

# Guardian Acuity Equity Fund

Open Ended Growth Fund

December 2019

## HIGHLIGHT

The fund recorded a -2.99% return for the month and 11.31% return for 3 Months.

The YTD return of the fund was 7.77% vs. benchmark ASPI return of 1.27%.

## RETURNS\*

PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20	ASTRI
2019 December	-2.99%	-1.33%	-4.40%	-1.33%
3 Months	11.31%	6.81%	6.42%	6.90%
Year To Date (YTD 2019)	7.77%	1.27%	-6.32%	1.70%
Since Inception Cum.	73.74%	11.92%	-0.63%	23.37%
Since Inception CAGR	7.29%	1.45%	-0.08%	2.71%

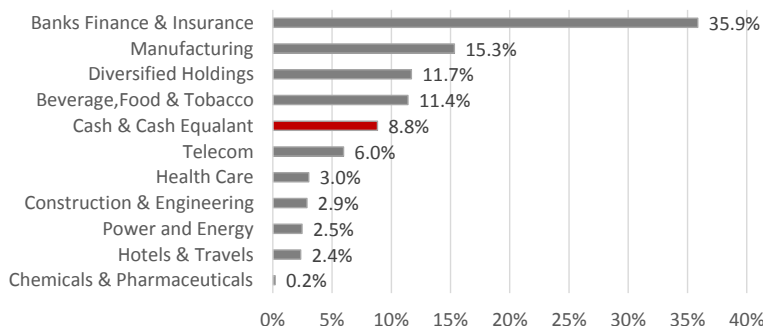
Note : All Share Price Index (ASPI) ,All Share Total Return Index(ASTRI) & S&P Srilanka 20 Index (S&P SL 20) are based on CSE data as of 31st December 2019

\* Performances are based on month end prices as of 31st December 2019. Performance data included in this document represents past performance and is no guarantee of the future results.

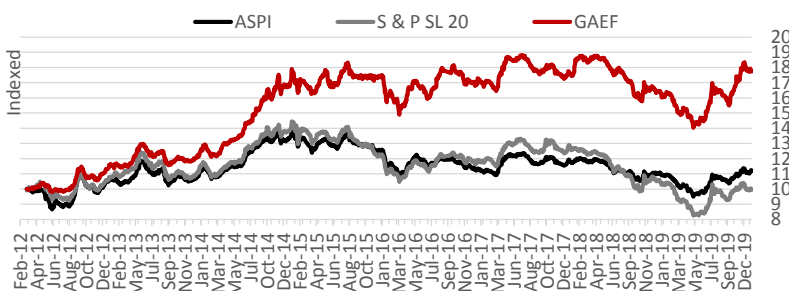
## TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
PEOPLE'S LEASING & FINANCE PLC	PLC.N0000	9.02%
CENTRAL FINANCE COMPANY PLC	CFIN.N0000	8.72%
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.N0000	6.53%
DIALOG AXIATA PLC	DIAL.N0000	5.97%
COMMERCIAL BANK OF CEYLON PLC	COMB.N0000	5.80%

## 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**  
Senior Fund Manager

2019 was a good year for both developed and emerging equity markets. Developed equity markets were up by 28% during the year as US equities (up 31%-S&P500) and European equities (up 27% - MSCI EU ex-UK) delivered strong returns, supported by additional monetary accommodation, despite volatility prevailing due to US-China trade war rhetoric and subdued prospect of global growth. Emerging markets followed the same and returned 19% (MSCI EM) return for the year.

The Colombo bourse diverged from the rest of the world during the first half of the year recording a 11.2% decline (ASPI) as a result of higher interest rates, muted economic growth and the Easter Sunday attack. However, in the second half of the year, most of these factors turned favourable for equity markets bringing a strong rebound with a 14.1% return. Thereby, the CSE ended the year up 1.3% despite a negative return in December.

Against this backdrop, the fund recorded a -2.99% return in December, underperforming the ASPI's return of -1.33% and outperforming more liquid S&P 20 index's return of -4.40%. The significant price drops of Dialog Axiata (-8.9%), Tokyo Cement (-9.0%), Sampath Bank (-6.8%) and Commercial Bank (-5.1%) contributed mostly for the fund's negative return of the month. The fund delivered a 7.77% return for the year, outperforming the ASPI's return of 1.27% and more liquid S&P 20 index's return of -6.32%. The fund's since inception (Feb 2012) annualized return increased to 7.29%, compared to benchmark ASPI index's annualised return of 1.45% and S&P 20 index's annualised return of -0.08% for the same period.

The fund will continue its investment philosophy of selecting companies with a strong business model, a good corporate governance practices and attractive valuations using a bottom up stock picking strategy.

## 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 31-12-2019	LKR 334.70Mn
Minimum Investment	LKR 1,000
Redemption Price as at 31-12-2019	LKR 17.3736

## 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