

2023

# Abridged annual report

To unit trust investors for the  
year ended 30 June 2023

FULLY INVESTED

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A part of the FirstRand Group

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# CEO's report



## CEO's report

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# CEO's report

Investment management is often regarded as a discipline governed by numbers, data and statistical analysis. Indeed, investing relies heavily on the scientific method and its emphasis on rigorous research, hypothesis testing and objective decision-making.

However, successful investors understand that while the scientific approach is crucial, it is equally vital to incorporate creative intuition into the investment process.

Investment decisions are rarely made in isolation; they involve continuous monitoring, analysis and adjustments. Once this iterative process is embedded into the investment approach it becomes a habitual friend, a well-practiced routine that leads to success. The familiarity of this process is akin to the scientist's repeated experimentation. Investors analyse historical data, review financial statements and meticulously track market trends. The ongoing and repetitive nature of the iterative process allows investors to develop a deep understanding of market dynamics, which, over time, becomes second nature.

While the scientific method requires adhering to established principles and proven methodologies, creative intuition permits the departure from established precedents. In the investment world, this means venturing beyond the confines of conventional wisdom. Successful investors are not content with merely replicating what has already been done; they seek the unexplored novelty of what could be done next.

The act of continuously analysing and refining investment strategies opens up a realm of potential opportunities. Investment intuition flourishes when one is deeply immersed in the process while remaining open to the subtle shifts in market conditions that can signal a promising investment avenue.

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**Duzi Ndlovu**

Chief Executive Officer

In this respect the reputed words of renowned Spanish artist Pablo Picasso certainly ring true in the world of investment: “The important thing is knowing that the pigeon has arrived; you don’t have to unroll the message and read it.” In this context, the pigeon represents the intuitive hunch or gut feeling that investors often experience. It symbolizes the sense that an opportunity exists, even if the complete picture is not yet clear. Picasso’s words emphasize the importance of recognizing these intuitive signals and, most importantly, acting upon them.

Successful investors understand that while scientific rigour is essential, intuition adds a crucial dimension to the decision-making process. It allows them to see beyond the numbers and embrace the possibilities that iteration and intuition together offer. This combination ultimately leads to more informed and profitable investment choices.

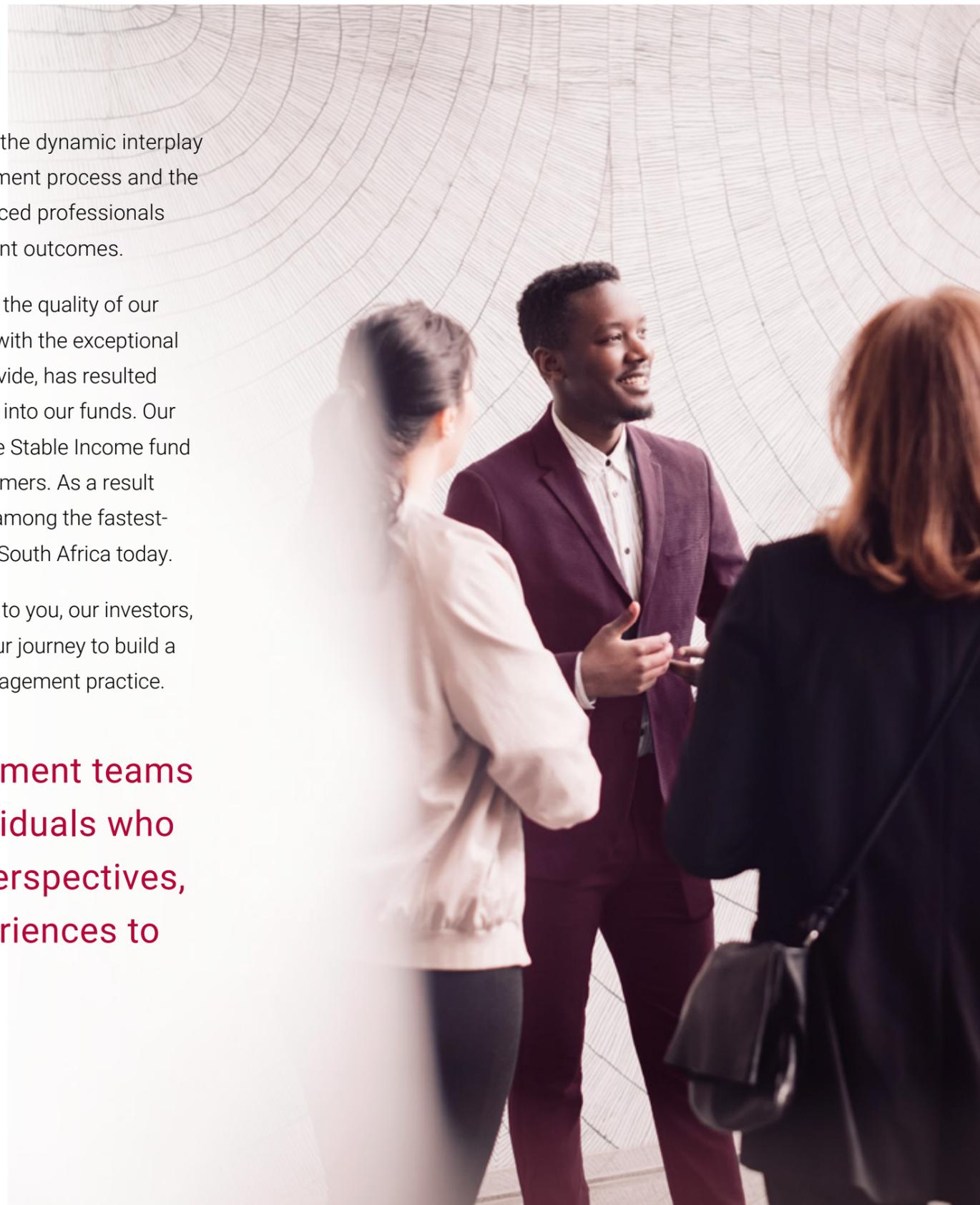
During the period in review, in what was inarguably a taxing and challenging environment for investment markets, 88% of our funds were rated in the top two quartiles according to MorningStar performance data.

This is clear evidence that the dynamic interplay between a rigorous investment process and the intuition of highly experienced professionals leads to superior investment outcomes.

The growing recognition of the quality of our investment team, coupled with the exceptional service that we seek to provide, has resulted in extremely strong inflows into our funds. Our money market fund and the Stable Income fund have been stand-out performers. As a result Ashburton Investments is among the fastest-growing fund managers in South Africa today.

We are immensely grateful to you, our investors, for partnering with us on our journey to build a truly great investment management practice.

**The best investment teams consist of individuals who bring diverse perspectives, skills, and experiences to the table.**



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# CIO Investment review

A woman with glasses and a pink jacket is looking at her phone. The background is a city skyline at sunset, with a bright light streak across the bottom right.

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# CIO Investment review

Looking back on the year in review, there were some bright sparks and more than a few hangovers for an international economy impacted by the pandemic and subsequent inflationary shocks, supply-chain challenges and geo-political upsets.



**Patrice Rassou**  
Chief Investment Officer

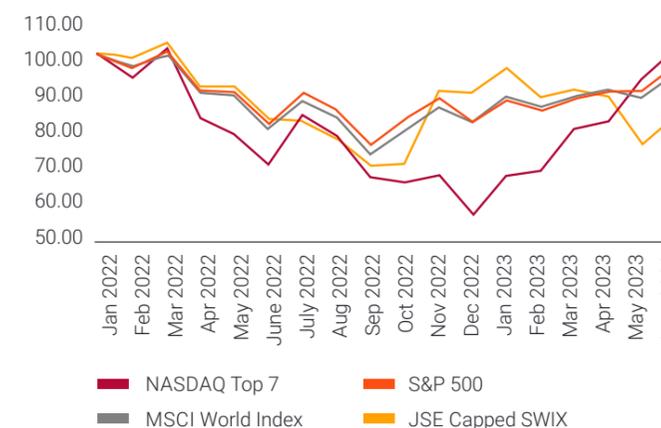
In 2023, global equity markets rebounded from a dismal 2022, which marked the start of quantitative tightening.

Global equity markets posted gains of 23% in US dollar terms (37% in rand terms). The Nasdaq Composite led the rebound posting their strongest start to a calendar year on record. The Nasdaq was up 39% in US dollar terms in the second half of 2023, while the S&P delivered its best half since 1997.

The big names, meanwhile, continued to dominate global headlines. The Magnificent Seven (Meta, Apple, Amazon, Nvidia, Google, Microsoft and Tesla) were up 60% at the start of the 2023 calendar year, while the rest of the S&P was only up slightly. Even European stocks had their most positive start to a calendar year since 1998.

A more worrying statistic for the United States (US) market has been the record low breadth of the market, with the rally being driven by technology stocks.

**Market Cap Growth (31 Jan 2022)**



Source: Bloomberg

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Global Equities continued to outperform Global Bonds by some 24% over the past year – recording their second-best performance since 2001. Global Bonds were down 1% in US dollar terms (13% in rand terms) and Global Property remained flat in US dollar terms. Resilient economic data out of the United States (US) – alongside the second-largest Treasury issuance in history (US\$800 billion in June) - renewed pressure on US yields. The inversion in US yield softened as the two-year yield dropped below 5% and the 10- year yield went through the 3.8% level. However, the signs continue to point to a US recession in 2024.

### South Africa: Own goals lead to weakness

Locally, the second half of the year was dominated by the saga of the sanctioned Russian cargo ship, Lady R, docking at Simon’s Town Naval Base. The fallout led to a sharp weakening of the rand as concerns grew about potential sanctions being imposed by the US. Bearing in mind that the US is the second-largest export destination for South Africa, any impact on the terms of the African Growth Opportunity

Act (AGOA) - which provides favourable tariff treatment for South African exports - would be damaging. In addition, the extent of load-shedding at the beginning of 2023 has exceeded the cumulative amount over the 2007-21 period.

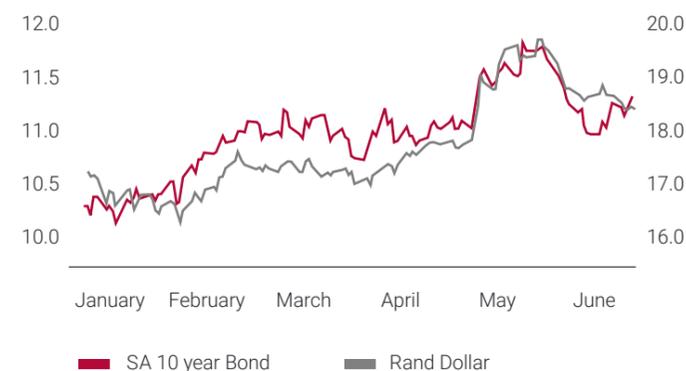
In the second half of the financial year, Bonds were under pressure, delivering a return of just under 2%, and underperforming cash substantially. The JSE All Share Index was propped up by the dual-listed industrial stocks delivering a 20% return over the past year, while mid-cap stocks lagged, recording just an 8% return over the past year.

The overall performance of the JSE was similarly driven, in the main, by the dual-listed industrial stocks (up some 34% over the past year). A table-topping performance by Richemont (86%) was the dominant feature, while Resources stocks (3%) and Listed Property (10%) proved to be the laggards. In June 2023, Richemont’s weight in the All Share Index dropped from 19% to 3% to reflect its local free float.

