ASHBURTON EMERGING MARKETS FUNDS LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2019

ASHBURTON INVESTMENTS

A part of the FirstRand Group

Contents

The following are included within the Fund:

Portfolio statement

Statement of financial position

Statement of comprehensive income

Statement of changes in redeemable preference shareholders' net assets

Cash flow statement

Notes to the financial statements

Statement of material portfolio changes

10 year price, performance, distribution and total expense ratios

Management and administration

Registered Office
IFC 1, The Esplanade, St Helier,
Jersey, JE4 8SJ, Channel Islands.

Manager, Investment Manager, Administrator, Secretary and Registrar
Ashburton (Jersey) Limited.
PO Box 239, IFC 1, The Esplanade, St Helier,
Jersey, JE4 8SJ, Channel Islands.

Independent Auditors
PricewaterhouseCoopers CI LLP.
37 Esplanade, St Helier,
Jersey, JE1 4XA, Channel Islands.

Banker and Sub-Custodian
BNP Paribas Securities Services S.C.A., Jersey Branch.
IFC 1, The Esplanade, St Helier,
Jersey, JE1 4BP, Channel Islands.
Regulated by the Jersey Financial Services Commission

Custodian
BNP Paribas Depositary Services (Jersey) Limited.
IFC 1, The Esplanade, St Helier,
Jersey, JE1 4BP, Channel Islands.
Regulated by the Jersey Financial Services Commission

Legal Advisers
Ogier.
Ogier House, The Esplanade, St Helier,
Jersey, JE4 9WG, Channel Islands.

Directors of Ashburton Emerging Markets Funds Limited

Nicholas Lee is an Investment Director of Ashburton, having joined the Company in 1988. He has overall responsibility for the Portfolio Management Services and is also responsible for Ashburton's core multi-asset strategy and is a senior member of the Ashburton Asset Allocation Committee. From 1979 to 1988, he worked in the Investment Management team at Barclays de Zoete Wedd, firstly as an investment analyst and then as a pension fund manager. He is a Member of the Chartered Institute for Securities and Investment.

Ian Ling is a non-executive Director and has been with the Ashburton Group since 1992. He has worked in the finance industry since 1968, having been a partner of Laurie Milbank & Company, a London stockbroking firm. He was a founding member of Channel Islands Portfolio Managers Limited and then became a Director of Quilter Goodison (CI) Limited upon their acquisition of that company. Ian's only significant business activities not connected with the business of the Manager or the Company is that of Director of Monitor Fund Limited and other private directorships.

Nicholas Taylor is a non-executive Director with Altair Partners Limited and has over 30 years financial services experience. Prior to joining Altair Partners in 2018, he was Chief Financial Officer for Ashburton International for over twenty years where he was responsible for all financial, operational and support services of the international business. He remains on the board of Ashburton (Jersey) Limited and various Ashburton funds as a non-executive director. After graduating as an electrical engineer, Nicholas trained and qualified with Coopers & Lybrand and spent time in their Jersey, London and Nairobi offices. He is a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the Institute of Directors. Nicholas' only significant business activities not connected with the business of the Manager or the Company is that of non-executive Director of IIFL Fund.

Paul O'Toole is Chief Financial Officer of Ashburton (Jersey) Limited and a Director of Ashburton Investments International Holdings Limited and Ashburton (UK) Limited. Paul joined Ashburton in 2009 as Group Financial Controller with responsibility for the Finance department as well as providing input to the Audit Committee, Risk Committee and Jersey Boards. Prior to Ashburton, he worked at PwC, Equity Trust and HSBC Private Bank. Paul is a Fellow of the Institute of Chartered Accountants in England & Wales.

Anthony Wilshin is Managing Director of Ashburton (Jersey) Limited and a Director of Ashburton Investments International Holdings Limited. Tony joined Ashburton in 2014 with responsibility for the strategic management and development of the integrated and multi-domicile operations platform supporting the international investment activities. Prior to Ashburton, he worked at UBS, Barclays, Standard Bank and most recently at Kleinwort Benson focussing on securities and operations. Tony is a Fellow of the Chartered Institute for Securities & Investment.

Investment policy and objectives

Ashburton Emerging Markets Funds Limited ("the Company") can create different funds established as separate funds but currently operates only one fund being the Chindia Equity Fund ("the Fund"). The decisions relating to investments comprising the Fund are made in accordance with the Fund's objectives, whilst the asset allocation will generally be set in accordance with the respective current investment strategy adopted by the Investment Manager.

The Company belongs to the "Umbrella Fund" category and the Fund belongs to the "General Securities Fund" category under Schedule 4 (Guide to Jersey Open-Ended Unclassified Collective Investment Funds Offered to the General Public) of the Code of Practice for Certified Funds ("Code of Practice").

The principal objective of the Fund is to achieve long-term capital growth through equity or equity-related investments predominantly in the stock-markets of China and India. The Fund will focus on the quality and attractiveness of individual companies rather than the outlook for particular markets. The Fund will also invest in companies traded in other markets where a significant proportion of growth in their underlying business is set to derive from China or India.

The sterling share class will provide the sterling equivalent of the capital growth of the Fund.

General features

In general, Securities Fund category Funds may invest in equities, fixed interest and other securities quoted on eligible markets as appropriate, as allowed by the Code of Practice. Investment may also be made in securities that are unquoted or not regularly traded on an eligible market to the extent permitted by the Code of Practice. Investments may also be made in other collective investment schemes including those operated by the Investment Manager or a company or person associated with the Manager, provided the underlying fund is of a type permitted by the Code of Practice, and the total investment does not exceed 5% of the property of the Fund and provided initial charges shall not be levied on both collective investment schemes.

Investment in securities not officially listed on an eligible market, on a secondary market, or other securities market shall be made only to the extent permitted by the Code of Practice.

The Fund will from time to time, and as appropriate for its mandate, invest in derivatives or other financial instruments used for efficient portfolio management, as permitted by the Code of Practice.

The Fund will maintain adequate cash deposits to meet redemptions and to take advantage of any expected interest rate changes. Such balances will normally be held on short-term deposit but may be held in other forms of short-term money instruments including certificates of deposit, bills and floating rate notes.

Not more than 10% of the NAV, or USD 1,000,000, or the equivalent in the base currency of the Fund, whichever is the greater, should be kept on deposit with or on loan to any one person, or any connected company of that person unless that person is an approved bank, in which case the maximum may be 20% of the NAV of the Fund.

