

Guardian Acuity Equity Fund

Open Ended Growth Fund

October 2018

HIGHLIGHT

The fund recorded a 1.42% return for the month and -7.92% return for 3 Months. The YTD return of the fund was -5.96% vs. Benchmark ASPI return of -6.53%, recording a 0.57% outperformance.

RETURNS*

PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20	ASTRI
2018 October	1.42%	1.56%	2.73%	1.56%
3 Months	-7.92%	-3.15%	-7.48%	-3.11%
Year To Date (YTD 2018)	-5.96%	-6.53%	-16.00%	-6.22%
Since Inception Cum.	60.49%	8.71%	4.35%	19.27%
Since Inception CAGR	7.34%	1.26%	0.64%	2.67%

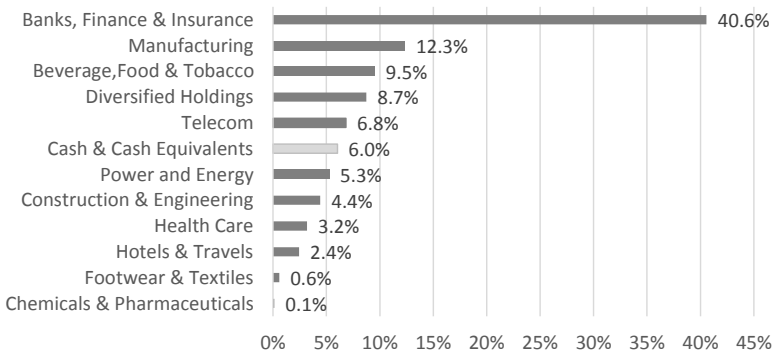
Note : All Share Price Index (ASPI) ,All Share Total Return Index(ASTRI) & S&P Srilanka 20 Index (S&P SL 20) are based on CSE data as of 31st October 2018

* Performances are based on month end prices as of 31st October 2018. Performance data included in this document represents past performance and is no guarantee of the future results.

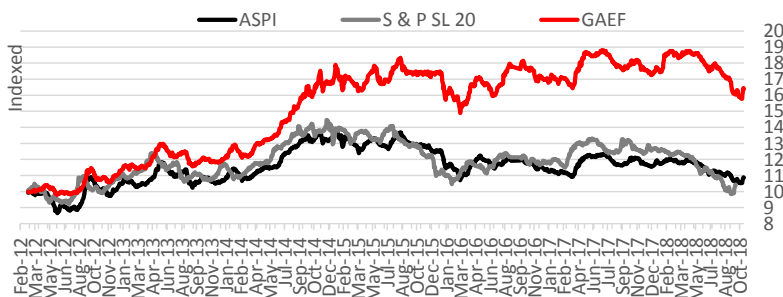
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
NATIONS TRUST BANK PLC	NTB.N	9.84%
CARGILLS (CEYLON) PLC	CARG.N	9.52%
PEOPLE'S LEASING & FINANCE PLC	PLC.N	8.26%
CENTRAL FINANCE COMPANY PLC	CFIN.N	8.12%
SAMPATH BANK PLC	SAMP.N	8.07%

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.



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Equity markets, both developed and emerging, were affected by risk off sentiment of investors due to escalation in trade tensions and US rate hikes. MSCI World Index dropped by 6.8% in October as most equity markets recorded negative growth including US (MSCI USA - 6.9%) and emerging markets (MSCI EM -7.8%).

The Colombo bourse ended a seesaw month recording a positive gain of 1.6% as market picked up by 3.1% in last 4 days of the month. Sudden change in the political environment created a rally as retail investors started hunting the construction related stocks and some diversified stocks. Turnover of the month increased to Rs 17.6bn compared to Rs 10.9bn of previous month. This was mainly driven by JKH which accounted 45% of the month's turnover. A notable observation on this is the foreign selling spree of JKH absorbed by local investors without putting much pressure on the share price.

The fund recorded 1.42% return for the month, slightly below the benchmark ASPI movement of 1.56%. The main contributors to the month's performance were People's Leasing, Access Engineering and John Keells Holdings. The year to date return is still at a negative territory, -5.96%, slightly better than the ASPI return of -6.53%.

Despite the political uncertainty, we stick to our valuation based stock picking strategy amidst the fluctuating market sentiment.

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	GACUEQI: SL
Fund Size as of 31-10-2018	LKR 321.87 Mn
Minimum Investment	LKR 1,000
Redemption Price as at 31-10-2018	LKR 16.0492

FUND FEES

Management Fee*	2.25% p.a.
Custodian & Trustee Fee*	0.30% p.a.
Exit Fee**	2.00% p.a.

*As a percentage of NAV

**If withdrawn prior to 1 year