

Guardian Acuity Equity Fund

Open Ended Growth Fund

January 2018

HIGHLIGHT

The fund recorded a 3.32% return for the month and -0.46% return for 3 Months. The YTD return of the fund was 3.32% vs. Benchmark ASPI return of 1.68%, recording a 1.64% outperformance.

RETURNS*

PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20
2018 January	3.32%	1.68%	2.06%
3 Months	-0.46%	-2.13%	-3.91%
Year To Date (YTD 2018)	3.32%	1.68%	2.06%
Since Inception Cum.	76.33%	18.26%	26.79%
Since Inception CAGR	10.04%	2.87%	4.08%

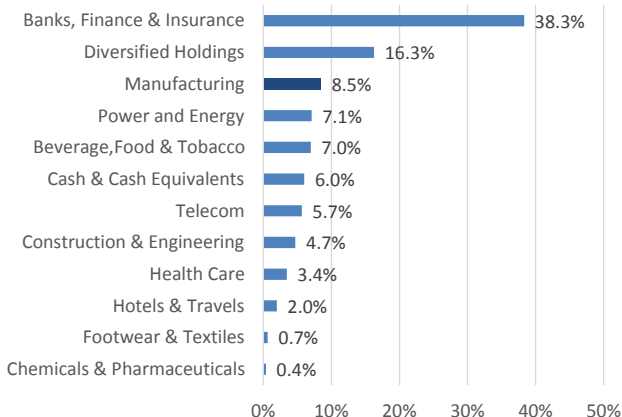
Note : ASPI (Benchmark) and S&P SL 20 are based on CSE data as of 30th January 2018

* Performances are based on month end prices as of 30th January 2018. Performance data included in this document represents past performance and is no guarantee of the future results.

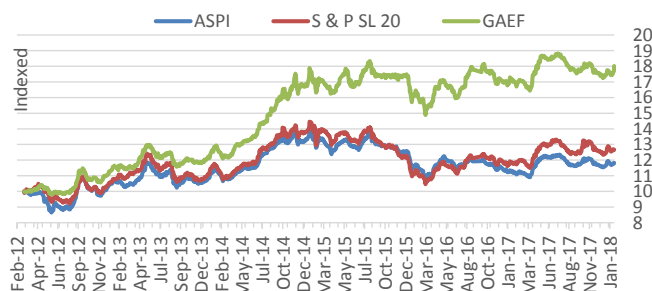
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
CARGILLS (CEYLON) PLC	CARG.N	6.97%
SOFTLOGIC HOLDINGS PLC	SHL.N	6.76%
PEOPLE'S LEASING & FINANCE PLC	PLC.N	6.38%
DIALOG AXIATA PLC	DIAL.N	5.66%
CENTRAL FINANCE COMPANY PLC	CFIN.N	5.47%

SECTOR ALLOCATION (WITH CASH & CASH EQUIVALENTS)



GAEF VS. THE MARKET



Investors are advised to read and understand the contents of the Explanatory Memorandum before investing. Among others, investors should consider the fees and the charges involved.



Tel: +94 112039377 E-mail: info@guardianacuity.com



Asanka Jayasekara
Fund Manager

Developed and emerging equity markets enjoyed strong growth in January despite some analysts' warnings the markets are expensive as share prices march to all time highs. Emerging markets were benefited through continued strength in global growth, the weaker US dollar and robust growth in commodity prices.

Against this backdrop, CSE received Rs 4.0bn net foreign inflow during the month mainly on HNB, JKH and Melsta Corp which boosted overall market and investor confident. The latter part of the month, announcements of Softlogic Holding and rumour on Janashakthi Insurance attracted the retail participation back to the market which helped to end the month with positive note. Softlogic Holding announced a right issue and a private placements to raise Rs 7bn (Rs 3.9bn and Rs3.1bn respectively) to settle short term and long term borrowings. Rumour on sale of Janashakthi Insurance pushed the share price last few days of the month and later the company made public that they have received an offer for purchase of their general insurance business at Rs 16.4bn from Allianz SE.

Your fund returned 3.32% for the month outperforming the ASPI growth of 1.68%. Top positive contributors for the month's performance were Softlogic Holding, Janashakthi Insurance and Central Finance whilst main detractors were Chevron Lubricant and People's Leasing. The fund improved its 'since inception' annualised return to 10.04% compared to ASPI of 2.87%.

February is a critical month for the market since the result of upcoming local government election will impact the market sentiment in the short term. However we believe, the long term prospect will remain robust with the current attractive valuations and improving macroeconomic condition.

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	27th February 2012
Bloomberg Code	GACUEQJ: SL
Fund Size as of 31-01-2018	LKR 449.11Mn
Minimum Investment	LKR 1,000
NAV Per Unit as of 31-01-2018	LKR 17.8195

FUND FEES

Management Fee*	2.25% p.a.
Custodian & Trustee Fee*	0.3% p.a.
Exit Fee**	2% p.a.

*As a percentage of NAV

**if withdrawn prior to 1 year