

Ashburton Investments SICAV

Société d'Investissement à Capital Variable
Registered Office: 49 avenue J.F. Kennedy
L-1855 Luxembourg, Grand Duchy of Luxembourg
RCS Luxembourg B-176 864

(the “Fund”)

Notice to Shareholders

20 June 2019

Dear Shareholder,

We are writing to you as a Shareholder of Ashburton Investments SICAV (the “Fund”) to inform you that the board of directors (the “Board”) has decided to proceed with some changes and clarification to the prospectus of the Fund (the “Prospectus”) (II., III. and IV.).

Additionally, Ashburton (Jersey) Limited, the Investment Manager of the Company, intends to appoint a sub-investment manager in respect of certain Sub-Funds: Ashburton Investments SICAV – Global Defensive Fund, Ashburton Investments SICAV – Global Balanced Fund, and Ashburton Investments SICAV – Global Growth Fund (the “Impacted Sub-Funds”). Therefore, a Shareholder of one or more of the Impacted Sub-Funds will be interested in this change (I.).

I. Appointment of a Sub-Investment Manager for the Impacted Sub-Funds

As you may know, the investment management activities of the Fund are currently performed by Ashburton (Jersey) Limited (“Ashburton”). In February 2018, Ashburton appointed FIL Pensions Management (“FIL”) as its investment advisor in respect of the Impacted Sub-Funds. Ashburton has identified that additional efficiencies can be achieved by appointing FIL, with effect from 23 July 2019, as its Sub-Investment Manager in respect of the Impacted Sub-Funds, under the ultimate responsibility of Ashburton. Please note that FIL is entitled to delegate certain sub-investment management activities to an affiliated company, FIL Investments International, in relation to the Impacted Sub-Funds.

The Impacted Sub-Funds’ investment objectives and restrictions will remain unchanged except for the removal of the ability to invest in hedge funds for the Ashburton Investments SICAV – Global Defensive and Ashburton Investments SICAV – Global Balanced Fund as per point II. Ashburton will retain responsibility for the top-down asset allocation and macroeconomic views.

As a result of the above the Board has decided to update the Prospectus appendices of the Impacted Sub-Funds by inserting a new paragraph “*Sub-Investment Manager*”, which shall read as follows:

“FIL Pensions Management, (“FIL” or the “Sub-Investment Manager”), has been appointed as Sub-Investment Manager to the Investment Manager. Under the terms of the appointment FIL (Company number 02015142), or an affiliated company of FIL, FIL Investments International (Company number 01448245), whose registered office is at Oakhill House, 130 Tonbridge Road, Hildenborough, Kent TN11 9DZ, United Kingdom, and which is authorised and regulated by the UK Financial Conduct Authority will provide sub-investment management services to the Investment Manager for the Sub-Fund in accordance with the Investment Management Agreement between the Investment Manager and FIL. FIL is a private unlimited company incorporated on 29 April 1986 with unlimited liability and has an authorised and issued share capital of £18,000,000. FIL’s registered office is Oakhill House 130 Tonbridge Road, Hildenborough, Tonbridge, Kent, TN11 9DZ. The ultimate holding company of FIL is FIL Limited of Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda and is a Limited Liability Company incorporated in Bermuda.”

In the capacity as Sub-Investment Manager, FIL shall provide continuing investment management services on the deployment of the Sub-Fund's assets. The Sub-Investment Manager shall ensure that all investment management duties performed by it take full account of the investment objectives and restrictions of the Sub-Fund as set out in the Prospectus as applicable and as may be notified by the Investment Manager in writing from time to time. The Sub-Investment Manager shall trade the Sub-Fund's assets on the Sub-Fund's behalf."

Please be advised that these changes are not expected to cause any disruption in the performance of the investment management services, and are not expected to have any impact on the overall amount of fees currently paid by the Fund to the Investment Manager or the management style of the Fund.