The platinum counters came under massive pressure towards the tail end of the year, dropping by more than a third. This was largely

due to the price of rhodium dropping by more than 60% over the year. Rhodium used to contribute 30-45% of the Platinum Group Metals basket price but reduced demand from China, the world’s largest automobile market, has seen the price tumble. China’s economic recovery has shown signs of sputtering, with the Shanghai Composite flat for the year.

The chart below depicts the depreciation of the rand against the US dollar (green) in the second half of the year and the weakening of the 10-year Bond yield:



Source: Bloomberg

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Turning to the global macroeconomic position, and the main point of contention over the year has been the dichotomy between hard and soft data.

Data releases have been increasingly negative, with Manufacturing indices in negative territory. Services activity, meanwhile, has been dangerously close to contracting. As highlighted by our global strategist, US Economic Surprise indices mistakenly account for higher credit growth from US households as an indicator of household demand – while, in fact, we believe that depletion of savings is more indicative of balance sheets in distress. With the inflation prints continuing to slow in the US, reaching 3% in June year-on-year (June 2022: 9% yoy), the US Federal Reserve decided to pause hikes at its last meeting, making it unclear whether the Fed would to hike rates to combat stubbornly high core inflation, which at the time was sitting at 4.8%.

In June, Fed chairman Jerome Powell poured cold water on the possibility of any potential cuts by emphasising that he may have to hike twice to get to his 2% inflation target. In addition, strong US labour market remained a telltale sign that the US economy was tight, despite the regional banks crisis experienced in March.

The European Central Bank also remained on course to hike rates in July and September.

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# Funds at a glance

A man with a beard and glasses, wearing a white shirt, is looking thoughtfully to the right. The background is a blurred office setting with another person visible in the distance.

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# Funds at a glance

	ASISA category	Investment objective	Benchmark	Risk profile
<b>Single Manager Funds</b>				
Ashburton Equity Fund	South African - Equity - General	Achieve capital growth and deliver returns ahead of the FTSE/JSE All Share Index (Total Return) over the long term.	FTSE/JSE All Share Index (Total Return)*	High
Ashburton Balanced Fund	South African - Multi Asset - High Equity	Generate long-term, inflation-beating returns over a 36-month period	Market value weighted, average return of the Multi Asset – High Equity Category	Moderate
Ashburton Targeted Return Fund	South African - Multi Asset - Low Equity	Beat South African Consumer Price Inflation (CPI) + 3.5% over a rolling three-year period.	CPI + 3.5% (net of asset management fees)	Low to moderate
Ashburton SA Income Fund	South African - Interest Bearing - Short Term	Provide relative capital stability, optimal income returns from interest earning securities and enhance returns through a combination of diversified fixed income strategies.	STeFI Composite Index over a rolling 12-month period	Low
Ashburton Money Market Fund	South African - Interest Bearing - Money Market	Maximise interest income, preserve capital and provide immediate liquidity for investors.	STeFI 3 Month Index	Low
Ashburton Global Flexible Fund	Global - Multi Asset - High Equity	Long-term capital growth through a flexible mandate of global asset allocation, with access to emerging market growth opportunities.	60% MSCI AC Index, 40% Citigroup World, Government Bond Index	High
Ashburton Bond Fund	Interest Bearing - Variable Term	Provide investors with a well-diversified exposure to the South African bond market.	Beassa ALBI	Low to moderate
Ashburton Diversified Income Fund	South African - Multi Asset - Income	Achieve performance returns significantly in excess of money market funds and current account yields.	110% of STeFI Composite ZAR	Low
Ashburton Stable Income Fund	South African - Interest Bearing - Short Term	Deliver returns that are higher than that of a traditional money market unit trust fund.	STeFI Composite Index over a rolling 12-month period	Low
Ashburton Property Fund	South Africa - Real Estate - General	Achieve capital growth and deliver returns ahead of the FTSE/JSE SA Listed Property Index (Total Return) over the long term.	FTSE/JSE SA Listed Property Index	Moderate to high
Ashburton Global Leaders ZAR Equity Feeder Fund	Worldwide Equity - General Portfolio	Achieve long-term capital growth over the economic cycle by investing in transferable securities issued by leading companies listed globally.	Global Large-Cap blend equity ZAR	Moderate to high
<b>Trackers</b>				
Ashburton GOVI Tracker Fund	Interest Bearing - Variable Term Portfolio	Provide investors with a real rate of return through cost-effective exposure to a diversified portfolio of government bonds.	JSE Government Bond Index	Low

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A photograph of two women in business attire. One woman is pointing at a smartphone held by the other, who is smiling. They are in a modern office environment with warm lighting and blurred background elements.

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	1 year to 30 June 2023	1 year to 30 June 2022	1 year to 30 June 2021
	% change	% change	% change
JSE All Share Index (ZAR)	19.58%	4.69%	25.07%
JSE All Share Index (USD)	3.45%	-7.86%	51.82%
MSCI World Index	14.42%	-13.92%	39.71%
MSCI Emerging Markets	-1.12%	-25.05%	41.34%
S&P 500 Index	17.57%	-10.62%	40.79%
FTSE 100 Index	5.05%	5.77%	18.03%
MSCI China (HKD)	-18.61%	-30.98%	27.76%
Gold	5.24%	2.10%	-0.61%
Copper	0.55%	-13.55%	58.34%
Platinum	-1.10%	-16.62%	29.67%
Brent Crude	-17.57%	52.82%	82.58%
JSE Listed Property Index (ZAR)	1.72%	0.22%	25.17%
JSE All Bond Index (ZAR)	8.23%	1.25%	13.67%
3 Month JIBAR (ZAR)	69.73%	35.64%	-5.53%
R/\$	-13.61%	-12.28%	21.46%
R/GBP	-17.23%	-0.20%	8.82%
R/EUR	-16.89%	-0.85%	15.20%
SA CPI	5.37%	7.42%	4.86%
Repo rate	8.25%	4.75%	3.50%

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# Our funds

## Single Manager Funds

### Ashburton Equity Fund

#### Investment objectives and strategy

The fund's objective is to grow clients' assets in real terms by investing in equities, primarily in South Africa but also abroad. The portfolio aims to deliver long-term returns in excess of its benchmark, FTSE JSE Capped-Swix index. We highlight that the portfolio's benchmark was changed during the period. The new capped benchmark better reflects the typical risk adjusted outcome of the new investment teams' bottom-up investment process. The Fund is suitable for investors who require exposure to the equity growth assets in order to achieve long-term capital appreciation objectives. Investors in the fund should be able to withstand short-term capital volatility as equity investments can be volatile and subject to periods of short-term capital loss.

#### Fund review

The period ending the 30th of June 2023 was the first full 12-month period that the Ashburton Equity fund has been managed by the newly formed Ashburton Equity team. The team has been managing the portfolio out of Cape Town since the 1st of October 2021. The team has made good strides in embedding and positioning the Ashburton's equity offering as a team-based process driven equity research effort. Detailed bottom-up company research remains the cornerstone of our investment process and is the activity that consumes the bulk of our teams' energy and effort.

For the year ending June 2023, the Ashburton Equity Fund delivered +14.7% net of fees. The fund's benchmark, the FTSE JSE Capped Swix index returned +13.5% over this same period. This implies that the portfolio delivered +1.2% of outperformance over its benchmark for the year.

#### Active return



Source: Ashburton Quants Research, June 2023

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# Single Manager Funds

## Ashburton Equity Fund

Since the new team has been managing the portfolio, the fund has outperformed its FTSE JSE Capped Swix index benchmark by +3.3% and is well within the 1st quartile of peer returns over this longer period. There has been a pleasing improvement in the consistency of relative returns as evidenced by the portfolio's rolling 12-month return versus peers.

### Percentile Rank in ASISA SA EQ General (1 year Rolling)



Source: Ashburton Quants Research, June 2023

During the first half of the 2023 year, the portfolio benefited from a muted, but resilient performance relative to its benchmark which declined more in absolute terms.

During the third quarter of the 12-month period ending June 2023, the fund lagged the benchmark return due to sizable underweight positions in the gold sector and Richemont, both of which were stand-out positive performers in an otherwise very weak local market. However, by June of this year, some of this under performance had been recovered as both the gold sector and Richemont gave back some of their recent gains.

There is little doubt that South Africans are still in for another tough year from a macro standpoint. High inflation, high interest rates and loadshedding are likely to remain with us for a while to come. Within the current South African market, we believe there are still selective opportunities to be had, particularly where the risk versus reward probabilities remains skewed in our favour. We will continue to take uncomfortable positions in select counters that are out of favour with the broader

market consensus due to well-known short-term headwinds that we believe will abate over the medium term.

Looking to the year ahead, we are navigating the tricky local environment by targeting a balanced approach to portfolio construction. We aim to combine some of the attractive local opportunities with companies that have significant offshore exposure, and whose valuations are palatable, to ensure that the outcomes for our investors are not totally reliant on an imminent or dramatic improvement in South Africa's macro fortunes. In short, we have not yet abandoned our home market.

As always, our focus remains on the consistent implementation of our investment process but with an added emphasis on considering and managing risk across the portfolio. The environment is likely to remain volatile. Volatility does, however, remain the friend of equity investors who have done their homework and are willing to act independently when the risk versus reward balance is skewed in their favour.

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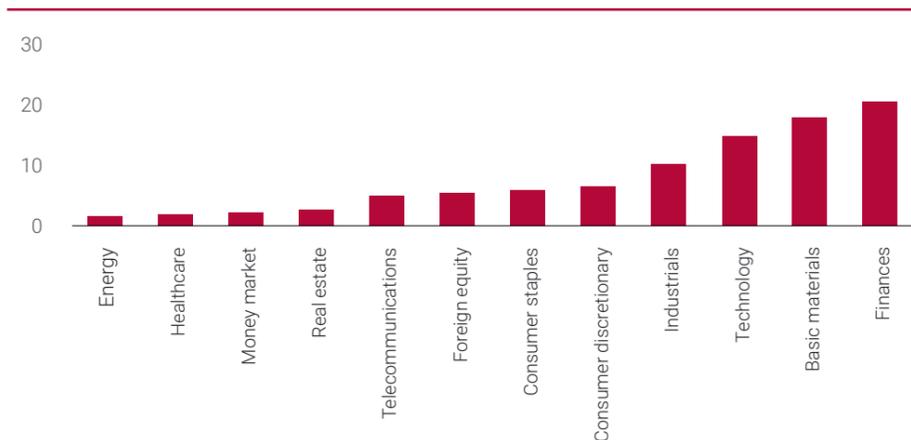
# Single Manager Funds

## Ashburton Equity Fund

Income distribution				
Declaration date	Dividend distribution (cpu)	Interest distribution (cpu)	REIT income (cpu)	Total distribution (cpu)
2023-06-30	13.30	0.33	0.66	14.30
2022-12-31	15.18	0.86	0.43	16.48
2022-06-30	13.12	0.23	0.37	13.73
2021-12-31	14.42	0.15	0.70	15.27

Source: Finswitch, Ashburton Fund Managers

### Sector allocation %



Source: Finswitch, Ashburton Fund Managers

### Largest holdings %

Naspers Limited-N SHS	9.59
FirstRand Limited	6.11
Anglo American PLC	4.55
MTN Group Limited	4.54
Prosus	4.03
Standard Bank Group Limited	3.97
Sanlam Limited	3.86
Global Leaders Equity USD	3.66
Gold Fields Limited	3.37
British American Tobacco PLC	3.06

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# Single Manager Funds

## Ashburton Balanced Fund

### Investment objectives and strategy

The fund's objective is to generate long-term, inflation-beating returns by investing across a wide range of domestic and international asset classes which include equities, bonds, property and credit instruments. The fund can have a maximum equity exposure of 75% and is limited to a maximum offshore exposure of 45%. The portfolio will be actively managed with exposure to various asset classes varied to reflect changing economic and market circumstances and maximise returns for investors. General market risks include a change in economic conditions, interest rate risk, share price volatility and a decline in property values. Where there is exposure to foreign investments, there may be additional risks, such as possible constraints on liquidity, currency, macroeconomic and political risks.

