ABRIDGED ANNUAL REPORT 2019

To unit trust investors for the year ended 30 June 2019

ASHBURTON INVESTMENTS

A part of the FirstRand Group

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IN THE SIX YEARS SINCE THE LAUNCH OF ASHBURTON INVESTMENTS, WE HAVE CONTINUED TO GROW OUR BUSINESS AND OUR EXPERTISE.

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Boshoff Grobler
Chief Executive Officer

The duty of an asset manager is to carry out an ongoing assessment of the merits of an investment strategy, focusing on the appropriate risk and governance metrics, all in the best interests of the investor.

Ashburton Management Company (RF) Pty Ltd launched in June 2013 and is home to the collective investment schemes in the Ashburton Investments stable. The funds in this range include multi manager funds, retail single manager funds and solutions-based funds. The assets under management (AUM) at the end of June 2019 across this range was R26.7 billion, an increase of R6 billion from the previous year. Our AUM grew 29% year on year.

During the financial year, we had to thoroughly review our tracker funds offering. Following this process, we then decided to close four of our tracker funds as they were not in the position to grow to the desirable levels and we also consolidated the Ashburton Global 1200 Tracker Fund into the Ashburton Global 1200 ETF.

Our investment team, headed by Nkareng Mpobane, has been resilient despite continued volatility and uncertainty in the markets. In the six years since the launch of Ashburton Investments, we have continued to grow our business and our expertise. And we have continued to deliver on our vision of:

/ **helping more people to save,**

/ **helping people to save more effectively, and**

/ **helping to fund Africa.**

Our proposition

Our principle investment philosophy is to provide investors with real returns over the long term. To achieve this, we employ an investment strategy that invests across diverse sources of return, achieved at the most efficient risk measures. In our view, we believe that the duty of an asset manager is to carry out an ongoing assessment of the merits of an investment strategy, focusing on the appropriate risk and governance metrics, all in the best interests of the investor.

At Ashburton Investments, our investment outcome is obtained through a central investment process. It is our thesis that primary returns are obtained through asset allocation, then sector selection and lastly stock selection.

Market context

Global growth has peaked and is decelerating. While trade wars have featured prominently and could cause damage to the global economy, it is unlikely to derail it. Inflation remains well contained and central banks have become more dovish in their rhetoric. Emerging markets continue to exhibit relative value and further rate cuts by the Federal Reserve could see ongoing favourable performance.

In South Africa, very weak domestic demand and low income growth continue to weigh on real gross domestic product (GDP) growth and core inflation. Concrete implementation of structural economic reforms is urgently needed to push growth higher. Evidence of this would boost confidence and unleash fixed capital investment. A lot has been done in the last few months to improve the governance practices and accountability within public sector organisations. Structural reforms would be the next logical step to boost growth going forward.

We encountered various challenges during the financial year under review; however, we believe we are in a good position to serve our clients with better and more streamlined investment offerings. We remain fully invested in the financial success of all our clients.

CIO'S REPORT

Nkareng Mpobane
Chief Investment Officer:
Public Markets

We had more than enough volatility to deal with locally, economic growth contracted in the first quarter of 2019 (-3.2%) and unemployment levels soared to 29% by June 2019.

A tale of two halves

Although the MSCI World Index delivered a return of 6.3% in dollar terms for the 12-month period to end June 2019, it was a tale of two halves. The first half (July - December 2018) saw a capitulation in risky assets as the MSCI World Index fell 10%, just to recover over 16% in the January - June 2019 period. Why the big change, you might ask? Global markets continued to perform relatively well from July 2018 as the United States (US) economy outperformed the rest of the world on the back of fiscal stimulus introduced by President Donald Trump. The Federal Reserve (Fed) continued with their hiking cycle (raising rates four times by 0.25% each) as inflation was slowly moving up but not getting out of control. Quantitative easing changed to quantitative tightening as the Fed tried to shrink its balance sheet. Unfortunately, the rest of the world's growth prospects took a turn for the worst as President Trump introduced trade tariffs on $250 billion of Chinese imports. China retaliated with tariffs of their own and trade wars started in all earnest. The negative sentiment created by the trade wars spilled over into a risk-off environment and equities took a turn for the worst. Financial conditions tightened so much in the US that the Fed eventually capitulated their hawkish stance and most other central banks followed suit. It was this change to more dovish rhetoric from central banks that changed risk sentiment and global equities rallied during the second half.

Outside of the US, the rest of the world's growth rates were under threat of decelerating at a faster pace. China introduced some fiscal and monetary stimulus to cushion the blow from trade wars and sentiment deteriorated further in the UK/Euro Brexit negotiations as Teresa May resigned and Boris Johnson took over in a campaign that would leave the European Union (EU) by the end of 2019 with or without a deal (Hard Brexit). European growth also stalled as Germany experienced a manufacturing recession and gross domestic product (GDP) printed negative for the second quarter of 2019.

Another alarming theme during this period was negative interest rates. Quantitative easing from mainly Japan and Europe has caused long-term interest rates to fall below zero. More than 16 trillion dollars' worth of debt now trades in negative returns (this forms approximately 30% of all investment grade credit, globally). This has caused many pension fund trustees to seek positive returns elsewhere, with the US rate market being the biggest beneficiary. The US 10-year rates have fallen from 3.25% in December 2018 to 2% by end of June 2019. Another consequence of the demand for long-dated debt has been an inversion of yield curves. An inverted yield curve has historically been a good predictor of recessions and this has added to the uncertainty in financial markets.

We also had more than enough volatility to deal with locally. Other than our markets following the international markets as described above, we had some idiosyncratic risks to face. Economic growth contracted in the first quarter of 2019 (-3.2%) and unemployment levels soared to 29% by the time June 2019 came around. Eskom ran into supply constraints again and power outages became the main excuse behind the deteriorating GDP experience. Later it also became clear that Eskom carried excessive debt to service and that further bail-outs were needed to keep the lights on. So far, about R50 billion has been committed for 2019 and 2020, and it seems that more will have to be done to ensure Eskom is an economically viable, stand-alone entity. These bail-outs, together with a lower nominal growth experience, has caused our fiscal deficit forecasts to move from -4.5% of GDP to over 6% this year, with risks of deteriorating even further next year. Encouragingly, the South African Reserve Bank's (SARB) commitment to get South Africa's inflation closer to the mid-point target of 4.5% has paid off well, moving from 5.2% in November 2018 to 4.5% in June 2019.

CIO'S REPORT

We anticipate better than money market returns from growth assets over the next 12 months although muted business confidence remains a significant impediment.

Outlook to 2020

We do not forecast a global recession but acknowledge that risks have increased. Trade tensions between the US and China remain the biggest uncertainty and this is creating a lot of volatility in driving asset prices. As it stands, additional risks the world is grappling with include Brexit, Hong Kong/China tensions and India/Pakistan tensions (we would expect that these would have moved into the rearview mirror by the time of our next update). Trade wars, in particular, could delay and damage the global economy but not derail it. We expect further fiscal and monetary stimulus to be announced by China should trade wars intensify. United States growth is expected to slow in the face of fiscal headwinds and the gap between the US and the rest of the world is expected to narrow. This should undermine support for the dollar, however, short-term dollar strength remains a serious risk (as trade wars intensify). Inflation remains well contained globally and central banks have become more dovish in their rhetoric. While caution is warranted on the back of slowing global growth and earnings downgrades, a low interest rate environment makes equity earnings yields relatively attractive. We don't see value in developed market bonds at current depressed levels. Emerging markets continue to exhibit relative value and likely cuts by the Fed should support the EM "Carry" trade.

Locally, evidence of reform will be necessary to boost policy confidence and yield higher private sector investment. Economic growth will likely be constrained to below 2% until then. We anticipate better than money market returns from growth assets over the next 12 months although muted business confidence remains a significant impediment. An improvement in confidence would be required to generate returns in the double-digit range. The SARB is expected to keep rates on hold at 6.5% with risks to one more cut projected into calendar-year 2020. Other near-term constraints include tight fiscal conditions and challenges to the national electricity supply. With all the uncertainties mentioned above it should be clear that an investor should be well diversified to withstand any short-term shocks.

OUR KEY PEOPLE

Nkareng Mpobane

Chief Investment Officer: Public Markets

Nkareng Mpobane is the Chief Investment Officer: Public Markets. She has over 16 years' experience in the investment industry. Prior to her CIO role, she was appointed to the Head of Financials role for the SA investment process, responsible for all research analysis within this sector. Nkareng has a BCom degree in Economics from the University of the Witwatersrand.

Nico Els

Multi Asset Strategist

Nico Els is a Multi Asset Strategist at Ashburton Investments and is a member of Ashburton Investments' primary and secondary Asset Allocation committee. He has over 27 years' experience in investments, starting in 1992 with SMK Securities on the bond floor of the JSE as a Fixed Income Sales Representative. Nico holds a BCom (Hons) in Investment Management and completed his JSE Membership Examination.

Albert Botha

Head: Fixed Income Portfolio Management

Albert Botha is Head of Fixed Income Portfolio Management at Ashburton Investments. He is responsible for managing all the fixed income CIS portfolios and their segregated counterpart as well as personally managing the Ashburton Stable Income Fund, Ashburton Bond Fund and Ashburton Diversified Income Fund. Prior to this, he was a Portfolio Manager and Executive Director at Atlantic Asset Management. Albert has worked at Sanlam and Glacier during his career.

Arno Lawrenz

Global Investment Strategist

Arno Lawrenz is a Global Investment Strategist at Ashburton Investments. He was co-founder, shareholder and Chief Investment Officer of Atlantic Asset Management. Arno has over 25 years' investment experience and was previously Head of Fixed Interest at both Old Mutual Investment Group (SA) and at Coronation Fund Managers.

Vicki Tagg

Head of Indexation

Vicki Tagg is the Head of Indexation at Ashburton Investments. She has over 20 years' experience in the asset management and investment banking industry. She has previously worked for Investec Asset Management, State Street Bank and PSG. She joined the FirstRand Group in 2004 and was a member of RMB's Exchange Traded Products team from 2009-2013.

Murray Anderson

Managing Director for Retail Business

Murray Anderson is the Managing Director for the Retail Business at Ashburton Investments and is responsible for the client engagement model and coordinating the product offerings for retail clients. He holds a BCom in Financial Management obtained from UNISA, a Diploma in Marketing from IMM – Institute of Marketing Management and is a Certified Financial Planner (CFP™).

Rudigor Kleyn

Managing Director for Institutional Business

Rudigor Kleyn is Managing Director for Institutional Business at Ashburton Investments. He joined FirstRand Bank's Group Treasury, Third Party Funds, in 2010 which later became Ashburton Investments and has over 23 years' experience in the finance industry. Rudigor is a member of the South African Institute of Chartered Accountants and is a registered Chartered Financial Analyst (CFA). Rudigor completed his articles at KPMG and holds a BCom degree in Accounting from the University of Pretoria. He also holds a BCompt (Hons) degree and CTA from the University of South Africa.

IT IS OUR THESIS THAT PRIMARY RETURNS ARE OBTAINED THROUGH ASSET ALLOCATION, THEN SECTOR SELECTION AND LASTLY STOCK SELECTION.

FUNDS AT A GLANCE

FUNDS AT A GLANCE

SINGLE MANAGER FUNDS

Ashburton Investments funds	ASISA category	Investment objective	Benchmark	Risk profile
Ashburton Equity Fund	South African – Equity – General	To 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	To generate long-term, inflation-beating returns over a 3-year period. The fund complies with Regulation 28 of the Pension Funds Act, 1956.	Market value weighted, average return of the Multi Asset – High Equity category (excluding the Ashburton Balanced Fund)	Moderate
Ashburton Targeted Return Fund	South African – Multi Asset – Low Equity	To outperform CPI + 3.5% over a rolling 3-year period. The secondary objective is to offer stable positive returns over a 12-month rolling period. The fund complies with Regulation 28 of the Pension Funds Act, 1956.	CPI + 3.5% (net of asset management fees)	Low to moderate
Ashburton SA Income Fund	South African – Interest Bearing – Short Term	To provide relative capital stability and optimal income returns from interest earning securities.	STeFI Composite Index over a rolling 12-month period	Low
Ashburton Money Market Fund	South African – Interest Bearing – Money Market	To maximise interest income, preserve capital and provide immediate liquidity for investors. The fund complies with Regulation 28 of the Pension Funds Act, 1956.	STeFI 3-month index	Low
Ashburton Global Flexible Fund	Global – Multi Asset – High Equity	To provide long-term capital growth through a balanced 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	South African – Interest Bearing – Variable Term	To 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	To achieve 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	To maximise the current level of income within the restrictions set out in the investment policy, while providing high stability of capital.	STeFI Composite Index over a rolling 12-month period	Low
Ashburton Property Fund	South Africa – Real Estate – General	To achieve capital growth and deliver returns ahead of the FTSE/JSE SA Listed Property Index (Total Return) over the long term.	Beassa ALBI	Moderate to high

FUNDS AT A GLANCE

MULTI MANAGER FUNDS

Ashburton Investments funds	ASISA category	Investment objective	Benchmark	Risk profile
Ashburton Multi Manager Equity Fund	South African – Equity – General	To provide investors with above average growth in capital over the medium to long term.	FTSE/JSE All Share (Total Return)	High
Ashburton Multi Manager Property Fund	South Africa – Real Estate – General	To provide investors with inflation beating capital growth with a high income yield.	FTSE/JSE SA Listed Property Total Return	Moderate to High
Ashburton Multi Manager Prudential Flexible Fund	South African – Multi Asset – High Equity	To deliver a stable and growing capital and income base, via a balanced and diversified portfolio. The fund complies with Regulation 28 of the Pension Funds Act, 1956.	Average of the SA – Multi Asset – High Equity	Moderate to high
Ashburton Multi Manager Bond Fund	South African – Interest Bearing – Variable Term	To provide investors with a well diversified exposure to the South African bond market. The fund complies with Regulation 28 of the Pension Funds Act, 1956.	BEASSA All Bond Total Return Index	Moderate
Ashburton Multi Manager Income Fund	South African – Multi Asset – Income Portfolio	To provide investors with a high level of income and maximise returns by actively positioning the portfolio between income yielding and inflation protecting securities. The fund complies with Regulation 28 of the Pension Funds Act, 1956.	110% of the STeFI 3-month deposit	Low to moderate

