

Guardian Acuity Equity Fund

Open Ended Growth Fund

April 2018

HIGHLIGHT

The fund recorded a 1.45% return for the month and 4.23% return for 3 Months. The YTD return of the fund was 7.70% vs. Benchmark ASPI return of 2.54%, recording a 5.16% outperformance.

RETURNS*				
PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20	ASTRI
2018 April	1.45%	0.84%	0.27%	0.85%
3 Months	4.23%	0.84%	-2.33%	1.00%
Year To Date (YTD 2018)	7.70%	2.54%	-0.32%	2.72%
Since Inception Cum.	83.79%	19.25%	23.84%	30.63%
Since Inception CAGR	10.37%	2.90%	3.53%	4.43%

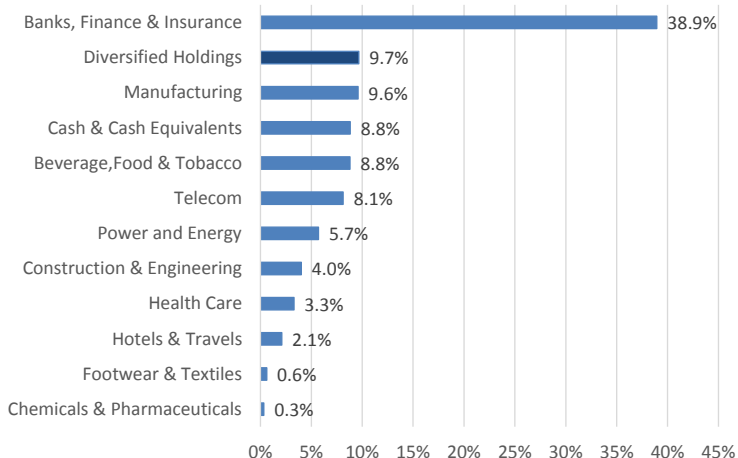
Note : All Share Price Index (ASPI) ,All Share Total Return Index(ASTRI) & S&P Srilanka 20 Index (S&P SL 20) are based on CSE data as of 27th April 2018

* Performances are based on month end prices as of 27th April 2018. Performance data included in this document represents past performance and is no guarantee of the future results.

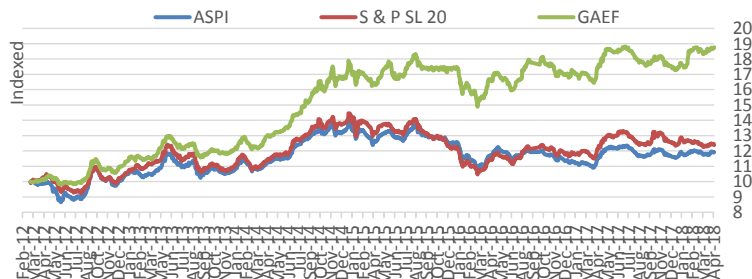
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
DIALOG AXIATA PLC	DIAL.N	8.13%
CARGILLS (CEYLON) PLC	CARG.N	8.12%
SAMPATH BANK PLC	SAMP.N	7.67%
MELSTACORP LIMITED	MELS.N	6.39%
CENTRAL FINANCE COMPANY PLC	CFIN.N	6.38%

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.

CEYLON
GUARDIAN
A CASSID CORPORATION COMPANY

ACUITY
Partners (Pvt) Ltd



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Asanka Jayasekara
Fund Manager

Geopolitical headlines created volatility in global equity markets during the month. Tension between US and Russia over Syrian situation and impact of US-China trade sanction put investors into risk off mode. At the same time, Crude oil prices rose by approximately 6% during the month with the expectations the US will renew sanctions against Iran. However stronger quarterly earnings, released in the latter part of the month, brought back investor confidence to close most of the global equity markets with positive growth.

The CSE also followed a volatile path during the month reasoned by political instability. The market started off in the negative territory ahead of the no-confidence motion against the Prime Minister early month, though recovered later with thin volume as no-confidence motion was defeated. Again towards end of the month, index indicated some weakness as political woes continued amidst another cabinet reshuffle being announced. Accordingly the ASPI closed with a 0.84% gain during the month at 6,531 points. Foreign buying interest continued recording a net inflow of Rs 1.7 bn, however this was driven by a single strategic deal in Ceylinc Insurance where one of the existing foreign shareholders increased its stake in the company by 10.5% at a consideration of Rs. 1.6 bn.

The fund returned 1.45% for the month, outperforming the benchmark ASPI return of 0.84%. Distilleries Company of Sri Lanka (DIST), People's Insurance and Dialog Axiata were the top positive contributors to the performance. DIST shares were issued as a dividend by Melsta Corp and started trading following its suspension few months ago after the share swap arrangement between DIST and Melsta Corp. Now DIST is a pure alcoholic beverage company and Melsta Corp is the holding company with all other non-core investment holdings. The main detractors of the fund were Chevron and Access Engineering.

Positive developments in the macro economy together with recent successful USD 2.5bn sovereign bond issue, which was concluded at a reasonable premium at a time global dollar rates are rising, resulted in more local and foreign investors' confidence. However, political Stability will also play a key role in sustainable growth for the market.

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	GACUEQ: SL
Fund Size as of 30-04-2018	LKR 444.57Mn
Minimum Investment	LKR 1,000
NAV Per Unit as of 30-04-2018	LKR 18.5663

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