Manager’s report

CHINDIA EQUITY FUND

Market comment

Emerging market (“EM”) equities remained relatively resilient during the first two months of the period under review, but stumbled hard through the summer months as politics supplanted global central bank activity as the point of focus for markets. President Trump’s decision to escalate the trade agenda with China coincided with a resurgence of worries about: Eurozone stability - prompted by Italian politics - a potential EM debt crisis (notably Argentina, Turkey and Brazil) and flagging global growth given the deterioration in European indicators.

These themes continued to dominate sentiment and positioning for the remainder of 2018. Investors also grappled with the consequence of an increase in US monetary tightening expectations (driven by US inflation, employment and wage data) and therefore a stronger US dollar which has historically been bad news for EM investors given the longstanding negative correlation (-0.70 since 2000) between US dollar strength and the performance of the MSCI Emerging Markets Index (source: CLSA). Markets also took the view that China would lose out if Beijing continued a proportional retaliatory response to tariff demands by President Trump and team. This culminated in a selling climax in equities in late December.

Equity markets have an uncanny habit of confounding consensus thinking, and the start of 2019 was no different with global equities rallying very strongly in the face of pessimistic sentiment. Catalysts included growing expectations over a positive outcome to the existing US-China trade tariff impasse within the initial 90-day deadline (1 March 2019) which, although not formally resolved, was pushed back, and softening US Federal Reserve rhetoric on the frequency and magnitude of further interest rate rises. In addition, reasonable emerging market valuations and the magnitude of aggregate earnings downgrades seen through 2018 offered support to share prices.

Fund activity

Following a period of extensive research, we introduced our capital allocation model to the investment strategy in the fourth quarter of 2018.

Our capital allocation model seeks to generate positive alpha on balance, through cycles, by actively tilting the country exposure to China and India. The three ‘modes’ are 1) overweight China, underweight India, 2) neutral and 3) overweight India, underweight China. This decision framework is taken within the context of 65%/35% maximum/minimum exposure limits. The allocation model produces less than two signals per annum on average, and is ‘neutral’ c.65% of the time.

The model signal remained neutral for most of the period, advocating a close to 50% allocation to both countries. This position will be maintained as closely as possible within the fund as we enter the new financial reporting period.

Outlook

China

MSCI China’s PE multiple de-rated sharply in 2018, contracting by 30%. As mentioned above, headwinds for equity prices arrived in the shape of a deleveraging campaign by the authorities, defence competition with America and diplomatic frictions. All are now undergoing a process of reversal.

China’s PE multiple has risen 13% in the first quarter of 2019, whilst domestic business confidence is returning after a slump last year, which should bode well for forward looking investment spending. Various independent economic activity indicators from Bank of America Merrill Lynch point towards stabilization of growth, whilst China Inc.’s EPS growth estimate cycle appears to have bottomed in terms of analysts on the street downgrading their numbers.

This combined with a Fed U-turn, a pragmatic Peoples Bank of China and the potential for further fiscal easing globally suggests that as we stand here today, the path of least resistance for share prices is higher.

India

Putting the impending election fever to one side for the moment, a key issue is the prospect of fiscal deterioration in the government balance sheet. The fiscal deficit for current FY19 has been revised up to 3.4% of GDP from the previous target of 3.3% of GDP, whilst tax collections have risen by only 7.9% YoY in the first eleven months of FY19 compared with the government’s revised full-year estimate of 17% YoY for FY19. There is clearly a growing risk of a revenue shortfall.

Thus far neither the bond nor the currency market seems unduly worried by fiscal developments, with the 10 year rupee government bond yield declining 83 basis points over the past 6 months and the rupee appreciating 6.8% against the dollar since last October’s low. Investors appear to be taking a sanguine view that fiscal overshoot can be tolerated in the short-term if such flexibility leads to a Modi re-election.

Ashburton (Jersey) Limited

Manager
31 March 2019

Directors' report

The Directors present their annual report to the members, together with the audited financial statements of Ashburton Emerging Markets Funds Limited ("the Company") and financial statements of Chindia Equity Fund ("the Fund") (together "the financial statements") for the year ended 31 March 2019.

Incorporation

The Company was originally incorporated as Chindia Equity Fund PC, a protected cell of Ashburton Global Funds PCC, a protected cell company, on 8 November 2006. The Company subsequently converted to an Open Ended Investment Company with limited liability and changed its name to Ashburton Emerging Markets Funds Limited on 6 December 2010. Until 4 December 2017, the Company was a Jersey Recognized Collective Investment Fund operating as an umbrella Fund and complied with and had been granted a Recognized Fund Certificate under the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 ("the Order") and a permit under the Collective Investment Funds (Jersey) Law 1988. With effect from 4 December 2017, the Fund's regulatory status was amended from a Recognized Fund to a Certified Fund, and holds a permit under the Collective Investment Funds (Jersey) Law, 1988.

Results

The statement of comprehensive income for the year ended 31 March 2019 is set out on page 10.

Dividends

The Directors do not recommend the payment of a dividend for the Fund's participating redeemable preference shares. All income will be accumulated and reflected in the share price of the Fund.

Directors

The Directors of the Company in office at 31 March 2019 are set out on page 2 of this report. All Directors served throughout the year and up to the date of signing the financial statements.

Directors' responsibilities for the financial statements

The Directors are responsible for preparing these financial statements in accordance with applicable law and International Financial Reporting Standards.

Directors are required by the Companies (Jersey) Law 1991 (as amended) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the total return for that year.

In preparing these financial statements, the Directors are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm they have complied with all the above requirements in preparing these financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991 and, for the period to 4 December 2017, with the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The annual report and audited financial statements are published on www.ashburtoninvestments.com which is a website maintained by Ashburton (Jersey) Limited and Ashburton Fund Managers (Proprietary) Limited, South Africa. The work undertaken by the Independent Auditors does not involve consideration of the maintenance and integrity of the website and, accordingly, the Independent Auditors accept no responsibility for any changes that may have occurred to the annual financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in Jersey governing the preparation and dissemination of the accounts may differ from legislation in other jurisdictions. The Directors are responsible for the maintenance and integrity of the financial statements on the website.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

Directors' report cont.

Directors' interests

None of the Directors had a holding in the Fund during the year.

Financial year

The financial statements are prepared on an annual and semi-annual basis to the last business day in March and September respectively. The financial statements are audited annually after the year end.

Principal activities

The Company is an Open Ended Investment Company established as a vehicle for international investments.

The Company is an umbrella scheme with one fund presently established. Should further funds be launched in the future, investors should be aware that, where assets of an individual fund were insufficient to meet that Fund's liabilities, then any liabilities that remained undischarged would revert to the Company as a whole and be allocated amongst the other funds.