If, as a Shareholder of one or more of the Impacted Sub-Funds, you do not agree with the appointment of FIL you may request the redemption or conversion of your share(s) in compliance with the terms of the Prospectus and without any redemption charges during a one -month period beginning on the date of this notice and up to: 4.30pm, London time, which is 5.30pm CET, on 22 July 2019.

II. Changes regarding Ashburton Investments SICAV – Global Defensive Fund and Ashburton Investments SICAV – Global Balanced Fund

Ashburton Investments SICAV – Global Defensive Fund and Ashburton Investments SICAV – Global Balanced Fund (the "**Modified Sub-Funds**") will be modified as follows:

- **Risk management methodology**

The risk management process for global exposure for the Modified Sub-Funds is currently Relative VaR. This was initially chosen at the time the Modified Sub-Funds were launched to allow leverage as part of the Modified Sub-Funds' investment strategy. However, it should be noted that leverage as part of the investment strategy has never been utilised by either Modified Sub-Fund.

As a consequence, the risk management methodology for both Modified Sub-Funds will change from Relative VaR to the Commitment approach in order to simplify the approach, be consistent with the approach of all other Sub-Funds of the Fund, and reduce the costs.

- **Indirect exposure to hedge funds**

The investment objective of the Modified Sub-Funds will be amended by the removal of the ability to obtain indirect exposure to hedge funds.

As a consequence, the last paragraph of the investment objective of both Modified Sub-Funds shall read as follows: "*In addition, the Sub-Fund may obtain indirect exposure to non-traditional asset classes such as real estate, commodities or private equity by investing in transferable securities (such as exchange traded notes or certificates) or other permitted assets (such as units of collective investment schemes including ETFs or close-ended funds as well as derivatives). Commodity-linked notes may embed derivatives linked to eligible commodity indices.*"

If, as a Shareholder of one or more of the Modified Sub-Funds, you do not agree with the changes you may request the redemption or conversion of your share(s) in compliance with the terms of the Prospectus and without any redemption charges during a one -month period beginning on the date of this notice and up to: 4.30pm, London time, which is 5.30pm CET, on 22 July 2019.

III. Clarification regarding all Sub-Funds

- **SFTR**

In light of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse ("**SFTR**"), the Prospectus now

clearly states that none of the Sub-Funds will enter into (i) repurchase or reverse repurchase agreements, (ii) securities or commodities lending and securities and commodity borrowings, (iii) buy-sell back transactions or sell-buy back transactions, (iv) margin lending transactions and (v) total return swaps as defined under SFTR. Should the Sub-Funds use any of these techniques in the future, the Prospectus shall be updated accordingly.

- **New regulatory requirements**

A clarification has been added to the prospectus that the Management Company is entitled to receive out of the assets of the Fund additional fees corresponding to the provision of additional services, as agreed from time to time, allowing the Fund to comply with any new regulatory requirements impacting the Fund.

- **Administrator fee**

A clarification has been inserted that the total minimum administrator fee will be pro-rated per Sub-Fund based on the average net asset value of each Sub-Fund.

IV. Clarification regarding the Impacted Sub-Funds

Disclosures have been added as to inform the Shareholders that in case the Impacted Sub-Funds invest in other UCITS and/or other UCIs that are managed, directly or indirectly, by the Investment Manager or its delegate, the Investment Manager will ensure there is no duplication of investment management fee.

The above-mentioned clarifications under III. and IV. will be effective as of 23 July 2019, and will be reflected in the earliest version of the Prospectus following this date.

The above mentioned changes have been approved by the *Commission de Surveillance du Secteur Financier* and will be reflected in the Prospectus dated July 2019.

A copy of the updated Prospectus, reflecting the different appointments will be available on the following website: <http://www.mdo-manco.com/our-clients/mdo-s-ucits-clients> or may be provided upon request, free of charge at the registered office of the Fund. Capitalized terms not defined herein shall have the same meaning as in the Prospectus of the Fund.

Yours faithfully,

The Board
Ashburton Investments SICAV