

Guardian Acuity Equity Fund

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

AS OF: 30 June 2015

Current Issue Price: LKR. 17.30
Current Redemption Price: LKR. 16.96

FUND SNAPSHOT

STRUCTURE:	OPEN ENDED
TYPE:	GROWTH
INCEPTION DATE:	27/Feb/2012
BLOOMBERG CODE:	GACUEQI: SL
FUND SIZE:	LKR 352 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* If withdrawn prior to 1 year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	36.6
Diversified Holdings	15.2
Beverage, Food & Tobacco	11.9
Hotels & Travels	6.2
Healthcare	5.6
Footwear & Textiles	3.68
Manufacturing	3.57
Power and Energy	3.57
Trading	1.67

For more information, Call:

Salith at +9411 20 39 390

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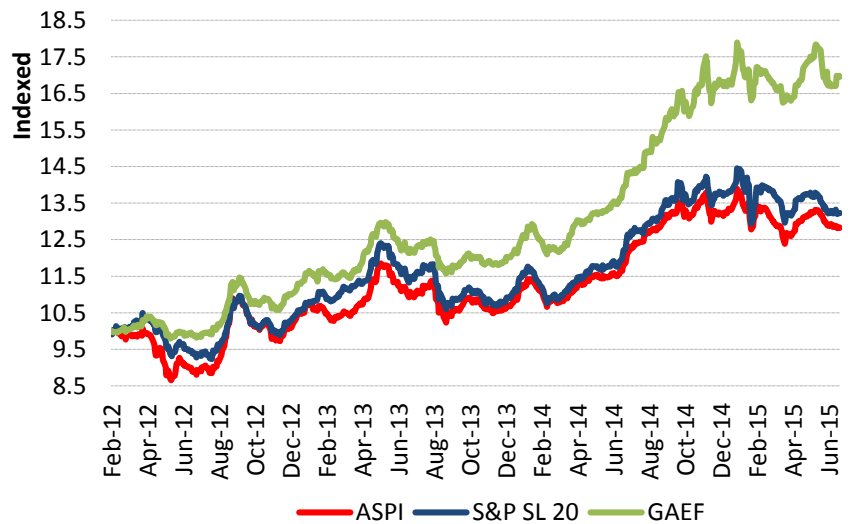
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FUND DESCRIPTION

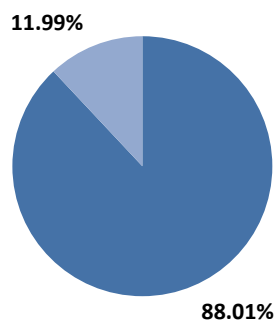
Guardian Acuity Equity Fund is a growth fund which invests in a diversified portfolio of listed equity securities with the objective of achieving medium to long term capital appreciation. The fund selects equity counters based on a bottom up selection process with a bias towards companies that promise strong growth potential under the prevailing economic conditions.

FUND PERFORMANCE

Period	GAAM EQ Fund	ASPI	S&P SL20
1 Month	-4.07%	-2.76%	-2.32%
3 Months	3.79%	2.94%	1.44%
YTD-2015	1.31%	-3.81%	-4.43%
Since Inception – Normalize	69.60%	28.20%	32.23%
Since Inception - CAGR	17.14%	7.72%	8.72%



ASSET ALLOCATION



TOP 5 HOLDINGS

	% of NAV
Distilleries Company	9.83
Sampath Bank PLC	7.56
Seylan Bank PLC-Non Voting	6.23
Aitken Spence Holdings PLC	6.22
Seylan Bank PLC- Voting	6.12

■ Equity ■ Other

FUND MANAGER COMMENTS

Fund Performance & outlook

The fund performance for the month of June was -4.07% compared to the All Share Price index return of -2.76%. On a Year to date basis the fund is outperforming the All Share Price Index by 5.12% with a return of 1.31%. The announcement of general elections to be held in August has resulted in most investors taking a wait-and-see approach thereby resulting in low participation levels and All Share Price Index drifting down. Global concerns on emerging market have seen foreign investors exiting or reducing positions in heavy weight stocks and thus depressing the All Share Price Index. The ASPI closing lower at 7,020.80 has resulted in a number of fundamentally strong stocks trading below their intrinsic values and thus providing buying good opportunities. Longer term investors can see this as a good entry point into the market.

Company and portfolio updates

The fund invests in stocks trading below their true worth and has thus structured a portfolio based on companies that will benefit significantly on economic growth going forward. The Banking, Finance & Insurance sector has the largest weight of 36% whose loan portfolios are set to benefit through lending to the most secure and profitable segments of the economy. The diversified sector exposure has exposed the portfolio to the lucrative FMCG, hospital, leisure and transport sub segments.

The fund is holding a position in a fabric manufacturing company which announced the acquisition of a knit fabric manufacturer in India through a cash and share swap of US\$ 15Mn. The acquisition is expected to add 50% further capacity to the company. Although there is an initial margin dilution we expect the margin to expand in future assuming the status quo for all other aspects of costs particularly with respect to required input commodity prices. An optimistic scenario which includes the country regaining GSP Plus, exports increasing to Europe and USA and increases to the value addition segment of product lines shows further upside to the stock.

Guardian Acuity Asset Management Ltd

30 June 2015

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