At the year end the Directors are not aware of any existing or contingent liability which could not be discharged out of the assets of the Fund.

Investment policy and objectives

The policy and objectives of the Fund are set out on page 3. To achieve these objectives, the Fund will hold or invest in a combination of financial instruments which may include:-

- Investments in equities and other securities.

- Cash, liquid resources and short-term debtors and creditors that arise directly from their investment activities.

- Hedging instruments such as forward foreign currency exchange contracts.

The holding of financial instruments pursuant to the Fund's investment objectives involves certain inherent risks. The main risks arising from the Fund's financial instruments are market price, foreign currency and liquidity risks. Hedging transactions may be entered into for the reduction or elimination of currency benchmark risk. The Directors review and agree with the Manager's policies for managing each of these risks. These policies have remained unchanged since the beginning of the year to which these financial statements relate.

Secretary

The Secretary of the Company as at 31 March 2019 was Ashburton (Jersey) Limited who served for the whole of the year then ended.

Manager

The Manager of the Company as at 31 March 2019 was Ashburton (Jersey) Limited who served for the whole of the year then ended.

Independent auditors

The Company's auditors, PricewaterhouseCoopers CI LLP, have indicated their willingness to continue in office.

Significant events

Merger and change of manager

With effect from the close of business on 31 March 2018, Ashburton Fund Managers Limited merged with Ashburton (Jersey) Limited in accordance with the Companies (Jersey) Law 1991, continuing as Ashburton (Jersey) Limited. From 1 April 2018, the merged entity, Ashburton (Jersey) Limited, assumed the function as manager of the Fund.

By order of the board
Ashburton (Jersey) Limited

Director
22 May 2019

Registered Office:
IFC 1, The Esplanade, St Helier, Jersey, JE4 8SJ, Channel Islands.

Independent auditor's report

to the members of Ashburton Emerging Markets Funds Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ashburton Emerging Markets Funds Limited (the "Company"), and of Chindia Equity Fund (the "Fund") together (the "financial statements"), as at 31 March 2019, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

What we have audited

The financial statements comprise:

- the statement of financial position as at 31 March 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in redeemable preference shareholders' net assets for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company and the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the Portfolio statement; Statement of material portfolio changes; 10 year price, performance distribution and total expense ratios; Management and administration section; Directors of Ashburton Emerging Markets Funds Limited section; Investment policy and objectives; Manager's report; Directors' report; Notice of the annual general meeting; and Form of proxy, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the requirements of Jersey law and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company and the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and the Fund or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report cont.

to the members of Ashburton Emerging Markets Funds Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Fund to cease to continue as a going concern. For example, the terms of which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company, the Fund and the wider economy.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

This report, including the opinion, has been prepared for and only for the members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Trudy Dillon-Nugent

For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants
Jersey, Channel Islands
22 May 2019

Chindia Equity Fund

PORTFOLIO STATEMENT

Description	Ccy	Holding	Mid value USD	%
DERIVATIVES				
SGX Nifty 50 Index Futures 25/04/2019	USD	244	53,452	0.19
Derivatives total (2018: 0.85%)			**53,452**	**0.19**
EQUITIES				
Hong Kong				
China Agri-Industries Holdings	HKD	1,679,000	574,289	2.03
China CITIC Bank	HKD	911,000	581,423	2.06
China Communications Services	HKD	650,060	580,093	2.05
China Galaxy Securities	HKD	830,500	547,502	1.94
China National Building Material	HKD	728,000	573,597	2.03
China Railway Construction	HKD	386,500	505,657	1.79
China Resources Cement Holdings	HKD	550,000	568,224	2.01
CIFI Holdings Group	HKD	868,000	656,261	2.32
CITIC	HKD	372,000	554,927	1.96
Huadian Power International	HKD	1,222,000	501,260	1.77
Huatai Securities	HKD	285,600	571,571	2.02
Kingboard Laminates Holdings	HKD	487,000	512,132	1.81
Kingdee International Software Group	HKD	537,000	620,465	2.19
Lenovo Group	HKD	750,000	673,575	2.38
Logan Property Holdings	HKD	444,000	734,165	2.60
Longfor Properties	HKD	196,500	691,514	2.45
Shui On Land	HKD	2,403,000	592,339	2.10
Sino-Ocean Group Holding	HKD	1,249,500	546,763	1.93
Sinotrans	HKD	1,271,000	546,456	1.93
Sinotruk Hong Kong	HKD	319,000	678,239	2.40
Sunac China Holdings	HKD	153,000	761,599	2.69
Weichai Power	HKD	441,000	702,800	2.49
Yuexiu Property	HKD	2,600,000	624,339	2.21
Zhaojin Mining Industry	HKD	567,000	567,368	2.01
ZTE	HKD	194,200	584,463	2.07
Hong Kong total (2018: 44.10%)			**15,051,021**	**53.24**
India				
Axis Bank	INR	44,040	495,138	1.75
Coal India	INR	168,000	578,458	2.05
Dixon Technologies	INR	2,452	83,337	0.30
Eicher Motors	INR	1,435	425,640	1.51
HCL Technologies	INR	60,313	950,373	3.36
Housing Development Finance	INR	25,135	715,697	2.53
Infosys	INR	63,862	685,312	2.42
Mahindra & Mahindra	INR	36,550	356,253	1.26
Motherson Sumi Systems	INR	170,812	368,244	1.30
Power Grid Corporation of India	INR	193,070	551,180	1.95
Sandhar Technologies	INR	91,648	348,752	1.23
State Bank of India	INR	158,880	737,122	2.61
Sun Pharmaceutical Industries	INR	72,570	501,400	1.77
India total (2018: 41.80%)			**6,796,906**	**24.04**
Equities total (2018: 89.30%)			**21,847,927**	**77.28**

PORTFOLIO STATEMENT CONT.

Description	Ccy	Holding	Mid value USD	%
TREASURY BILLS				
US Treasury Bill 0% 06/06/2019	USD	2,800,000	2,787,776	9.86
Treasury bills total (2018: 0.00%)			**2,787,776**	**9.86**
Open forward foreign currency exchange contracts (2018: 0.00%)			**(271,090)**	**(0.96)**
Total portfolio (2018: 90.20%)			**24,418,065**	**86.37**
Cost $23,024,864				
Cash and cash equivalents (2018: 8.33%)			**3,241,476**	**11.46**
Other net assets/(liabilities) (2018: 1.47%)			**612,525**	**2.17**
Total net assets			**28,272,066**	**100.00**

R class shares in issue	**5,064,225**
R GBP class shares in issue	**4,624,228**
I class shares in issue	**7,700**
I GBP class shares in issue	**377**
C class shares in issue	**120,432**
D class shares in issue	**31,322**

Chindia Equity Fund cont.

