

Guardian Acuity Equity Fund

Open Ended Growth Fund

November 2017

HIGHLIGHT

The fund recorded a -2.86% return for the month and -1.54% return for 3 Months. The YTD return of the fund was 3.01% vs. Benchmark ASPI return of 2.95%, recording a 0.06% outperformance.

RETURNS*

PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20
2017 November	-2.86%	-3.11%	-4.48%
3 Months	-1.54%	0.33%	1.06%
Year To Date (YTD 2017)	3.01%	2.95%	6.54%
Since Inception Cum.	72.08%	17.08%	26.03%
Since Inception CAGR	9.88%	2.77%	4.10%

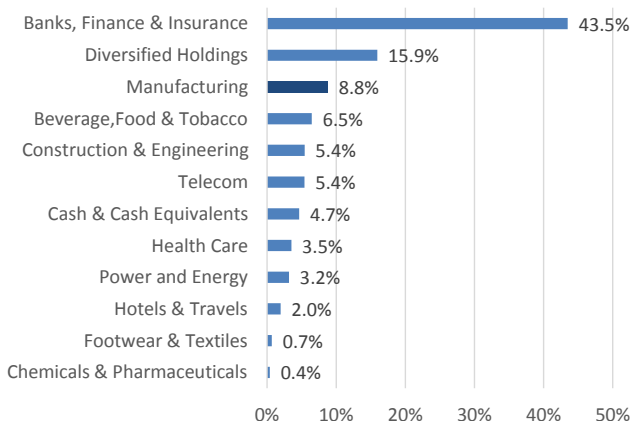
Note : ASPI (Benchmark) and S&P SL 20 are based on CSE data as of 30th November 2017

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

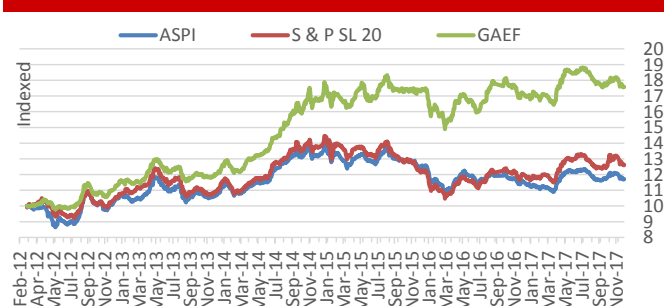
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
PEOPLE'S LEASING & FINANCE PLC	PLC.N	6.55%
CARGILLS (CEYLON) PLC	CARG.N	6.47%
SOFTLOGIC HOLDINGS PLC	SHL.N	5.50%
DIALOG AXIATA PLC	DIAL.N	5.42%
SAMPATH BANK PLC	SAMP.N	5.17%

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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Global equity markets showed mixed performances during the month of November. US equities continued its positive momentum (US S&P500 +3.1%) with further evidence of a solid macro economic backdrop whilst EU markets retreated (MSCI EU ex UK -1.7%) amid political uncertainty over Germany, Italy and Spain and some profit taking. Emerging Markets came down slightly during the month (MSCI EM -0.8%) but year to date returns are at an impressive 27.7%.

November is an important month for Investors in Sri Lanka as the National Budget is presented during the month which plays a key role in determining economic direction. The 2018 budget was mainly targeted to improve the fiscal situation of the country by reducing the deficit to 4.8% of GDP which is a much needed fiscal discipline. The country has been carrying the twin deficit (Trade and Fiscal) issue for many decades which was the main culprit for high macro economic volatility. Therefore this positive move will bring stability and sustainability to the economy which will bring about confidence of the business and investor community. The industry wise impact of the budget is mixed. Banking and telecom sectors are heavily taxed which will have a significant impact on the bottomline if implemented. Further, tax increases in sweetened carbonated beverages and motor vehicles have a major impact on beverage manufacturers and motor vehicle sector and leasing sector. SME and agriculture sectors were given various concessions and credit facilities to promote entrepreneurship and technological advancements. However, despite the macro economic benefits, the adverse implications of the budget on Banking, Finance, Telecom and F&B sectors had a negative bearing on the stock market.

Against this backdrop, CSE dropped by 3.11% during month erasing half of the year to date return to 2.95%. Similarly the fund recorded -2.86% return for the month and 3.01% year to date. The top contributors to the return drop were Sampath bank, Commercial Bank and Access Engineering whilst key positive contributors were Cargills, Softlogic and Central Finance.

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 30-11-2017	LKR 444.98Mn
Minimum Investment	LKR 1,000
Redemption Price as at 30-11-2017	LKR 17.2075

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