

Guardian Acuity Equity Fund

Open Ended Growth Fund

January 2020

HIGHLIGHT

The fund recorded a -3.13% return for the month and -0.85% return for 3 Months. The YTD return of the fund was -3.13% vs. benchmark ASPI return of -3.25%.

RETURNS*

PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20	ASTRI
2020 January	-3.13%	-3.25%	-3.47%	-3.23%
3 Months	-0.85%	-1.01%	-4.87%	-0.91%
Year To Date (YTD 2020)	-3.13%	-3.25%	-3.47%	-3.23%
Since Inception Cum.	68.30%	8.27%	-4.08%	19.38%
Since Inception CAGR	6.78%	1.01%	-0.52%	2.26%

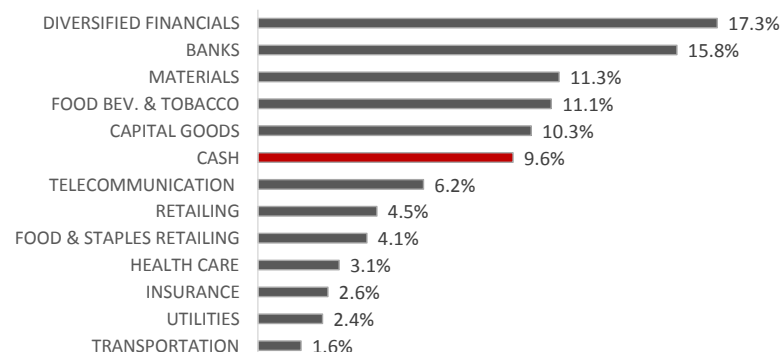
Note : All Share Price Index (ASPI) ,All Share Total Return Index(ASTRI) & S&P Srilanka 20 Index (S&P SL 20) are based on CSE data as of 31st January 2020

* Performances are based on month end prices as of 31st January 2020. Performance data included in this document represents past performance and is no guarantee of the future results.

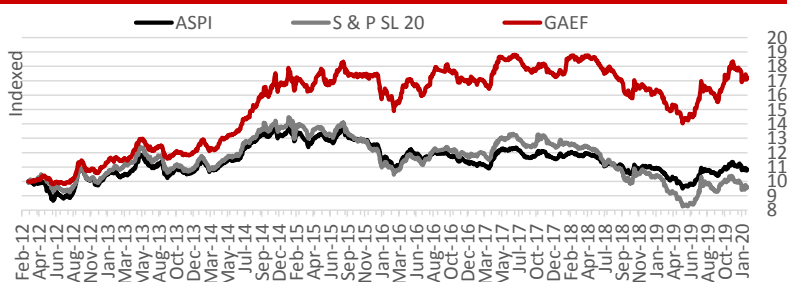
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
CENTRAL FINANCE COMPANY PLC	CFIN.N0000	9.06%
PEOPLE'S LEASING & FINANCE PLC	PLC.N0000	8.25%
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.N0000	6.35%
DIALOG AXIATA PLC	DIAL.N0000	6.24%
COMMERCIAL BANK OF CEYLON PLC	COMB.N0000	5.78%

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

Global equity markets started the new year with a positive sentiment after enjoying the good returns in 2019. This was expected to continue with favourable news on the signing of a phase one US-China trade deal and continuation of central banks' accommodative policies during 2020 as well. But the optimism faded away quickly as tension between US-Iran escalated. Albeit this was de-escalated swiftly in later part of the month, the concern over the outbreak of Coronavirus brought down the equity markets around world.

The negative sentiment spread to the Colombo bourse too which fell 3.25% (ASPI) for the month despite another round of tax cuts announced by government focusing on business corporates. Statutory corporate tax rates brought down to 24% from 28% . A special concessionary rate of 14% was introduced to exports, tourism, construction, healthcare and agro-processing. Manufacturing sector corporate tax rate also cut to 18%. Banking and Finance companies are released from debt repayment levy which was 7% of Value addition (VAT base) in addition to the 4% drop in corporate tax rate. However concern over possible impact of coronavirus on economic activities have weighted markets down.

Against this backdrop, the fund dropped 3.13% for the month, compared to the benchmark ASPI return of -3.25%. People's Leasing, Tokyo Cement were the top contributors to the negative performance of the fund.

We continue to keep our focus on medium term when selecting stocks to the portfolio based on our investment philosophy. The current core holdings of our portfolio are deeply undervalued and therefore we continue to hold them and rebalance only with changes to the investment thesis.

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 31-01-2020	LKR 325.37Mn
Minimum Investment	LKR 1,000
Redemption Price as at 31-01-2020	LKR 16.8303

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