SOLUTIONS FUNDS

Ashburton Growth Fund	South African – Multi Asset – Flexible	To achieve capital growth over the longer term and to outperform CPI + 4% over rolling 5-year periods.	CPI + 4% over a 5-year rolling period	High
Ashburton Defensive Fund	South African – Multi Asset – Flexible	To generate positive returns over the medium term, irrespective of market conditions and to outperform CPI + 2% over 3-year rolling periods	CPI + 2% over a 3-year rolling period	Low to moderate
Ashburton Stable Fund	South African – Multi Asset – Income	To provide capital preservation in real terms over a 2-year rolling period and generate income through interest bearing assets. Returns should match CPI.	CPI over a 2-year rolling period	Low

FUNDS AT A GLANCE

FUND SOLUTIONS
EXCHANGE TRADED FUNDS

Ashburton Investments funds	ASISA category	Investment objective	Benchmark	Risk profile
Ashburton Top40 Exchange Traded Fund	South African – Equity – Large Cap	To provide investors with exposure to the South African equities market through the purchase of a JSE listed ETF.	FTSE/JSE Top40 Index	Moderate to high
Ashburton Midcap Exchange Traded Fund	South African – Equity – Mid and Small Cap	To provide investors with exposure to the South African equities market through the purchase of a JSE listed ETF.	FTSE/JSE MidCap Index	Moderate to high
Ashburton Government Inflation Linked Bond Exchange Traded Fund	South African – Interest Bearing – Variable Term	To provide investors with a real rate of return above inflation (CPI), through exposure to a diversified portfolio of government inflation-linked bonds.	Government Inflation Linked Bond Index (GILBx)	Low
Ashburton Global 1200 Equity Exchange Traded Fund	Global Equity – General Portfolio	To provide returns linked to the performance of the S&P Global 1200 Index.	S&P Global 1200 Index	High
Ashburton World Government Bond Exchange Traded Fund	Global - Interest Bearing – Variable Term	To provide investors with cost efficient exposure to the global bond market by tracking the Citi World Government Bond Index (WGBI).	FTSE World Government Bond Index	Moderate

TRACKER FUNDS

Ashburton GOVI Tracker Fund	Interest Bearing – Variable Term Portfolio	To provide investors with a real rate of return through cost effective exposure to a diversified portfolio of government bonds.	JSE Government Bond Index	Low

MARKET REVIEW

	1 YEAR TO 30 JUNE 2017		1 YEAR TO 30 JUNE 2018		1 YEAR TO 30 JUNE 2019	
	% change USD	% change ZAR	% change USD	% change ZAR	% change USD	% change ZAR
ALSI (Total Return)	14.52%	1.79%	9.24%	15.10%	1.91%	4.52%
MSCI World Equities	18.89%		11.71%		6.98%	
MSCI Emerging Markets	24.39%		8.58%		1.58%	
S&P500 (Total Return)	17.89%		14.36%		10.41%	
FTSE 100 (Total Return) (GBP)	16.94%		8.69%		1.51%	
MSCI China (HKD)	33.15%		21.99%		-6.96%	
Gold price	-6.07%		0.89%		12.53%	
Copper price	22.46%		11.78%		-8.32%	
Platinum price	-9.62%		-7.83%		-2.18%	
Brent Crude price	-3.54%		65.78%		-16.23%	
SA Listed Property Index		2.86%		-16.06%		0.78%
SA ALBI (ZAR)		7.93%		10.19%		11.48%
3 month JIBAR		7.34%		6.96%		7.03%
R/$ exchange rate		6.16%		6.16%	2.64%	
R/GBP exchange rate		6.64%		6.64%	2.75%	
R/Euro exchange rate		11.46%		11.46%	-1.36%	
SA CPI		5.11%		4.57%		4.48%
Repo rate		7.00%		6.50%		6.50%

OUR FUNDS

THE SOUTH AFRICAN RESERVE BANK'S COMMITMENT TO GET SOUTH AFRICA'S INFLATION CLOSER TO THE MID-POINT TARGET OF 4.5% HAS PAID OFF WELL, MOVING FROM 5.2% IN NOVEMBER 2018 TO 4.5% IN JUNE 2019.

SINGLE MANAGER FUNDS

ASHBURTON EQUITY FUND

Investment objectives and strategy

The Ashburton Equity Fund aims to achieve capital growth and deliver returns ahead of the FTSE/JSE All Share Index (Total Return) over the long term. To achieve its investment objective, the fund invests in financially sound ordinary shares. The fund predominantly invests in equities. The manager is, however, permitted to invest in fixed-income securities and offshore investments as allowed by legislation. The fund's focus is to invest in South African listed equity securities.

Fund review

For the 12-month period ending 30 June 2019, the fund delivered an annualised return of -0.55% after fees and administrative expenses relative to the FTSE/JSE All Share Index performance of 4.42% on a total return basis. At the end of June, the fund's assets under management totalled R409 million.

Our positioning within the financial sector was supportive of overall performance with the likes of FirstRand and Sanlam outperforming benchmark peers.

During the period, we maintained our resource sector exposure and continued to favour diversified miners like Anglo American and BHP Billiton which enjoyed material gains off the back of high Iron Ore prices. On the downside, our holding in Sasol detracted from performance in the second half of the year as softer oil and chemical prices exacerbated stock price weakness, while the company struggled to commission, on time and on budget, its Lake Charles chemical plant.

In the industrial space domestically, focused equities continued to be challenged as the South African economy remained constrained with first quarter 2019 GDP contracting sharply in the wake of unexpected load shedding within the context of already fragile business and consumer confidence.

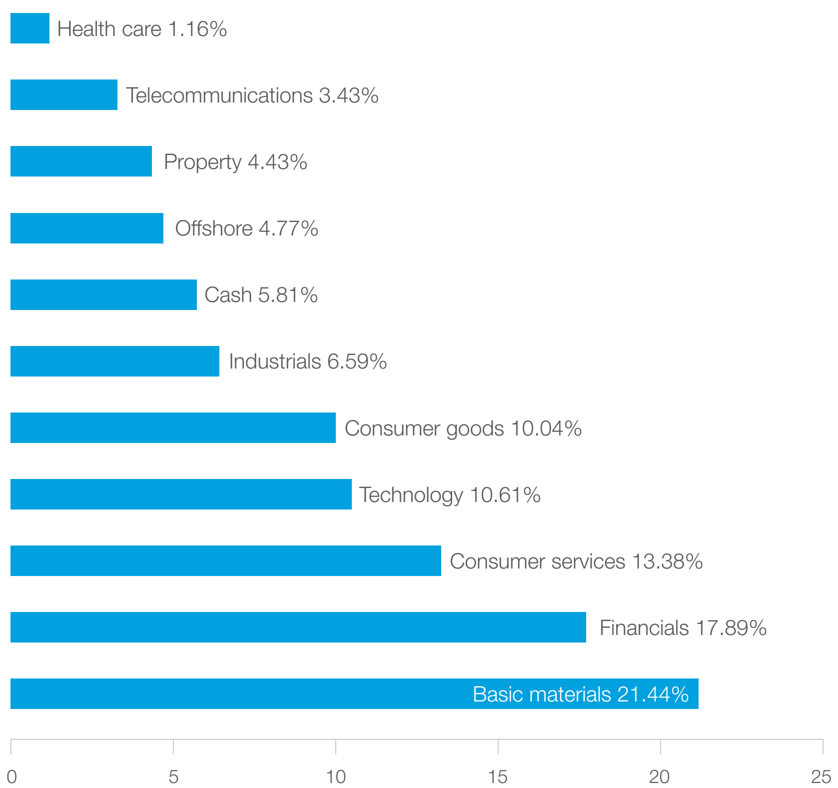
Our non-resource rand hedges yielded mixed results with Bidcorp being the star performer, while consumer staples Anheuser Busch and British American Tobacco performed poorly into December, recovering somewhat into June as global monetary conditions eased.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	9.68	0.46	0.36	10.50
2018-12-31	7.65	0.08	0.92	8.65
2018-06-29	8.23	0.09	0.87	9.19
2017-12-29	6.80	0.16	0.93	7.89

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

ASHBURTON BALANCED FUND

Investment objectives and strategy

The Ashburton Balanced Fund aims to generate long-term, inflation-beating returns over a three-year period within the legislative framework of Regulation 28 of the Pension Funds Act, 1956 and Board Notice 80 on the Collective Investment Scheme Control Act. The fund encapsulates the single manager, best investment view of Ashburton Investments South Africa.

The fund is categorised within the ASISA South African Multi Asset High Equity class. The fund is able to invest in a variety of asset classes both locally and offshore. Typically, the fund holds a majority weighting in the local and foreign equity asset class. Other important asset classes comprising the fund are listed property, bonds and money market instruments

The fund targets investors who require inflation-beating returns over the medium to long term. As the fund conforms to the Regulation 28 framework the fund can service pension, provident, and preservation funds and living annuities. The fund is managed within a top-down asset allocation investment process and a bottom-up instrument selection process within a team environment. The balanced fund is Ashburton Investments' best investment view and represents a process and team-driven investment solution for investors.

Fund review

Over the past five years, the fund has achieved a second quartile ranking within the ASISA Multi Asset High Equity category by posting a return of 5.34% per annum, tracking ahead of inflation (5.01%). On a one-year basis, the fund has gained 3.22%, outperforming the peer group average. Total assets under management at year end amounted to R519 million, a decline of about 5% from the previous year.

More recently, the global macroeconomic backdrop has become increasing fragile. The long period of expansion post the global financial crisis is being challenged by fragility within the European banking system, the disruption of supply chains and the erosion of confidence caused by the escalation of trade wars, additional geopolitical disruptions such as Brexit and challenges to Chinese's authority in Hong Kong. These factors and the uncertainty they present have cooled global demand leading to deflationary pressures in developed markets while draining capital from emerging markets. The result has been weakening emerging market currencies and share prices, a stronger US dollar and a rally in developed market debt. Until recently developed market equity prices have performed well but are showing signs of increased volatility.

Against this global environment and with the addition of idiosyncratic structural weakness, the South African economy has struggled to find traction with both the corporate and consumer exhibiting low levels of confidence while the State under fiscal pressure is unable to stimulate the economy.

All asset classes within the fund contributed positively to the fund's performance except for listed property which was the only detractor from performance. Local bonds and offshore investments within the fund gained 11.8% and 2.6% respectively. These two asset classes made up about 40% of the total exposure during the period. Local equities gained 1.2% while listed property declined by 1.7%

Looking through to the equity market, domestically focused consumer and industrial companies have struggled to grow revenues and profits leading to a decline in their ratings and relatively large share price revaluations. Counters that performed well within the fund's local equity exposure include Anglo American, BHP Billiton, Multichoice Group, FirstRand and PSG Group. Aspen, British American Tobacco and Sasol detracted from performance.

Local bonds were the best performing asset class over the past 12 months. We expect bonds to continue providing inflation plus returns over the short and medium term. Volatility, however, is expected to be on the rise as local and global event risks are likely to materialise.

The listed property asset class showed poor performance, largely attributable to weak fundamentals, as a result of a challenging macroeconomic environment. Over this period, the sector's distribution growth profile over the next couple of years has been tapered, hence the valuation de-rating relative to other asset classes. The over-riding sectoral theme has been the outperformance of industrial and storage sectors while retail and office exposure underperformed given the headwinds.

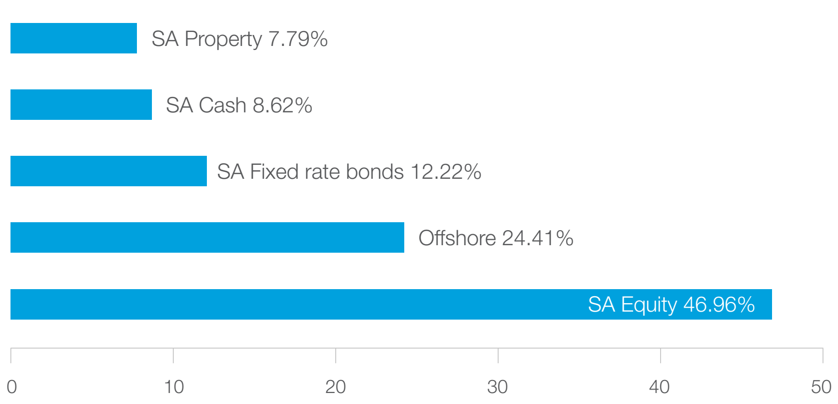
Globally, given the move in equity markets, they are certainly cheaper than before but not substantially cheap. We made the decision to cut our equity position to below benchmark and continue to consider whether, given the trade war issues, to increase that underweight. We added a position in inflation linked bonds, which, given the fall off in bond yields, will help performance. This also has the effect of increasing our overall bond duration as well. In the US, where our predominant equity exposure lies, we are short on the tech sector but have a thematic exposure to financials

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	1.00	0.82	0.12	1.94
2018-12-31	0.66	1.20	0.16	2.02
2018-06-29	0.86	1.09	0.19	2.14
2017-12-29	0.73	1.08	0.14	1.95

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

SINGLE MANAGER FUNDS

ASHBURTON TARGETED RETURN FUND

Investment objectives and strategy

The primary objective of the Ashburton Targeted Return Fund is to outperform CPI + 3.5% over a rolling three-year period. The secondary objective is to offer stable positive returns over a 12-month rolling period. The fund comprises of a combination of assets in liquid form, money market instruments, corporate debt, equities, property shares, convertible equities, preference shares, bonds, non-equity securities, offshore assets and any other securities. The fund can have a maximum equity exposure (including global equities) of 40% and is limited to a maximum offshore exposure of 25%.

It aims to meet its objectives through a conservatively managed diversified portfolio, generating capital and income growth by focusing on active risk management and asset allocation. The fund complies with Regulation 28 of the Pension Funds Act, 1956.

Fund review

The fund returned 5.44% for the year ending 30 June 2019, another year of improving returns. Although the return beat inflation, it remains below its CPI + 3.5% benchmark.

The fund's performance relative to its peers has picked up significantly in all periods up to one year – it is either first or second quartile. Considering we have a greater weighting towards growth assets than the average of the ASISA low equity sector, we are very happy with the performance and expect the fund to go from strength to strength.

The year has been characterised by significant volatility, especially in growth assets. It is therefore not surprising to note that fixed income returns were greater than equity. Preference shares were the asset class that returned the most, while property continued to struggle and returned the least.

The rand was range bound between R13.11 and R15.42, but with significant volatility. South African equity was range bound and flat over the year. Global equity was very volatile with sharp movements both ways over the last year.