STATEMENT OF FINANCIAL POSITION

	Note	31 Mar 2019 USD	31 Mar 2018 USD
ASSETS			
Financial assets at fair value through profit or loss	10	24,635,702	35,530,395
Derivative assets	10,11	80,291	-
Trade and other receivables	1	193,982	430,380
Margin cash	10	714,590	188,761
Cash and cash equivalents	10	3,241,476	3,280,926
Total assets		**28,866,041**	**39,430,462**
LIABILITIES			
Derivative liabilities	10,11	297,928	-
Trade and other payables	2	296,047	38,424
Total liabilities		**593,975**	**38,424**
Net assets attributable to redeemable preference shareholders		**28,272,066**	**39,392,038**

The company's aggregated financial statements and the financial statements of the Fund on pages 10 to 19 were approved by the Board of Directors on 22 May 2019.

P O'Toole	A S Wilshin
Director	**Director**

STATEMENT OF COMPREHENSIVE INCOME

	Note	1 Apr 2018 31 Mar 2019 USD	1 Apr 2017 31 Mar 2018 USD
OPERATING (LOSS)/PROFIT			
Net (losses)/gains on financial assets at fair value through profit or loss	3,10	(6,510,130)	6,321,412
Investment income	4	749,183	561,174
Other income	4	6,645	1,107
Expenses	5,10,12	(679,115)	(768,755)
Operating (loss)/profit		**(6,433,417)**	**6,114,938**
FINANCE COSTS			
Distributions	6	(71,423)	2,016
Total finance costs		**(71,423)**	**2,016**
(Loss)/profit before tax		(6,504,840)	6,116,954
Withholding tax on dividends		(28,926)	(26,333)
(Decrease)/increase in net assets attributable to redeemable preference shareholders from operations		**(6,533,766)**	**6,090,621**

STATEMENT OF CHANGES IN REDEEMABLE PREFERENCE SHAREHOLDERS' NET ASSETS

	Note	1 Apr 2018 31 Mar 2019 USD	1 Apr 2017 31 Mar 2018 USD
Net assets attributable to redeemable preference shareholders at 1 April		39,392,038	31,275,450
Amount receivable on creation of shares	8	1,721,623	4,797,538
Amount payable on redemption of shares	8	(6,307,829)	(2,771,571)
(Decrease)/increase in net assets attributable to redeemable preference shareholders		(6,533,766)	6,090,621
Net assets attributable to redeemable preference shareholders at 31 March		**28,272,066**	**39,392,038**

NOTES TO THE FINANCIAL STATEMENTS

	31 Mar 2019 USD	31 Mar 2018 USD
1. TRADE AND OTHER RECEIVABLES		
Dividends receivable	-	1,500
Due from brokers	193,982	-
Subscriptions receivable	-	428,880
Total trade and other receivables	**193,982**	**430,380**
2. TRADE AND OTHER PAYABLES		
Due to brokers	20	-
Redemptions payable	6,519	-
Other payables	289,508	38,424
Total trade and other payables	**296,047**	**38,424**
3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS DURING THE YEAR COMPRISE:		
Proceeds from sales of investments during the year	85,423,585	105,698,662
Cost of investments sold during the year	(88,616,846)	(97,462,066)
(Losses)/gains realised on investments sold	(3,193,261)	8,236,596
Realised foreign exchange gains/(losses)	90	(29,333)
Net realised (losses)/gains for the year	(3,193,171)	8,207,263
Net unrealised losses for the year	(3,316,959)	(1,885,851)
Net (losses)/gains on financial assets	**(6,510,130)**	**6,321,412**
4. INCOME		
Investment income		
Dividend income	749,183	561,174
Total investment income	**749,183**	**561,174**
Other income		
Bank interest income	6,645	1,107
Total other income	**6,645**	**1,107**
Total income	**755,828**	**562,281**
5. EXPENSES		
Audit fees	14,410	14,501
Bank overdraft fees and charges	3,633	5,458
Custodian's fees	13,538	14,769
Directors' fees	10,508	10,080
Manager's fees	254,701	278,463
Administration fees	45,622	46,410
Sundry expenses	54,507	65,914
Transaction costs	282,196	333,160
Total expenses	**679,115**	**768,755**
6. DISTRIBUTIONS		
Income paid on cancellation of shares	75,988	7,163
Income received on creation of shares	(4,565)	(9,179)
Net distributions for the year	**71,423**	**(2,016)**

The Company only has one Fund therefore there is no difference between the Fund's financial statements as presented above and the Company's financial statements.

The notes on pages 13 to 19 form an integral part of these financial statements.

Chindia Equity Fund cont.

CASH FLOW STATEMENT

	31 Mar 2019 USD	31 Mar 2018 USD
CASH FLOW FROM OPERATING ACTIVITIES		
(Decrease)/increase in net assets attributable to redeemable preference shareholders	(6,533,766)	6,090,621
Interest income	(3,012)	4,351
Dividend income	(749,183)	(561,174)
Withholding taxes	28,926	26,333
Distributions paid to/(received from) redeemable preference shareholders	71,423	(2,016)
Exchange (gains)/losses on cash and cash equivalents	(90)	29,333
Net (increase)/decrease in receivables	(193,976)	29,889
Net increase/(decrease) in payables	251,104	(89,976)
Net increase in margin cash	(525,829)	(167,593)
Net decrease/(increase) in fair value of financial assets and liabilities	6,507,822	(5,816,693)
Purchases of investments	(80,819,077)	(104,106,949)
Proceeds from sale of investments	85,423,585	105,698,662
Cash generated from operations	**3,457,927**	**1,134,788**
Dividends received	721,751	533,341
Bank interest received	6,645	1,107
Interest paid	(3,633)	(5,458)
Net cash flow generated from operating activities	**4,182,690**	**1,663,778**
CASH FLOW FROM FINANCING ACTIVITIES		
Distribution (paid to)/received from redeemable preference shareholders	(71,423)	2,016
Cash received on shares issued	2,150,503	4,368,658
Cash paid out on shares redeemed	(6,301,310)	(2,850,507)
Net cash flow (used in)/generated from financing activities	**(4,222,230)**	**1,520,167**
Net (decrease)/increase in cash and cash equivalents	(39,540)	3,183,945
Cash and cash equivalents at beginning of year	3,280,926	126,314
Exchange gains/(losses) on cash and cash equivalents	90	(29,333)
Cash and cash equivalents at end of year	**3,241,476**	**3,280,926**

NOTES TO THE FINANCIAL STATEMENTS

	31 Mar 2019 USD	31 Mar 2018 USD
7. CURRENCY EXPOSURE		
GBP	395,551	39,392
HKD	-	20,247,508
INR	(649,833)	16,465,782
Total exposure	**-0.90%**	**93.30%**

The currency exposures at 31 March 2018 have been reclassified to show comparatives against 2019 currency exposure.

