

Guardian Acuity Equity Fund

Open Ended Growth Fund

July 2020

HIGHLIGHT

The fund recorded a -2.00% return for the month and 15.62% return for 3 Months. The YTD return of the fund was -17.63% vs. benchmark ASPI return of -16.40%.

RETURNS*

PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20	ASTRI
2020 July	-2.00%	-0.49%	-3.93%	-0.48%
3 Months	15.62%	12.09%	11.93%	12.11%
Year To Date (YTD 2020)	-17.63%	-16.40%	-25.79%	-16.34%
Since Inception Cum.	43.11%	-6.43%	-26.25%	3.21%
Since Inception CAGR	4.34%	-0.79%	-3.55%	0.38%

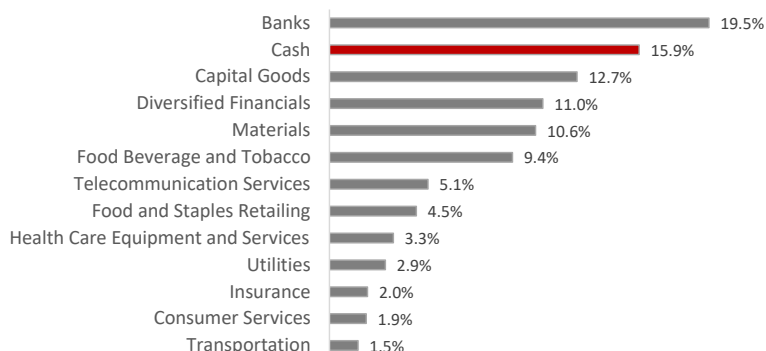
Note : All Share Price Index (ASPI) ,All Share Total Return Index(ASTRI) & S&P Srilanka 20 Index (S&P SL 20) are based on CSE data as of 31st July 2020

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

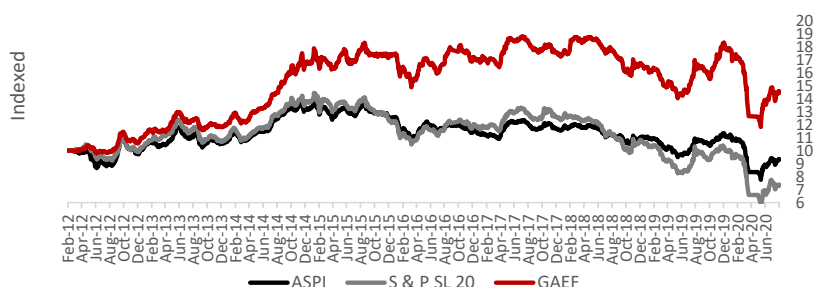
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
COMMERCIAL BANK OF CEYLON PLC	COMB.N0000	8.55%
HEMAS HOLDINGS PLC	HEMS.N0000	7.31%
CENTRAL FINANCE COMPANY PLC	CFIN.N0000	6.71%
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.N0000	6.12%
SAMPATH BANK PLC	SAMP.N0000	5.88%

SECTOR ALLOCATION (WITH CASH & CASH EQUIVALENTS)



GAEF VS. THE MARKET



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Asanka Jayasekara
Senior Fund Manager

Global equity markets were positive in July despite some economic data showed the signs of severe economic downturn in the second quarter. Stocks were propelled by surprised earning results of top US corporates, continues monetary and fiscal stimulus, and hopes for a vaccine as early stage trial results were positive.

Fears of a second wave of COVID 19 sent the Colombo bourse into a rapid retreat in the beginning of July. It recovered to some extent in latter part of July after the situation was contained successfully. However, investors adopted a wait and see attitude ahead of the Sri Lankan general election next month. Accordingly, the ASPI recorded a 0.5% drop and more liquid S&P SL20 index recorded a 3.9% drop. Foreign selling continued during the month recording a Rs 3.4bn net outflow, topping up year to date net outflow to Rs 24.3bn.

Against this back drop ,the fund fell 2.00% in July under performing the benchmarked ASPI's drop of 0.49% and outperforming S&P SL 20 index's drop of 3.93%. The top three contributors to the negative performance were Hemas Holdings, Commercial Bank and Central Finance. We believe these three companies' fundamentals are strong as we discussed in previous review, therefore we continue to hold them.

We believe attractive valuations, low interest rates, steady currency, stable political environment, and improving economic condition from the COVID 19 hit bode well for any stock market. However, we as always, structure our portfolio with a medium term view using our value oriented investment strategy in order to provide better risk-return trade off to our clients.

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 31-07-2020	LKR 279.67Mn
Minimum Investment	LKR 1,000
Redemption Price as at 31-07-2020	LKR 14.3108

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

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.