### Fund review

Global Asset Classes outperformed local asset classes during the past year with a resilient US economy, the largest capital market globally and a 14% depreciation the South African Rand contributing to strong returns from offshore. Globally Equities were up 37% in Rand terms assisted by the strong performance of technology shares, as illustrated by a 46% performance from the tech heavy Nasdaq index. The JSE Top 40 index delivered a pleasing 22% return led by strong performance by heavy weight industrial stocks. The more domestically focused Mid and small cap indices lagged, with load shedding and lack lustre economic growth weighing on performance. Bonds delivered an 8% return, which was disappointing. The fund has an overweight global exposure where we see pockets of value in global mega-caps. In South Africa, we are overweight SA bonds finding attractive real returns from the belly of the curve. We are expecting a global recession in 2024 and the fund is adequately diversified across all asset classes. After the strong returns delivered in the past year, we expect returns to be more subdued in the forthcoming year.

The fund's objective is to generate long-term, inflation-beating returns by investing across a wide range of domestic and international asset classes which include equities, bonds, property and credit instruments.

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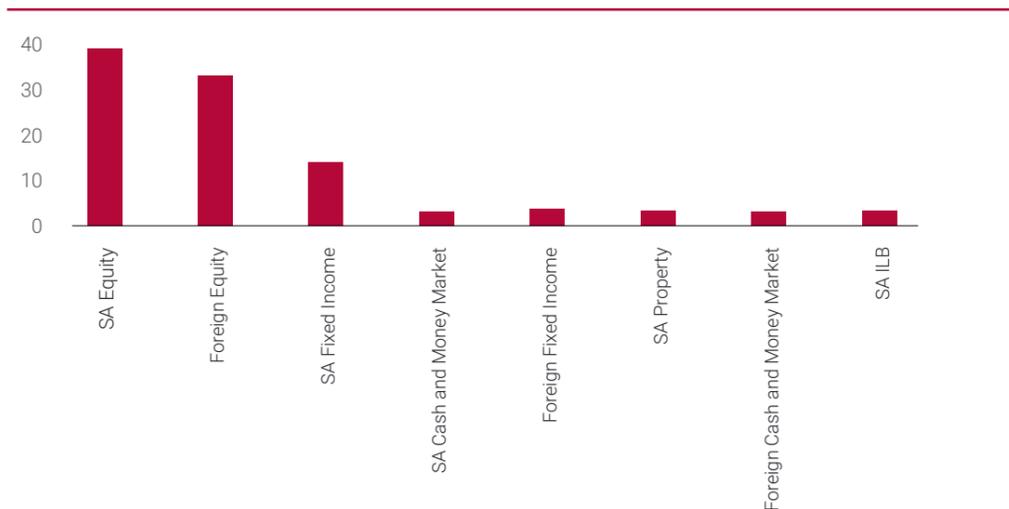
# Single Manager Funds

## Ashburton Balanced Fund

Income distribution				
Declaration date	Dividend distribution (cpu)	Interest distribution (cpu)	REIT income (cpu)	Total distribution (cpu)
2023-06-30	1.04	0.61	0.08	1.73
2022-12-31	1.14	0.41	0.08	1.63
2022-06-30	1.14	0.75	0.11	2.00
2021-12-31	0.97	0.69	0.13	1.79

Source: Finswitch, Ashburton Fund Managers

### Sector allocation %



Source: Finswitch, Ashburton Fund Managers

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# Single Manager Funds

## Ashburton Targeted Return Fund

### Investment objectives and strategy

The fund is a cautious, low equity fund. Its primary objective is to beat CPI by 3.5% over a rolling three-year period. The fund utilises asset allocation, currency diversification, credit inclusion, duration variation, and derivative strategies to source additional returns for the fund. The goal is to provide a single solution for the low-risk component of a portfolio or the destination for the conservative investor looking for the higher returns that can be obtained when a wide array of asset classes is available. The fund aims to achieve performance returns in excess of its benchmark and complies with regulations governing retirement funds. Risks include political, economic, interest rate risk, default risk as well as general market risk which could lead to an increase in bond, credit, currency, and equity risk. Portfolio operations and managers were restructured on 1 December 2020.

### Fund review

The Ashburton Targeted Return fund is emerging as one of the top contenders for success going forward. The fund has grown to over R1.2 billion and has consistently maintained good performance vs its peers and benchmark. This was repeated over the last 12 months with the fund returning 13.72% in the 12 months to the end of June, well in excess of both its peers and benchmark, which was set at 8.9% over the same period (CPI + 3.5%).

The fund managed this by meaningfully reducing its risk assets within the first half of 2023 while increasing high yielding assets and others likely to benefit from a high yield, falling inflation environment.

The fund remains a good long-term solution for the cautious and moderate investor with a 3 year + time horizon. The portfolio remains positioned conservatively, but will also provide good returns if the local and global economy recovers.

**The fund is a cautious, low equity fund. Its primary objective is to beat CPI by 3.5% over a rolling three-year period.**

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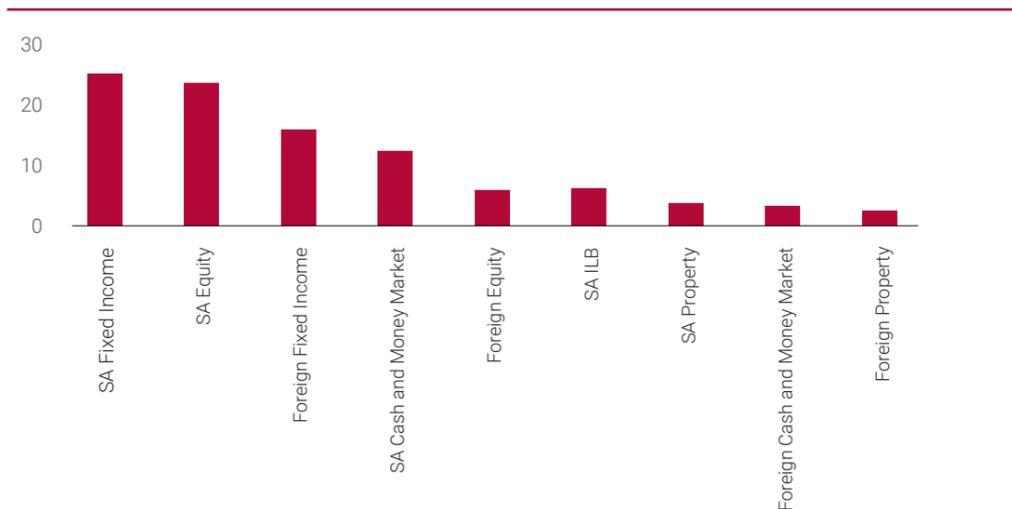
# Single Manager Funds

## Ashburton Targeted Return Fund

Income distribution				
Declaration date	Dividend distribution (cpu)	Interest distribution (cpu)	REIT income (cpu)	Total distribution (cpu)
2021-06-30	0.22	0.61	0.01	0.84
2021-03-31	0.10	0.65	0.05	0.80
2020-12-31	0.04	0.72	0.14	1.18
2020-09-30	0.30	0.74	0.02	1.06

Source: Finswitch, Ashburton Fund Managers

### Sector allocation %



Source: Finswitch, Ashburton Fund Managers

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# Single Manager Funds

## Ashburton SA Income Fund

### Investment objectives and strategy

The fund is a specialist portfolio focusing on high interest-bearing investments. It aims to provide relative capital stability, optimal income returns from interest-earning securities, and enhance returns through a combination of diversified fixed income strategies.

The fund includes a combination of bonds, fixed deposits and other interest-earning securities that have a fixed maturity date and either have a predetermined cash flow profile or are linked to benchmark yields. The fund does not invest in equity securities, real estate securities, or cumulative preference shares. The fund's duration is limited to a maximum of two years. Risks include political, economic, interest rate risk, default risk as well as general market risk which could lead to an increase in bond yields and credit risk.

### Fund review

The Ashburton SA Income Fund's AUM remained stable at R1.4 billion throughout the period. Over 12 months to June 2023, we saw nominal SA Government bonds sell off by 43 basis points (bps) on average while inflation-linked bonds (ILBs) sold off by 132 bps on average. The fund is mostly invested in the short-end to the belly of both the nominal and ILB curves, for the nominal bonds where the fund is mostly exposed, the sell off was 18 bps while for ILBs it was a weakening of 162 bps up to the belly. Duration play and curve positioning helped the fund as bonds were volatile, the All-Bond Index (ALBI) generated a total return of 8.23% and the Composite Inflation-Linked Index (CILI) delivered 1.16% over the 12-month period. In terms of the performance attribution, nominal carry was the main contributor and the fund invested in high-yielding floating rate notes (FRNs) over the period with direct credit exposure (excluding credit funds) being increased from 48.8% to 53.3%.

The fund was in the 1st quartile in the ASISA South African Interest Bearing Short Term category, outperforming the benchmark (STeFI Composite) by 2.07% gross of fees. It had a total return of 8.83% while the benchmark returned 6.76%.

**The fund is a specialist portfolio focusing on high interest-bearing investments. It aims to provide relative capital stability, optimal income returns from interest-earning securities, and enhance returns through a combination of diversified fixed income strategies.**

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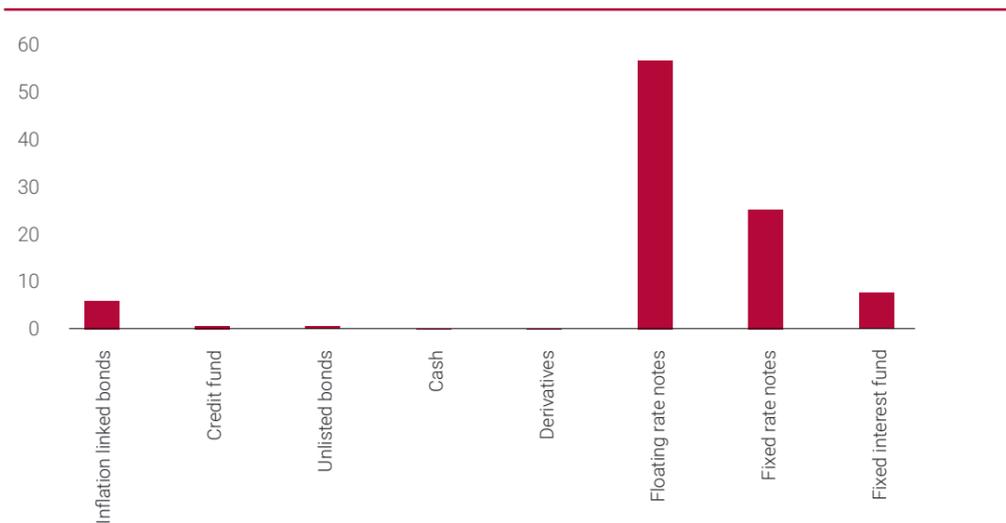
# Single Manager Funds

## Ashburton SA Income Fund

Income distribution				
Declaration date	Dividend distribution (cpu)	Interest distribution (cpu)	REIT income (cpu)	Total distribution (cpu)
2023-06-30	0.00	2.01	0.00	2.01
2022-12-31	0.00	1.68	0.00	1.68
2022-06-30	0.00	1.37	0.00	1.37
2021-12-31	0.00	1.28	0.00	1.28

Source: Finswitch, Ashburton Fund Managers

### Sector allocation %



Source: Finswitch, Ashburton Fund Managers

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# Single Manager Funds

## Ashburton Money Market Fund

### Investment objectives and strategy

The fund seeks to maximise interest income, preserve capital and provide immediate liquidity for investors. It invests in a diversified portfolio of money market instruments issued only by the big retail and investment banks, the RSA Government and AAA-rated international banks in South African rand. The maximum term of instruments included is limited to 13 months and the weighted average duration will not exceed three months. The only risks from this fund are reinvestment risk if interest rates fall, inflation risk as well as bank credit risk.

