), draining Rs 23bn foreign investments during the year 2018. Weaker economic growth and volatility in political arena added further pressure to the performance of CSE. The broad market index, ASPI, dropped by 5.0% in the year while the more liquid S&P 20 index dropped by 14.6%. In December, the ASPI grew by 0.55% albeit the S&P 20 dropped by 1.36%. The main contributor to the ASPI growth was the exceptional 72% rise in AIA insurance's share price.

Against this back drop, the fund recorded -5.54% return in line with the ASPI return of -4.98% for the year 2018. In December, the fund's return fell by 1.67% due to the significant price drop in the non-top holdings such as Dialog (-10.6%) and Access Engineering (-11.9%) , and the moderate price drop in the top holdings such as Central Finance (-3.4%) and Nation Trust Bank (-0.9%).

In 2019, the current volatility in the market will continue with more positive upsides than negatives as the severe pull back in 2018 has created attractive valuations. The next budget will be crucial in this environment to revitalise the economy. We remain positive but rebalance our investment cautiously in line with our investment philosophy in 2019.

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	GACUEQ: SL
Fund Size as of 31-12-2018	LKR 317.72 Mn
Minimum Investment	LKR 1,000
Redemption Price as at 31-12-2018	LKR 16.1206

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