With the levels of uncertainty both locally and offshore at elevated levels, the focus of the fund has been on taking a well-diversified view. The fund was 20% overweight its internal benchmark in equity at the start of December and has looked at gently increasing its overweight in property over the year.

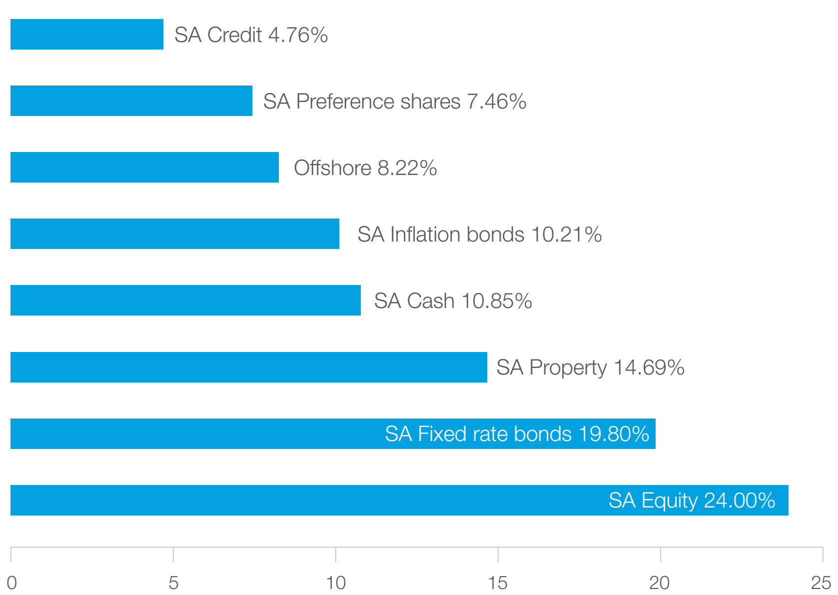
Looking forward, uncertainty (especially globally) remains at elevated levels and we remain cautious.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	0.46	0.99	0.37	1.82
2019-03-29	0.31	0.84	0.19	1.34
2018-12-31	0.21	0.84	0.18	1.23
2017-09-28	0.61	1.08	0.18	1.87

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

SINGLE MANAGER FUNDS

ASHBURTON SA INCOME FUND

Investment objectives and strategy

The Ashburton SA Income Fund is a specialist fund focusing on high interest-bearing investments. It aims to provide relative capital stability and optimal income returns from interest earning securities. The fund comprises a combination of bonds, fixed deposits and other interest earning securities which have a fixed maturity date and have a predetermined cash flow profile or are linked to benchmark yields. It does not invest in equity securities, real estate securities or cumulative preference shares. Duration will be limited to a maximum of two years. The fund aims to enhance returns through a combination of diversified fixed income strategies which include duration, curve, credit, inflation-linked, and also relative value opportunities.

Fund review

Markets were buoyed as the global economy trended towards steady growth. The dovish rhetoric from the US Fed gave rise to a sustained risk-on environment for the time being in the second half of 2019. United States treasury yield spreads, a benchmark indicator for recession odds, was firmly anchored as expectations for further patience from the Fed became apparent. The considerable move lower by US treasuries meant fixed income investors could enjoy a supportive risk environment for a while longer. Robust returns in fixed income markets reflect investors' confidence that global banks will eventually open the door towards more accommodative policy. If the environment remains even-tempered, where we see yields stabilise and economic fundamentals improve, there should be support for a further advance in risky assets. Given the risks to the global outlook though and the incalculable geopolitical effect arising from trade tariffing, we need to be more cognisant toward the risk of increased volatility.

Investor uncertainty and anxiety over trade tariffing overwhelm the positive fundamentals in emerging markets. The Trump administration, in fact, took several steps earlier this year that reinforced how the US decides to negotiate its trade relations with the rest of the world.

The most striking effect of this strategy is the lack of discernible consistency. Markets are left befuddled and unfortunately make the mistake of acting too quickly on what appears to be a well-timed initiative to boost President Trump's re-election prospects with his base by going after the US' trading partners.

Emerging markets remain fundamentally attractive and offer idiosyncratic opportunities. For the time being, emerging markets growth expectations are largely held up because of stimulus initiatives in China. However, as the relationship with the US over trade struggles to find a new balance, investor sentiment towards the region has dampened, and along with it, economic growth. In response, Chinese officials have taken additional measures to support the economy that is described by the US presidency as currency manipulation. In June this year, the Chinese finance ministry lowered restrictions for regional governments to borrow money through special programmes to finance infrastructure projects. In addition, as the effect of recent stimulus takes effect in China, credit growth has stabilised by the end of the first quarter this year, suggesting that efforts made by the central bank has spread to the wider economy.

In SA, markets were assured by an ANC election victory and the election of Cyril Ramaphosa as president of the country. His task though is challenging and requires support from a political party that's symptomatic of internal divide. The president has promised to root out government corruption and implement much needed structural reforms to get the country and economy back on track. However, investor sentiment has declined as the first quarter GDP contracted by 3.2%, more than was expected. Much of the decline was driven by the rolling power black-outs and continued financing problems at the state-run utility company, Eskom. The debt burden of Eskom is still a potential threat as it is guaranteed by the state. If the state-run company does default on its obligations, the burden of those liabilities is taken on by the government. It will be a significant strain on SA's budget and, not to mention, the almost likely automatic sovereign rating downgrade below investment grade by rating agency Moody's.

Our tactical strategy continues to keep a modest overweight in defensive, high quality credit and underweight duration to reduce the overall return volatility. We constantly are evaluating opportunities to enhance yield across our strategies. The demand for credit still overwhelms the supply from investment grade issuers resulting in spread compression in both the primary and secondary corporate bond market.

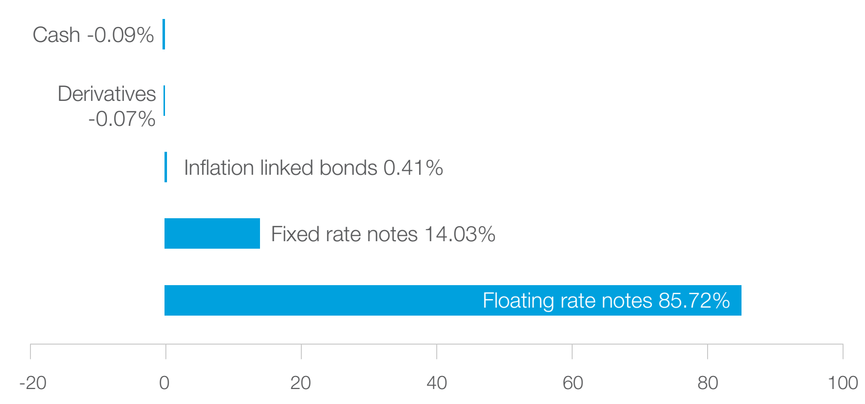
The fund delivered a steady return over the financial year of 8.87% net of fees and comfortably outperformed inflation. On a relative comparison, the portfolio maintained a first quartile position over most of the reporting periods. The STeFI Composite Index, the benchmark which performance is measure against, returned 7.1% over the same period. The fund's assets under management at the end of the review period was R1.71 billion.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	0.00	2.09	0.00	2.09
2019-03-29	0.00	2.05	0.00	2.05
2018-12-31	0.00	2.11	0.00	2.11
2018-09-28	0.00	2.13	0.00	2.13

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

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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. The maximum term of instruments included in the fund is limited to 13 months, and the weighted average duration should not exceed three months. The fund complies with Regulation 28 of the Pension Funds Act, 1956. The risk profile is low risk.

Fund review

The global economic environment over the period presented challenging and rewarding opportunities. Global growth looks like it has peaked and the decoupling of synchronicity across developed and developing markets appears as central banks are pursuing more accommodative policy making to sustain growth and growth assets. The US-China trade war saga has been the dominant theme for market sentiment. The ever-acute risk of increased volatility keeps investors tentative in their search for yield.

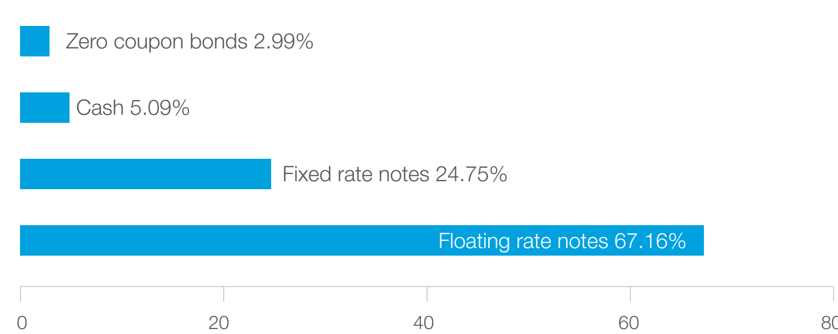
Locally, tensions among members of the ruling party keep offshore investment at bay as local growth has remained subdued, with 2019 growth expectations lowered to 0.3%. The expected investment revival after the 2019 national elections has somewhat dampened as the state-owned enterprise (SOE) bailouts have strained the fiscal balance. Years of weak growth, elevated unemployment, and the low rate of household credit extension has weighed heavily on both consumer and business confidence. Inflation reached a low of 4% in the first quarter of 2019, though steadily rising to 4.5% in June 2019. The inflation outlook, however, is expected to remain stable.

The South African Reserve Bank's monetary policy committee (MPC) cited challenges facing the country inter alia the need for structural reform and a stable political environment.

Against this backdrop, we saw compression of yields as 12-month negotiable certificate of deposits drifted 43 points lower to trade at 7.72% at the end of the reporting period. The 6-month rates moved marginally lower, just over five basis points to 7.4% over the same period. Corporate spreads also have tightened, though credit fundamentals have weakened to a certain degree. The market is currently pricing a 25 basis points interest rate cut by end of 2019. The fund favoured fixed rate and longer dated instruments over the period.

The fund returned 7.69% over the year, well ahead of its STeFI 3-month NCD benchmark return of 6.96%.

Asset allocation (%)



Source: Ashburton Investments

SINGLE MANAGER FUNDS

ASHBURTON BOND FUND

Investment objectives and strategy

The investment objective of the portfolio is to provide investors with a 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 ALBI over a rolling 36-month period. The fund will invest in high-yielding, interest bearing securities including public, parastatal, municipal and corporate bonds, inflation linked bonds, loan stock, debentures, fixed deposits and money market instruments. The portfolio will have 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 continues to outperform the majority of its peers and its benchmark, benefitting from correct duration calls, increased derivative use and a continued credit portable alpha strategy. The fund returned 11.50% compared to a category average of 9.43%, easily ranking in the first quartile over 12 months.

The fund's primary purpose is to be a building block in a larger asset allocation portfolio, both for the individual investor as well as institutional investors. Clients who participated in this asset class benefitted from outsized returns versus both inflation and other asset classes available in South Africa. With inflation being 4.5% over that same period, real returns of 7% for the portfolio rewarded all investors in this asset class very well.

Over that same period equity returned less than 8% and property was below 3.5%.

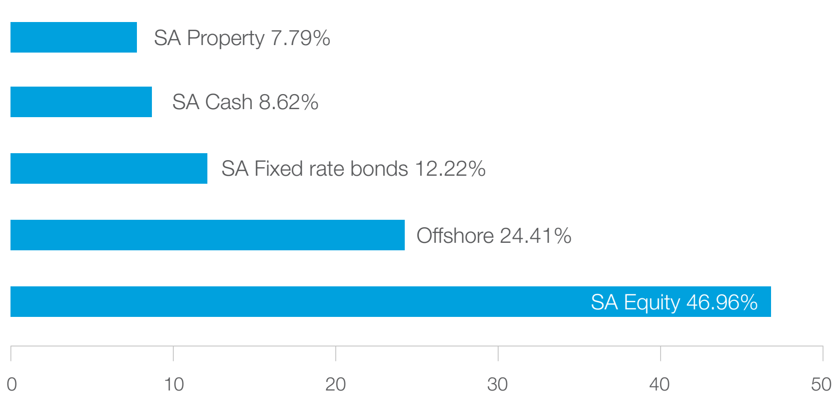
We expect bonds to continue to provide returns well in excess of inflation over the short and medium term, but we should expect volatility to increase as event risks in both South Africa and also the rest of the world abounds.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	1.00	0.82	0.12	1.94
2018-12-31	0.66	1.20	0.16	2.02
2018-06-29	0.86	1.09	0.19	2.14
2017-12-29	0.73	1.08	0.14	1.95

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

ASHBURTON GLOBAL FLEXIBLE FUND

Investment objectives and strategy

The fund offers investors long-term capital growth through a balanced mandate of global asset allocation, with access to emerging market growth opportunities. To achieve this, the fund invests across a broad range of asset classes including international equities, bonds, cash and property markets. Investments are made both directly into these markets and indirectly through participatory interests in other collective investment schemes.

The fund is suited to investors seeking long-term capital growth through a multi asset strategy, investing in international assets.

Fund review

When reviewing equity market performance for the year to date in 2019, with the MSCI All Countries Index delivering gains of almost 15%, it would be easy to think that it has been a good year for equities. The reality is that the majority of that performance was front-loaded in the first two months of 2019, with gains from March onwards limited to only 4%. Over a 12-month period though, the index only delivered a total of 3.6%, and includes the period October to December 2018 when markets fell precipitously.

With macroeconomic indicators starting to show mixed results, the US Fed walked back their earlier views to the extent that expectations shifted to rate cuts. Bond yields also collapsed, and the US 10-year yield dropped from 2.7% in December to 2% by end-June. Indeed, bond yields in developed markets have fallen to the extent that negative bond yields have almost become the norm, rather than the exception. With concerns about the economic outcomes becoming increasingly volatile and uncertain, it was no surprise then that the best performers have been the traditional safe havens – US dollar, Japanese yen, gold and US Treasury bonds.

In 2018, our emerging markets debt position hurt our performance, but we stayed the course in our fund and this has delivered a pleasing contribution to performance so far. Further to this, our decision to overweight the Japanese yen has also played out well, but in currency space, the one position which has not (yet) worked for us is our short US dollar position, which in our view remains overvalued relative to other major currencies.

Most recently, we have also remained net short on our equity position, which has worked well for the fund. However, we are mindful of the fact that given where bond yields are, there are few places where investors can generate positive returns and hence, despite the uncertain economic conditions, we are not heavily underweight, but rather consider our positions to be defensive rather than bearish. This is important since our base case scenario is that a global recession will be avoided. Accordingly, our largest single regional equity position remains to the regions.