### Fund review

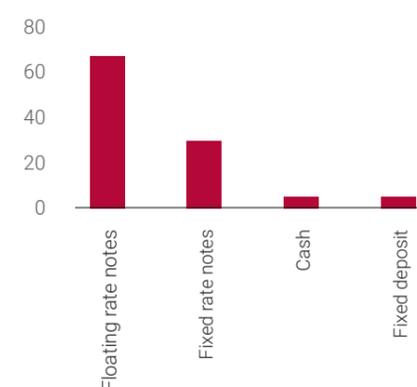
Globally, the themes of inflation, policy rate hikes by central banks and slow economic growth were evident throughout the year. Over the 12-month period to the end of June, the South African Reserve Bank (SARB) Monetary Policy Committee (MPC) has hiked rates by 125bps which took the repo rate to 8.25% and 3-month JIBAR to 8.50%. The rate hikes eased pressure on the elevated

inflation, we saw South Africa's June 2023 Consumer Price Index (CPI) come back within the target range to 5.40% year-on-year (y/y) from the 7.80% y/y peak we saw in July 2022. In terms of the South African money market curves, we saw both the treasury bill (T-Bill) curve and the Fixed Negotiable Certificate Deposits (NCDs) curve rise by over 210bps each due to the interest rate hikes. As of the end of June 2023, the 12-month T-Bill rate was at 9.51%, the NCD rate was at 9.60% and the 12-month floating rate notes (FRN) were at 9.10% (3-month JIBAR + 60bps).

It was exciting to see the Ashburton Money Market Fund ranked the second highest in terms of inflows for the year 2022, according to Morningstar data analysed by Citywire. In February 2023, the fund's assets under management (AUM) exceeded the R20 billion mark and has been hovering around there since then. Over the 12-month period under report, it grew by 31% from R13.8 billion to R18.2 billion as of the end of June. The fund was purchasing some FRNs over the period to take advantage of the rate hikes as FRNs reset every 3 months. This

increased the yield outlook of the fund as we saw gradual increases in the fund yield. As we started anticipating the end of a hiking cycle we locked in some fixed deposits and NCDs at attractive levels. The fund outperformed the benchmark (STeFI 3 Month NCD) by 1.12%, which was pleasing compared to our internal performance target of outperforming the benchmark by 0.50% over a rolling 12-month period. Over the year, the fund was in the 1st quartile within the ASISA SA Interest Bearing Money Market category and delivered a total gross return of 7.60% versus the 6.48% that the benchmark generated. GCR Ratings affirmed the Ashburton Money Market Fund's national scale fund rating at AA+(f)(ZA), with a stable outlook.

### Asset allocation



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# Single Manager Funds

## Ashburton Core Plus Income Fund

### Investment objectives and strategy

Investments will be made in instruments issued only by banks regulated by the South African Reserve Bank. The fund will only invest in senior bank-issued or guaranteed instruments and South African government issued or backed securities (SARB), excluding state owned entities. The fund will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act. All instruments will result in a weighted average duration that does not exceed 0.25. The fund will not have exposure to any corporate debt instruments.

### Fund review

The Ashburton Core Plus Income Fund was officially launched for clients in September 2022 as we saw demand from our corporate clients who don't want any corporate credit exposure that the Ashburton Stable Income Fund has, but they have the appetite for the extra yield coming

from longer-dated instruments greater than 13 months tenor which the money market fund is constrained to.

The fund's objective is to bridge the gap between the Money Market Fund and the Stable Income Fund, and it has a mandated maximum weighted average duration of 0.25 years. In October 2022, Citywire reported that the fund gained R2.2 billion in assets under management (AUM) within its first two months. The fund's AUM was at R4.2 billion as of the end of June and it only invests in the Big 5 SA senior bank-issued or guaranteed instruments. It also has the capacity to invest in AAA-rated international banks in South African Rand. The fund benefited from the repo rate hikes as 95% of its exposure is floating rate notes. Since inception for the ten months to June 2022, the fund outperformed the benchmark by 1.09% with a gross return of 6.92% versus the 5.83% that the benchmark (STeFI Composite) generated. GCR Ratings assigned the Ashburton Core Plus Income Fund a national scale fund rating of AA(f)(ZA), with a stable outlook.

**Investments will be made in instruments issued only by banks regulated by the South African Reserve Bank.**

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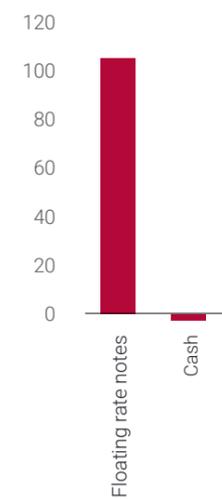
# Single Manager Funds

## Ashburton Core Plus Income Fund

Income distribution				
Declaration date	Dividend distribution (cpu)	Interest distribution (cpu)	REIT income (cpu)	Total distribution (cpu)
2023-06-30	0.00	0.71	0.00	0.71
2023-05-31	0.00	0.76	0.00	0.76
2023-04-28	0.00	0.62	0.00	0.62
2023-03-31	0.00	0.69	0.00	0.69

Source: Finswitch, Ashburton Fund Managers

### Sector allocation %



Source: Finswitch, Ashburton Fund Managers

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# Single Manager Funds

## Ashburton Bond Fund

### Investment objectives and strategy

The investment objective of the portfolio is to provide investors with well-diversified exposure to the South African bond market. The portfolio will provide a high level of income and seek to enhance investment returns by the active management of interest rate, credit, and duration risk. This portfolio seeks to outperform the JSE All Bond Index (ALBI) over a rolling 36-month period. The fund invests in high-yielding, interest-bearing securities including public, parastatal, municipal, and corporate bonds, inflationlinked bonds, loan stock, debentures, fixed deposits, and money market instruments. The fund has the flexibility to invest across the duration, credit, and yield spectrum. Risks include political, economic, interest rate risk, default risk, as well as general market risk which could lead to an increase in bond yields and credit risk.

### Fund review

The Ashburton bond fund had a great year to cap off a similar 3-year history. The fund outperformed its benchmark and most peers over both 1 and 3 years, returning 8.62% and 26.37% vs 8.23% and 24.58% respectively. The fund consistently placed in the top quartile within its category and continues to slowly raise assets. The bond space is very interesting at the moment, with very high yields and significant investor interest from institutional clients who are attracted by the high real yields in the space.

There will be a major push to increase assets in this fund while the performance remains attractive, and yields remain high. Increasingly SA investors are looking to replace local equity holdings with a combination of offshore equity and local fixed income.

The investment objective of the portfolio is to provide investors with well-diversified exposure to the South African bond market.

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# Single Manager Funds

## Ashburton Bond Fund

Income distribution				
Declaration date	Dividend distribution (cpu)	Interest distribution (cpu)	REIT income (cpu)	Total distribution (cpu)
2023-06-30	0.00	3.49	0.00	3.49
2022-12-31	0.00	3.47	0.00	3.47
2022-06-30	0.00	3.48	0.00	3.48
2021-12-31	0.00	3.48	0.00	3.48

Source: Finswitch, Ashburton Fund Managers

### Sector allocation %



Source: Finswitch, Ashburton Fund Managers

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# Single Manager Funds

## Ashburton Property Fund

### Investment objectives and strategy

The Ashburton Property Fund aims to provide investors with income and capital growth from investing in JSE listed property companies. It has an aggressive risk profile and volatility of capital values can happen over the short term. The fund invests in assets in liquid form, JSE listed property shares, collective investment schemes in property and property loan stock. It is also allowed to invest in listed and unlisted financial instruments. The exposure to property ranges between 80% and 100%. The manager is allowed to invest on behalf of the portfolio in offshore investments as permitted by legislation. General market risks include changes in economic environment, interest rates, long-term bond yields as well foreign exchange rates.

### Fund review

The Ashburton Property Fund has gained 6.24% (retail class) after fees over the one-year period to 30 June 2023 and has underperformed the SA Listed Property Index benchmark return of +10.00%. Assets under management amounted to R405m.

The listed property sector's post Covid-19 recovery continued, exhibited by improvements in net rental income, reversions, vacancies as well as turnover metrics within retail centres. Property valuations have also shown some stability. The recovery has however been stalled by negative sentiment due to broader global economic challenges brought upon by geopolitical tensions. These challenges include economic growth concerns, high inflation as well a higher interest rate environment.

**The Ashburton Property Fund aims to provide investors with income and capital growth from investing in JSE listed property companies.**

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## Ashburton Property Fund

Locally, this was also exacerbated by rampant loadshedding which was experienced towards the end of 2022 and into the 1st quarter of 2023, another growth inhibitor which has also led to further increases in operating costs. We do however highlight that loadshedding does present some opportunities for the sector to further diversify their energy mix and increase exposure to renewable energy projects. These ambitious projects also offer potentially attractive returns and will also result in some level of operational resilience.

**Some of the headwind the sector is facing include margin pressure persistence due to operating costs which are escalating above top-line rental growth rates.**

Growth challenges to GDP as well as retail turnover. Increasing occupancy costs to tenants as a result of loadshedding. Despite prudent hedging, the increase in funding costs globally will also dilute earnings as debt expiries roll-over.

Most of the counters that performed well over the period have a high level of offshore exposure which included Nepi-Rockcastle, Hammerson, Sirius and MAS Real Estate. Corporate action was another driver of good returns. Case in point is the appreciation in the share price of Attacq as a result of the GEPF's acquisition of a 30% stake in its subsidiary Attacq Waterfall City Investment Company (AWIC).

The potential for further corporate action is expected to continue given where most of these shares are trading relative to history. Equites, Investec Property Fund and Resilient were amongst the poor performers over the period.

We remain underweight the office sectors due to weaker long-term structural fundamentals and overweight local retail as well as industrial / warehouse exposure. Within local retail, we like exposure to non-urban retail centres which are expected to remain resilient despite local economic challenges. We still retain our bias towards counters with sound balance sheet and liquidity metrics.

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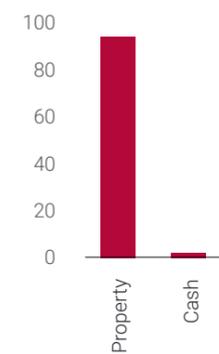
# Single Manager Funds

## Ashburton Property Fund

Income distribution				
Declaration date	Dividend distribution (cpu)	Interest distribution (cpu)	REIT income (cpu)	Total distribution (cpu)
2023-06-30	0.04	0.00	1.04	1.08
2022-12-31	0.02	0.02	1.06	1.10
2022-06-30	0.02	0.04	1.04	1.10
2021-12-31	0.13	0.00	0.04	0.17

Source: Finswitch, Ashburton Fund Managers

### Sector allocation %



Source: Finswitch, Ashburton Fund Managers

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# Single Manager Funds

## Ashburton Diversified Income Fund

### Investment objectives and strategy

The Ashburton Diversified Income Fund is an actively managed income solution. The primary objective is to utilise the entire opportunity set available to funds in its category. It uses asset allocation, currency diversification, credit inclusion, duration variation, and derivative strategies to source additional returns for the fund. The goal is to provide a single solution for the fixed income component of a portfolio or be the destination for the conservative investor looking for higher returns than can be attained in other income portfolios. The fund aims to achieve performance returns significantly in excess of money market funds and current account yields. The fund will comply with regulations governing retirement funds. Risks include political, economic, interest rate risk, default risk and general market risk which could lead to an increase in bond yields and credit risk.

