

Fact sheet-July 2015

Guardian Acuity Equity Fund

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.

Open ended Growth Fund

We watch over your portfolios so you don't have to worry about following markets.



- Access to diversified portfolio
- Switching is Free
- Professional fund management
- Tax free

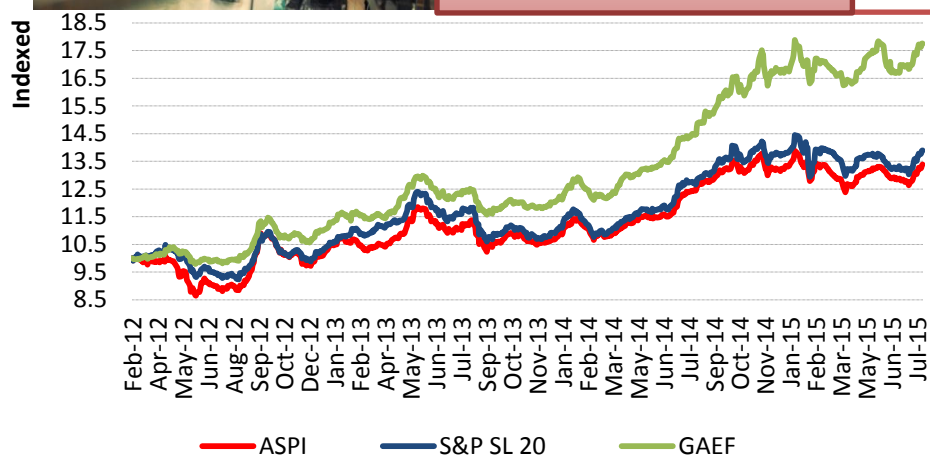
FUND SNAPSHOT

INCEPTION DATE: **27/Feb/2012**
 BLOOMBERG CODE: **GACUEQJ: SL**
 FUND SIZE: **LKR 411 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* If withdrawn prior to 1 year



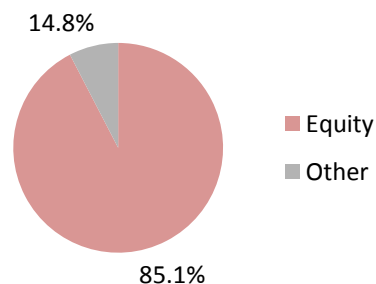
Period	GAAM EQ Fund	ASPI	S&P SL20
1 Month	4.72%	4.43%	5.12%
3 Months	3.26%	2.13%	1.35%
YTD-2015	6.09%	0.45%	0.46%
Cumulative Since Inception	77.60%	33.88%	38.99%
CAGR Since Inception -	18.28%	8.90%	10.10%

SECTOR ALLOCATION

Portfolio Weight (%)

Banks, Finance & Insurance	34.24
Diversified Holdings	14.32
Beverage, Food & Tobacco	11.41
Hotels & Travels	5.52
Healthcare	5.71
Footwear & Textiles	3.41
Manufacturing	3.34
Power and Energy	3.15
Trading	1.46
Construction & Engineering	2.61

ASSET ALLOCATION



TOP 5 HOLDINGS

	% of NAV
Distilleries Company	9.53
Sampath Bank PLC	7.60
Seylan Bank PLC	5.99
Asiri Hospital Holdings	5.71
Aitken Spence Holdings PLC	5.52

FUND MANAGER COMMENTS

Fund Performance & market outlook

The fund performance for the month of July was 4.72% compared to the All Share Price Index return of 4.43%. On a Year to date basis the fund is outperforming the All Share Price Index by 5.64% with a return of 6.09%. The equity exposure of the fund remains modest at 85% taking a lukewarm view and waiting for the opportune time to pick stocks at substantial discount to intrinsic value. Patiently awaiting opportunities of purchasing stocks that trade significantly below their intrinsic prices. The market made a strong recovery after the previous months fall with investors interest focused on the outcome of the general elections in August. Despite a foreign outflow of Rs. 835 million for the month heavy buying interest was seen by retail investors with average daily turnover levels recorded at Rs. 1.2 billion. Heavily traded stocks for the month included Dialog, Textured Jersey, Ceylinco Insurance and Commercial Bank.