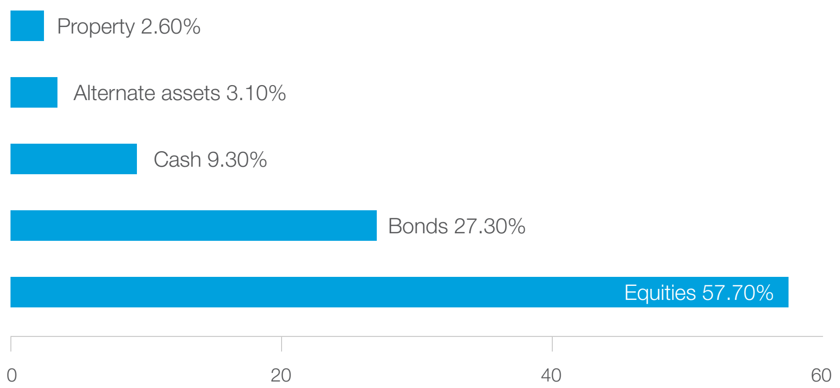
In fixed income, we also retain a shorter duration than benchmark and have also shifted some nominal yield exposure into inflation-linked exposure due to relative valuations. Over the past year, the rand has depreciated around 5%, with most of that coming in August 2018, which has contributed to fund performance.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	0.00	0.00	0.00	0.00
2018-12-31	0.00	0.00	0.00	0.00
2018-06-29	0.00	0.00	0.00	0.00
2017-12-29	0.00	0.00	0.00	0.00

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

ASHBURTON PROPERTY FUND

Investment objectives and strategy

The fund offers investors long-term capital growth through a balanced mandate of global asset allocation, with access to emerging market growth opportunities. To achieve this, the fund invests across a broad range of asset classes including international equities, bonds, cash and property markets. Investments are made both directly into these markets and indirectly through participatory interests in other collective investment schemes.

The fund is suited to investors seeking long-term capital growth through a multi asset strategy, investing in international assets.

Fund review

Over the past 12 months, the Ashburton Property Fund declined by 1.11% underperforming the benchmark which gained 0.79% amidst volatility and a marked improvement from the previous 12-month period. The fund, however, managed to outperform the average performance of the peer group over the period.

The listed property sector's poor performance is largely attributable to weak fundamentals, a result of a challenging macroeconomic environment. Over this period, the sector's distribution growth profile over the next couple of years has been tapered, hence the valuation de-rating relative to other asset classes. The over-riding sectoral theme has been the outperformance of industrial and storage sectors while retail and office exposure underperformed given the headwinds.

Counters that contributed positively to performance include Equites, Stor-age, Nepi-Rockcastle, Resilient, Vukile, Investec Property Fund and Fortress-A while Hyprop, Hammerson, Growthpoint, Redefine, SA Corporate and Attacq showed negative returns.

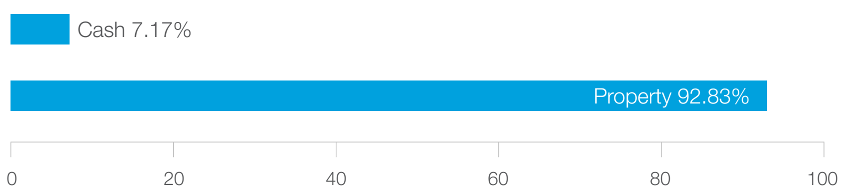
While the sector is facing headwinds, valuations are fully reflecting this reality and therefore providing investors with a reasonable entry point. The sector is trading on a forward yield of about 10% and a discount to net asset value which is anticipating asset value declines.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	0.10	0.04	1.72	1.86
2019-03-29	0.04	0.03	0.58	0.65
2018-12-31	0.13	0.11	1.13	1.37
2018-09-28	0.25	0.00	1.24	1.49

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

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 utilises asset allocation, currency diversification, credit inclusion, duration variation and derivative strategies in order to source additional returns for the fund. The goal is to provide a single solution for the fixed income component of a portfolio or 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 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 yields and credit risk.

Fund review

The Ashburton Diversified Income Fund has maintained its performance momentum, taking advantage of several good calls in the asset allocation space. Overweight holdings in preference shares, active participation in the property market and continual hedging of both bonds and FX holdings, have all contributed to the portfolio performance.

The fund returned 10.78% for the year to the end of June, outperforming its benchmark at 8.04% and the average peer at 8.34%. The fund volatility has remained low and we have maintained an absolute return profile, avoiding negative months since inception.

With the steep yield curve, volatile currency and bond market along with continued low valuations in property we expect the portfolio to continue to do well.

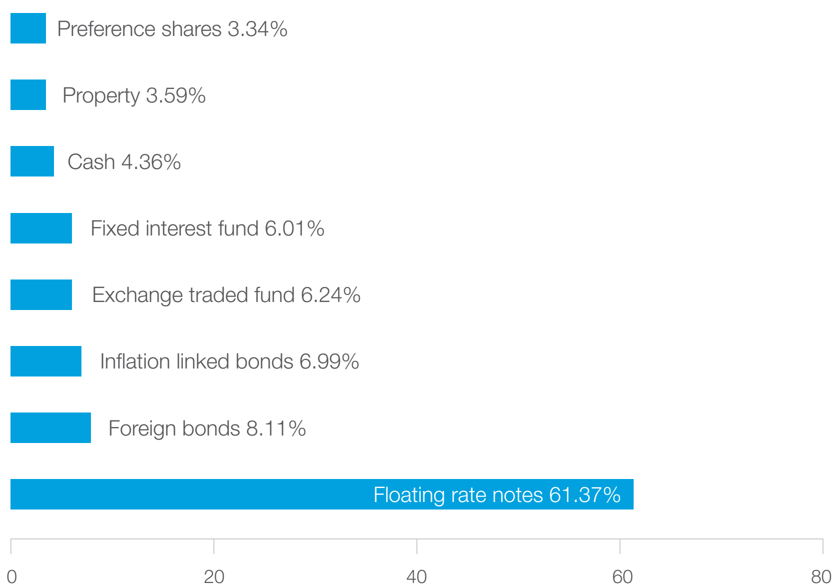
The purpose of the fund is to be the culmination of all the various elements within the Ashburton Fixed Income investment process and its performance serves as a good shop window. This is the most highly regarded sector within the South African fixed income space - it is constantly monitored by multi-managers and discretionary fund managers.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	0.10	1.45	0.08	1.63
2019-03-29	0.18	1.37	0.03	1.58
2018-12-31	0.13	1.39	0.03	1.55
2018-09-28	0.26	1.41	0.00	1.67

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

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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 which is designed to deliver returns that are higher than that of a traditional money market unit trust fund. This fund differs from a money market fund because 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 will comply 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 stability of capital. It aims to achieve performance returns in excess of money market and current account yields.

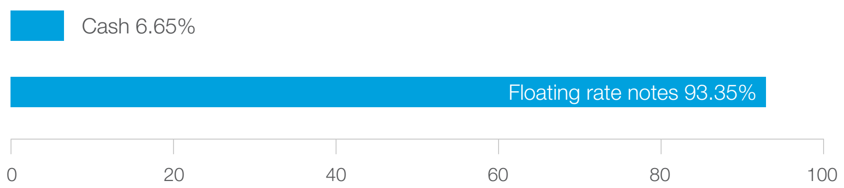
Fund review

The Ashburton Stable Income Fund continued to perform in line with its mandate and outperformed most of its peers regardless of significant inflow and liquidity requirements. The fund returned 8.52% for the year with its benchmark (STeFI Composite) returning 7.31%. There were no credit losses in the fund.

The fund is reducing credit risk overall as the economic environment deteriorates, but it's benefitting from a somewhat more active listed credit market in 2019 compared to the same period in 2018, giving it the opportunity to diversify its credit holding further. As we are expecting rate cuts, the portfolio returns will fall for all funds in the category, but this fund should continue to outperform its benchmark and inflation over the medium term. There are currently no significant credit concerns in the fund.

The fund has grown to over R12 billion, making it one of the 50 largest CIS funds in the country out of well over 1 000 funds. The fund continues to attract flows in an environment that favours low volatility stable investment portfolios over those that aim to provide outsized returns.

Asset allocation (%)



Source: Ashburton Investments

MULTI MANAGER FUNDS

ASHBURTON MULTI MANAGER EQUITY FUND

Investment objectives and strategy

The fund aims to provide investors with above average growth in capital over the medium to long term. The portfolio has an aggressive risk profile and volatility of capital values can occur over the short term. The fund consists of equities in all sectors of the JSE, listed and unlisted financial instruments and assets in liquid form as allowed by legislation. The fund is managed on a multi manager basis. We believe the key to successful investing lies in diversification, which reduces overall risk.

Our multi management investment philosophy is based on the belief that the potential for alpha generation comes from selecting the finest managers, combining them in a way that optimises their skillsets, and adopting an active management approach.

Fund review

As of June 2019, the Ashburton Multi Manager Equity Fund had assets under management of R684.9 million. The fund returned 0.14% (net of fees) and 1.14% (gross of fees) over the past year, while the benchmark FTSE/JSE All Share Index (ALSI) returned 4.42%. Over the same period, the FTSE/JSE Capped SWIX All Share Index reported a 12-month return of 1.11%; underperforming the ALSI due to its lower exposure to the resources sector.

Over the past 12-month period, resources was the best performing sector within local equities, returning 21.22%. It was followed by the financials and industrials sectors reporting returns of 5.66% and -3.69% respectively. In terms of market cap, the All Share Mid Cap Index was on top with a return of 5.19% followed by the large caps (ALSI Top 40) returning 4.57% and the All Share Small Cap Index lagging significantly with a return of -10.89% over the 12 months.

During April 2019, we introduced the Fairtree Equity Prescient Fund managed by Fairtree Capital.

Four out of the six underlying managers within the Ashburton Multi Manager Equity Fund contributed positively to the fund's performance over the past year. Over this period, the manager that had the largest contribution to the fund's return is Truffle Asset Management with a return of 5.45%, followed by Aylett & Co with a return of 4.42%.

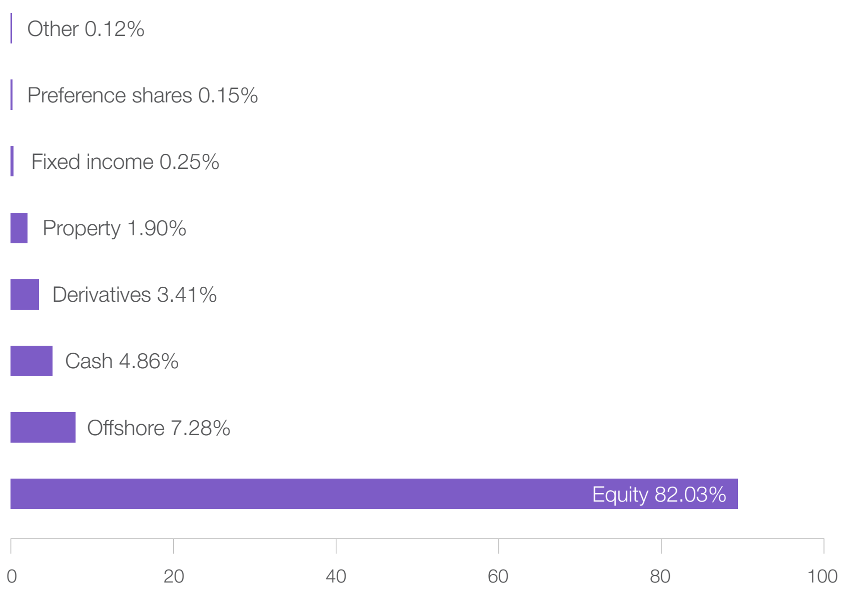
The Ashburton Multi Manager Equity Fund is ranked in the third quartile within the ASISA SA Equity General category over the past 12-month period.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	24.83	6.96	1.07	32.86
2018-12-31	8.56	0.61	0.54	9.71
2018-06-29	14.43	2.51	0.87	17.81
2017-12-29	5.17	0.54	0.37	6.08

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

ASHBURTON MULTI MANAGER PROPERTY FUND

Investment objectives and strategy

The fund aims to provide investors with inflation beating capital growth with a high-income yield. The fund has an aggressive risk profile and volatility of capital values can occur over the short term. The fund invests in assets in liquid form including JSE listed property shares and collective investment schemes. The fund is managed on a multi manager basis. We believe the key to successful investing lies in diversification, which reduces overall risk.

Our multi management investment philosophy is based on the belief that the potential for alpha generation comes from selecting the finest managers, combining them in a way that optimises their skillsets, and adopting an active management approach.

Fund review

As of June 2019, the Ashburton Multi Manager Property Fund had assets under management of R605.42 million. The fund returned -1.02% (net of fees) and -0.14% (gross of fees) over the past year, outperforming its benchmark, the FTSE/JSE All Property Index (ALPI) which returned -5.06%.

Even though all three managers within the Ashburton Multi Manager Property Fund outperformed the ALPI over the past year, only Sesfikile Capital had positive returns of 0.37%, whereas Stanlib Asset Management and Ashburton Fund Managers had negative returns of -0.07% and -0.88% respectively.

The Ashburton Multi Manager Property Fund is ranked in the second quartile within the ASISA SA Real Estate General category over the past 12-month period.

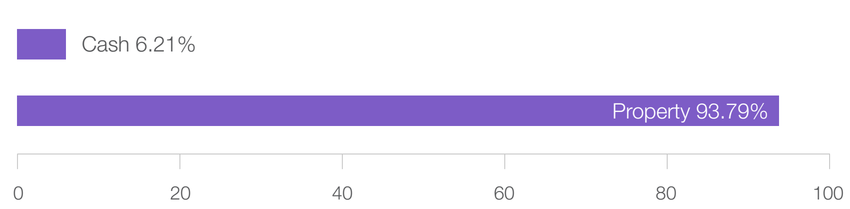
As of August 2018, the fund had a benchmark change, whereby it moved from using the SA Listed Property Index (SAPY) to using the All Property Index (ALPI). The ALPI incorporates dual listed property counters and is more representative of the investable universe, in addition, it reduces concentration risk that was prevalent with the SAPY.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	5.40	3.08	42.54	51.02
2018-12-31	12.60	2.68	50.02	65.30
2018-06-29	9.80	2.37	45.44	57.61
2017-12-29	5.07	1.78	48.91	55.76

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

ASHBURTON MULTI MANAGER PRUDENTIAL FLEXIBLE FUND

Investment objectives and strategy

The fund aims to maximise returns in both income and capital over the medium to long term by investing across a range of asset classes in a balanced manner while generating a reasonable level of income. To achieve its objectives, the fund invests in a flexible combination of asset classes ranging from equities, bonds, property, money market instruments and assets in liquid form. The fund may invest in listed and unlisted financial instruments and offshore investments as allowed by legislation. The fund may invest in other collective investment schemes and is managed on a multi manager basis.