### Fund review

The Ashburton Diversified Income fund remains a great place for the conservative investor to consider for long term use. Over the 12 months to the end of June 2023 the fund outperformed both cash and bonds alongside its benchmark. Over this period the All Bond Total Return Index (ALBI) yielded 8.23% compared to the 9.92% by the fund over the same period. It managed this at significantly lower levels of volatility to the client. The fund managed this by actively varying both asset allocation, yield curve positioning, currency exposure and hedging alongside instrument selection.

While the fund did not meaningfully increase in assets under management, we maintain that it remains a great solution for a large proportion of our client base and are excited about its potential. It should be ideal for clients with a two year or longer time horizon.

**The Ashburton Diversified Income Fund is an actively managed income solution. The primary objective is to utilise the entire opportunity set available to funds in its category.**

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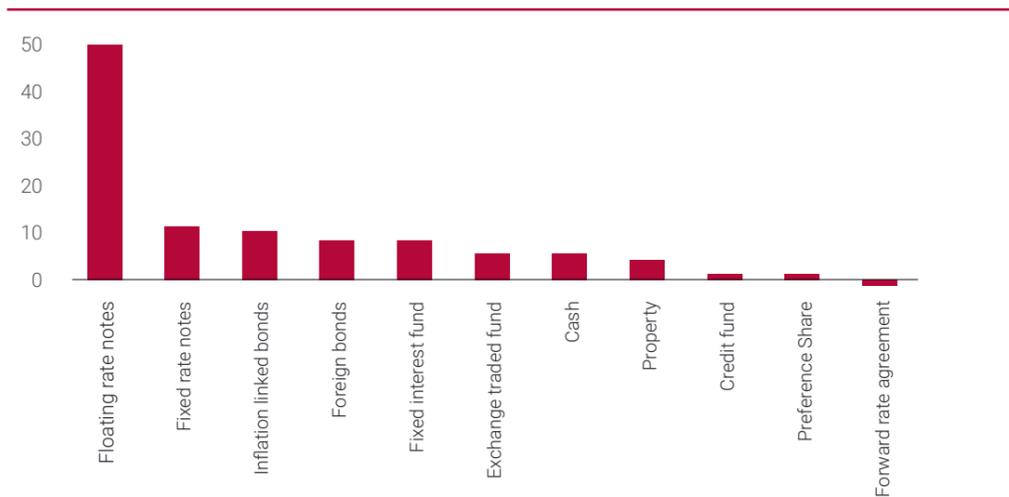
# Single Manager Funds

## Ashburton Diversified Income Fund

Income distribution				
Declaration date	Dividend distribution (cpu)	Interest distribution (cpu)	REIT income (cpu)	Total distribution (cpu)
2023-06-30	0.01	1.62	0.00	1.63
2022-12-31	0.02	1.31	0.02	1.35
2022-06-30	0.01	0.86	0.00	0.86
2021-12-31	0.03	0.87	0.03	0.93

Source: Finswitch, Ashburton Fund Managers

### Sector allocation %



Source: Finswitch, Ashburton Fund Managers

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# Single Manager Funds

## Ashburton Stable Income Fund

### Investment objectives and strategy

The Ashburton Stable Income Fund is an actively managed cash fund that is designed to deliver returns that are higher than those of a traditional money market unit trust fund. This fund differs from a money market fund due to the fact that the investment manager is able to invest in income generating instruments with a longer maturity than that of a traditional money market fund. The fund complies with regulations governing retirement funds. The investment objective of the portfolio is to maximise the current level of income within the restrictions set out in the investment policy while providing high capital stability. The portfolio aims to achieve performance returns in excess of money market yield and current account yields. Risks include political, economic, interest rate risk, default risk and general market risk which could lead to an increase in bond yields and credit risk.

### Fund review

The Ashburton Stable income remains one of the best performing and most popular funds within the business. The assets under management grew significantly over the last 12 months to R21.5 billion from R18.5. This is due to a great distribution effort to a wide range of clients alongside performance well in excess of benchmark and above peers.

The fund maintains a very attractive risk and return profile alongside having its official rating by GCR confirmed at AA.za(f).

Over the last 12 months the fund returned 7.84% in its primary retail class after fees vs 6.76%, resulting in an almost 1.1% outperformance of the benchmark.

The fund remains conservatively positioned and is focused on preservation of capital and liquidity provision for its clients.

**The Ashburton Stable Income Fund is an actively managed cash fund that is designed to deliver returns that are higher than those of a traditional money market unit trust fund.**

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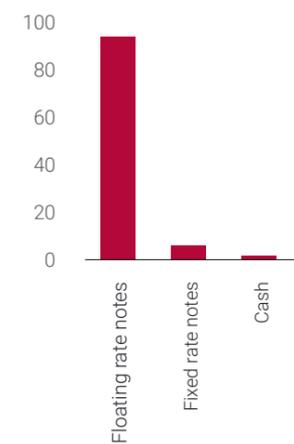
# Single Manager Funds

## Ashburton Stable Income Fund

Income distribution				
Declaration date	Dividend distribution (cpu)	Interest distribution (cpu)	REIT income (cpu)	Total distribution (cpu)
2023-06-30	0.00	0.69	0.00	0.69
2023-05-31	0.00	0.71	0.00	0.71
2023-04-28	0.00	0.66	0.00	0.66
2023-03-31	0.00	0.64	0.00	0.64

Source: Finswitch, Ashburton Fund Managers

### Sector allocation %



Source: Finswitch, Ashburton Fund Managers

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# Single Manager Funds

## Ashburton Global Leaders ZAR Equity Feeder Fund

### Investment objectives and strategy

The Ashburton Global Leaders ZAR Equity Feeder Fund aims to maximise risk-adjusted returns over the long term, while preserving capital regardless of market conditions. It achieves this by investing in companies whose primary source of income is from, or whose major assets are based in countries worldwide. The fund consists solely of participatory interests in the Global Leaders Equity Fund, which in turn invests principally in quoted large cap equity securities around the world. Risks include market risk, stock selection risk, corporate fraud, liquidity risk, macroeconomic risk, political risk, and exchange rate risk.

### Fund review

For the period under review, the Ashburton Global Leaders ZAR Equity Feeder Fund returned 22.7% against the Global Large-Cap blend equity peer group return of 24.7% in rand terms. The fund has a quality, mega-cap focus and therefore tends to underperform in rapidly rising markets, however, it is more defensive in falling markets.

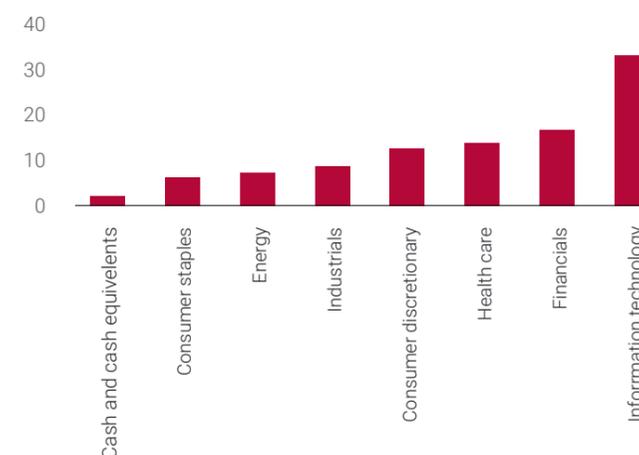
Global equity markets declined for most of the first half of the year off the back of high inflation, rising interest rates, and a general deterioration in economic conditions globally. The Fund was positioned defensively over this period, with very little direct exposure to Banks. The Fund's overweight Consumer Discretionary position consisted mainly of stocks in defensive sectors such as Luxury which performed well over the period, or stocks where we believe the price is attractive even considering the economic environment, such as Alibaba. The Fund remains overweight the Oil and Gas sector, a position which added to Fund performance during the year.

Markets recovered into the second half of the year as inflation slowed and with the expectations of peak interest rates approaching. The team took advantage of concern within the banking sector to establish a position in Charles Schwab whose share price had fallen to what we believed to be attractive price levels. The company is a quality, well capitalised financial institution with strong management which we expect to weather the current economic environment.

The Fund also established a position in Siemens which trades at an attractive valuation relative to its peers and will benefit from the strong secular tailwinds of automation and electrification. Due to continued strong performance from Eaton, its relatively high weighting in the Fund was reduced in favour of adding this quality, well positioned Industrial. The Fund's position in Comcast was exited. Although we still believe the shares offer value, we were not comfortable with the vast amount of capital that the company is investing in its streaming service over the next few years.

The fund ended the period with assets under management of R409 million.

### Sector allocation



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# Tracker Funds

## Ashburton Govi Tracker Fund

### Investment objectives and strategy

The Ashburton GOVI Tracker Fund aims to replicate the performance of the FTSE/JSE All Bond Government Index, thus providing investors with cost-effective exposure to a diversified portfolio of government bonds. The GOVI index comprises the top 10 RSA bonds in the FTSE/JSE All Bond Index (ALBI) universe. The fund invests in the component bonds of the index in proportion to their weightings.

The index performance and constituents are fully replicated within the fund, resulting in minimal tracking errors in the most cost-efficient manner. The investment process ensures that the full economic performance of the fund is in line with that of the index by buying only constituent securities in the same weightings in which they are included in the index and selling only securities

which are excluded from the index. The fund has exposure to government bonds, and as a result risks include, but are not limited to default risk, interest rate risk, inflation risk, market volatility, economic and political risk.

### Fund review

For the 12-month period ended 30 June 2023, the fund delivered a return of 7.62% after fees and administrative expenses, relative to the GOVI Index performance of 8.18%.

Assets under management (AUM) decreased by 4% to R235.96 million. Income distributions are done on a bi-annually basis (June, December). The portfolio is rebalanced monthly and reconstituted on a quarterly basis in line with the benchmark index.