Fund exposure and our stock picks

The highest sector weight for the fund is the banking sector of 34%, Diversified of 14% and Beverage, Food & Tobacco of 11%. The main holdings of the banking sector include Sampath and Seylan Bank. Both banks trade below sector average P/BV multiples and show significant upside in the medium term. Further to improving cost efficiencies Seylan Bank continues to make significant progress in the improvement of its asset quality. Several scenarios we have explored in our valuation factor in improvements in CASA ratio, branch expansion, impact of improving funding costs and recoveries in non-performing advances. The 2Q2015 results released by the bank continue to show further signs of promise with a net profit growth of 54% YOY.

Guardian Acuity Fixed Income Fund

Open ended Income Fund



FUND DESCRIPTION

Guardian Acuity Fixed Income Fund is an open ended unit trust which invests in a portfolio of investment grade fixed income securities consisting of commercial papers, corporate debentures, asset backed securities, government securities and other fixed income securities.

FUND SNAPSHOT

INCEPTION DATE:	27/Feb/2012
BLOOMBERG CODE:	GUAACFI: SL
FUND SIZE:	LKR 3,167 MN
MINIMUM INVESTMENT:	LKR 1,000

KEY INDICATORS

Current Yield* (Net of Fees):	6.80%
Duration:	0.30
Average Maturity (Months):	4.74
Expense Ratio:	0.77%

*Yield on existing assets of the fund.

FUND FEES

	% of NAV
Management fee:	0.60
Trustee & custodian fee:	0.15

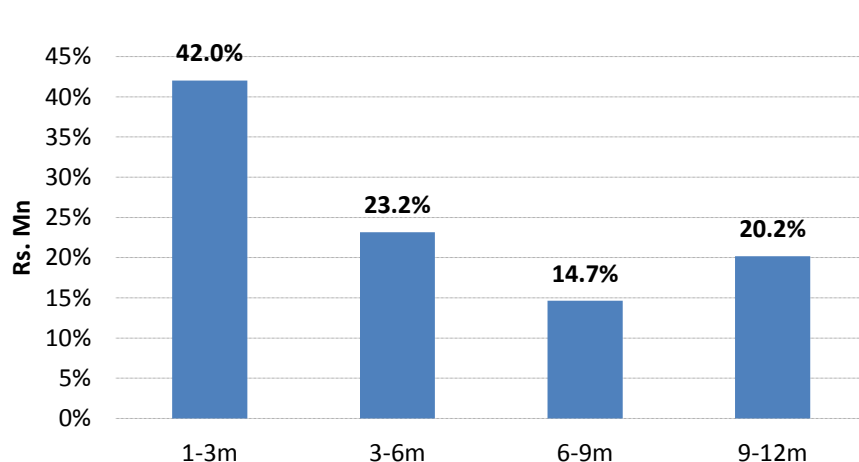
FUND PERFORMANCE

Period	GAFIF	NDBIB-CRISIL 91 Day T-Bill Index	GAFIF- Annualized
1 Month	0.50%	0.45%	6.07%
3 Months	1.68%	1.46%	6.75%
YTD-2015	3.81%	3.43%	6.58%
Cumulative Since Inception	39.11%	33.06%	11.43%

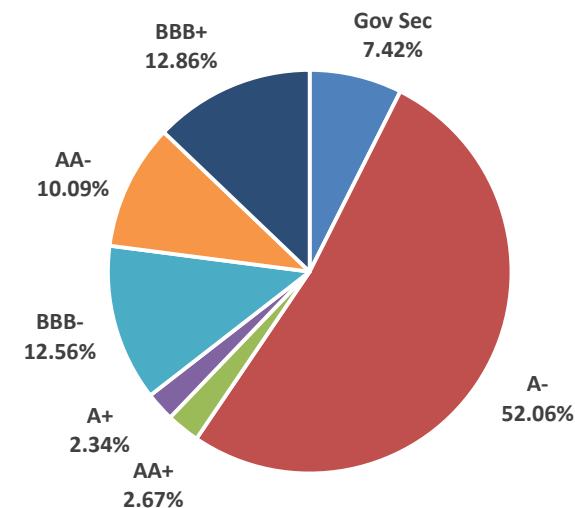
ASSET ALLOCATION

	Portfolio Weight (%)
Fixed Deposits	73.2
Commercial Papers	19.3
Government Securities	7.4
Securitization	0.1

MATURITY PROFILE



FUND CREDIT QUALITY



FUND MANAGER COMMENTS

Fund performance & outlook

The fund gave a return of 0.50% for the month of July 2015 compared to 91 day Treasury bill index of 0.45% for the same period. The fund provides a tax free current yield of 6.80%. We expect the current yield to marginally improve over the next month as short term interest rates have started to increase gradually.

