

Guardian Acuity Equity Fund

Open Ended Growth Fund

May 2021

HIGHLIGHT

The fund recorded a 3.96% return for the month and 0.52% return for 3 Months. The YTD return of the fund was 0.89% vs. benchmark ASPI return of 9.29%.

RETURNS*

PERIOD*	FUND	BENCHMARK ASPI	S&P SL 20	ASTRI
2021 May	3.96%	2.71%	3.82%	2.72%
3 Months	0.52%	-0.98%	0.41%	-0.88%
Year To Date (YTD 2021)	0.89%	9.29%	12.91%	9.40%
Since Inception Cum.	82.85%	35.18%	0.79%	49.36%
Since Inception CAGR	6.73%	3.31%	0.08%	4.43%

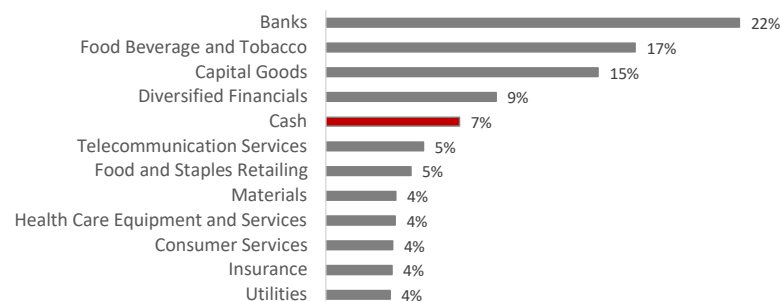
Note : All Share Price Index (ASPI) ,All Share Total Return Index(ASTRI) & S&P Srilanka 20 Index (S&P SL 20) are based on CSE data as of 31st May 2021

* Performances are based on month end prices as of 31st May 2021. Performance data included in this document represents past performance and is no guarantee of the future results.

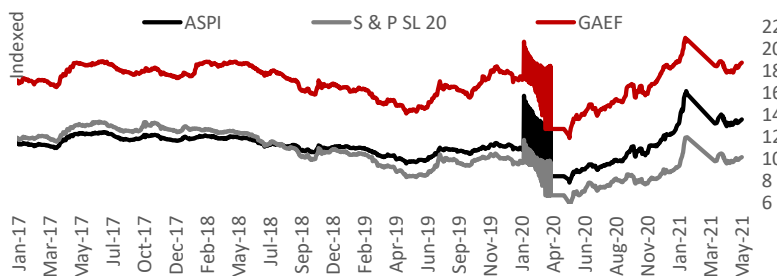
TOP 5 HOLDINGS BASED ON NAV

STOCK	TICKER	% OF NAV
COMMERCIAL BANK OF CEYLON PLC	COMB.N0000	9.20%
HEMAS HOLDINGS PLC	HEMS.N0000	8.80%
SAMPATH BANK PLC	SAMP.N0000	8.51%
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.N0000	6.20%
JOHN KEELLS HOLDINGS PLC	JKH.N0000	6.16%

SECTOR ALLOCATION (WITH CASH & CASH EQUIVALENTS)



GAEF VS. THE MARKET



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Crishani Perera
Fund Manager

Global equities concluded another month on a positive note with countries with high vaccine rollout rates continuing to show positive efficiency rates. The economic data continued to be strong while the outlook for the 2nd half remaining strong. The concerns mingled around upside surprises in economic growth in developed countries and resultant persistent inflationary pressures which could lead to central banks having to raise rates faster than anticipated.

The Colombo bourse continued on a bullish note as well, despite the country opting for travel restrictions amidst rapid rise in COVID-19 cases. Investor confidence improved with Sri Lanka securing few USD funding lines during the month to meet its debt obligations. The board based ASPI recorded a 2.7% gain while the more liquidity S&P SL20 outperformed with a 3.8% return. Consequently indices have recorded gains of 9.29% & 12.91% YTD respectively. A prolonged accommodative monetary policy, expectation of faster vaccine rollout and strong earnings results could auger well for the local equities in the near term.

The fund recorded a 3.96% gain during the month outperforming the benchmark ASPI. The top contributors to fund performance were Sampath Bank, Commercial Bank, Chevron Lubricants & People's leasing. Outstanding earnings performance by the said counters despite the economic challenges resulted in attractive price gains during the month. Short term corporate earnings growth could be challenged amidst the current circumstances around COVID-19, however most likely the worse is behind us. If the current vaccination rollout continued successfully, it could give the country ability to minimize further severe outbreaks. Attractive valuations prevail in strong fundamentally backed companies, thus offering opportunities for growth.

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 31-05-2021	LKR 308.28Mn
Minimum Investment	LKR 1,000
Redemption Price as at 31-05-2021	LKR 18.2851

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.