**The GOVI index comprises the top 10 RSA bonds in the FTSE/JSE All Bond Index (ALBI) universe. The fund invests in the component bonds of the index in proportion to their weightings.**

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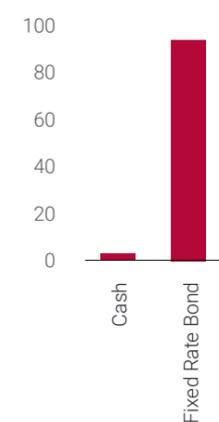
# Tracker Funds

## Ashburton Govi Tracker Fund

Income distribution				
Declaration date	Dividend distribution (cpu)	Interest distribution (cpu)	REIT income (cpu)	Total distribution (cpu)
2023-06-30	0.00	4.41	0.00	4.41
2022-12-30	0.00	4.44	0.00	4.44
2022-06-30	0.00	4.38	0.00	4.38
2021-12-31	0.00	4.37	0.00	4.37

Source: Finswitch, Ashburton Fund Managers

### Sector allocation %



Source: Ashburton Fund Managers

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<b>Funds</b>	<b>Annual management fee (incl. VAT)</b>	<b>Total expense ratio</b>
Ashburton Equity Fund	1.15%	1.25%
Ashburton Balanced Fund	1.15%	1.50%
Ashburton Money Market Fund	0.35%	0.36%
Ashburton SA Income Fund	0.75%	0.74%
Ashburton Targeted Return Fund	0.92%	0.96%
Ashburton Global Flexible Fund	1.73%	1.75%
Ashburton Stable Income Fund	0.52%	0.50%
Ashburton Diversified Income Fund	1.15%	1.24%
Ashburton Property Fund	1.27%	1.29%
Ashburton Bond Fund	0.98%	0.97%
Ashburton Global Leaders ZAR Equity Feeder Fund	0.63%	1.72%
Ashburton Core Plus Income Fund	0.46%	0.49%
FNB Government Inflation Linked Bond ETF	0.15%	0.23%
FNB Top40 ETF	0.10%	0.13%
FNB Midcap ETF	0.50%	0.60%
FNB World Government Bond ETF	0.39%	0.65%
FNB Global 1200 Equity Fund of Funds ETF	0.29%	0.33%
Ashburton GOVI Tracker Fund	0.35%	0.41%

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A man and a woman in business attire are standing on a modern office balcony, looking at a tablet together. The man is on the left, wearing a dark suit and glasses, and the woman is on the right, wearing a dark suit. They are both smiling and appear to be in a professional discussion. The balcony has a glass railing and a large window in the background. The overall atmosphere is bright and professional.

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## Traditional Fixed Income

	AUM (Rm)	Time horizon	YTD	1 month	3 months	6 months	1 year	2 years	3 years	5 years	Since inception*
<b>Ashburton Money Market</b>	<b>18 151.8</b>	<b>1 Year</b>	<b>3.87</b>	<b>0.69</b>	<b>2.01</b>	<b>3.87</b>	<b>7.19</b>	<b>5.77</b>	<b>5.17</b>	<b>6.04</b>	<b>6.82</b>
STeFI 3 Month NCD ZAR			3.60	0.63	1.86	3.60	6.48	5.14	4.61	5.43	6.44
Excess vs BMK			0.27	0.06	0.15	0.27	0.71	0.62	0.56	0.61	0.38
(ASISA) South African IB Money Market			3.36	0.58	1.75	3.36	6.25	5.08	4.73	5.72	6.71
Excess vs Peers			0.51	0.11	0.26	0.51	0.95	0.69	0.43	0.32	0.10
Quartile			1	1	1	1	1	1	2	2	2
<b>Ashburton Stable Income</b>	<b>21 561.9</b>	<b>1 Year</b>	<b>4.32</b>	<b>0.79</b>	<b>2.23</b>	<b>4.32</b>	<b>7.85</b>	<b>6.56</b>	<b>6.19</b>	<b>6.81</b>	<b>6.63</b>
STeFI Composite ZAR			3.70	0.65	1.92	3.70	6.76	5.47	4.98	5.82	6.37
Excess vs BMK			0.62	0.14	0.31	0.62	1.08	1.09	1.21	0.99	0.26
(ASISA) South African IB Short Term			3.92	0.96	1.75	3.92	7.51	6.16	5.94	6.68	7.04
Excess vs Peers			0.39	-0.17	0.47	0.39	0.33	0.40	0.25	0.12	-0.41
Quartile			2	3	1	2	2	1	2	1	4

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# Traditional Fixed Income

	<b>AUM (Rm)</b>	<b>Time horizon</b>	<b>YTD</b>	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>5 years</b>	<b>Since inception*</b>
<b>Ashburton SA Income</b>	<b>1 399.7</b>	<b>1 Year</b>	<b>4.10</b>	<b>1.65</b>	<b>1.78</b>	<b>4.10</b>	<b>8.04</b>	<b>6.50</b>	<b>6.11</b>	<b>6.52</b>	<b>7.05</b>
STeFI Composite ZAR			3.70	0.65	1.92	3.70	6.76	5.47	4.98	5.82	6.14
Excess vs BMK			0.40	1.00	-0.14	0.40	1.28	1.03	1.13	0.71	0.90
(ASISA) South African IB Short Term			3.92	0.96	1.75	3.92	7.51	6.16	5.94	6.68	6.85
Excess vs Peers			0.18	0.69	0.03	0.18	0.53	0.34	0.17	-0.16	0.20
Quartile			3	1	4	3	2	1	2	3	2
<b>Ashburton Bond</b>	<b>1 255.1</b>	<b>3 Years</b>	<b>1.93</b>	<b>5.05</b>	<b>-1.82</b>	<b>1.93</b>	<b>8.27</b>	<b>4.76</b>	<b>7.77</b>	<b>6.97</b>	<b>7.05</b>
FTSE/JSE All Bond TR ZAR			1.81	4.58	-1.53	1.81	8.23	4.69	7.60	7.40	7.36
Excess vs BMK			0.12	0.47	-0.29	0.12	0.03	0.07	0.16	-0.42	-0.31
(ASISA) South African IB Variable Term			1.15	4.13	-1.44	1.15	5.98	4.23	7.26	6.63	6.52
Excess vs Peers			0.78	0.92	-0.39	0.78	2.28	0.53	0.51	0.34	0.52
Quartile			1	1	3	1	1	2	2	2	2

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## Traditional Fixed Income

	<b>AUM (Rm)</b>	<b>Time horizon</b>	<b>YTD</b>	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>5 years</b>	<b>Since inception*</b>
<b>Ashburton Diversified Income</b>	<b>391.0</b>	<b>3 Years</b>	<b>4.28</b>	<b>1.30</b>	<b>1.53</b>	<b>4.28</b>	<b>9.45</b>	<b>6.96</b>	<b>7.46</b>	<b>7.20</b>	<b>7.21</b>
Benchmark 2: 110% of Stefi Composite ZAR			4.12	0.71	2.15	4.12	7.45	6.02	5.49	6.41	6.50
Excess vs BMK			0.16	0.59	-0.62	0.16	2.00	0.94	1.97	0.79	0.71
Peer Group Average : (ASISA) South African MA Income			3.65	1.62	1.36	3.65	7.97	6.34	6.68	6.78	6.78
Excess vs Peers			0.63	-0.32	0.17	0.63	1.48	0.62	0.78	0.42	0.43
Quartile			1	4	2	1	1	1	1	1	2
<b>Ashburton GOVI Tracker L</b>	<b>235.0</b>	<b>2 Years</b>	<b>1.81</b>	<b>4.61</b>	<b>-1.53</b>	<b>1.81</b>	<b>8.18</b>	<b>4.10</b>	<b>7.50</b>	<b>7.25</b>	<b>7.36</b>
Ashburton GOVI Tracker A (Gross)			1.81	4.57	-1.50	1.81	8.08	4.55	7.48	7.36	7.07
Benchmark 1: FTSE/JSE ALB GOV TR ZAR			1.78	4.61	-1.53	1.78	8.18	4.59	7.50	7.25	6.97
Tracking Difference vs BMK (Gross)			0.03	-0.05	0.04	0.03	-0.10	-0.04	-0.02	0.11	0.10

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# Multi Asset and Equity

	<b>AUM (Rm)</b>	<b>Time horizon</b>	<b>YTD</b>	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>5 years</b>	<b>Since inception*</b>
<b>Ashburton Balanced</b>	<b>383.6</b>	<b>5 Years</b>	<b>7.49</b>	<b>1.35</b>	<b>4.05</b>	<b>7.49</b>	<b>14.81</b>	<b>9.36</b>	<b>10.55</b>	<b>6.62</b>	<b>7.57</b>
MV weighted average return MA High Equity			7.36	1.00	2.82	7.36	15.92	10.21	13.04	7.94	8.20
Excess vs BMK			0.13	0.35	1.23	0.13	-1.11	-0.85	-2.49	-1.32	-0.63
(ASISA) South African MA High Equity			7.36	1.27	2.98	7.36	14.66	8.59	11.42	7.49	7.62
Excess vs Peers			0.13	0.08	1.07	0.13	0.15	0.78	-0.87	-0.87	-0.04
Quartile			2	2	1	2	2	2	3	4	2
<b>Ashburton Equity</b>	<b>565.9</b>	<b>5 Years</b>	<b>2.89</b>	<b>4.60</b>	<b>1.55</b>	<b>2.89</b>	<b>14.23</b>	<b>10.93</b>	<b>12.73</b>	<b>5.44</b>	<b>9.13</b>
Equity Fund BM Comp			3.63	3.84	1.16	3.63	14.42	9.45	14.43	8.63	10.65
Excess vs BMK			-0.74	0.77	0.40	-0.74	-0.19	1.48	-1.71	-3.19	-1.52
(ASISA) South African EQ General			3.08	2.63	0.80	3.08	12.25	9.28	14.29	6.97	8.30
Excess vs Peers			-0.19	1.97	0.75	-0.19	1.98	1.65	-1.56	-1.53	0.83
Quartile			3	1	2	3	2	2	3	4	2
<b>Ashburton Property</b>	<b>404.8</b>	<b>5 Years</b>	<b>-4.71</b>	<b>0.77</b>	<b>0.33</b>	<b>-4.71</b>	<b>6.24</b>	<b>2.84</b>	<b>8.10</b>	<b>-5.28</b>	<b>-8.28</b>
FTSE/JSE SA Listed Property TR ZAR			-4.42	0.92	0.66	-4.42	10.00	5.00	11.34	-3.55	-6.17
Excess vs BMK			-0.28	-0.15	-0.33	-0.28	-3.76	-2.16	-3.24	-1.73	-2.11
(ASISA) South African RE General			-4.69	0.36	0.57	-4.69	7.26	3.53	10.03	-3.88	-6.08
Excess vs Peers			-0.02	0.41	-0.25	-0.02	-1.02	-0.68	-1.93	-1.40	-2.21
Quartile			3	1	4	3	3	3	4	4	4

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	<b>AUM (Rm)</b>	<b>Time horizon</b>	<b>YTD</b>	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>5 years</b>	<b>Since inception*</b>
<b>Ashburton Targeted Return</b>	<b>1 194.1</b>	<b>3 Years</b>	<b>6.36</b>	<b>1.90</b>	<b>2.22</b>	<b>6.36</b>	<b>13.60</b>	<b>8.38</b>	<b>9.20</b>	<b>5.23</b>	<b>6.65</b>
Benchmark 3: CPI + 3.5% (1 month lag)			4.31	0.46	2.40	4.31	9.81	9.93	9.51	8.40	8.67
Excess vs BMK			2.04	1.44	-0.18	2.04	3.79	-1.55	-0.31	-3.17	-2.02
(ASISA) South African MA Low Equity			5.80	1.34	2.14	5.80	11.48	7.17	8.39	6.76	7.51
Excess vs Peers			0.56	0.56	0.08	0.56	2.11	1.21	0.81	-1.53	-0.85
Quartile			2	1	2	2	1	1	1	4	4
<b>Ashburton Global Flexible</b>	<b>381.4</b>	<b>1 Year</b>	<b>18.47</b>	<b>-2.06</b>	<b>8.69</b>	<b>18.47</b>	<b>19.02</b>	<b>8.41</b>	<b>6.40</b>	<b>8.18</b>	<b>9.15</b>
Benchmark 1: Ashburton Global Flexible Fund BM			21.18	-1.30	9.77	21.18	25.68	10.18	7.09	11.56	12.20
Excess vs BMK			-2.71	-0.76	-1.08	-2.71	-6.67	-1.77	-0.70	-3.38	-3.05
Benchmark 1: (ASISA) Global MA High Equity			18.38	-2.37	8.51	18.38	22.81	9.33	7.67	9.58	8.92
Excess vs Peers			0.09	0.32	0.18	0.09	-3.79	-0.92	-1.27	-1.40	0.23
Quartile			2	2	3	2	3	2	2	3	4

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# Multi Asset and Equity

	<b>AUM (Rm)</b>	<b>Time horizon</b>	<b>YTD</b>	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>5 years</b>	<b>Since inception*</b>
<b>Ashburton Global Leaders ZAR Eq FF</b>	<b>409.0</b>	<b>5 Years</b>	<b>22.78</b>	<b>-1.60</b>	<b>12.24</b>	<b>22.78</b>	<b>29.63</b>	<b>11.05</b>	<b>10.38</b>	<b>N/A</b>	<b>0.00</b>
Benchmark 1: FTSE All World TR ZAR			26.56	0.78	13.16	26.56	34.85	14.51	14.63	15.77	15.34
Excess vs BMK			-3.78	-2.38	-0.91	-3.78	-5.22	-3.46	-4.25	-15.77	-15.34
Benchmark 2: EAA Fund Global Large-Cap Blend Equity			24.68	0.09	11.91	24.68	32.91	11.97	12.03	12.79	12.61
Excess vs Peers			-1.89	-1.68	0.34	-1.89	-3.28	-0.92	-1.64	-12.79	-12.61
Quartile			3	4	2	3	3	3	3	0	

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\*Past performance is not necessarily an indication of future performance. Source: Morningstar; Ashburton Fund Managers.

