

Guardian Acuity Equity Fund

Open Ended Growth Fund

November 2019

HIGHLIGHT

The fund recorded a 5.50% return for the month and 11.00% return for 3 Months. The

YTD return of the fund was 11.09% vs. benchmark ASPI return of 2.64%.

RETURNS*

PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20	ASTRI
2019 November	5.50%	3.70%	3.09%	3.78%
3 Months	11.00%	5.47%	5.63%	5.59%
Year To Date (YTD 2019)	11.09%	2.64%	-2.01%	3.07%
Since Inception Cum.	79.08%	13.43%	3.94%	25.03%
Since Inception CAGR	7.80%	1.64%	0.50%	2.92%

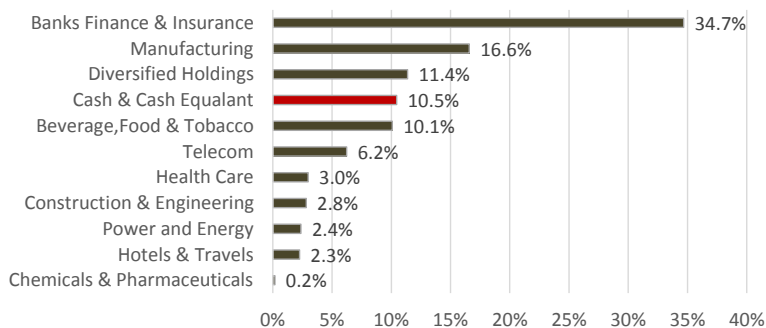
Note : All Share Price Index (ASPI), All Share Total Return Index (ASTRI) & S&P Srilanka 20 Index (S&P SL 20) are based on CSE data as of 29th November 2019

* Performances are based on month end prices as of 29th November 2019. Performance data included in this document represents past performance and is no guarantee of the future results.

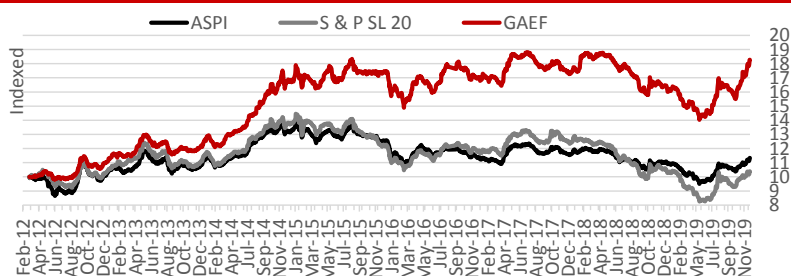
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
PEOPLE'S LEASING & FINANCE PLC	PLC.N0000	8.63%
CENTRAL FINANCE COMPANY PLC	CFIN.N0000	7.98%
TOKYO CEMENT COMPANY (LANKA) PLC	TKYO.X0000	6.74%
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.N0000	6.31%
DIALOG AXIATA PLC	DIAL.N0000	6.23%

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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Asanka Jayasekara
Senior Fund Manager

Developed Equity markets continued to perform well during November month on hopes of a preliminary US- China trade deal or at least there will not be any further escalation in tariffs. Conversely emerging market equities struggled with a strong dollar and recorded negative returns. Politics will be the focal point for global equity markets in December month as well due to the UK election and deadline of US-China trade negotiations falling in December.

The Colombo bourse showed a positive performance with the market reacting to presidential elections recording a 3.70% growth in ASPI and a 3.09% growth in more liquid S&P 20 index in November. Thereafter, a package of sweeping tax cuts proposed at the first cabinet meeting further influenced sentiment. Both indirect and direct taxes were reduced while reduction of VAT from 15% to 8% alone will release around Rs 300 bn to the economy and with further cuts it is expected to generate Rs 400bn of tax reductions. The stimulus was introduced with an intention to boost consumption and revive the economic growth which was on a declining trend. The loss of almost a quarter of government revenue will significantly increase the budget deficit which could create instability in other parts of the macro economy if it is not managed swiftly and effectively going forward.

Against this backdrop, your fund returned a 5.50% growth in November outperforming the benchmark ASPI return of 3.70%. All the stocks in the portfolio contributed positively for the month's performance, among those Tokyo Cement, Chevron Lubricant and People's Leasing & Finance were the top contributors. The fund's return for the year to date period increased to 11.09% compared to Benchmark ASPI return of 2.64%.

Anticipated lower interest rates and fiscal stimulus are expected to spur the economic growth which, in turn, is expected to convert to growth in business earnings. This together with current attractive valuations of many companies in the CSE is expected to maintain retail enthusiasm for the CSE. However we are cautious about the medium term impact of the recent fiscal policy measures and how government handle the fiscal deficit. We continue with our disciplined approach of stock selection with medium term outlook while stay nimble for gain the market opportunities.

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 30-11-2019	LKR 351.87Mn
Minimum Investment	LKR 1,000
Redemption Price as of 30-11-2019	LKR 17.9074

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