



Inflation-beating  
returns over  
the cycle

# Asset Management Funds

**ASHBURTON**  
INVESTMENTS

*Focused Insight*



# Asset Management Funds

## Fund facts

|                                |                                  |
|--------------------------------|----------------------------------|
| <b>Fund type</b>               | Multi asset                      |
| <b>Launch date</b>             | 1992                             |
| <b>Minimum investment</b>      | £/\$/€ 10,000                    |
| <b>Domicile</b>                | Jersey                           |
| <b>Dealing</b>                 | Daily                            |
| <b>Currency</b>                | GBP, USD or EUR                  |
| <b>Choice of share classes</b> | Accumulate or distribute income* |

## Fee structure

|                              |      |
|------------------------------|------|
| <b>Annual Management Fee</b> | 1.5% |
|------------------------------|------|

\*Please consult the relevant Key Investor Information Document

## Investment objective

The objective of the Ashburton Asset Management Funds is to provide inflation-beating growth in capital and income with low to moderate risk over the medium to long term. The Funds aim to achieve this objective through tactical asset allocation and security selection within an actively managed and diversified portfolio. The Funds target a return of CPI+3% in base currency, measured over a rolling 3 year period, after fees.

The Funds invest in a diversified range of global assets, including equities, fixed income securities, cash and money market instruments. The Funds will generally invest directly into underlying holdings but may invest via other collective investment funds, which could include Ashburton's in-house funds. Derivatives are used only for hedging or efficient portfolio management purposes.

Portfolio limits provide for a conservative risk allocation. Exposure to equities is limited to a maximum of 50% of the portfolio while investment in fixed income securities may not exceed 70%. Exposure to currencies outside of the base currency of each Fund may not exceed 50%.

**Target: inflation-beating returns (CPI+3%) with low to moderate risk**

## Investment approach

The Funds follow an actively-managed and diversified multi asset investment approach across global markets. We seek the best returns on a risk-adjusted basis and emphasise diversification and risk management in the portfolio construction process.

Returns are generated primarily from (i) tactical asset allocation and (ii) security selection.

Our top-down approach is built on fundamental macro research, valuation analysis and consideration of behavioural and technical factors. As well as being consistent with our macro and valuation analysis, security selection also incorporates company, industry and quantitative analysis.

We believe markets are not always efficient, but over time prices converge to fundamental value. We also believe that for each individual asset class, expected returns and risks vary over time, therefore requiring active asset allocation to generate superior returns and reduce risk. The majority of positions reflect medium to long term views, but we may also look to take advantage of more tactical opportunities.

By constructing portfolios with a higher level of diversification across asset classes and geographies, we believe superior risk-adjusted returns can be generated across a range of market conditions.

## Investment process

Our investment approach is built on a robust, repeatable and integrated investment process emphasising collaboration. The house macro view is set in our monthly Global Macro Forum. Bottom-up insights are provided by our equity and fixed income teams. Asset allocation and multi asset portfolio construction is determined by the Multi Asset Committee.

Ideas are generated using a combination of top-down and bottom-up analysis. Fundamental macro research, valuation analysis and behavioural and technical factors contribute to our top-down investment views. Security selection also incorporates company, industry and quantitative analysis. An integrated investment process ensures consistency across the portfolio. Rigorous debate is encouraged throughout the process.

## Managing risk

Our investment philosophy emphasises the safeguarding of investor capital through the application of various risk measures within our processes.

In addition, following guidelines are applied to the Funds in order for us to control risk and volatility:

| Asset class                |   | Maximum exposure |
|----------------------------|---|------------------|
| Cash                       | < | 100%             |
| Bonds                      | < | 70%              |
| Equities                   | < | 50%              |
| Non-base currency exposure | < | 50%              |

## Why invest in multi asset style funds?

- Takes the asset allocation decision out of your hands
- Provides access to more sources of return
- “All weather funds” –through-the-cycle investing



- Diversification and reduced volatility
- Active asset allocation can add and protect value

These Funds are suited to investors seeking a conservatively managed balanced fund which aims to generate inflation-beating returns over the cycle.



### A 32 year track record

Since the launch of our Portfolio version, the Asset Management Service has generated attractive risk adjusted returns through all economic cycles.

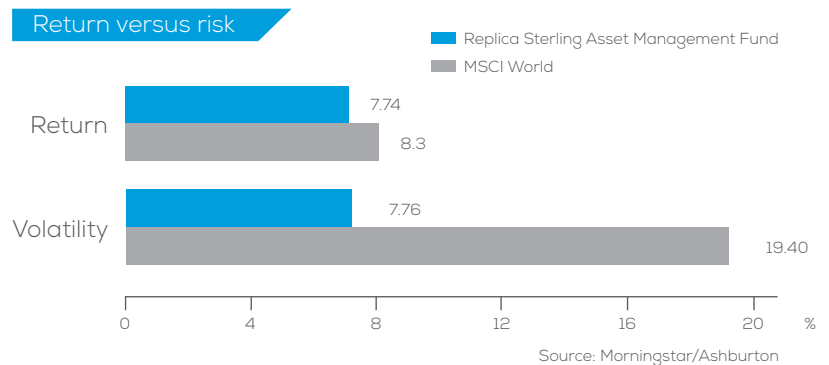
## Why CPI+?