STATEMENT OF MATERIAL PORTFOLIO CHANGES

The following tables show the top ten purchases and disposals for the year.

Description	Acquisition costs USD
US Treasury Bill 0% 06/06/2019	2,788,520
Air China	847,207
China Railway Group	834,042
ENN Energy Holdings	809,496
Haier Electronics Group	790,880
Sunny Optical Technology Group	784,451
ANTA Sports Products	783,211
China Communications Services	777,414
Sunac China Holdings	776,210
China Gas Holdings	775,720
Other acquisitions	70,851,926
Total for the year	**80,819,077**

Description	Disposal proceeds USD
China Conch Venture Holdings	932,456
CNOOC	876,667
Anhui Conch Cement	861,489
China Taiping Insurance Holdings	843,509
Sino Biopharmaceutical	792,519
China Resources Beer Holdings	790,456
China Railway Group	787,869
China Mengniu Dairy	781,466
China Mengniu Dairy	775,026
Momo	772,050
Other disposals	77,210,078
Total for the year	**85,423,585**

NOTES TO THE FINANCIAL STATEMENTS

8. SHARES ISSUED/REDEEMED DURING THE YEAR

Shares issued	**R Class** USD	**R Class** GBP	**I Class** USD	**I Class** GBP	**C Class** USD	**D Class** USD
31.03.2019	416,755	429,235	1,512	28	90	10,676
31.03.2018	1,234,165	200,521	8,039	22	93	29,394

Shares redeemed	**R Class** USD	**R Class** GBP	**I Class** USD	**I Class** GBP	**C Class** USD	**D Class** USD
31.03.2019	1,433,895	738,831	4,134	274	20,566	11,820
31.03.2018	561,128	552,350	2,035	22	4,171	2,438

Chindia Equity Fund cont.

10 YEAR PRICE, PERFORMANCE, DISTRIBUTION AND TOTAL EXPENSE RATIOS

	PERFORMANCE						PRICE PER SHARE					
	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD
31.03.2019	-17.38%	-11.03%	-16.76%	-10.35%	-15.92%	-16.97%	1.3802	1.0585	190.3656	146.0141	106.5873	16.7384
31.03.2018	18.85%	5.45%	19.74%	6.24%	20.94%	19.45%	1.6705	1.1897	228.6944	162.8752	126.7727	20.1590
31.03.2017	19.59%	38.02%	20.49%	39.73%	21.69%	20.18%	1.4055	1.1282	190.9854	153.3157	104.8233	16.8769
31.03.2017	-10.85%	-8.48%	-10.16%	-7.86%	-9.28%	-10.42%	1.1753	0.8174	158.5126	109.7204	86.1374	14.0426
31.03.2015	31.31%	47.89%	32.47%	48.67%	33.14%	31.99%	1.3184	0.8931	176.4436	119.0830	94.9521	15.6753
31.03.2014	10.63%	3.14%	11.06%	3.51%	11.15%	18.76%	1.0040	0.6039	133.1965	80.0983	71.3174	11.8758
31.03.2013	5.50%	-	6.01%	-	6.72%	-	0.9075	-	119.9311	-	64.1644	-
31.03.2012	-24.26%	-	-23.42%	-	-22.33%	-	0.8602	-	113.1331	-	60.1230	-
31.03.2011	8.70%	-	8.92%	-	9.10%	-	1.1358	-	147.7285	-	77.4077	-
31.03.2010	85.99%	-	87.28%	-	88.81%	-	1.0449	-	135.6340	-	70.9495	-

	HIGHEST PRICE PER SHARE						LOWEST PRICE PER SHARE					
	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD
31.03.2019	1.7328	1.2996	237.5826	178.1926	131.9702	20.9317	1.2615	0.9774	173.4527	134.3477	96.7088	15.2674
31.03.2018	1.9191	1.3919	262.3840	190.2571	145.2023	23.1387	1.4171	1.0956	192.7107	148.9839	105.8718	17.0253
31.03.2017	1.4142	1.1545	192.1139	156.8405	105.3994	16.9784	1.1183	0.7692	150.9912	103.6838	82.1718	13.3714
31.03.2017	1.4414	0.9878	192.6000	192.9676	103.8810	17.1418	1.0301	0.7083	138.7834	94.9872	75.3252	12.2999
31.03.2015	1.3354	0.8931	178.6201	119.0830	96.0471	15.8718	0.9723	0.5732	129.2171	76.1394	69.3457	11.5140
31.03.2014	1.0040	0.6039	133.1965	80.0983	71.3174	11.8758	0.7672	0.5567	103.1668	73.8740	55.7418	9.0576
31.03.2013	0.9638	-	126.7062	-	67.6248	-	0.7628	-	100.6912	-	53.7854	-
31.03.2012	1.2020	-	156.3304	-	81.9171	-	0.7800	-	102.5644	-	54.4740	-
31.03.2011	1.2898	-	167.1482	-	87.1800	-	0.9069	-	117.3181	-	60.9838	-
31.03.2010	1.0838	-	140.4430	-	73.2984	-	0.5702	-	73.5117	-	38.1457	-

	DISTRIBUTION PER SHARE PAID AND PAYABLE			SHARES IN ISSUE						NET ASSET VALUE	TER*
	R Class USD	I Class USD	C Class USD	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD	USD	R Class
31.03.2019	-	-	-	5,064,225	4,624,228	7,700	377	120,432	31,322	28,269,755	2.03%
31.03.2018	-	-	-	6,081,365	4,933,824	10,322	623	140,908	32,466	39,392,038	2.07%
31.03.2017	-	-	-	5,408,328	5,285,653	4,318	623	144,986	5510	31,264,414	2.18%
31.03.2017	-	-	-	6,053,766	5,991,180	3,938	782	216,420	175	33,521,163	2.12%
31.03.2015	-	-	-	6,330,138	7,209,710	983	981	316,565	4,351	48,322,707	2.12%
31.03.2014	-	-	-	7,146,289	9,080,079	983	5,390	352,105	500	42,256,367	2.14%
31.03.2013	-	-	-	19,695,996	-	5,178	-	708,535	-	86,577,687	1.95%
31.03.2012	-	-	-	24,061,937	-	21,767	-	1,374,539	-	142,292,417	1.89%
31.03.2011	-	-	-	30,156,207	-	34,770	-	1,390,362	-	192,519,849	1.90%
31.03.2010	-	0.6843	0.9213	27,820,408	-	1,034	-	1,114,074	-	148,466,542	1.88%

The above information relates to the actual published prices on the last dealing date of the period as at 10.00 a.m.