We believe the key to successful investing lies in diversification, which reduces overall risk. Our multi management investment philosophy is based on the belief that the potential for alpha generation comes from selecting the finest managers, combining them in a way that optimises their skillsets, and adopting an active management approach.

The fund complies with regulation 28 of the Pension Funds Act, 1956.

Fund review

As of June 2019, the Ashburton Multi Manager Prudential Flexible Fund had assets under management of R236.96 million. The fund has produced modest returns of 4.04% (net of fees) and 5.20% (gross of fees) over the past 12 months. Over this period, peers within the same ASISA Multi-Asset High Equity category have produced wide ranging returns of between -6.03% and 9.54%.

Three out of the four underlying managers in the Ashburton Multi Manager Prudential Flexible Fund contributed positively to the fund's performance over the past year. Over this period the manager that had the largest contribution to the fund's return is Obsidian Capital, returning 8.78%, followed by Truffle Asset Management with a return of 6.57% and Ashburton Fund Managers with a return of 4.32%.

Ashburton Multi Manager Prudential Flexible Fund is ranked in the second quartile within the ASISA Multi-Asset High Equity category over the past 12-month period.

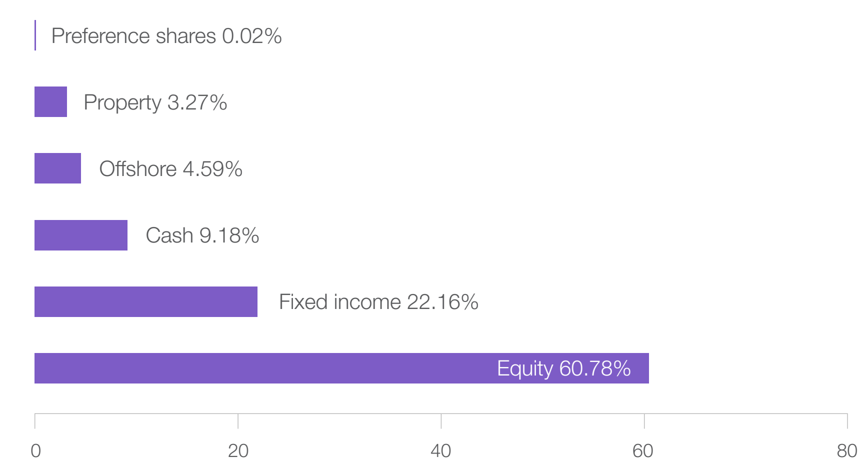
No changes were made to the underlying composition of the fund.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	16.93	12.27	0.78	29.98
2018-12-31	12.98	13.59	1.09	27.66
2018-06-29	17.88	11.81	1.47	31.16
2017-12-29	12.42	11.01	1.19	24.62

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

MULTI MANAGER FUNDS

ASHBURTON MULTI MANAGER BOND FUND

Investment objectives and strategy

The fund aims to provide investors with well diversified exposure to the South African bond market. The fund will provide a higher level of income and seek to enhance investment returns by the active management of interest rate, credit and liquidity risk. The fund invests in assets in liquid form, and in high yielding non-equity securities and interest-bearing securities. The average maturity profile will vary from time to time depending on market conditions and the fund has the flexibility to invest across the duration, credit and yield spectrum. The fund will seek to protect capital in times of bond market weakness.

The fund is managed on a multi manager basis. We believe the key to successful investing lies in diversification, which reduces overall risk.

Our multi management investment philosophy is based on the belief that the potential for alpha generation comes from selecting the finest managers, combining them in a way that optimises their skillsets, and adopting an active management approach.

The fund complies with Regulation 28 of the Pension Funds Act, 1956.

Fund review

As of June 2019, the Ashburton Multi Manager Bond Fund had assets under management of R181.24 million. The Ashburton Multi Manager Bond Fund returned 10.57% (net of fees) and 11.84% (gross of fees) over the past 12-month period, thus slightly outperforming its benchmark (ALBI) on a gross basis.

All the underlying managers in the Ashburton Multi Manager Bond Fund contributed positively to the fund's performance over the past year. Over this period, the manager that had the largest contribution to the fund's return is Vunani Fund Managers returning 12.65%, followed by Ashburton Fund Managers with a return of 12.56%.

The Ashburton Multi Manager Bond Fund is ranked in the second quartile within the ASISA South African Interest Bearing Variable Term category over the past 12-month period.

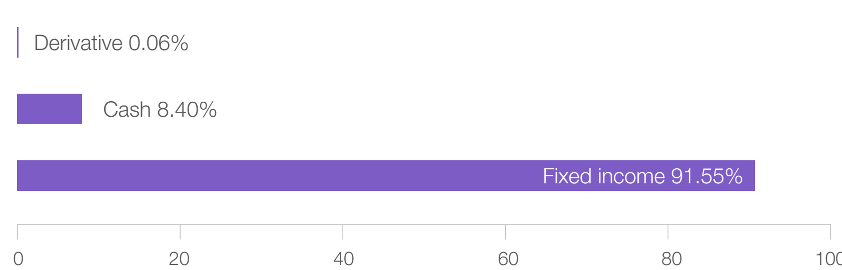
No changes were made to the underlying composition of the fund.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	0.00	42.46	0.00	42.46
2018-12-31	0.00	42.12	0.00	42.12
2018-06-29	0.00	41.85	0.00	41.85
2017-12-29	0.00	42.12	0.00	42.12

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

MULTI MANAGER FUNDS

ASHBURTON MULTI MANAGER INCOME FUND

Investment objectives and strategy

The fund aims to provide investors with a high level of income and maximise returns by actively positioning the fund between income yielding and inflation protecting securities. The fund invests in assets in liquid form including high yielding securities, corporate and government bonds and other fixed interest securities, money market instruments, preference shares, listed property (including international property) to a maximum of 25%, and equities (including international equity) of up to 10%, including listed and unlisted financial instruments as allowed by legislation. The fund may invest in other collective investment schemes and is managed on a multi manager basis.

We believe the key to successful investing lies in diversification, which reduces overall risk. Our multi management investment philosophy is based on the belief that the potential for alpha generation comes from selecting the finest managers, combining them in a way that optimises their skillsets, and adopting an active management approach.

The fund complies with Regulation 28 of the Pension Funds Act, 1956.

Fund review

As of June 2019, the Ashburton Multi Manager Income Fund had assets under management of R710.11 million. The Ashburton Multi Manager Income Fund returned 8.97% (net of fees) and 9.80% (gross of fees) over a 12-month period.

All the underlying managers in the Ashburton Multi Manager Income Fund contributed positively to the fund's performance over the past year. Over this period, the manager that had the largest contribution to the fund's return is Ashburton Fund Managers returning 13.11%, followed by Prescient Investment Management returning 10.74%.

The Ashburton Multi Manager Income Fund ranked in the second quartile within the ASISA SA Multi Asset Income category over the past 12-month period.

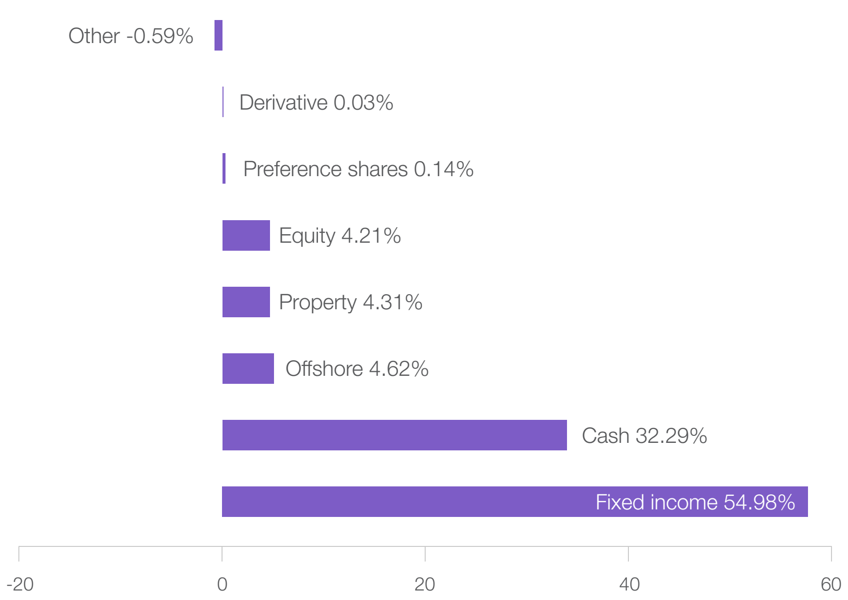
No changes were made to the underlying composition of the fund.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	1.22	17.69	0.70	19.61
2019-03-29	0.91	17.39	0.72	19.02
2018-12-31	1.27	16.50	0.84	18.61
2018-09-28	1.76	18.05	0.83	20.64

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

ASHBURTON GROWTH FUND

Investment objectives and strategy

The fund aims to achieve capital growth over the longer term by investing in equities and similar growth-oriented instruments. The fund seeks to outperform CPI + 4% over rolling 5-year periods. Given the relatively aggressive benchmark and high equity exposure the fund may be volatile over shorter time periods. The fund maintains an overweight asset allocation to local equities while retaining the ability to actively allocate a smaller exposure to other asset classes and may invest in collective investment schemes. The fund may invest in listed and unlisted financial instruments as allowed by legislation. The fund is managed on a multi manager basis.

Our multi management investment philosophy is based on the belief that the potential for alpha generation comes from selecting the finest managers, combining them in a way that optimises their skillsets, and adopting an active management approach.

Fund review

As of June 2019, the Ashburton Growth Fund had assets under management of R504.04 million. The Ashburton Growth Fund returned -0.33% (net of fees) and 1.43% (gross of fees) over a 12-month period.

Most of the underlying managers in the Ashburton Growth Fund contributed positively to the fund's performance over the past year.

Over this period, the manager that had the largest contribution to the fund's return is Truffle Asset Management, followed by Aylett & Co Fund Managers and Coronation Fund Managers, all producing positive returns over a volatile period for local equities.

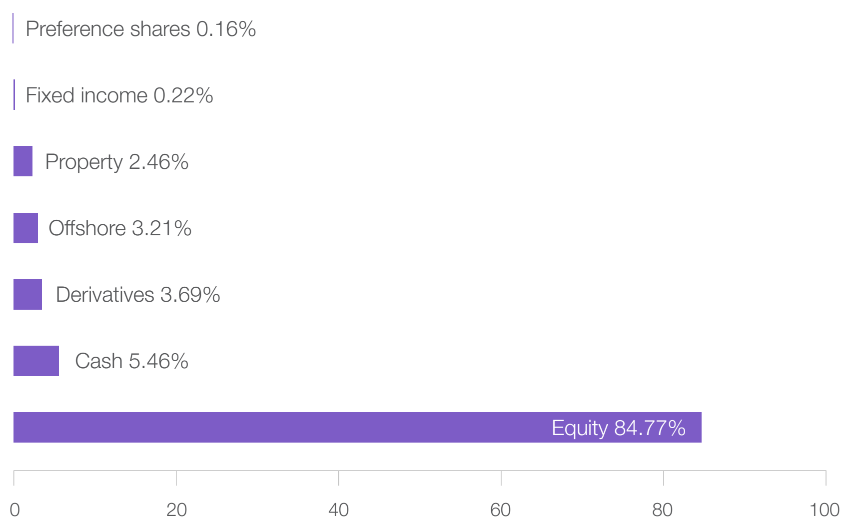
During April 2019, the Fairtree Equity Prescient Fund managed by Fairtree Capital was introduced in the portfolio, and the exposure to the Truffle equity unit trust was converted into a segregated mandate.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	3.73	0.86	0.19	4.78
2018-12-31	1.19	0.05	0.07	1.31
2018-06-29	1.40	0.24	0.05	1.69
2017-12-29	0.85	0.07	0.05	0.97

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

ASHBURTON DEFENSIVE FUND

Investment objectives and strategy

The fund aims to generate positive returns over the medium term, irrespective of market conditions, by way of blending fixed income, property and equity instruments. The fund will have an absolute return performance objective over the medium term but will still be relatively conservatively managed by diversifying across a wide range of asset classes. The fund's performance objective is to outperform CPI + 2% over rolling 3-year periods. The fund has an active asset allocation strategy across different asset classes and may invest in listed and unlisted financial instruments as allowed by legislation. The fund also has the ability to reduce the potential volatility of the equity instruments by employing equity hedging strategies through derivatives. The fund may invest into other collective investment schemes and is managed on a multi manager basis.

Our multi management investment philosophy is based on the belief that the potential for alpha generation comes from selecting the finest managers, combining them in a way that optimises their skillsets, and adopting an active management approach.

Fund review

As of June 2019, the Ashburton Defensive Fund had assets under management of R542.17 million. The Ashburton Defensive Fund returned 6.05% (net of fees) and 7.96% (gross of fees) over a 12-month period

The exposure to bonds contributed the lion's share of the fund's performance. Although the exposure to listed property was a detractor, the Ashburton Multi-Manager Property Fund that is used as a building block for this asset class managed to outperform its benchmark. The protected equity component also added to performance, with the Prescient Positive Return Quants Plus fund returning 9.03% for the year.