By choosing this benchmark, we believe we are aligning the Funds' performance target with the needs of our clients to protect and grow their wealth in inflation-adjusted terms. Ultimately, clients care about 'real' returns. As such, peer group rankings become irrelevant if a client's target purchasing power has not been met, or worse still, eroded over time. Furthermore, we believe this benchmark reflects what we have always strived to achieve in the past – steady long term growth in real terms with risk mitigation and capital preservation front of mind. There will be no major change to the management style of the Funds. Our aim will be to protect and grow our clients' wealth over time in inflation-adjusted terms. Achieving growth in excess of CPI+3% p.a. will by no means be an easy target to meet in a conservatively run fund. However, we believe we can achieve this goal, just as we have done in the past. If we do so then we will have delivered very attractive risk-adjusted returns to our clients in the future as well.

## Attractive risk-adjusted returns over the long term

Over the long-term our Multi Asset Funds have generated very satisfactory returns, especially on a risk-adjusted basis.

Since it launched in 1992, our Replica Sterling Asset Management Fund has come close to matching the MSCI World Equity Index but with less than half the volatility (figures as at 31/12/2015).

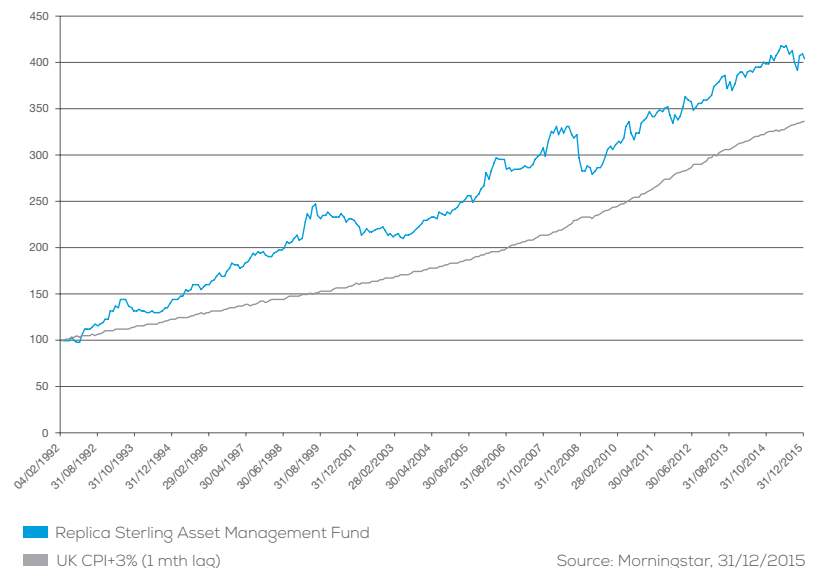


## Why Ashburton's Asset Management Funds?

Ashburton has a multi asset track record of more than 30 years. The Ashburton Asset Management Funds are our longest running multi asset funds, designed to give investors peace of mind while generating real long term growth. These Funds carry a moderate degree of risk. Our main risk management aim is to protect assets and even out the fluctuations that can be generated by volatile market conditions. This allows us to create consistent returns over time.

The portfolio is made up of a diversified mix of international asset classes - equities, bonds, cash and currency deposits, each with a set limit in order for us to control risk and volatility, actively managed within our rigorous investment process.

- **Specialist expertise in global asset allocation**
- **32 year track record of consistent returns**
- **Actively managed, diversified approach**
- **Experienced asset allocation team**
- **Designed to achieve capital growth in inflation-adjusted terms, with low to moderate risk**



## Key members of Ashburton International's Asset allocation team

- **Jonathan Schiessl**  
Chief Investment Officer
- **Derry Pickford**  
Head of Asset Allocation
- **Marianna Georgakopoulou**  
Head of Asset Allocation
- **Nick Lee**  
Investment Director

## Why Ashburton Investments?

Ashburton Investments is a new generation investment manager. We are the investment management arm of the FirstRand Group, one of Africa's largest financial services companies and bring together the Group's existing investment management capabilities under one brand. Our offering spans traditional and alternative investment strategies, as well as active and passive investment styles. Ashburton Investments offers clients access to unique investment opportunities not previously available to retail or institutional investors.

With us, investors can gain access to more sources of return, broader investment capabilities, considered risk management and deeper investment insights. Our assets under management exceed ZAR132.3 billion (approximately US\$8.55 billion)\*, and we have international reach with offices in South Africa, the United Kingdom, Channel Islands, United Arab Emirates and India.

\*As at December 2015.



### The Study of Balance

The study of balance is to find true harmony between complex elements. It is to be in a perfect state of equilibrium. At Ashburton Investments, we strive to maintain a perfect balance between unique ideas, changing environments and innovative approaches.

### For more information

For further information on the Asset Management Funds including the latest Fund performance and applications forms or to find out more about similar products offered by Ashburton, please visit: [www.ashburtoninvestments.com](http://www.ashburtoninvestments.com)

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In South Africa, the Funds are approved for promotion under section 65 of the Collective Investment Schemes Control Act 2002. The Prospectus, and further information including pricing and charges, may be viewed at the Funds' representative office in South Africa, Ashburton Management Company (RF) Proprietary Limited ("Ashburton CIS"), 3rd Floor, 4 Merchant Place, 1 Fredman Drive, Sandton, 2196. Ashburton CIS is an approved collective investment schemes manager, regulated by the Financial Services Board and a full member of ASISA. This document and any other information supplied in connection with the Funds is for information purposes only and is not "advice" as defined and/or contemplated in terms of the Financial Advisory and Intermediary Services Act, 2002 ("the FAIS Act") and it must not be regarded as a prospectus for the Funds. Investors are encouraged to obtain their own independent advice should they be interested in the Funds. Any investment is speculative and involves significant risks, the value may go down as well as up and past performance is not necessary a guide to the future.

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