



GLOBAL LEADERS EQUITY FUND





A part of the FirstRand Group



Focused investing with a long-term investment horizon

GLOBAL LEADERS EQUITY FUND

Fund features

Launch date
Fund structure
Domicile
Fund currency
Strategy assets under management
Fund benchmark

Minimum investment

Dealing Annual management fee

Number of holdings

2 September 2013 UCITS Luxembourg USD, GBP US\$221m as at 30 June 2018 MSCI All Country World Index (US\$) (MSCI AC World) USD10,000 - R Class USD10,000 - D Class USD100,000 - I Class Daily Max 1.5% – R Class Max 1.0% – D Class Max 0.75% - I Class

No more than 25 global stocks in industry leading mega-caps

Also available

Ashburton Global Leaders ZAR Equity Feeder Fund*

Launch date	1 April 2019
Fund currency	ZAR
Annual management fee (master fund to the feeder)	0.75%
Annual management fee (feeder fund to retail investor)	0.55%
Minimum investment	R5 000
Additional investment	R2 500
Minimum debit order	R500

* The investment objective of the Ashburton Global Leaders ZAR Equity Feeder Fund is to invest in the Global Leaders Equity Fund (USD) managed by Ashburton (Jersey) Limited. Investment objective

The Ashburton Global Leaders Equity Fund (the fund) aims to provide sustainably compounding performance from global equity markets over the economic cycle on a total return over a long-term investment horizon.

Investment approach

The fund adopts a long-term investment approach, unconstrained by traditional benchmarks, enabling concentrated focus on a selection of up to 25 'world class' mega-caps which, over time, aim to deliver sustainable above average returns through the strength of their market position in an attractive industry.

Particular focus is given to 'quality', compounding stocks which are characterised by their ability to generate sustainably growing excess cash returns over their equity's cost of capital, part of which is expected to be returned to shareholders. Other quality characteristics include management and balance sheet features, as well as a relatively predictable earnings profile.

The fund's focus on high-quality stocks, across a number of attractive industries, balances its high concentration, low turnover approach. The fund maintains minimum levels of diversification and liquidity risk management by adhering to the UCITS regulated fund framework.

Sources of investment return

Our investment process reflects a long-term focus





Outperformance through quality mega-caps



Portfolio construction

Long-term investment focus:

- ideally five years, with a minimum of three years
- limited turnover (<25% per year on average)
- unconstrained by benchmark
- significant tracking error (5-10%).

Focus on attractive industries:

- sustainable barriers to entry and oligopolistic market structure
- structural growth, pricing power and/or
- consolidation opportunities.

Regional and industry exposures subject to risk management given economic/industry cycle considerations.

Concentrated stock selection:

High concentration – up to 25 holdings. Selection criteria include:

- size: mega-caps
- **industry positioning:** sustainable leadership and 'world class' attributes
- other 'quality' attributes: improving cash return spreads, relatively high predictability of earnings, management and balance sheet criteria.

Risk management:

- **top-slice** as positions grow to above 8% through outperformance
- **sell-discipline** if strategic rational or industry position changes or valuations are excessive even over longer-term.

Why invest in quality equities for the long term?

Returns from cash at an all-time low – monetary policy stimulus globally has kept interest rates at their lowest levels for more than two decades. As global economies start to recover, interest rates will increase, which will push bond yields higher. This means negative real returns from developed market government bonds and very low returns from corporate bonds over the medium to longer term. Historically, returns from equities have significantly outperformed bond returns over the long term.

Exposure to quality mega-caps offers compounding returns over the long term – given a more moderate economic outlook coupled with the potential for lower returns for risky assets and higher volatility, we aim to select equities benefitting from sustainably growing dividend yield and cash return profiles over time which in turn are supported by relatively predictable earnings and solid balance sheets. We focus on a concentrated selection of quality mega-caps featuring leading industry positions that, in turn, enable the respective companies to take advantage of volatility in economic activity over time.

Ashburton Global Leaders Equity strategy performance



Mega-cap quality style delivers compounding returns longer term

* EAA Fund Global Large Cap is the Morningstar Global Large-Cap Blend Equity peer group which includes more

than 1200 contributors investing in large-caps across developed and emerging regions with at least 75% of total assets invested in equities.

Source: Morningstar (all data total returns after fees) as at end December 2018.

"The fund's focus on high-quality stocks with an industry leading position across a number of attractive industries, balances its high concentration, low turnover approach."

For more information

Please speak to your Ashburton Investments representative or contact us regarding the Luxembourg domiciled Global Leaders Equity Fund: Tel: +27 11 282 8705 Email: international@ashburton.co.za

For the South African domiciled Ashburton Global Leaders ZAR Equity Feeder Fund please contact the Client Service Centre team: Tel: +27 860 333 397 Email: query@ashburtoninvest.co.za

www.ashburtoninvestments.com

Issued by Ashburton (Jersey) Limited. Registered office at IFC1, The Esplanade, St Helier, Jersey JE4 8SJ, Channel Islands. Regulated by the Jersey Financial Services Commission. Ashburton Investments is a registered trading name of Ashburton (Jersey) Limited.

In South Africa, the Global Leaders Equity Fund is approved for promotion under section 65 of the Collective Investment Schemes Control Act 2002. Collective Investment Schemes ("CIS") are generally medium to long-term investments. A schedule of fees, charges and maximum commissions is available on request from the manager. The Ashburton Global Leaders ZAR Equity Feeder Fund ("Feeder Fund") is approved for marketing and for distribution to South African residents only, reference made to the Feeder Fund in this document is for restricted information purposes only and is not intended for distribution in other jurisdictions due to regulatory requirements.

The Global Leaders Equity Fund is a sub-Fund of Ashburton Investments SICAV, a Luxembourg registered collective investment scheme approved by the Commission de Surveillance du Secteur Financier ("CSSF"). BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich, is Representative and Paying Agent in Switzerland for the shares distributed in Switzerland.

Performance is calculated on a bid price to bid price basis with the income reinvested and the effects of initial charges ignored. The value of investments and the income from them can go down as well as up, is not guaranteed and you may not recover the amount originally invested. Past performance should not be seen as an indication of future performance. Where investments involve exposure to a currency other than that in which the Fund is denominated, changes in rates of exchange may cause the value of the investment to go up or down, consequently investors may receive an amount greater or less than their original investment.

For more information on the Global Leaders Equity Fund, please visit **www.ashburtoninvestments.com** for the most up to date prices and performance information, prospectus, key information documents, financial reports and statements.