

# Guardian Acuity Equity Fund

Open Ended Growth Fund

February 2021

## HIGHLIGHT

The fund recorded a -10.78% return for the month and 6.18% return for 3 Months. The

YTD return of the fund was 0.37% vs. benchmark ASPI return of 10.36%.

## RETURNS\*

PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20	ASTRI
2021 February	-10.78%	-13.75%	-15.58%	-13.75%
3 Months	6.18%	19.74%	20.90%	19.76%
Year To Date (YTD 2021)	0.37%	10.36%	12.45%	10.38%
Since Inception Cum.	81.91%	36.51%	0.37%	50.69%
Since Inception CAGR	6.87%	3.52%	0.04%	4.66%

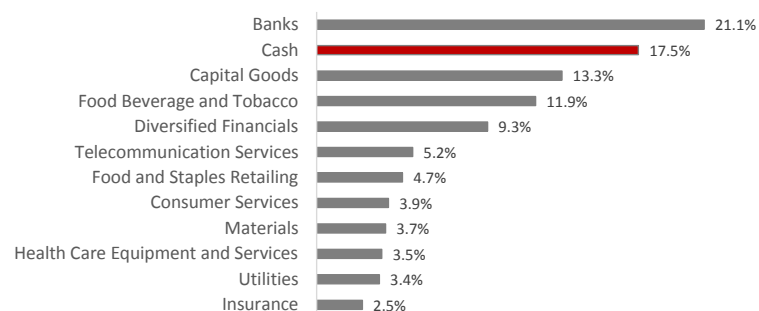
Note : All Share Price Index (ASPI) ,All Share Total Return Index(ASTRI) & S&P Sri Lanka 20 Index (S&P SL 20) are based on CSE data as of 25th February 2021

\* Performances are based on month end prices as of 25th February 2021. Performance data included in this document represents past performance and is no guarantee of the future results.

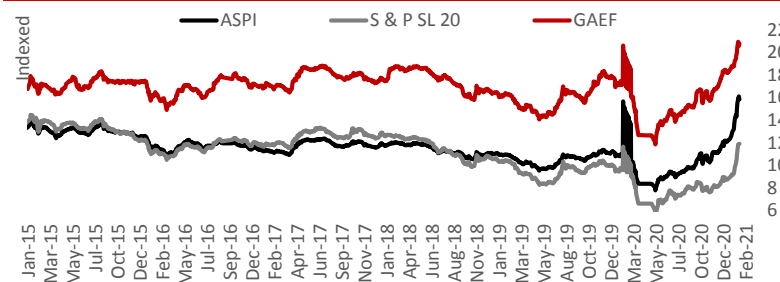
## TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
COMMERCIAL BANK OF CEYLON PLC	COMB.N0000	9.13%
HEMAS HOLDINGS PLC	HEMS.N0000	7.70%
SAMPATH BANK PLC	SAMP.N0000	6.89%
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.N0000	6.54%
JOHN KEELLS HOLDINGS PLC	JKH.N0000	5.63%

## 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.

CEYLON GUARDIAN  
A GUARDIAN COMPANY

ACUITY  
Partners (Pvt) Ltd

GUARDIAN ACUITY

Tel: +94 112039377 E-mail: info@guardianacuity.com



**Crishani Perera**  
Fund Manager

Positive momentum extended in equity markets globally with developed economies expecting large scale reopening's towards 2H2021. This is driven by rapid vaccination rollouts and a drop in COVID infection rates. Despite higher inflation expectations & rising bond yields, investor sentiment in US were uplifted by the promise of president Biden's new stimulus plan. The S&P 500 index closed the month with a 2.8% return while developed market equities as measured by MSCI world index recorded a 2.6% gain. The emerging markets ended January with a gain of 0.8% in MSCI EM index.

Locally, the broader macroeconomic concerns came to the forefront during the month amidst dwindling foreign reserves. The bourse was further burdened by selective profit taking following outstanding gains recorded during January and also due to unwinding of certain leveraged positions. A steep correction was seen in certain export, manufacturing & diversified financials industries which were at the front of the market rally. These were driven by temporary super profits recorded due to the conducive environment created post COVID for these sectors.

Consequently, colombo bourse shredded its gains from previous month, with the benchmark ASPI closing at -13.75% and the more liquid, large cap S&P SL20 index underperforming with a -15.58% drop. Due to the fund's relatively less exposure to above mentioned sectors it outperformed both the indices closing at -10.78%. The key detractors to the fund's performance during the month were price dips in Sampath Bank, Hemas holdings, Central Finance & Commercial Bank.

The current downtrend in the market likely to remain in the short term which would pose an opportunity for bargain hunting. The fund has taken the opportunity from the recent sharp upturn to realize gains on its tactical positions. The core continues to remain on its stock selection strategy focusing on valuations based on medium term normalized earnings and active rebalancing.

## 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 28-02-2021	LKR 310.14Mn
Minimum Investment	LKR 1,000
Redemption Price as at 28-02-2021	LKR 18.1898

## 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