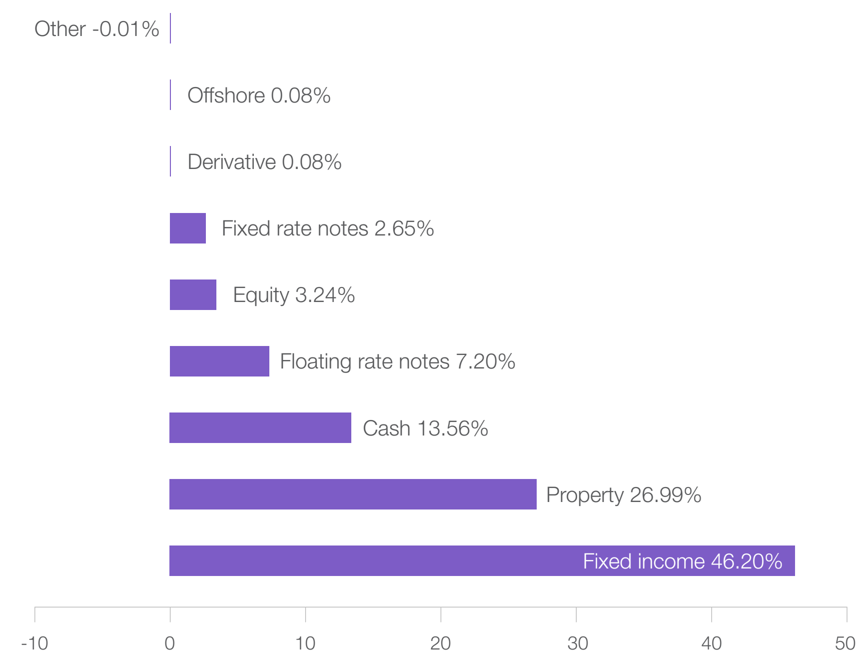
During the second quarter of 2019, the fund that was used for the passive property exposure was replaced by the Satrix Property Index Fund.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	0.44	4.68	1.21	6.33
2018-12-31	0.20	2.11	0.92	3.23
2018-06-29	0.21	4.82	0.99	6.02
2017-12-29	0.04	2.83	0.85	3.72

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

ASHBURTON STABLE FUND

Investment objectives and strategy

The fund aims to provide capital preservation in real terms while generating income through exposure to mainly interest-bearing assets. The fund's performance objective is for total returns to match CPI over rolling 2-year periods. The fund has an active asset allocation strategy across money market instruments, bonds, income, property instruments and with a maximum 10% exposure to equity securities (including international equity) and preference shares. The fund may invest in listed and unlisted financial instruments as allowed by legislation and can include investment into other collective investment schemes. This conservative approach should provide stable returns at low volatility. The fund is managed on a multi manager basis.

Our multi management investment philosophy is based on the belief that the potential for alpha generation comes from selecting the finest managers, combining them in a way that optimises their skillsets, and adopting an active management approach.

Fund review

As of June 2019, the Ashburton Stable Fund had assets under management of R57.84 million. The Ashburton Stable Fund returned 8.26% (net of fees) and 9.34% (gross of fees) over a 12-month period and has outperformed its benchmark of CPI.

All the underlying managers in the Ashburton Stable Fund contributed positively to the fund's performance over the past year. Over this period, the manager that had the largest contribution to the fund is Ashburton Fund Managers returning 10.47%, followed by Nedgroup Investments/Abax Investments who returned 10.08%, and Coronation Fund Managers returning 9.13%.

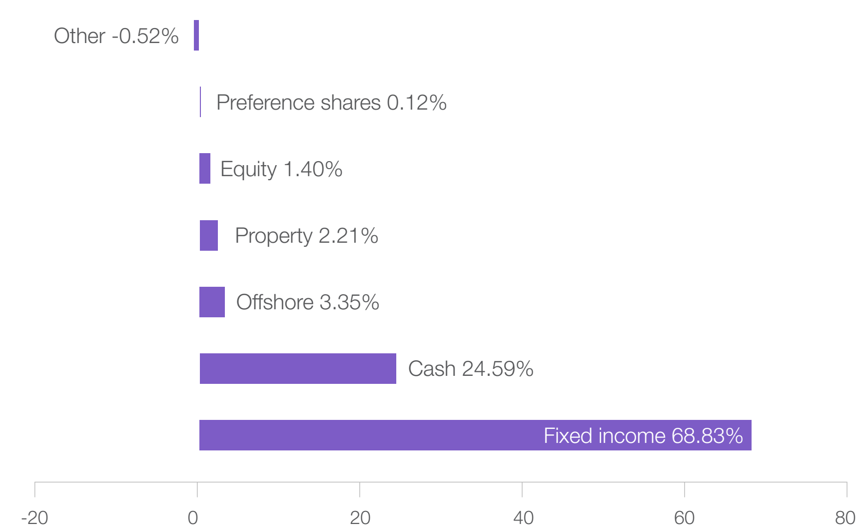
As from the end of February 2019 the fund was closed to new clients.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	0.07	3.46	0.07	3.60
2018-12-31	0.11	3.28	0.05	3.44
2018-06-29	0.05	3.25	0.08	3.38
2017-12-29	0.05	3.50	0.06	3.61

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

ASHBURTON TOP40 EXCHANGE TRADED FUND

Investment objectives and strategy

The fund aims to provide investors with exposure to the South African equities market through the purchase of a JSE listed ETF. The Ashburton Top40 ETF invests in the 40 biggest companies listed on the JSE based on their market capitalisation providing returns linked to the performance of the FTSE/JSE Top40 Index.

The ETF tracks the component equities of the index in proportion to the index weightings. The FTSE/JSE Top40 index contains 40 largest companies in terms of market capitalisation.

Our index tracking investment philosophy is to ensure that the index performance and constituents are fully replicated within the fund, reporting 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 from time to time as a result of index reviews or corporate actions.

Fund review

For the 12-month period ended 30 June 2019, the fund delivered 4.53% after fees and administrative expenses relative to the FTSE/JSE Top 40 Index performance of 4.57%.

Assets under management have grown by 68.96% to R1.65 billion. Units in issue amount to 31 288 332. Income distributions are done on a quarterly basis (March, June, September, December). The portfolio is rebalanced quarterly in line with the benchmark index.

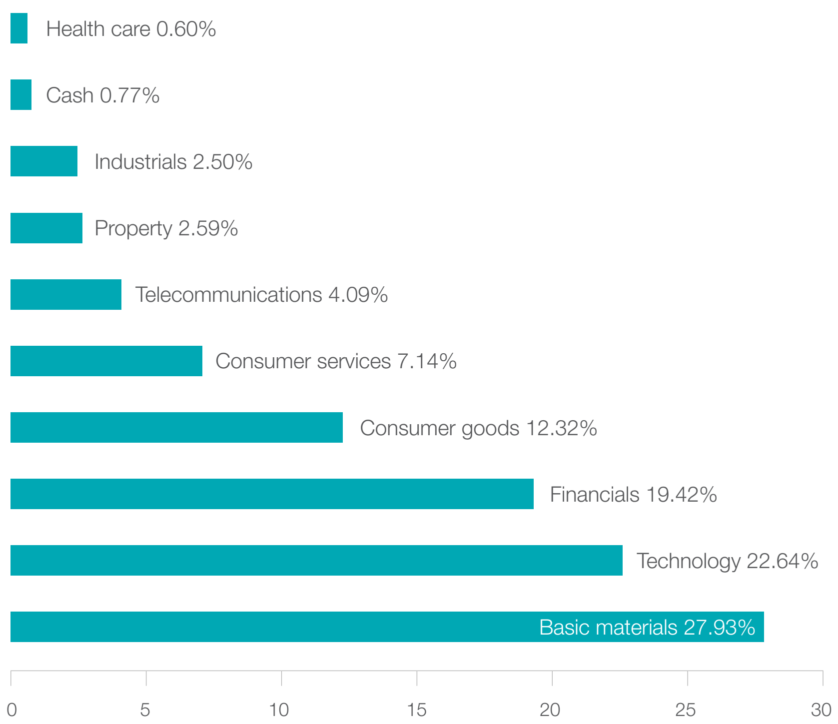
At the 2019 JSE SALTA awards, the Ashburton Top40 ETF took first place as the highest growing asset under management ETF during the last 12 months. The fund took second place in the best ETF tracker category.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-03-31	31.66	0.00	0.00	31.66
2018-12-31	21.20	0.00	2.17	23.37
2018-09-30	47.40	6.07	1.26	54.73
2018-06-08	28.07	0.00	3.19	31.26

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

ASHBURTON GOVERNMENT INFLATION LINKED BOND EXCHANGE TRADED FUND

Investment objectives and strategy

The fund aims to provide investors with a real rate of return above inflation, through exposure to a diversified portfolio of government inflation-linked bonds. The Ashburton Inflation ETF tracks the performance of the Government Inflation-Linked Bonds Index (GILBx). The GILBx invests in South African government inflation-linked bonds issued by the National Treasury.

Our index tracking investment philosophy is to ensure that the index performance and constituents are fully replicated within the fund, reporting 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 from time to time.

Fund review

For the 12-month period ended 30 June 2019, the fund delivered 3.59% after fees and administrative expenses relative to the GILBx Index performance of 4%. The weighted average real yield of the underlying index at 30 June 2019 was reported at CPI + 3.12%.

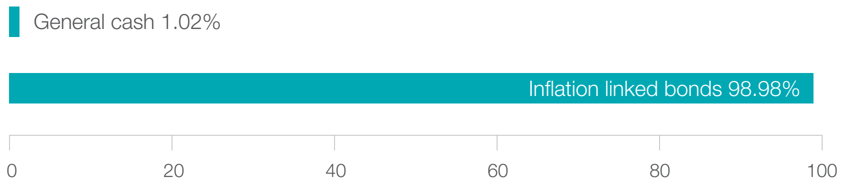
Assets under management decreased by 69.76% to R329.66 million. The units in issue amounted to 16 034 948. Income distributions are done on a quarterly basis (March, June, September, December). The portfolio is re-weighted monthly and reconstituted on a quarterly basis in line with the benchmark index.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-03-31	0.00	11.69	0.00	11.69
2018-12-31	0.00	16.07	0.00	16.07
2018-09-30	0.00	7.63	0.00	7.63
2018-06-08	0.00	16.63	0.00	16.63

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

EXCHANGE TRADED FUNDS

ASHBURTON MIDCAP EXCHANGE TRADED FUND

Investment objectives and strategy

The fund provides investors with exposure to the South African equities market through the purchase of a JSE listed ETF. The Ashburton MidCap ETF aims to replicate the performance of the FTSE/JSE MidCap Index. The index is represented by securities which fall within the 85% - 96% range of all securities comprising the FTSE/JSE All Share Index. The Ashburton MidCap ETF invests in the component equities of the underlying index in proportion to their index weights.

Our index tracking investment philosophy is to ensure that the index performance and constituents are fully replicated within the fund, reporting 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 from time to time as a result of index reviews or corporate actions.

Fund review

For the 12-month period ended 30 June 2019, the fund delivered 4.55% after fees and administrative expenses relative to the FTSE/JSE MidCap Index performance of 5.19%.

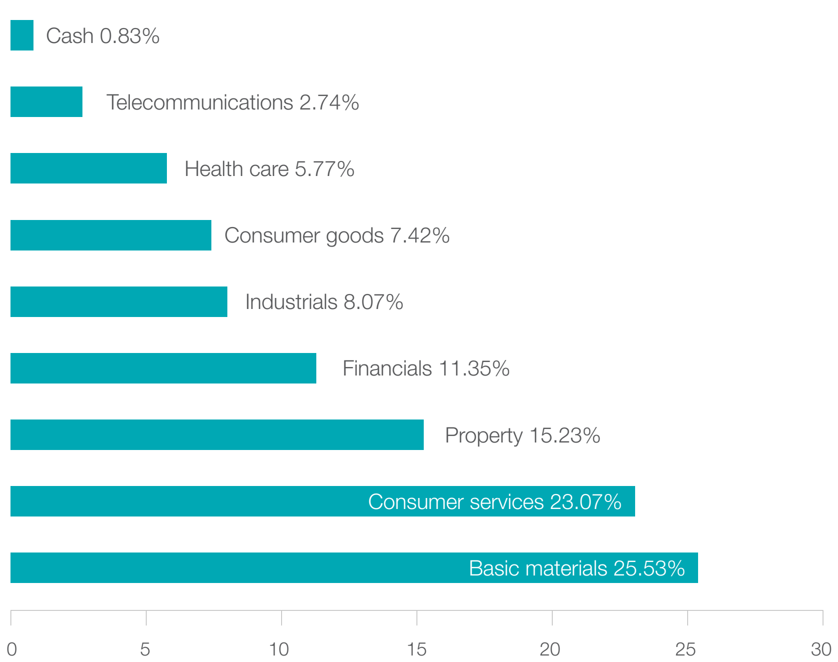
Assets under management decreased by 7.95% to R364 million. The units in issue amounted to 51 000 000. Income distributions are done on a quarterly basis (March, June, September, December). The portfolio is rebalanced quarterly in line with the benchmark index.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-03-31	6.87	0.16	0.00	7.03
2018-12-31	4.85	0.00	0.00	4.85
2018-09-30	5.04	0.00	0.00	5.04
2018-06-08	3.74	0.00	0.00	3.74

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

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ASHBURTON GLOBAL 1200 EQUITY EXCHANGE TRADED FUND (ETF)

Investment objectives and strategy

The Ashburton Global 1200 Equity Exchange Traded Fund aims to replicate the performance of the S&P Global 1200 Index. The index provides exposure to global equity markets, capturing approximately 70% of global equity universe by market capitalization. The S&P Global 1200 Index is a composite of seven headline indices, namely the S&P 500® (US), S&P Europe 350, S&P TOPIX 150 (Japan), S&P/TSX 60 (Canada), S&P/ASX All Australian 50, S&P Asia 50 and S&P Latin America 40.

The Ashburton Global 1200 Equity ETF is suitable for investors seeking a cost efficient, convenient investment with exposure to international equities across developed and emerging markets. The fund invests in the component equities of the underlying index on an optimised basis. The ETF can also be used as a building block by investors who wish to construct their own portfolios.

Fund review

For the 12-month period ended 30 June 2019, the fund delivered 7.75% after fees and administrative expenses relative to the S&P Global 1200 Index performance of 9.51%.

