

Guardian Acuity Equity Fund

Open Ended Growth Fund

SEPTEMBER 2016



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HIGHLIGHT

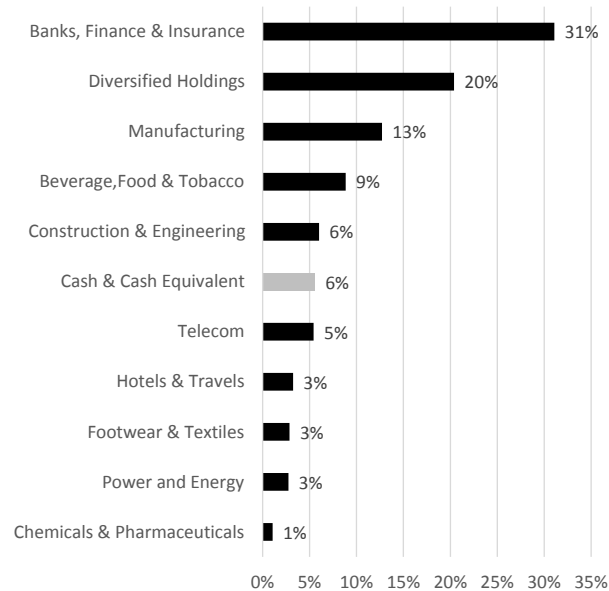
The fund recorded a 0.77% return for the month and a 12.31% return for the quarter by outperforming the benchmark ASPI growth of 0.10% and 4.00% respectively.

RETURNS			
PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20
2016 September	0.77%	0.10%	0.90%
3 Months	12.31%	4.00%	9.61%
YTD 2016	2.69%	-5.22%	-0.23%
Since Inception Cum.	76.22%	19.32%	22.39%
Since Inception CAGR	13.12%	3.92%	4.50%

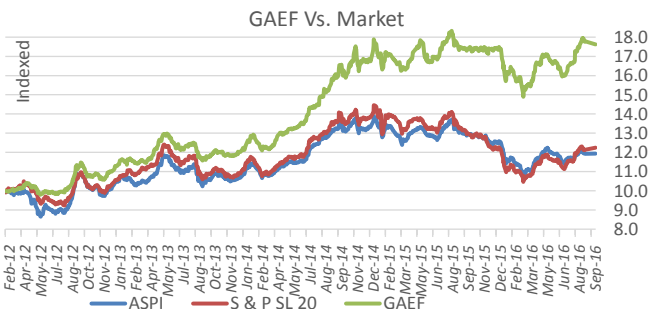
* Performances are based on month end prices

TOP 5 HOLDINGS BASED ON NAV		
STOCK	TICKER	% OF NAV
SAMPATH BANK PLC	SAMP.N	8%
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.N	6%
DIALOG AXIATA PLC	DIAL.N	5%
JOHN KEELLS HOLDINGS PLC	JKH.N	5%
COMMERCIAL BANK OF CEYLON PLC	COMB.N	5%
Total Stocks		32

SECTOR ALLOCATION (WITH CASH)



GAEF VS. THE MARKET



COMMENTARY

By Fund Manager
Asanka Jayasekara

With rebounding commodity prices and continued accommodative monetary policies of the US and other developed economies, global equity investors' risk appetite has been improving and portfolio flows to emerging and frontier markets continue whilst recording the best quarter (in terms of return) since 2012.

Similarly a positive net foreign inflow of Rs 725 mn to the CSE was recorded in the month of September. The market having advanced close to 4% over the months of July & August, experienced some slowdown during September as some profit taking was witnessed on the local front. Further the news on the VAT increase being approved by the cabinet also weighed on the index with selling pressure emerging on companies expected to get negatively affected by the move, as ASPI recorded a 1.5% drop to 6,429 points by the 3rd trading week. However, return of foreign interest in selected blue chips and a sizable drop in government securities yields restored market sentiment towards the latter part of the month as ASPI closed broadly flat at 6,534 points.

The fund recorded a 0.77% return for the month and a 12.31% return for the quarter by outperforming the benchmark ASPI growth of 0.10% and 4.00% respectively. Even though the year to date return of the market (ASPI) was negative 5.22%, your fund has delivered a positive return of 2.69% by creating value through a disciplined stock selection process. During the month, Sampath bank and Hemas Holding contributed largely to the fund's performance whilst Distilleries and Aitken Spence Hotels were the main detractors of the fund.

We have begun to see evidence on a number of fronts that the worst period of equity market and macro economy is now behind us and heading towards stability. Investors should note that once all the factors turn positive, a rally would typically be in its peak stage as the market tends to react ahead of the actual data.

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
Bloomberg Code
Fund Size as at 30-09-2016
Minimum Investment
Redemption Price as at 30-09-2016

27th February 2012
GACUEQI: SL
LKR 430.6 Mn
LKR 1,000
LKR 17.6219

FUND FEES

Management Fee*
Custodian & Trustee Fee*
Exit Fee**

2.25% p.a.
0.3% p.a.
2% p.a.

*As a percentage of NAV

**If withdrawn prior to 1 year

Disclaimer: Performance data included in this document represents past performance and is no guarantee of the future results. Investment returns and principal values may fluctuate depending on various factors and forces, affecting capital markets.