\*Inception returns exclude the part period return of the initial month

\*Equity Fund Comp Benchmark is a combination of FTSE/JSE ALL Share since Inception to August 2022 and subsequently FTSE/JSE Capped Swix

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## Statement of Comprehensive Income

For the Year Ended 30 June 2023

	<b>Ashburton Equity Fund</b>	<b>Ashburton Balanced Fund</b>	<b>Ashburton Targeted Return</b>	<b>Ashburton SA Income Fund</b>	<b>Ashburton Stable Income Fund</b>
Income	24 232 750	13 140 483	54 481 823	116 473 131	1 586 606 537
Expenditure	(1 829 735)	(2 943 266)	(1 943 655)	(8 500 480)	(77 266 234)
Fair value gains / (losses)	51 736 654	42 033 832	95 216 003	10 183 454	19 212 367
<b>Net income / (loss) for the period</b>	<b>74 139 669</b>	<b>52 231 049</b>	<b>147 754 171</b>	<b>118 156 105</b>	<b>1 528 552 670</b>

	<b>Ashburton Diversified Income Fund</b>	<b>Ashburton Money Market Fund</b>	<b>Ashburton Global Flexible Fund</b>	<b>Ashburton Property Fund</b>	<b>Ashburton Bond Fund</b>
Income	30 715 892	1 343 599 214	3 021 456	32 224 618	93 675 110
Expenditure	(3 747 510)	(37 923 406)	(3 426 704)	(131 051)	(19 750)
Fair value gains / (losses)	20 517 187	18 732 243	69 793 114	323 260	24 230 996
<b>Net income / (loss) for the period</b>	<b>47 485 569</b>	<b>1 324 408 051</b>	<b>69 387 866</b>	<b>32 416 827</b>	<b>117 886 356</b>

	<b>Ashburton Core Income Plus Fund</b>	<b>Ashburton GOVI Tracker Fund</b>	<b>Ashburton Africa Equity Fund</b>	<b>Ashburton Global Leaders ZAR Equity Feeder Fund</b>
Income	208 526 131	24 368 686	-	(25 715)
Expenditure	(3 964 405)	(167 513)	-	(2 024 628)
Fair value gains / (losses)	1 335 539	(5 111 756)	-	95 858 398
<b>Net income / (loss) for the period</b>	<b>205 897 265</b>	<b>19 089 417</b>	<b>-</b>	<b>93 808 055</b>

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## Statement of Financial Position

### Single Manager Funds

As at 30 June 2023

	Ashburton Equity Fund	Ashburton Balanced Fund	Ashburton Targeted Return	Ashburton SA Income Fund	Ashburton Stable Income Fund	Ashburton Diversified Income Fund
<b>Assets</b>						
Investments designated at fair value through profit or loss	566 659 142	374 175 343	1 157 445 752	1 416 112 930	21 513 799 618	21 513 799 618
Trade and other receivables	6 605 655	945 165	16 841	4 071 266	21 199	21 199
Cash and cash equivalents	1 187 781	9 711 531	36 881 543	271 429	55 324 375	55 324 375
<b>Total assets</b>	<b>574 452 578</b>	<b>384 832 039</b>	<b>1 194 344 136</b>	<b>1 420 455 625</b>	<b>21 569 145 192</b>	<b>21 569 145 192</b>

	Ashburton Money Market Fund	Ashburton Global Flexible Fund	Ashburton Property Fund	Ashburton Bond Fund	Ashburton Core Plus Income Fund
<b>Assets</b>					
Investments designated at fair value through profit or loss	18 297 566 307	449 358 409	398 699 121	1 254 680 347	1 254 680 347
Trade and other receivables	81 751	376 387 323	1 182 508	1 397	1 397
Cash and cash equivalents	155 324	2 972 205	4 906 465	542 822	542 822
<b>Total assets</b>	<b>18 297 803 382</b>	<b>828 717 937</b>	<b>404 788 094</b>	<b>1 255 224 566</b>	<b>1 255 224 566</b>

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## Statement of Financial Position

### Tracker Fund

As at 30 June 2023

	<b>Ashburton GOVI Tracker Fund</b>
<b>Assets</b>	
Investments designated at fair value through profit or loss	233 203 216
Trade and other receivables	3 885 945
Cash and cash equivalents	-
<b>Total assets</b>	<b>237 089 161</b>

### Feeder Funds

As at 30 June 2023

	<b>Ashburton Africa Equity Opportunities Feeder Fund</b>	<b>Ashburton Global Leaders ZAR Equity Feeder Fund</b>
<b>Assets</b>		
Investments designated at fair value through profit or loss	-	409 167 396
Trade and other receivables	2	8
Cash and cash equivalents	589	43 804
<b>Total assets</b>	<b>591</b>	<b>409 211 208</b>

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## Statement of Financial Position

### Single Manager Funds

As at 30 June 2023

	Ashburton Equity Fund	Ashburton Balanced Fund	Ashburton Targeted Return	Ashburton SA Income Fund	Ashburton Stable Income Fund	Ashburton Diversified Income Fund
<b>Liabilities</b>						
Net assets attributable to participatory interest holders	565 931 247	383 563 687	1 194 115 906	1 399 700 846	21 561 876 376	390 978 689
Trade and other receivables	8 521 331	1 268 352	228 230	20 754 779	7 268 816	313 574
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Bank Overdraft	-	-	-	-	-	-
<b>Total liabilities</b>	<b>574 452 578</b>	<b>384 832 039</b>	<b>1 194 344 136</b>	<b>1 420 455 625</b>	<b>21 569 145 192</b>	<b>391 292 263</b>

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## Statement of Financial Position

### Single Manager Funds

As at 30 June 2023

	Ashburton Money Market Fund	Ashburton Global Flexible Fund	Ashburton Property Fund	Ashburton Bond Fund	Ashburton Core Plus Income Fund
<b>Liabilities</b>					
Net assets attributable to participatory interest holders	18 151 815 186	381 418 691	404 786 570	1 255 096 772	4 155 536 658
Trade and other receivables	145 988 196	98 526 134	1 524	127 794	550 396
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Bank Overdraft	-	348 773 112	-	-	200 048 863
<b>Total liabilities</b>	<b>18 297 803 382</b>	<b>828 717 937</b>	<b>404 788 094</b>	<b>1 255 224 566</b>	<b>4 356 135 917</b>

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## Statement of Financial Position

### Tracker Fund

As at 30 June 2023

	<b>Ashburton GOVI Tracker Fund</b>
<b>Liabilities</b>	
Net assets attributable to participatory interest holders	235 956 702
Trade and other receivables	88 999
Financial liabilities at fair value through profit or loss	-
Bank Overdraft	1 043 460
<b>Total liabilities</b>	<b>237 089 161</b>

### Feeder Funds

As at 30 June 2023

	<b>Ashburton Africa Equity Opportunities Feeder Fund</b>	<b>Ashburton Global Leaders ZAR Equity Feeder Fund</b>
<b>Liabilities</b>		
Net assets attributable to participatory interest holders	591	409 034 407
Trade and other receivables	-	176 801
Financial liabilities at fair value through profit or loss	-	-
Bank Overdraft	-	-
<b>Total liabilities</b>	<b>591</b>	<b>409 211 208</b>

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## Distributions to Unit Holders

For the Year Ended 30 June 2023

	Ashburton Equity Fund	Ashburton Balanced Fund	Ashburton Targeted Return	Ashburton SA Income Fund	Ashburton Stable Income Fund
31 July 2022	-	-	-	-	0.47
31 August 2022	-	-	-	-	0.52
30 September 2022	-	-	1.27	1.53	0.50
31 October 2022	-	-	-	-	0.59
30 November 2022	-	-	-	-	0.56
31 December 2022	14.65	1.63	1.21	1.68	0.59
31 January 2023	-	-	-	-	0.71
28 February 2023	-	-	-	-	0.59
31 March 2023	-	-	1.41	1.86	0.65
30 April 2023	-	-	-	-	0.67
31 May 2023	-	-	-	-	0.71
30 June 2023	11.30	1.73	1.25	1.98	0.69

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## Distributions to Unit Holders

For the Year Ended 30 June 2023

	<b>Ashburton Diversified Income Fund</b>	<b>Ashburton Money Market Fund</b>	<b>Ashburton Global Flexible Return</b>	<b>Ashburton Property Fund</b>	<b>Ashburton Bond Fund</b>
31 July 2022	-	-	-	-	-
31 August 2022	-	-	-	-	-
30 September 2022	1.06	-	-	0.59	-
31 October 2022	-	-	-	-	-
30 November 2022	-	-	-	-	-
31 December 2022	1.34	-	-	1.10	3.47
31 January 2023	-	-	-	-	-
28 February 2023	-	-	-	-	-
31 March 2023	1.55	-	-	0.05	-
30 April 2023	-	-	-	-	-
31 May 2023	-	-	-	-	-
30 June 2023	1.64	-	-	1.09	3.49

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## Distributions to Unit Holders

For the Year Ended 30 June 2023

	Ashburton GOVI Tracker Fund	Ashburton Africa Equity Opportunities Feeder Fund	Ashburton Global Leaders ZAR Equity Feeder Fund	Ashburton Core Plus Income Fund
31 July 2022	-	-	-	-
31 August 2022	-	-	-	-
30 September 2022	-	-	-	0.52
31 October 2022	-	-	-	-
30 November 2022	-	-	-	-
31 December 2022	4.44	-	-	0.62
31 January 2023	-	-	-	-
28 February 2023	-	-	-	-
31 March 2023	-	-	-	0.69
30 April 2023	-	-	-	-
31 May 2023	-	-	-	-
30 June 2023	4.41	-	-	0.77

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## Statement of Financial Position