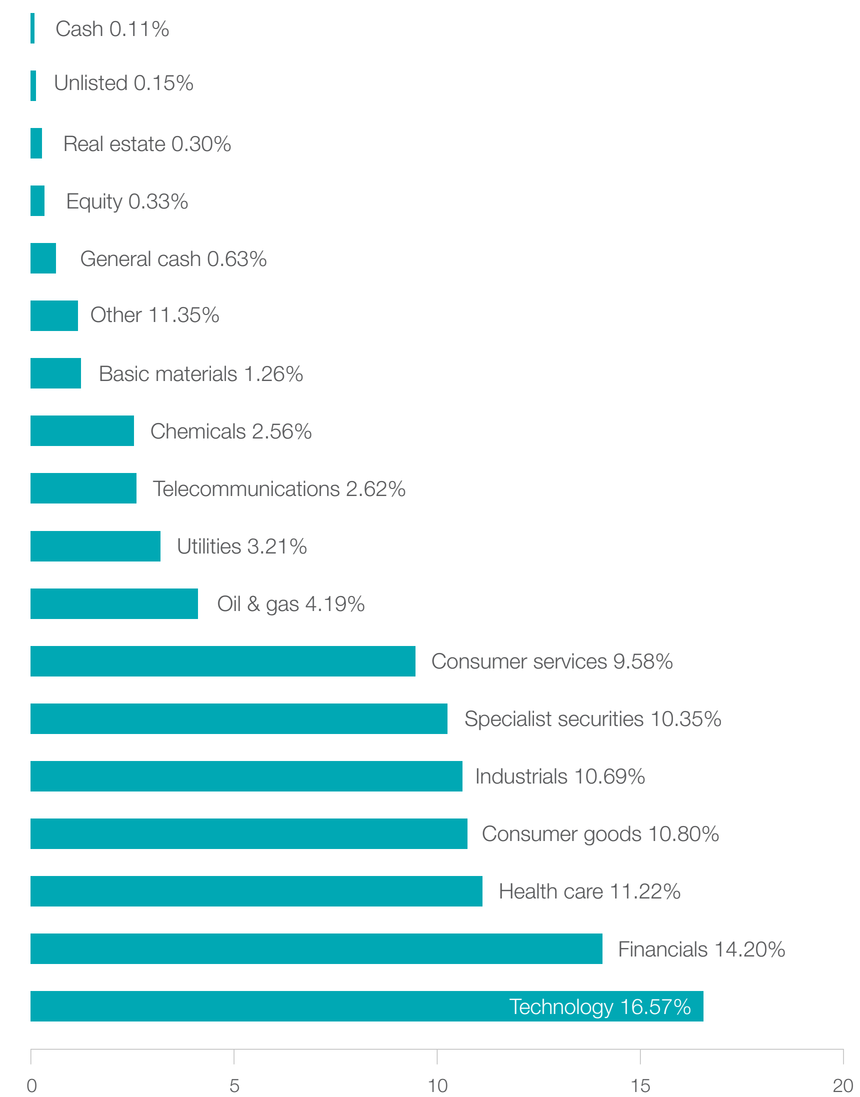
Assets under management increased by 65.95% to R530.95 million. The units in issue amounted to 11 849 000. Income distributions are done on a quarterly basis (January, April, July, October). The portfolio is rebalanced quarterly in line with the benchmark index.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-04-30	16.39	0.00	0.00	16.39
2019-01-31	18.31	0.00	0.00	18.31
2018-10-31	10.38	0.00	0.00	10.38
2018-07-31	12.51	0.00	0.00	12.51

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

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ASHBURTON WORLD GOVERNMENT BOND INDEX EXCHANGE TRADED FUND (ETF)

Investment objectives and strategy

The Ashburton World Government Bond ETF provides investors with cost efficient exposure to global bond markets by tracking the FTSE World Government Bond Index (WGBI). The WGBI measures the performance of fixed rate, local currency, investment grade sovereign bonds. It consists of countries that meet specific criteria for market size, credit quality, and barriers to entry. The Ashburton World Government Bond ETF invests in the underlying bonds directly and not via any synthetic exposures. The fund is managed on an optimised basis to ensure that trading efficiencies are realized. Risks in the portfolio include, but are not limited to; currency risk, general market conditions and market volatility, economic and political risk.

Fund review

For the 12-month period ended 30 June 2019, the fund delivered 6.65% after fees and administrative expenses relative to the FTSE World Government Bond Index performance of 8.57%.

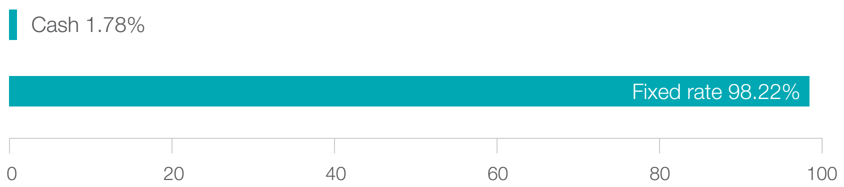
Assets under management increased by 82.65% to R115.27 million. The units in issue amounted to 16 134 683. Income distributions are done on a quarterly basis (January, April, July, October). The portfolio is rebalanced monthly in line with the benchmark index.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-04-30	0.00	3.15	0.00	3.15
2019-01-31	0.00	1.13	0.00	1.13
2018-07-31	0.00	1.94	0.00	1.94

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

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ASHBURTON GOVI TRACKER FUND

Investment objectives and strategy

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

Our index tracking investment philosophy is to ensure that the index performance and constituents are fully replicated within the fund, reporting 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 from time.

Fund review

For the 12-month period ended 30 June 2019, the fund delivered 10.86% after fees and administrative expenses relative to the GOVI Index performance of 11.25%.

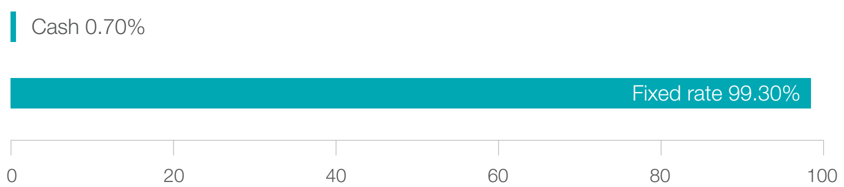
Assets under management decreased by 37.90% to R301.63 million. The units in issue amounted to 282 938 930. Income distributions are done on a bi-annually basis (June, December). The portfolio is re-weighted monthly and reconstituted on a quarterly basis in line with the benchmark index.

Income distribution history

Distribution date	Dividend distribution (cpu)	Interest distribution (cpu)	Reit income (cpu)	Total distribution (cpu)
2019-06-28	0.00	4.24	0.00	4.24
2018-12-31	0.00	4.39	0.00	4.39
2018-06-29	0.00	4.24	0.00	4.24
2017-12-29	0.00	4.16	0.00	4.16

Source: Finswitch, Ashburton Investments

Asset allocation (%)



Source: Ashburton Investments

TRACKER FUNDS

FUND CLOSURE NOTICE

During the period under review, the following tracker funds were closed:

- Ashburton Low Beta SA Composite Tracker Fund
- Ashburton Enhanced Value Tracker Fund
- Ashburton Momentum Tracker Fund
- Ashburton Property Tracker Fund
- Ashburton Global 1200 Equity Exchange Traded Fund

The funds were considered below scale for the purposes of efficient tracking and cost absorption. The prospects of growing assets under management to achieve critical mass at this stage were slim, and in the absence of a clear growth and distribution strategy, the decision was taken to close them down.

ANNUAL FEES AND TERS

For the year ended 30 June 2019

Group/Investment	Annual management fee (excl. VAT)	Total expense ratio
Ashburton Equity Fund	1.00%	1.17%
Ashburton Balanced Fund	1.00%	1.25%
Ashburton Targeted Return Fund	1.10%	1.32%
Ashburton SA Income Fund	0.65%	0.77%
Ashburton Money Market Fund	0.30%	0.36%
Ashburton Bond Fund	0.85%	1.01%
Ashburton Global Flexible Fund	1.50%	1.91%
Ashburton Property Fund	1.10%	1.55%
Ashburton Diversified Income Fund	1.00%	1.29%
Ashburton Stable Income Fund	0.45%	0.55%
Ashburton Multi Manager Equity Fund	1.25%	2.07%
Ashburton Multi Manager Property Fund	1.20%	1.43%

Group/Investment	Annual management fee (excl. VAT)	Total expense ratio
Ashburton Multi Manager Prudential Flexible Fund	1.25%	1.68%
Ashburton Multi Manager Bond Fund	0.85%	1.05%
Ashburton Multi Manager Income Fund	0.95%	1.36%
Ashburton Growth Fund	1.50%	1.73%
Ashburton Defensive Fund	1.25%	1.39%
Ashburton Stable Fund	0.75%	1.24%
Ashburton Top40 Exchange Traded Fund	0.09%	0.14%
Ashburton Inflation Exchange Traded Fund	0.32%	0.40%
Ashburton Midcap Exchange Traded Fund	0.44%	0.66%
Ashburton Global 1200 Equity Exchange Traded Fund	0.37%	0.55%
Ashbuton World Government Bond Exchange Traded Fund	0.34%	0.55%
Ashburton GOVI Tracker Fund	0.55%	0.63%

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PERFORMANCE SUMMARY

WHILE CAUTION IS WARRANTED ON THE BACK OF SLOWING GLOBAL GROWTH AND EARNINGS DOWNGRADES, A LOW INTEREST RATE ENVIRONMENT MAKES EQUITY EARNINGS YIELDS RELATIVELY ATTRACTIVE.

PERFORMANCE SUMMARY

	1 month	3 months	6 months	1 year	2 years	3 years	5 years
SOUTH AFRICAN MULTI ASSET – HIGH EQUITY							
Ashburton Balanced Fund	2.08	1.82	6.63	3.22	5.37	3.72	5.34
Ashburton Multi Manager Prudential Flexible Fund	1.60	0.11	6.25	4.04	5.16	3.89	5.54
Peer group average (121 funds)	1.80	1.05	6.90	3.24	5.21	3.96	4.89
SOUTH AFRICAN MULTI ASSET – LOW EQUITY							
Ashburton Targeted Return Fund	1.47	2.65	6.08	5.44	5.03	3.82	5.43
CPI + 3.5%	0.55	2.55	3.89	7.98	7.93	8.28	8.51
SOUTH AFRICAN MULTI ASSET – INCOME							
Ashburton Multi Manager Income Fund	0.74	2.30	4.89	8.97	8.00	7.88	7.75
110% of STEFI 3 month deposit	0.62	1.88	3.78	7.68	7.71	7.80	7.43
Ashburton Stable Income Fund	0.70	2.11	4.50	8.26	8.19	7.85	7.46
CPI	0.27	1.73	2.19	4.48	4.43	4.78	5.01
Ashburton Diversified Income Fund	0.93	2.73	6.03	10.30	N/A	N/A	N/A
Beassa 1-3 Yr TR ZAR	0.93	2.66	4.57	10.92	9.33	9.06	8.24
SOUTH AFRICAN MULTI ASSET – FLEXIBLE							
Ashburton Defensive Fund	1.93	2.93	5.82	6.05	4.23	4.41	5.55
CPI + 2%	0.43	2.20	3.16	6.48	6.43	6.78	7.01
Ashburton Growth Fund	2.24	0.17	5.87	-0.33	2.83	2.32	3.39
CPI + 4%	0.59	2.66	4.13	8.48	8.43	8.79	9.01

PERFORMANCE SUMMARY

	1 month	3 months	6 months	1 year	2 years	3 years	5 years
GLOBAL MULTI ASSET - FLEXIBLE							
Ashburton Global Flexible Fund (ZAR)	1.28	-0.23	7.44	3.49	6.57	3.05	7.18
60 MSCI AC Index, 40 Citi World Bond Index	1.54	1.30	9.68	9.16	10.99	6.40	10.50
SOUTH AFRICAN FIXED INCOME – VARIABLE TERM							
Ashburton Multi Manager Bond Fund	1.78	3.19	6.83	10.57	10.34	9.59	8.06
Ashburton Bond Fund	2.12	3.61	7.49	11.50	11.24	10.08	N/A
BEASSA All Bond Index	2.27	3.70	7.65	11.50	10.84	9.86	8.59
Ashburton Inflation ETF	0.28	2.75	3.05	3.59	2.38	1.32	3.32
GILBx Total Return Index	0.31	2.88	3.26	4.00	2.82	1.74	3.78
Ashburton GOVI Tracker Fund	2.23	3.60	7.44	10.86	9.90	N/A	N/A
Beassa GOVI TR ZAR	2.32	3.70	7.71	11.25	10.43	9.63	8.44
SOUTH AFRICAN FIXED INCOME – SHORT TERM							
Ashburton SA Income Fund	0.79	2.25	4.59	8.87	8.83	8.85	8.02
Ashburton Stable Income Fund	0.63	2.04	4.18	8.52	8.64	8.59	8.13
STEFI Composite Index	0.59	1.80	3.60	7.31	7.33	7.43	7.08
SOUTH AFRICAN FIXED INCOME – MONEY MARKET							
Ashburton Money Market Fund	0.62	1.88	3.79	7.69	7.69	7.74	7.32
Benchmark: STEFI 3 month deposit	0.56	1.71	3.43	6.96	6.98	7.07	6.73

PERFORMANCE SUMMARY

	1 month	3 months	6 months	1 year	2 years	3 years	5 years
SOUTH AFRICAN REAL ESTATE – GENERAL							
Ashburton Multi Manager Property Fund	2.01	2.86	4.44	-1.02	-5.58	-2.99	5.75
Ashburton Property Fund	1.70	3.22	4.71	-0.57	N/A	N/A	N/A
FTSE/JSE SA Listed Property TR ZAR	2.20	4.52	6.04	0.79	-4.73	-2.27	5.64
SOUTH AFRICAN EQUITY – GENERAL							
Ashburton Equity Fund	2.21	2.08	5.72	-0.55	3.21	1.66	2.97
Ashburton Multi Manager Equity Fund	2.79	0.45	6.53	0.14	3.10	2.28	3.20
FTSE/JSE All Share Index (TR)	4.78	3.92	12.21	4.42	9.59	6.89	5.85
Ashburton Global 1200 Equity ETF	3.42	1.43	14.54	7.74	N/A	N/A	N/A
SOUTH AFRICAN EQUITY LARGE CAP							
Ashburton Top40 ETF	5.34	4.54	13.30	4.53	10.34	7.19	5.42
FTSE/JSE Top 40 TR ZAR	5.39	4.61	13.45	4.57	10.49	7.43	5.64
SOUTH AFRICAN EQUITY MID/SMALL CAP							
Ashburton MidCap ETF	2.41	1.29	3.93	4.55	3.75	1.23	4.93
FTSE/JSE Mid Cap TR ZAR	2.46	1.45	4.26	5.19	4.43	1.94	5.61
GLOBAL EQUITY GENERAL							
Ashburton World Government Bond ETF	-0.97	0.82	3.20	6.65	N/A	N/A	N/A
FTSE WGBI ZAR Ashburton	-0.83	1.02	3.45	8.57	N/A	N/A	N/A

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THE ASSETS UNDER MANAGEMENT AT THE END OF JUNE 2019 ACROSS OUR FUND RANGE WAS R26.7 BILLION, AN INCREASE OF R6 BILLION FROM THE PREVIOUS YEAR.

