

Guardian Acuity Equity Fund

Open Ended Growth Fund
JULY 2016

CEYLON GUARDIAN ACUITY Partners (Pvt) Ltd
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HIGHLIGHT

"Your fund has significantly outperformed the benchmark by recording a 4.3% return for the month of July. This helped to bring down the year to date negative return to -4.6% by outperforming benchmark return of -7.26% for the period"

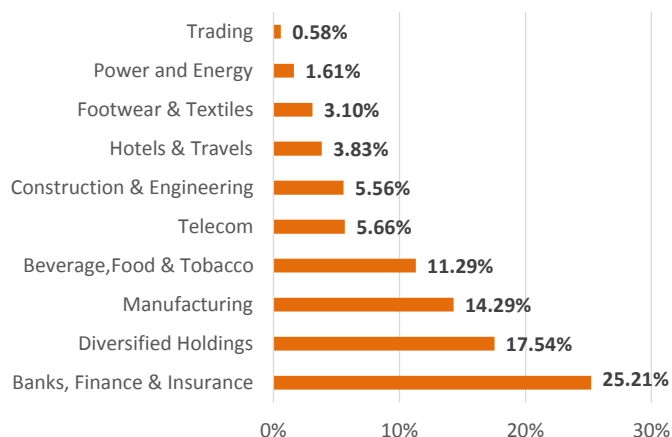
RETURNS

PERIOD	FUND	BENCHMARK ASPI	S&P SL 20
2016 July	4.34%	1.76%	3.46%
3 Months	-1.08%	-1.88%	-0.62%
YTD 2016	-4.60%	-7.26%	-5.83%
Since Inception Cum.	63.71%	16.75%	15.52%
Since Inception CAGR	11.79%	3.56%	3.39%

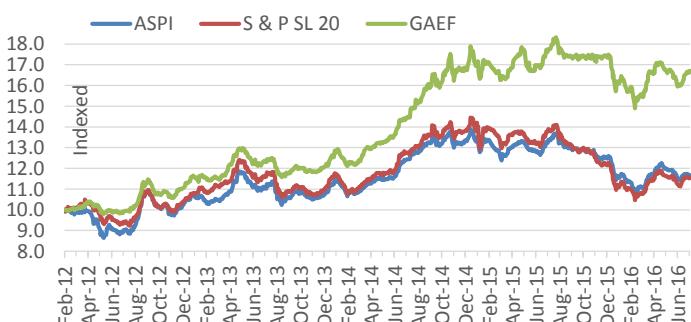
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
DISTILLERIES COMPANY	DIST.N	9.78%
SAMPATH BANK PLC	SAMP.N	7.31%
DIALOG AXIATA PLC	DIAL.N	5.66%
JOHN KEELLS PLC	JKH.N	4.68%
COMMERCIAL BANK OF CEYLON PLC	COMB.N	4.49%

SECTOR ALLOCATION



GAEF VS. THE MARKET



Disclaimer: Performance data included in this document represents past performance and is no guarantee of the future results. Investment returns and principal values may fluctuate depending on various factors and forces, affecting capital markets.



COMMENTARY

By Fund Manager
Asanka Jayasekara

Global central banks remain supportive and favourable to maintain relatively lower interest rates to spur economic growth, which was affected by series of recent political and economic events. However this has a paradoxical short term effect on Sri Lanka as the current elevated interest rates in Sri Lanka is continue to attract much needed foreign funds.

The Colombo bourse regained some momentum during the month of July as foreigners took a breather from a 14 month long selling spree with buying interest returning to selected blue chips. Accordingly the month ended with a net foreign inflow of around Rs 1.5 bn, where the notable success of the USD1.5 bn government bond sale also lifted overall investor confidence. Accordingly the benchmark ASPI closed the month with a 1.76% gain.

Your fund has significantly outperformed the benchmark by recording a 4.3% return for the month of July. This helped to bring down the year to date negative return to -4.6% by outperforming benchmark return of -7.26% for the period. Active weights in Distilleries, Commercial bank, Dialog and Tokyo Cement with overall higher equity allocations drove the July performance of the fund. Last week, Distilleries announced their restructuring plan to unlock the value of the liquor business by floating it separately from their investment holdings. Though this won't create new value for the group, it will certainly improve foreign and local investor interest for those who want an exposure purely to the liquor business.

We will continue to hold our overweight positions in some of the counters and expect a steady recovery in the market going forward despite the volatility.

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
Bloomberg Code
Fund Size
Minimum Investment
Redemption Price as at 31-07-2016

27th February 2012
GACUEQI: SL
LKR 391.69 Mn
LKR 1,000
LKR 16.3707

FUND FEES

Management Fee*
Custodian & Trustee Fee*
Exit Fee**

2.25%
0.30%
2.00%

*As a percentage of NAV

**If withdrawn prior to 1 year