	Ashburton GOVI Tracker Fund	Ashburton Equity Fund	Ashburton SA Income Fund	Ashburton Targeted Return Fund	Ashburton Balanced Fund	Ashburton Money Market Fund
<b>Assets</b>						
Investments designated at fair value through profit or loss	233 203 216	566 659 142	1 416 112 930	1 157 445 752	374 175 343	18 297 566 307
Trade and other receivables	3 885 945	6 605 655	4 071 266	16 841	945 165	81 751
Cash and cash equivalents	-	1 187 781	271 429	36 881 543	9 711 531	155 324
<b>Total assets</b>	<b>237 089 161</b>	<b>574 452 578</b>	<b>1 420 455 625</b>	<b>1 194 344 136</b>	<b>384 832 039</b>	<b>18 297 803 382</b>
	Ashburton Global Flexible Fund	Ashburton Bond Fund	Ashburton Core Plus Income Fund	Ashburton Property Fund	Ashburton Diversified Income Fund	Ashburton Stable Income Fund
<b>Assets</b>						
Investments designated at fair value through profit or loss	449 358 409	1 254 680 347	4 336 131 771	398 699 121	381 603 570	21 513 799 618
Trade and other receivables	376 387 323	1 397	20 004 146	1 182 508	533	21 199
Cash and cash equivalents	2 972 205	542 822	-	4 906 465	9 688 160	55 324 375
<b>Total assets</b>	<b>828 717 937</b>	<b>1 255 224 566</b>	<b>4 356 135 917</b>	<b>404 788 094</b>	<b>391 292 263</b>	<b>21 569 145 192</b>

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## Statement of Financial Position

	Ashburton Africa Equity Opportunities Feeder Fund	Ashburton Global Leaders ZAR Equity Feeder Fund	Ashburton India Equity Opportunities Feeder Fund
<b>Assets</b>			
Investments designated at fair value through profit or loss	-	409 167 396	-
Trade and other receivables	2	8	-
Cash and cash equivalents	589	43 804	-
<b>Total assets</b>	<b>591</b>	<b>409 211 208</b>	<b>-</b>

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## Statement of Financial Position

	Ashburton GOVI Tracker Fund	Ashburton Equity Fund	Ashburton SA Income Fund	Ashburton Targeted Return Fund	Ashburton Balanced Fund	Ashburton Money Market Fund
<b>Liabilities</b>						
Net assets attributable to participatory interest holders	235 956 702	565 931 247	1 399 700 846	1 194 115 906	383 563 687	18 151 815 186
Trade and other payables	88 999	8 521 331	20 754 779	228 230	1 268 352	145 988 196
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Bank overdraft	1 043 460					
<b>Total Liabilities</b>	<b>237 089 161</b>	<b>574 452 578</b>	<b>1 420 455 625</b>	<b>1 194 344 136</b>	<b>384 832 039</b>	<b>18 297 803 382</b>
	Ashburton Global Flexible Fund	Ashburton Bond Fund	Ashburton Core Plus Income Fund	Ashburton Property Fund	Ashburton Diversified Income Fund	Ashburton Stable Income Fund
<b>Liabilities</b>						
Net assets attributable to participatory interest holders	381 418 691	1 255 096 772	4 155 536 658	404 786 570	390 978 689	21 561 876 376
Trade and other payables	98 526 134	127 794	550 396	1 524	313 574	7 268 816
Financial liabilities at fair value through profit or loss		-				
Bank overdraft	348 773 112		200 048 863			
<b>Total Liabilities</b>	<b>828 717 937</b>	<b>1 255 224 566</b>	<b>4 356 135 917</b>	<b>404 788 094</b>	<b>391 292 263</b>	<b>21 569 145 192</b>

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## Statement of Financial Position

	Ashburton Africa Equity Opportunities Feeder Fund	Ashburton Global Leaders ZAR Equity Feeder Fund	Ashburton India Equity Opportunities Feeder Fund
<b>Liabilities</b>			
Net assets attributable to participatory interest holders	591	409 034 407	-
Trade and other payables	-	176 801	-
Financial liabilities at fair value through profit or loss		-	
Bank overdraft	-		
<b>Total Liabilities</b>	<b>591</b>	<b>409 211 208</b>	<b>-</b>

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## Statement of Comprehensive Income

	Ashburton GOVI Tracker Fund	Ashburton Equity Fund	Ashburton SA Income Fund	Ashburton Targeted Return Fund	Ashburton Balanced Fund	Ashburton Money Market Fund
Income	24 368 686	24 232 750	116 473 131	54 481 823	13 140 483	1 343 599 214
Expenditure	-167 513	-1 829 735	-8 500 480	-1 943 655	-2 943 266	-37 923 406
Fair Value Gains/(Losses)	-5 111 756	51 736 654	10 183 454	95 216 003	42 033 832	18 732 243
<b>Net income / (losses) for the period</b>	<b>19 089 417</b>	<b>74 139 669</b>	<b>118 156 105</b>	<b>147 754 171</b>	<b>52 231 049</b>	<b>1 324 408 051</b>

	Ashburton Global Flexible Fund	Ashburton Bond Fund	Ashburton Core Plus Income Fund	Ashburton Property Fund	Ashburton Diversified Income Fund	Ashburton Stable Income Fund
Income	3 021 456	93 675 110	208 526 131	32 224 618	30 715 892	1 586 606 537
Expenditure	-3 426 704	-19 750	-3 964 405	-131 051	-3 747 510	-77 266 234
Fair Value Gains/(Losses)	69 793 114	24 230 996	1 335 539	323 260	20 517 187	19 212 367
<b>Net income / (losses) for the period</b>	<b>69 387 866</b>	<b>117 886 356</b>	<b>205 897 265</b>	<b>32 416 827</b>	<b>47 485 569</b>	<b>1 528 552 670</b>

	Ashburton Africa Equity Opportunities Feeder Fund	Ashburton Global Leaders ZAR Equity Feeder Fund	Ashburton India Equity Opportunities Feeder Fund
Income	-	-25 715	-
Expenditure	-	-2 024 628	-
Fair Value Gains/(Losses)	-	95 858 398	-
<b>Net income / (losses) for the period</b>	<b>-</b>	<b>93 808 055</b>	<b>-</b>

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## Report of the trustee

### The Ashburton Collective Investment Scheme

We, the Standard Bank of South Africa Limited, in our capacity as Trustee of the Ashburton Collective Investment Scheme ("the Scheme") have prepared a report in terms of Section 70(1) (f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended ("the Act"), for the financial year ended 30 June 2023.

In support of our report we have adopted certain processes and procedures that allow us to form a reasonable conclusion on whether the Manager has administered the Scheme in accordance with the Act and the Scheme Deed.

As Trustees of the Scheme we are also obliged to in terms of Section 70(3) of the Act to satisfy ourselves that every statement of comprehensive income, statement of financial position or other return prepared by the Manager of the Scheme as required by Section 90 of the Act fairly represents the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme.

The Manager is responsible for maintaining the accounting records and preparing the annual financial statements of the Scheme in conformity with International Financial Reporting Standards. This responsibility also includes appointing an external auditor to the Scheme to ensure that the financial statements are properly drawn up so as to fairly represent the financial position of every portfolio of its collective investment scheme are in accordance with International Financial Reporting Standards and in the manner required by the Act.

Our enquiry into the administration of the Scheme by the Manager does not cover a review of the annual financial statements and hence we do not provide an opinion thereon.

Based on our records, internal processes and procedures we report that nothing has come to our attention that causes us to believe that the accompanying financial statements do not fairly represent the assets and liabilities, as well as

the income and distribution of income, of every portfolio of the Scheme administered by the Manager.

We confirm that according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof.

We conclude our report by stating that we reasonably believe that the Manager has administered the Scheme in accordance with:

- i. the limitations imposed on the investment and borrowing powers of the manager by this Act;
- ii. and the provisions of this Act and the deed;



**Seggie Moodley**

Standard Bank of South Africa Limited  
08 September 2022

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## Management company

### **Ashburton Management Company (RF) Proprietary Limited**

#### **Registration number:1996/002547/07**

Ground Floor, 3 Merchant Place,  
1 Fredman Drive, Sandton 2146,  
PO Box 653780, Benmore, 2010

Tel: +27 (0)11 282 8800  
+27 (0)860 000 339 (client service team)

Fax: +27 (0)11 384 3939

Email: ashburtonquery@investoradmin.co.za

Web: www.ashburtoninvestments.com

## Directors

### **Executive Directors**

The appointment of an Executive Director is currently under review by the Authority.

### **Independent Non-Executive Directors**

S Yates, S Price, M Wahome,  
Company Secretary, C Low

## Investment Manager

Ashburton Fund Managers (Proprietary) Limited

## Trustee's of the Ashburton collective investment scheme

### **Standard Bank of South Africa Limited**

North Tower, 8th Floor, 2 Heerengracht Street  
Foreshore, Cape Town 8001

## Auditors

PricewaterhouseCoopers

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Ashburton Management Company (RF) Proprietary Limited is an approved collective investment schemes manager in terms of the Collective Investment Scheme Control Act 45 of 2002. Ashburton CIS is regulated by the Financial Sector Conduct Authority and is a full member of the Association for Savings and Investment SA (ASISA).

This document and any other information supplied in connection with the Ashburton CIS is not "advice" as defined and/or contemplated in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 ("the FAIS Act") and investors are encouraged to obtain their own independent advice prior to buying participatory interests in CIS portfolios issued under the Ashburton CIS. Any investment is speculative and involves significant risks and therefore, prior to investing, investors should fully understand the portfolios and any risks associated with them.

Collective investment schemes in securities are generally medium to long term investments. In the event a potential investor requires material risks disclosures for the foreign securities included in a portfolio, the manager will upon request provide such potential investor with a document outlining: potential constraints on liquidity and repatriation of funds; Macroeconomics risk; Political risk; Foreign Exchange risk; Tax risk; Settlement risk; and Potential limitations on the availability of market information.

The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. Forward pricing is used and portfolio valuations take place at approximately 15h00 (14h00 for money market funds) each business day (17h00 at month and quarter end). Instructions to redeem or repurchase must reach Ashburton before 14h00 (11h00 for money market funds) to ensure same day value. For money market and short term debt portfolios the price of each participatory interest is aimed at a constant value. While a constant price is maintained the investment capital or the return of a portfolio is not guaranteed. The total return to the investor is primarily made up of interest received but may also include any gain or loss made on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in extreme case, e.g. defaults by underlying issuers, it can have the effect of reducing the capital value of the portfolio. The yield is calculated using an annualised seven day rolling average as at 30 June 2021. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures. In such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. For bond and income portfolios, this is a historic/current yield as at 30 June 2021. CIS portfolios are traded at ruling prices and can engage in borrowing and scrip lending. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. A CIS portfolio may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity.

Participatory interests are calculated on a net asset value (NAV) basis, which is the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the CIS portfolio divided by the number of participatory interests in issue.

All fees quoted exclude VAT except where stated differently.

The Total Expense Ratio (TER) is expressed as an annualised percentage of the charges, levies and fees incurred by the portfolio related to its management, for the period under review against the average NAV of the portfolio over this period. A higher TER does not necessarily imply a poor return, nor does a lower TER imply a good return. The current TER cannot be regarded as an indication of future TERs. A full detailed schedule of fees, charges and commissions is available from Ashburton on request and incentives may be paid and if so, would be included in the overall costs.

Information about this product, including brochures, application forms and annual or quarterly reports, can be obtained from the manager, free of charge, and from the website: [www.ashburtoninvestments.com](http://www.ashburtoninvestments.com)  
Ashburton Fund Managers (Pty) Ltd is an authorised Financial Services Provider.

The Manager may close the portfolio to new investors in order to manage it efficiently according to its mandate.