OUR FINANCIALS

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

SINGLE MANAGER FUNDS

	Ashburton Equity Fund	Ashburton Balanced Fund	Ashburton Targeted Return Fund	Ashburton SA Income Fund	Ashburton Stable Income Fund	Ashburton Diversified Income Fund	Ashburton Money Market Fund	Ashburton Global Flexible Fund	Ashburton Property Fund	Ashburton Bond Fund
Income	16 759 493	21 284 161	26 638 563	151 224 799	717 332 296	8 016 109	239 708 683	3 758 637	3 004 464	38 725 901
Expenditure	(2 990 344)	(4 043 379)	(3 979 336)	(9 857 270)	(30 011 157)	(1 470 591)	(8 771 863)	(4 192 491)	(115 946)	(2 067 898)
Fair value gains / (losses)	(16 386 313)	(1 325 481)	(436 831)	5 746 140	11 492 420	3 755 487	(38 007)	32 398 698	(2 752 790)	12 073 724
Net income / (loss) for the period	**(2 617 164)**	**15 915 301**	**22 222 396**	**147 113 669**	**698 813 559**	**10 301 005**	**230 898 813**	**31 964 844**	**135 728**	**48 731 727**

MULTI MANAGER FUNDS / SOLUTIONS FUNDS

	Multi Manager Funds					Solutions Funds		
	Ashburton Multi Manager Equity Fund	Ashburton Multi Manager Property Fund	Ashburton Multi Manager Prudential Flexible Fund	Ashburton Multi Manager Bond Fund	Ashburton Multi Manager Income Fund	Ashburton Growth Fund	Ashburton Defensive Fund	Ashburton Stable Fund
Income	15 825 709	48 800 465	12 233 871	19 972 265	60 527 354	21 804 960	43 874 856	4 445 465
Expenditure	(2 414 233)	(6 435 858)	(3 901 188)	(5 572 726)	(10 074 323)	(9 729 934)	(11 189 259)	(654 566)
Fair value gains / (losses)	(9 283 522)	(50 653 105)	(47 703)	5 504 434	12 521 834	(16 153 821)	337 510	707 611
Net income / (loss) for the period	**4 127 954**	**(8 288 498)**	**8 284 980**	**19 903 973**	**62 974 865**	**(4 078 795)**	**33 023 107**	**4 498 510**

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

EXCHANGE TRADED FUNDS

	Ashburton Top40 Exchange Traded Fund	Ashburton Inflation Exchange Traded Fund	Ashburton MidCap Exchange Traded Fund	Ashburton Global 1200 Exchange Traded Fund	Ashburton World Government Bond Exchange Traded Fund
Income	65 915 585	13 984 016	15 373 187	9 267 192	2 185 684
Expenditure	(2 048 048)	(1 743 841)	(2 198 729)	(2 421 837)	(496 148)
Fair value gains / (losses)	7 456 148	(1 505 842)	2 729 645	14 211 985	4 367 784
Net income / (loss) for the period	**71 323 685**	**10 734 333**	**15 904 103**	**21 057 340**	**6 057 320**

TRACKER FUNDS

	Ashburton Low Beta SA Composite Tracker Fund	Ashburton Enhanced Value SA Tracker Fund	Ashburton Momentum SA Tracker Fund	Ashburton Govi Tracker Fund	Ashburton Property Tracker Fund	Ashburton Global 1200 SA Tracker Fund
Income	160 123	150 641	388 076	32 752 548	3 038 765	1 611 252
Expenditure	(106 221)	(63 217)	(69 356)	(1 195 247)	(126 988)	(982 316)
Fair value gains / (losses)	62 709	1 847 794	(1 251 629)	2 138 923	(3 459 593)	24 456 212
Net income / (loss) for the period	**116 611**	**1 935 218**	**(932 909)**	**33 696 224**	**(547 816)**	**25 085 148**

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	HEDGE FUNDS			FEEDER FUNDS	
	Ashburton Select Retail Investor Hedge Fund of Funds	**Ashburton Dynamic Equity Retail Investor Hedge Fund**	**Ashburton Dynamic Equity Qualified Hedge Fund**	**Ashburton Africa Equity Opportunities Feeder Fund**	**Ashburton Global Leaders ZAR Equity Feeder Fund**
Income	526 668	711 749	1 665 855	21 369	8 130
Expenditure	(323 893)	(388 973)	(946 428)	(28 920)	(7 016)
Fair value gains / (losses)	1 714 007	(1 350 348)	(6 328 422)	(350 355)	8 322
Net income / (loss) for the period	**1 916 782**	**(1 027 572)**	**(5 608 995)**	**(357 906)**	**9 436**

Note :

The Hedge Funds

Ashburton Investments has spun off its Dynamic Equity Hedge Fund business effective 1 May 2018. The Black Mountain Investment Management team has been managing these hedge funds since then under the Ashburton Fund Managers licences. The Ashburton Dynamic Equity Qualified Hedge Fund is now in the process of moving and being rebranded under the Realfin Collective Investment Schemes Management Company (RCIS), subject to a successful investor ballot. The Ashburton Dynamic Equity Investor Hedge Fund will be closed in the process.

The Ashburton Select Retail Investor Hedge Fund of Funds was closed December 2018.

The Feeder Funds

The Ashburton Africa Equity Opportunities Feeder Fund is also going through a closure process following the closure of the principal fund in August 2019.

The Ashburton Global Leaders ZAR Equity Feeder fund is our recently launched feeder fund. Its fund performance and review will be included in the next annual report.

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2019

SINGLE MANAGER FUNDS

	Ashburton Equity Fund	Ashburton Balanced Fund	Ashburton Targeted Return Fund	Ashburton SA Income Fund	Ashburton Stable Income Fund
ASSETS					
Investments designated at fair value through profit or loss	377 233 623	470 496 591	341 927 258	1 744 462 204	12 228 508 272
Trade and other receivables	8 516 076	6 779 680	900 827	-	2 467 359
Cash and cash equivalents	28 071 109	42 508 001	8 461 799	532 544	5 245 691
Total assets	**413 820 808**	**519 784 272**	**351 289 884**	**1 744 994 748**	**12 236 221 322**
LIABILITIES					
Net assets attributable to participatory interest holders	409 336 969	519 399 082	348 501 390	1 718 900 228	12 155 361 329
Trade and other payables	4 483 839	385 190	2 788 494	26 094 520	80 859 993
Bank overdraft	-	-	-	-	-
Total liabilities	**413 820 808**	**519 784 272**	**351 289 884**	**1 744 994 748**	**12 236 221 322**

	Ashburton Diversified Income Fund	Ashburton Money Market Fund	Ashburton Global Flexible Fund	Ashburton Property Fund	Ashburton Bond Fund
ASSETS					
Investments designated at fair value through profit or loss	111 843 354	3 326 775 224	638 479 331	68 558 609	496 086 375
Trade and other receivables	69 187	2 202	2 640 757	18 633	2 438 382
Cash and cash equivalents	2 639 733	435 137	74 719 968	5 277 937	805 675
Total assets	**114 552 274**	**3 327 212 563**	**715 840 056**	**73 855 179**	**499 330 432**
LIABILITIES					
Net assets attributable to participatory interest holders	110 867 143	3 305 366 866	715 231 832	73 851 707	487 380 342
Trade and other payables	3 685 131	21 845 697	608 224	-	11 950 090
Bank overdraft	-	-	-	3 472	-
Total liabilities	**114 552 274**	**3 327 212 563**	**715 840 056**	**73 855 179**	**499 330 432**

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	MULTI MANAGER FUNDS					SOLUTIONS FUNDS		
	Ashburton Multi Manager Equity Fund	Ashburton Multi Manager Property Fund	Ashburton Multi Manager Prudential Flexible Fund	Ashburton Multi Manager Bond Fund	Ashburton Multi Manager Income Fund	Ashburton Growth Fund	Ashburton Defensive Fund	Ashburton Stable Fund
ASSETS								
Investments designated at fair value through profit or loss	670 653 661	583 605 222	219 790 704	178 329 689	701 015 663	489 990 175	538 099 502	58 003 172
Trade and other receivables	2 041 116	854 081	1 756 811	604 543	1 077 869	2 635 584	67 460	2 284
Cash and cash equivalents	13 786 506	23 251 496	16 217 841	2 718 999	12 582 317	13 300 250	4 766 624	446 631
Total assets	**686 481 283**	**607 710 799**	**237 765 356**	**181 653 231**	**714 675 849**	**505 926 009**	**542 933 586**	**58 452 087**
LIABILITIES								
Net assets attributable to participatory interest holders	684 829 064	605 399 396	236 968 942	181 306 959	710 192 048	503 988 012	542 194 012	57 842 677
Trade and other payables	1 652 219	2 311 403	796 414	346 272	4 483 801	1 937 997	739 574	609 410
Bank overdraft	-	-	-	-	-	-	-	-
Total liabilities	**686 481 283**	**607 710 799**	**237 765 356**	**181 653 231**	**714 675 849**	**505 926 009**	**542 933 586**	**58 452 087**

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EXCHANGE TRADED FUNDS

	Ashburton Top40 Exchange Traded Fund	Ashburton Inflation Exchange Traded Fund	Ashburton MidCap Exchange Traded Fund	Ashburton Global 1200 Exchange Traded Fund	Ashburton World Government Bond Exchange Traded Fund
ASSETS					
Investments designated at fair value through profit or loss	1 634 379 596	326 295 824	360 780 774	527 019 925	113 216 663
Trade and other receivables	1 103 881	12 758	210 677	1 177 993	775
Cash and cash equivalents	13 104 272	3 713 619	3 532 524	3 359 450	2 159 510
Total assets	**1 648 587 749**	**330 022 201**	**364 523 975**	**531 557 368**	**115 376 948**
LIABILITIES					
Net assets attributable to participatory interest holders	1 648 088 684	329 653 486	363 992 667	530 938 033	115 265 218
Trade and other payables	499 065	368 715	531 308	619 335	111 730
Bank overdraft	-	-	-	-	-
Total liabilities	**1 648 587 749**	**330 022 201**	**364 523 975**	**531 557 368**	**115 376 948**

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2019

TRACKER FUNDS

	Ashburton Low Beta SA Composite Tracker Fund	Ashburton Enhanced Value SA Tracker Fund	Ashburton Momentum SA Tracker Fund	Ashburton Govi Tracker Fund	Ashburton Property Tracker Fund	Ashburton Global 1200 SA Tracker Fund
ASSETS						
Investments designated at fair value through profit or loss	-	-	-	299 650 976	-	-
Trade and other receivables	-	-	-	10 662	-	-
Cash and cash equivalents	-	-	-	2 221 704	-	-
Total assets	**-**	**-**	**-**	**301 883 342**	**-**	**-**
LIABILITIES						
Net assets attributable to participatory interest holders	-	-	-	301 766 720	-	-
Trade and other payables	-	-	-	116 622	-	-
Bank overdraft	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**301 883 342**	**-**	**-**

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2019

	HEDGE FUNDS			FEEDER FUNDS	
	Ashburton Select Retail Investor Hedge Fund of Funds	**Ashburton Dynamic Equity Retail Investor Hedge Fund**	**Ashburton Dynamic Equity Qualified Hedge Fund**	**Ashburton Africa Equity Opportunities Feeder Fund**	**Ashburton Global Leaders ZAR Equity Feeder Fund**
ASSETS					
Investments designated at fair value through profit or loss	-	12 360 496	41 751 325	1 943 216	3 257 844
Trade and other receivables	-	35 060	1 101 135	-	1 514
Cash and cash equivalents	-	7 358 126	5 159	55 753	184 662
Total assets	**-**	**19 753 682**	**42 857 619**	**1 998 969**	**3 444 020**
LIABILITIES					
Net assets attributable to participatory interest holders	-	19 501 202	40 782 865	1 998 967	3 442 449
Trade and other payables	-	252 480	2 074 754	2	1 571
Bank overdraft	-	-	-	-	-
Total liabilities	**-**	**19 753 682**	**42 857 619**	**1 998 969**	**3 444 020**

TRUSTEES' REPORT

TRUSTEES' REPORT

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 2019.

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;

Melinda Mostert
Standard Bank of South Africa Limited

Seggie Moodley
Standard Bank of South Africa Limited

16 August 2019

TRUSTEES' REPORT

Abridged Report of the Trustee: Standard Chartered Bank Johannesburg Branch

We, Standard Chartered Bank, Johannesburg Branch, in our capacity as trustee of the

ASHBURTON COLLECTIVE INVESTMENT SCHEME IN SECURITIES EXCHANGE TRADED FUNDS (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 period 01 July 2018 up to and including 30 June 2019 ("the Report"). The Report is available from us and/or

ASHBURTON MANAGEMENT COMPANY (RF) PROPRIETARY LIMITED (THE "MANAGER")

This letter is an abridged version of the Report.

Having fulfilled our duties as required by the Act, we confirm that the Manager of the Scheme has in general administered the Scheme:

(i) within the limitations on the investment and borrowing powers of the Manager imposed by the Act, and

(ii) in accordance with the provisions of the Act and the deed.

Yours sincerely,

Charl Steyn
Manager,
Trustee Services

Chantal Kruger
Senior Manager,
Trustee Services

31 July 2019

LEGAL NOTES

Management Company

Ashburton Management Company (RF) Proprietary Limited
Registration number: 1996/002547/07

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Corner Fredman Drive and Rivonia Road
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Directors

Executive Directors
B Grobler

Independent Non-executive Directors
M Ramplin (Chairman)
S Yates
G Carter

Investment Manager

Ashburton Fund Managers (Proprietary) Limited

Trustees of the Ashburton Collective Investment Scheme

Standard Bank of South Africa Limited
19th Floor Main Tower Standard Bank Centre
Heerengracht Street
Cape Town, 8001

Trustee for ETFs

Standard Chartered
5th Floor, No. 4 Sandown Valley Crescent
Sandton, Gauteng, 2196

Auditors

PricewaterhouseCoopers

DISCLAIMER

Ashburton Management Company (RF) Proprietary Limited is an approved collective investment schemes manager of the Ashburton Collective Investment Scheme ("Ashburton CIS"). Ashburton 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 2018. 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 2018. 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 if 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.

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ASHBURTON INVESTMENTS

A part of the FirstRand Group