

# Guardian Acuity Equity Fund

Open Ended Growth Fund

June 2017

## HIGHLIGHT

The fund recorded a 1.60% return for the month and 12.50% return for 3 Months. The YTD return of the fund was 9.97% vs. Benchmark ASPI return of 8.33%, recording a 1.64% outperformance.

## RETURNS\*

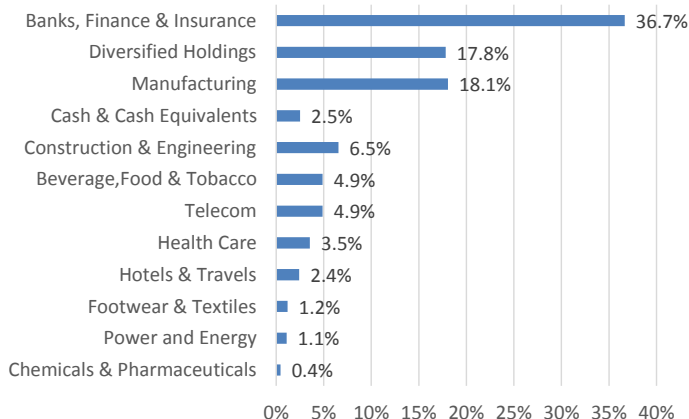
PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20
2017 June	1.60%	1.09%	3.00%
3 Months	12.50%	11.30%	14.38%
Year To Date (YTD 2017)	9.97%	8.33%	12.50%
Since Inception Cum.	83.70%	23.20%	33.09%
Since Inception CAGR	12.06%	3.98%	5.50%

\* Performances are based on month end prices as of 30th June 2017. Performance data included in this document represents past performance and is no guarantee of the future results.

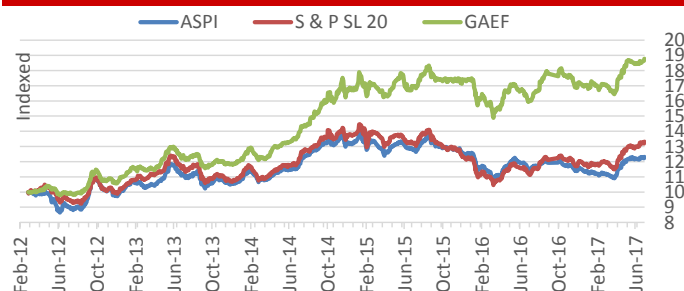
## TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
TOKYO CEMENT COMPANY (LANKA) PLC	TKYO.N/X	7.86%
SAMPATH BANK PLC	SAMP.N	7.38%
PEOPLE'S LEASING & FINANCE PLC	PLC.N	5.72%
MELSTACORP LIMITED	MELS.N	5.57%
ACCESS ENGINEERING PLC	AEL.N	5.12%

## 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**

Fund Manager

June was another positive month for most of the equity markets world over except for Euro zone. Healthy economic data, strong corporate earnings and improved political situation (with a pro-Euro candidate elected as President in France) have been driving the markets for last few months despite increasing interest rates and tightening monetary policy adopted by the US federal Reserve. However, recent European and UK central banks' less dovish tone (less quantitative easing and higher interest rates) was taken negatively by investors in those markets which resulted in more than a 2% drop in UK and European equity markets during the month.

The Colombo Stock Exchange reflected weak sentiments to start off the month as investor sentiment was disrupted by the devastating floods and landslides affecting several parts of the country towards end May. However substantial institutional investor interest during 2nd half of the month primarily on Banking & Diversified sector shares, re-energized the market participants as the benchmark ASPI closed the month with a 1.1% appreciation, taking the YTD return of the index to 8.3%. Foreigners continued to be net buyers of SL equities as the month recorded an Rs.2.7 bn net inflow, surpassing the Rs. 22bn mark on YTD net foreign buying. Foreign interest was particularly witnessed on shares including John Keells Holdings, Hemas Holdings & Commercial Bank which were also among the top positive contributors to the index during the month.

Against this backdrop, your fund has returned 1.60% for the month of June and 9.97% for the year to date period, outperforming the benchmark (ASPI) by 0.5% and 1.6% respectively. Our selected investments in Banking, Construction related Manufacturing and Insurance were the main contributors to the outperformance of the month. The fund delivered 12.06% annual average return to the investors who have been with the fund since inception (Feb 2012). We believe, the market can advance significantly during the second half of the year given decrease in interest rates. We therefore continue with our investment strategy of bottom up value investing and advise the investors to follow the same.

## 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 30-06-2017	LKR 457.66Mn
Minimum Investment	LKR 1,000
Redemption Price as at 30-06-2017	LKR 18.3695

## FUND FEES

Management Fee*	2.25% p.a.
Custodian & Trustee Fee*	0.3% p.a.
Exit Fee**	2% p.a.

\*As a percentage of NAV

\*\*If withdrawn prior to 1 year