(*) The Total Expense Ratio ('TER') is a measure of the total costs associated with managing and operating the Funds. Details of the total expenses can be found in note 5. Transaction costs are not included within the TER.

Notes to the financial statements cont.

9. PRESENTATION OF FINANCIAL STATEMENTS

Ashburton Emerging Markets Funds Limited ("the Company") has maintained the Chindia Equity Fund ("the Fund") during the year ended 31 March 2019. Shares are issued and allocated to the Fund by the Company. The proceeds of the issue and the income arising thereafter are credited to the Fund. Expenses incurred during the year are charged to the Fund. Upon redemption, shareholders are entitled only to their proportion of the value of the net assets held in the Fund.

The statement of comprehensive income, statement of changes in redeemable preference shareholders' net assets, statement of financial position, cash flow statement, statement of material portfolio changes and portfolio statement prepared for the Fund are also that of the Company.

General information and the objective of the Company and the Fund can be found within the Directors' report.

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies

The principal accounting policies applied in the presentation of these financial statements are set out below and have been consistently applied to all periods presented.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

Standards and amendments to existing standards effective 1 April 2018

IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss impairment model.

IFRS 9 has been applied retrospectively by the Fund and did not result in a change to the classification or measurement of financial instruments. The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2018 that have a material effect on the financial statements of the Fund.

New standards, amendments and interpretations effective after 1 April 2018

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2018, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

Notes to the financial statements cont.

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Financial assets and financial liabilities

Classification

The Fund classifies their investments in debt, equity and derivatives based on both the Fund's business model for managing those financial assets and liabilities and the contractual cash flow characteristics of the financial assets and liabilities. The Fund's portfolio of financial assets and liabilities is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund has not taken the option to irrevocably designate any equity securities at fair value through other comprehensive income.

The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

Consequently, all investments are measured at fair value through profit or loss.

The Fund's policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Other financial assets such as due from brokers and subscriptions receivable are categorised as loans and other receivables. Other liabilities such as due to brokers and redemptions payable are categorised as other financial liabilities.

Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Revenue recognition

Bond interest income is recognised on a time-proportionate basis using the effective interest method which includes interest income on debt securities at fair value through profit and loss. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial asset or liability, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Dividend income is recognised when the right to receive payment is established. Where a Fund has elected to receive its dividends in the form of additional shares rather than cash, the amount of the market value of the shares is recognised as income together with a corresponding increase in the cost of the shares.

Withholding tax

Dividend income is shown gross of withholding tax in the statement of comprehensive income. Withholding tax is shown as a separate item within the statement of comprehensive income.

Equalisation/Distributions

Equalisation applies to shares purchased and redeemed during a distribution period. The income earned or accrued within the Fund and attributable to each share is not affected by the issue or redemption of shares during a distribution period. On the income allocation date, shareholders will either receive, or be advised of, reportable income. The same rate of distribution per share is applicable to all shareholders and for shares purchased during the distribution period the income equalisation will form part of the distribution or reported income.

Notes to the financial statements cont.

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

Bank overdraft interest and charges

Bank overdraft interest and charges are recognised as expenses under note 5. Bank interest receivable on bank deposits is accrued on a daily basis and is recognised as bank interest under note 4.

Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense. Details of transaction costs can be found in note 5.

Custody fees

BNP Paribas Depositary Services (Jersey) Limited ("the Custodian") receives a fee which is based on the aggregate value of the net asset value (based on a mid basis) of the Funds respectively. The fee is accrued daily and paid monthly. The custodian fee for the Chindia Equity Fund is fixed at 0.04% per annum. The Custodian receives a transaction fee of either £9, £40 (Standard Fund), or £150 (Complex Fund) or currency equivalent per transaction dependent upon which stockmarket the trade is executed on.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and deposits held at call with banks.

Going concern

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently, other than where new policies have been adopted.

Fair value estimation

The fair value of financial instruments traded in active markets, including futures, options and forwards, within the Fund are based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets and financial liabilities held by the Fund is the mid market price as at 10.00am on the last business day of the accounting period.

Realised profits and losses resulting from the disposal of financial assets at fair value through profit or loss, including derivative assets and derivative liabilities, and unrealised profits resulting from the revaluation of retained financial assets and financial liabilities at fair value through profit or loss, including derivative assets and derivative liabilities, are recognised in the statement of comprehensive income.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions at an arm's length basis. The Company classifies fair value measurements using the fair value hierarchy in accordance with IFRS. The fair value hierarchy reflects the significance of the inputs used in making the measurements and has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy, within which the fair value measurement is categorised in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. All financial instruments within the Fund are categorised under level 1 (2018: All financial instruments level 1).

Notes to the financial statements cont.

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

Currency translation

Assets and liabilities that are denominated in foreign currencies are translated into the base currency of the Fund at the rates of exchange ruling at the statement of financial position date. Exchange profits or losses are recognised in the statement of comprehensive income.

The relevant rates of exchange ruling as at the 31 March 2019 against the base currency were:

	EUR	GBP	HKD	INR
USD	0.8920	0.7670	7.8499	69.1725

Margin cash

Margin cash represents margin deposits held in respect of open exchange-traded futures contracts. Cash collateral provided by the Fund is identified in the statement of financial position as margin cash and is not included as a component of cash and cash equivalents.

Sundry expenses

Sundry expenses are accounted for on an accruals basis using an exchange rate ruling at the time of the accrual.

11. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund holds the following derivative instruments:

Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. A breakdown of futures contracts held at the year end can be found within the portfolio statement of the Fund.

Forward foreign exchange contracts

Forward foreign exchange contracts outstanding at the statement of financial position date are valued in relation to the cost of closing the contract at a forward exchange rate. The difference between the contractual cost and the estimated cost of closing out the contract is recognised in the statement of comprehensive income. Realised gains or losses are recognised on the maturity of a contract or when a contract is matched against another contract with an identical currency exposure and maturity date. The resulting gain or loss is recognised in the statement of comprehensive income. The unrealised profit or loss is recognised in the portfolio statements of each Fund as open forward foreign currency exchange contracts.