Macro factors: Interest Rates and the Economy

Headline inflation turned negative on a YOY basis largely on account of a base effect where inflation was much higher in July 2014. Food and beverage inflation was moderate while other categories saw increases. The 1 year Treasury bill saw an increase of 20 basis points in the month of July with expectations of this trend gathering momentum into the following month. Several factors contributing to higher expected interest rates include the Federal Reserve increasing interest rates in the USA, excessive consumption imports and the Rupee under pressure. We forecast the rising interest rates to be coupled with a Rupee depreciation in the range of 5% over the short term. Furthermore, with public spending expected to get back on track next year fiscal borrowings may spill over into domestic interest rates.

Guardian Acuity Money Market Gilt Fund

Open ended Money Market Fund

FUND DESCRIPTION

The fund objective is to provide a secure annual income by investing in a portfolio of Government securities maturing within 365 days. The fund will maintain a minimum level of liquidity and look to invest in Treasury bills, Treasury bonds and repurchase agreements.



FUND SNAPSHOT

INCEPTION DATE: **24/MAR/2015**
 FUND SIZE: **LKR 713.39 MN**
 MINIMUM INVESTMENT: **LKR 1,000**

KEY INDICATORS

Current Yield* (Net of Fees): 5.85%
 Average Maturity (Months): 279
 Expense Ratio: 0.51%
**Yield on existing assets of the fund.*

FUND FEES

Management fee: 0.25 % of NAV
 Trustee & custodian fee: 0.18

FUND PERFORMANCE

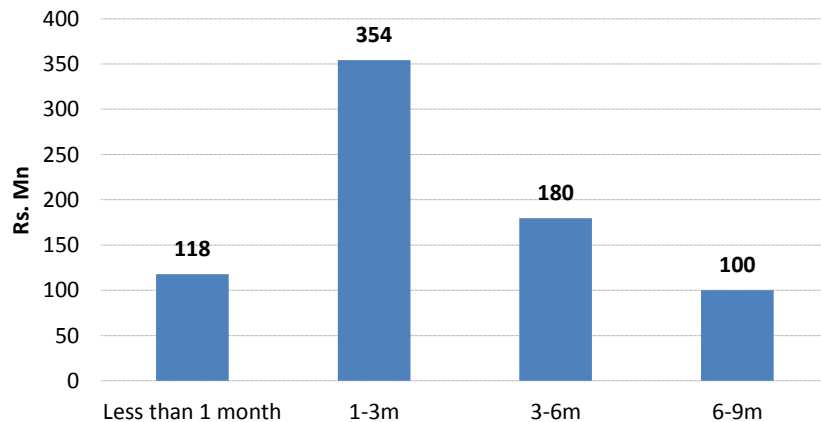
Period	Fund	NDBIB-CRISIL 91 Day T-Bill Index	GAMMGF- Annualized
July 2015	0.49%	0.45%	5.79%
3 Months	1.50%	1.46%	6.02%
Since Inception	2.14%	2.27%	6.10%

ASSET ALLOCATION

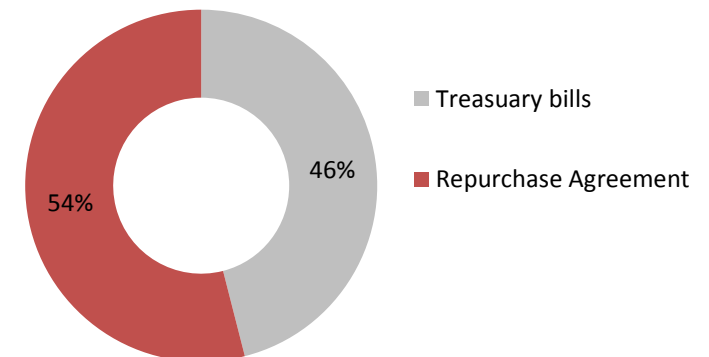
Portfolio Weight (%)

Treasury Bills 46
 Repurchase Agreements 54

MATURITY PROFILE



FUND ASSET ALLOCATION



FUND MANAGER'S COMMENTS

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