

# Guardian Acuity Equity Fund

Open ended Growth 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.

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

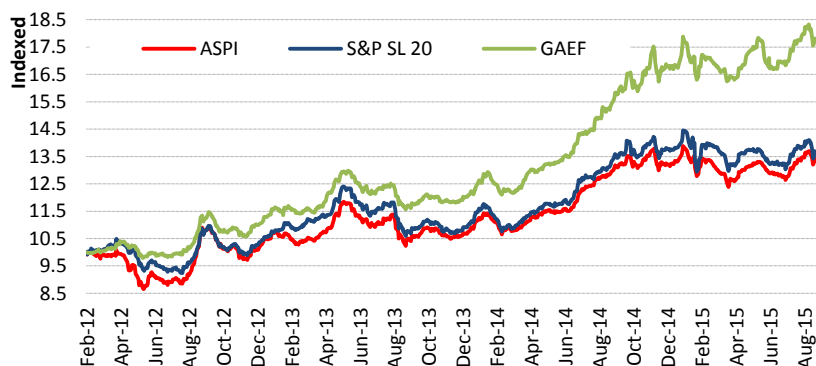
## FUND SNAPSHOT

INCEPTION DATE: **27/Feb/2012**  
 BLOOMBERG CODE: **GACUEQI: SL**  
 FUND SIZE: **LKR 425.6 MN**  
 MINIMUM INVESTMENT: **LKR 1,000**  
 EXPENSE RATIO: **2.60%**

## FUND FEES

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

*\* If withdrawn prior to 1 year*



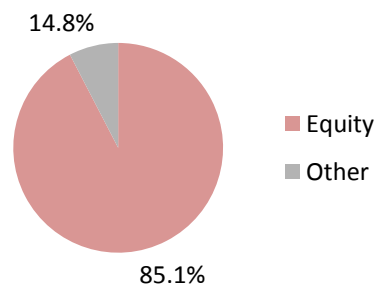
Period	GAAM EQ Fund	ASPI	S&P SL20
1 Month	-0.11%	-0.34%	-1.99%
3 Months	0.34%	1.20%	0.64%
YTD-2015	5.97%	0.11%	-1.54%
Cumulative Since Inception	77.40%	33.42%	36.23%
CAGR Since Inception	17.74%	8.56%	9.21%

## SECTOR ALLOCATION

Portfolio Weight (%)

Banks, Finance & Insurance	34.89
Diversified Holdings	13.57
Beverage, Food & Tobacco	10.92
Healthcare	5.34
Hotels & Travels	5.33
Manufacturing	3.38
Footwear & Textiles	3.19
Power and Energy	3.03
Construction & Engineering	2.52
Trading	1.59

## ASSET ALLOCATION



## TOP 5 HOLDINGS

	% of NAV
Distilleries Company	9.14
Sampath Bank PLC	7.38
Asiri Hospital Holdings	5.34
Aitken Spence Holdings PLC	5.33
Aitken Spence PLC	5.19

## **FUND MANAGER COMMENTS**

### **Fund Performance & market outlook**

The fund performance for the month of August was -0.11% compared to the All Share Price index return of -0.34%. On a Year to date basis the fund is outperforming the All Share Price Index by 5.86% with a return of 5.97%. The equity exposure of the fund continues to be modest at 85% awaiting an opportune time to buy into selected stocks. The market experienced significant levels of volatility leading up-to and conclusion of general elections. Furthermore, global reactions on concerns regarding China's economy saw international markets in turmoil which added to the volatility of the Colombo Stock Exchange.

### **Fund exposure and our stock picks**

The fund initiated buying into a Telecom company which has the largest market share in the mobile telecom business. With an established customer base the company will benefit from higher levels of data usage and internet penetration in the country. Furthermore, margins are expected to improve with the implementation of a new cost reduction project. This company produced a better than expected quarterly result as a result of cost savings from network modernisation, reduction in maintenance costs and lower energy costs. However, a risk for this company and industry is the high levels of capital expenditure required to maintain cutting edge technology.

Recent quarterly results announced show manufacturing and consumption related companies have produced very strong results benefitting from a consumption boom and lower input costs. Banking sector results have been in line and show signs of moderate loan growth which is a big improvement from lacklustre loan growth levels from the previous year.