As at 31 March 2019, the Funds had the following open forward foreign currency exchange contracts:

Counterparty	Currency bought	Amount bought	Currency sold	Amount sold	Maturity date	Unrealised appreciation / (depreciation) in USD
Barclays Bank London	USD	7,841,397	INR	565,600,000	29/04/2019	(297,928)
Barclays Bank London	USD	15,071,987	HKD	118,000,000	29/04/2019	26,838
Net unrealised depreciation						**(271,090)**

Notes to the financial statements cont.

12. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In accordance with IAS 24 'Related Party Disclosures' the Company is required to disclose transactions with related parties.

Ashburton (Jersey) Limited, the Manager is a related party. The fees and commissions payable to the same are detailed below.

The Manager acts as principal on all transactions of shares in the Company. The Manager is entitled to receive an initial charge up to a maximum of 5% of the dealing price of the shares issued. The value of subscriptions and redemptions of shares during the year are disclosed in the statement of changes in shareholders' net assets. The amounts due from/to shareholders at the year end in respect of shares subscribed for and redeemed is disclosed in trade and other receivables and trade and other payables respectively.

For its services as Manager, Ashburton (Jersey) Limited receives a fee calculated on the net asset value of the Fund calculated on a mid basis. The fee is accrued daily and paid monthly. The Manager does not receive a fee for the C class shares.

Listed below are the fees per share Class:

	R Class USD	R Class GBP	I Class USD	I Class GBP	D Class USD	D Class GBP
Chindia Equity Fund	1.50%	1.50%	0.75%	0.75%	1.00%	1.00%

For its services as administrator, Ashburton (Jersey) Limited receives a fee of 0.25% on a mid basis of the net asset value for R, D and I class shares. The fee is accrued daily and paid monthly.

The Directors of the Company have had no transactions with the Company.

Details of all fees paid can be found in note 5.

Ultimate controlling party

There is no ultimate controlling party of the Company.

13. TAXATION

The Company is taxed at 0% on its profit. Any capital gains realised may be subject to tax in the countries of origin. All liabilities in respect of taxes payable on realised gains are provided for as soon as there is a reasonable certainty that a liability will crystalise.

14. MANAGEMENT SHARES

Under the Companies (Jersey) Law 1991, redeemable shares may only be issued if there are in issue shares of the Company which are not redeemable. This is the reason for the existence of the management shares that carry one vote each on a poll but do not carry any right to dividends. In the event of a winding up, they rank only for return of paid capital. There are 100 management shares in issue which have nil par value and are held by Ashburton (Jersey) Limited.

Unclassified shares

The Articles of Association of the Company provide that the unclassified shares may be issued as participating redeemable preference shares.

Participating redeemable preference shares

Shares are issued and redeemed at the dealing price which is calculated in accordance with the Articles of Association and based on the value of the underlying net assets of the Fund in which they have been designated at the time of issue or redemption. Upon the issue of shares the difference between the dealing price and the nominal value is credited to the share capital account. Upon the redemption of participating redeemable preference shares the amount payable is debited to the stated capital account or, where this is exhausted, to realised capital reserves.

On a poll each participating redeemable preference share is entitled to one vote. The Company may declare dividends to the participating redeemable preference shares of the Fund. The dividend is payable to the registered holders of such shares on the date the dividend is declared.

The share capital of each Fund of the Company falls under the definition of 'financial liability' as the facility exists for the redemption of shares at the discretion of the participating redeemable preference shareholders and the rights of other shareholders are restricted.

The participating redeemable preference shares are carried at amortised cost which corresponds to the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Fund.

Notes to the financial statements cont.

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The objectives and policies employed by the Manager in holding financial instruments have been explained in the investment policy and objectives on page 3. The narrative disclosures explaining the risks associated with holding financial instruments are detailed below:

Market price risk

Market price risk arises mainly from uncertainty about future prices of the financial instruments held. It represents the potential loss the Funds might suffer by holding financial instruments in the investment portfolio through adverse price movements.

Adherence to investment guidelines and borrowing restrictions set out in the Prospectus mitigate the risk of excessive exposure to any particular security or issuer. The Fund follows a policy of geographical and/or sector diversification as detailed in the investment portfolios. In addition to the above, the Manager meets weekly to consider and discuss the outlook for global markets in order to assess the risks associated with particular geographical regions or industry sectors whilst following the stated investment objective. The Manager operates stop-loss techniques to minimise losses.

The Manager considers that a reasonable possible movement in the market price risk would be equivalent to a 5% movement in equities and treasury bills.

The table below summarises, for the Fund, the impact of increases/(decreases) in the equities and treasury bills on the net asset value as at 31 March 2019. The analysis is based on the assumption that the equities and treasury bills increase/(decrease) by 5%, with all other variables held constant.

Fund	Value (base currency)		5% movement in equities		5% movement in treasury bills	
	2019	2018	2019	2018	2019	2018
Chindia Equity Fund	28,272,066	39,392,038	1,092,396	1,758,807	139,389	-

Foreign currency risk

The total return achieved from and the capital value of the Fund's investment portfolio can be significantly affected by currency movements as a considerable percentage of the Fund's assets and income are denominated in currencies other than the Fund's reporting currency.

The Manager has identified three principal areas where foreign currency risk could impact upon the Fund:

- movement in foreign currency exchange rates affecting the value of investments;

- movement in foreign currency exchange rates affecting short-term timing and settlement differences; and

- movement in foreign currency exchange rates affecting the income received.

The Fund may be exposed to potential foreign currency risks through investments made outside their respective reporting currency.

These risks may be minimised by the use of foreign currency hedging strategies which are designed to protect the underlying funds from adverse foreign currency movements. These strategies are defensive in nature and are not used to provide any form of leverage to the portfolio.

The Fund may remain exposed to foreign currency fluctuations on its investments where the Manager feels that there is an acceptable expectation of capital growth.

The Fund may be subject to short-term exposure to foreign currency exchange rate movement, for instance where there is a difference between the trade date and the settlement date. When the Fund enters into a transaction requiring settlement in a currency other than the reporting currency of the Fund, a forward foreign exchange contract can be entered into at the same time as the initial transaction, in order to reduce foreign currency exchange rate risk.

The Fund may receive income in currencies other than its reporting currency and movements in foreign currency exchange rates can affect the value of this income in the reporting currency. The Fund normally converts all receipts of income into the reporting currency on or near the date of receipt but does not hedge or otherwise seek to avoid foreign currency exchange rates which would affect the income eventually recognised on the receipts.

