



Guardian Acuity Asset Management Limited
(A Joint Venture between Ceylon Guardian & Acuity Partners)

Guardian Acuity Equity Fund

AS OF: 31st MAY 2015

Current Issue Price: LKR. 18.05
Current Redemption Price: LKR. 17.68

FUND SNAPSHOT

STRUCTURE:	OPEN ENDED
TYPE:	GROWTH
INCEPTION DATE:	27/Feb/2012
BLOOMBERG CODE:	GACUEQI: SL
FUND SIZE:	LKR 351 MN
MINIMUM INVESTMENT:	LKR 1,000
EXPENSE RATIO:	2.59%

FUND FEES

	% of NAV
Management fee:	2.25
Trustee & custodian fee:	0.25%
Exit fee:	2.00*

* If withdrawn prior to 1 year

FUND MANAGER

Sumith Perera

SECTOR ALLOCATION

	Portfolio Weight (%)
Banks, Finance & Insurance	41.37
Diversified Holdings	15.30
Beverage, Food & Tobacco	10.21
Hotels & Travels	6.72
Healthcare	5.76
Footwear & Textiles	3.88
Manufacturing	3.74
Power and Energy	3.67
Trading	1.73

For more information, Call:

Salith at +9411 20 39 390
Shangari at +9411 244 95 00

Visit our website for a Full Menu of Products and Services at www.guardianacuity.com

Find us on facebook:
www.facebook.com/guardianacuityassetmanagement.limited

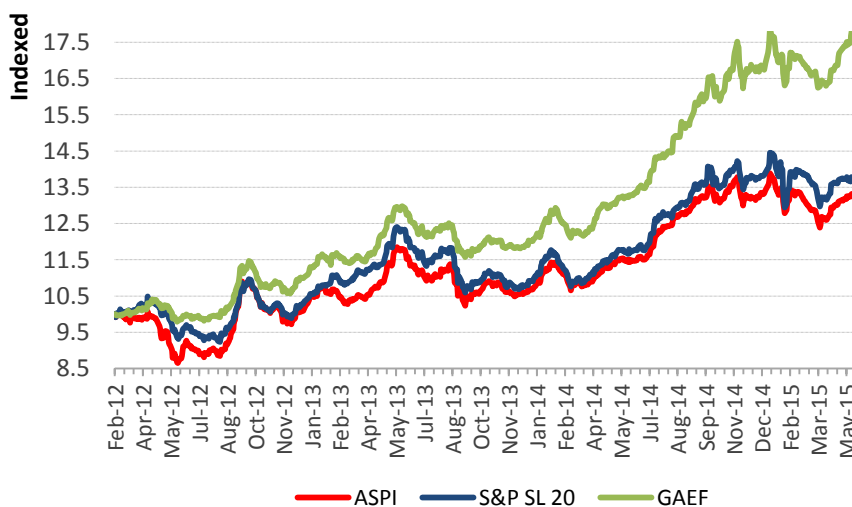
FUND DESCRIPTION

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. The fund selects equity counters based on a bottom up selection process with a bias towards companies that promise strong growth potential under the prevailing economic conditions.

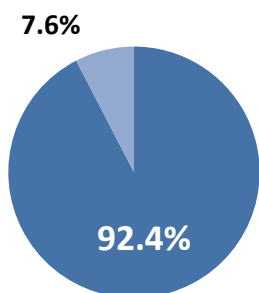
FUND PERFORMANCE

Period	GAAM EQ Fund	ASPI	S&P SL20
1 Month	2.79%	0.58%	-1.30%
3 Months	3.82%	-1.11%	-2.80%
YTD-2015	5.62%	-1.08%	-2.16%
Since Inception – Normalize	76.80%	31.84%	35.36%
Since Inception - CAGR	19.12%	8.87%	9.76%

GAAM Equity Fund vs. Market



ASSET ALLOCATION



Equity Other

TOP 5 HOLDINGS

	% of NAV
Seylan Bank PLC	14.07
Distilleries Company	10.21
Sampath Bank PLC	7.85
Aitken Spence Hotels	6.72
Aitken Spence Holdings PLC	5.79

FUND MANAGER COMMENTS

Fund Performance & outlook

The fund gave a performance of 2.79% for the month of May compared to the All Share Price index return of 0.58%. On a Year to date basis the fund is outperforming the All Share Price Index by 6.70% with a return of 5.62%. Short term performance of the CSE will be influenced significantly by political news and may provide good buying opportunities on panic selling. However, in the medium to long term the Colombo Stock Exchange shows significant upward potential. Further factors that will impact the CSE can be foreign inflows and outflows taking into account potential US rate hikes and impact from local interest rate and exchange rate movements.

Company and portfolio updates

The fund has increased exposure to a Bank which shows upside based on its improved performances and profitability relative to its current trading Net Asset Value. The bank which was plagued with loan quality problems has recovered most of its NPL's and the remaining NPLs are on a good footing. Based on this and improved cost efficiencies we expect margins to improve. The bank has a good exposure to the lucrative mid-sized SME base which we expect to benefit as consumption continues to pick up. Based on relative and cash-flow valuations we see further upside in this stock.

The fund exited a position in the construction sector which had showed strong potential based on lucrative margins and a large project order book. However, changes have resulted in the order book diminishing significantly and margins also expected to decline going forward. These changes have had a negative influence on our valuation due to reduced profitability and diminishing cash-flows and hence the fund has exited this position.

Company results for March quarter have been mixed but overall market earnings growth of approximately 11% YOY has kept in line with expectations. Banking sector maintains moderate growth due to slower credit while majority of the manufacturing sector has improved based on energy price reductions and improved consumption patterns.

Guardian Acuity Asset Management Ltd

31st May 2015

The information contained in this document pertaining to the recommended investments is strictly confidential and is provided solely for your reference to allow you to make a basic evaluation of the investments and it may not contain all material information concerning the investments that is applicable to all investors and therefore should not be relied upon as being comprehensive. Any reproduction, dissemination or onward transmission of this document or the information contained herein is strictly prohibited.

The accuracy of this document is dependent on the information gathered from third party sources being true, complete, and not misleading. All efforts have been made to ensure accuracy but we do not make any representation regarding nor assume any responsibility or liability for, the accuracy or completeness of, or any errors in or omissions from, any information contained herein. The information contained in this document is subject to change without notice. By accepting delivery of this document you acknowledge and agree to comply with the foregoing restrictions.

The information and material contained in this document are for general information purposes only and do not constitute or form part of any offer or solicitation for the purchase or sale of any financial instrument nor shall it or any part of it form the basis of or be relied on for the purchase or sale of any financial instrument. The recipient of this report must make their own independent decision regarding any securities or financial instruments mentioned herein. Securities or financial instruments mentioned may not be suitable to all investors.