Details of currency exposure are shown in note 7 in the Fund's section. Such exposure comprises the monetary assets and liabilities of the Fund that are not denominated in the Fund's reporting currency. The amounts shown in note 7 take into account the effect of the foreign currency exchange contracts entered into to manage these currency exposures.

Notes to the financial statements cont.

56. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS CONT.

Interest rate risk

The Fund maintains uninvested cash on deposit with BNP Paribas Securities Services S.C.A., Jersey Branch and with other banks as approved by the Directors. As set out in the Prospectus, it is the policy of the Fund that no borrowing will be undertaken save for the purpose of meeting redemption payments. These borrowings will not exceed 10% of the value of the Fund.

Liquidity risk

The principal liquidity risks arise through the inability of the Fund to settle its investment transactions or to remit the redemption proceeds to its shareholders. The Company has four business days from the relevant dealing day to pay the proceeds of redemption.

The Fund's assets comprise securities which are quoted/listed on various stockmarkets together with short-term debtors and cash. The listed securities are considered to be readily realisable within the rules of the stock exchange on which they are quoted. In general the Manager manages the Fund's cash to ensure that liabilities are met. As at 31 March 2019, all non-derivative financial liabilities will mature within one month.

Counterparty risk

Investment transactions entered into by the Fund exposes it to a risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its obligations. The risk is limited however, as the majority of transactions are delivery versus payment. To further minimise such risks the Fund only buys and sells through brokers who have been approved by the Directors as an acceptable counterparty.

Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Fund is also exposed to counterparty credit risk on cash and cash equivalents, amounts due from brokers and trade and other receivables balances.

Credit risk arising on cash and cash equivalents, amounts due from brokers and trade and other receivables is considered to be minimal as these are placed with reputable financial institutions. All amounts due from brokers and cash and cash equivalents are held by parties with a credit rating of A+/A1 or higher.

The Manager reviews the Fund's credit position on a monthly basis. The maximum exposure to credit risk, before any credit enhancements, at 31 March 2019 is the carrying amount of the equities, treasury bills, derivative assets, cash and cash equivalents, margin cash and trade and other receivables as disclosed in the statement of financial position and portfolio statement for the Fund.

Capital risk management

The net assets attributable to holders of redeemable preference shares are classified as financial liabilities and therefore, in the opinion of the Directors, the capital of the Company is only represented by the management shares. Details of the management shares are shown in note 14. Due to the nature and requirement of the management shares the Directors have decided that no active capital risk management is required.

Fair value disclosure

The financial assets and liabilities of the Fund are included in the statement of financial position at fair value, being the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The basis of valuation of investments is disclosed in note 10 of the financial statements.

16. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

Notes

Notes

Notice of the annual general meeting

Notice is hereby given that the ninth annual general meeting of Ashburton Emerging Markets Funds Limited will be held at IFC 1, The Esplanade, St Helier, Jersey, JE4 8SJ, Channel Islands on Wednesday, 7 August 2019 at 10.00 a.m. for the following purposes:

Agenda

Resolution 1.

To receive and adopt the financial statements for the year ended 31 March 2019 together with the Directors' report and the Independent auditor's report thereon.

Resolution 2.

To re-appoint PricewaterhouseCoopers CI LLP as auditors of the Company, to hold office until the conclusion of the next annual general meeting at which the annual report and audited financial statements are laid before the Company and to authorise the Directors to fix their remuneration.

Resolution 3.

To fix the remuneration of the Directors up to a maximum of $10,000 in aggregate in accordance with the provisions of the Articles of Association for the forthcoming year.

Resolution 4.

To transact any other ordinary business of the Company.

By Order of the Board

For and behalf of the Secretary
Ashburton (Jersey) Limited
22 May 2019

Registered Office:

IFC 1, The Esplanade, St Helier, Jersey, JE4 8SJ, Channel Islands.

Notes:

1. A shareholder entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and (on a poll) to vote instead of him/her. A proxy need not also be a shareholder of the Fund.
2. A form of proxy is enclosed. The Chairman of the meeting would be willing to act as your proxy if desired. Please complete and sign the form which should reach the registered office of the Secretary not later than 48 hours before the time fixed for the meeting.

Ashburton Emerging Markets Funds Limited
Form of proxy

BLOCK LETTERS PLEASE:

Shareholder number ____________________

Full name(s) ____________________

Address ____________________

I/We being a Member(s) of the above named Company hereby appoint the Chairman of the Meeting (see Note 1 below)

____

as my/our proxy to attend and vote for me/us on my/our behalf at the ninth annual general meeting of the Company to be held on Wednesday, 7 August 2019 at 10.00 a.m. at IFC 1, The Esplanade, St Helier, Jersey, JE4 8SJ, Channel Islands and at any adjournment thereof.

Please indicate with an "X" in the table alongside the resolutions how you wish your votes to be cast in respect of the resolutions which are set out below. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

I/We direct my/our proxy to vote on the resolutions as follows:

Ordinary Resolutions:	FOR	AGAINST
1. To receive and adopt the financial statements for the year ended 31 March 2019 together with the Directors' report and the Independent auditor's report thereon.		
2. To re-appoint PricewaterhouseCoopers CI LLP as auditors of the Company, to hold office until the conclusion of the next annual general meeting at which the annual report and audited financial statements are laid before the Company and to authorise the Directors to fix their remuneration.		
3. To fix the remuneration of the Directors up to a maximum of $10,000 in aggregate in accordance with the provisions of the Articles of Association for the forthcoming year.		
4. To transact any other ordinary business of the Company.		

Signature ____________________

Date ____________________

Notes:

1. If you wish to appoint another person to be your proxy instead of the Chairman of the Meeting, you should delete the 'Chairman of the Meeting' and write the name of your proxy in the space provided and initial the alteration.
2. In the case of joint shareholders, the vote of the senior who tenders a vote, whether by proxy or in person, shall be accepted to the exclusion of the votes of the other joint shareholders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of shareholders. In the case of a corporation the form must be executed under its common seal or signed by an officer or attorney so authorised.
3. The completion and return of this form will not prevent you from attending and voting at the meeting.
4. To be valid this form must reach the registered office of the Company, IFC 1, The Esplanade, St Helier, Jersey, JE4 8SJ, Channel Islands, not less than 48 hours before the time appointed for the meeting at which the person named in this form proposes to vote.

CHANNEL ISLANDS

Ashburton (Jersey) Limited
PO Box 239

IFC 1, The Esplanade,
St Helier, Jersey
JE4 8SJ, Channel Islands

Tel: +44 (0) 1534 512000
Fax: +44 (0) 1534 512022

Email: clientsupport@ashburton.com

www.ashburtoninvestments.com