ASHBURTON EMERGING MARKETS FUNDS LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2021

ASHBURTON INVESTMENTS

A part of the FirstRand Group

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Statement of material portfolio changes

10 year price, performance, distribution and total expense ratios

Management and administration

Registered Office
28 Esplanade, St Helier,
Jersey, JE2 3QA, Channel Islands.

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

Sub-administrator, Secretary and Registrar
As from 1 May 2020:
JTC Fund Solutions (Jersey) Limited,
28 Esplanade, St Helier, Jersey, JE2 3QA.
Previously and up to 30 April 2020:
Ashburton (Jersey) Limited.
PO Box 239, IFC 1, The Esplanade, St Helier,
Jersey, JE4 8SJ, Channel Islands.

Bankers and Sub-Custodian
BNP Paribas Securities Services S.C.A., Jersey Branch.
IFC 1, The Esplanade, St Helier,
Jersey, JE1 4BP, Channel Islands.

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

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

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

Directors of Ashburton Emerging Markets Funds Limited

Corne Burger is a Director and Head of Ashburton International and is a member of the Board of Ashburton (Jersey) Limited. Corne is responsible for driving the global strategy for Ashburton International, as well as ensuring the delivery of the FirstRand group goals. Corne joined Ashburton Investments in March 2016 and has over 20 years' experience in the finance industry. Prior to joining Ashburton Investments, Corne was Head of Ashburton Wealth and Investments Solutions and joint CEO of FNB Financial Advisory. Corne has a BComm (Hons) in Financial Analysis and Portfolio Management from the University of Cape Town.

Ian Ling is a non-executive Director and has been with the Ashburton Group since 1992. He has worked in the finance industry since 1968, having been a partner of Laurie Milbank & Company, a London stockbroking firm. He was a founding member of Channel Islands Portfolio Managers Limited and then became a Director of Quilter Goodison (CI) Limited upon their acquisition of that company. Ian currently sits on the board of a number of investment companies, and has experience in the property, debt, venture capital, equity and infrastructure sectors, as well as having sat on the board of hedge funds.

Nicholas Taylor is a non-executive Director with Altair Partners Limited and has over 30 years financial services experience. Prior to joining Altair Partners in 2018, he was Chief Financial Officer for Ashburton International for over twenty years where he was responsible for all financial, operational and support services of the international business. He remains on the board of Ashburton (Jersey) Limited and various Ashburton funds as a non-executive director. After graduating as an electrical engineer, Nicholas trained and qualified with Coopers & Lybrand and spent time in their Jersey, London and Nairobi offices. He is a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the Institute of Directors. Nicholas sits on the board of a number of structures, including private equity, debt, retail and multi manager funds.

Alan Baird has been with JTC since 2002 and has worked in all divisions of the company. From 2012 to 2016, prior to joining the Jersey funds division, Alan project managed various acquisitions alongside JTC's private equity sponsor. Alan is now a director of the Sub-Administrator and is responsible for key operational activities including company secretarial, fund valuations, drawdowns and distributions, and the administration of investments. He also sits on the board of a number of client structures and has board experience across a broad range of asset classes, including real estate, private equity and venture capital.

Investment policy and objectives

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

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

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

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

General features

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

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

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

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

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

Manager's report

CHINDIA EQUITY FUND

Market comment

It is with some sense of awe that we look back at the outlook we wrote this time last year. With literal 20:20 hindsight that our comments then have proven to be uncannily accurate. The year was dominated by the COVID-19 virus. As anticipated, efforts to contain the virus led to recessionary periods in several economies. China's highly stringent lockdown efforts were rewarded by being the first country whose economy began to recover from the pandemic.

We had not anticipated the level of central bank support we have seen. Central banks responded to the pandemic with record low interest rates and quantitative easing in order to support economies. These efforts along with government supportive measures, created the sorts of easy monetary conditions last seen after the Great Financial Crisis of 2007 to 2008. An important driver of equity markets is money supply, and this wall of money led to a substantial increase in asset prices. Gains in emerging markets have been further exacerbated by the depreciation of the US Dollar.

This time last year we wrote that investing after one of the Asian market's frequent crashes tends to be extremely positive for returns. Indeed, the only fund holding held throughout the year and provided a negative return was Anhui Conch Cement -2.8%, while the returns from seven companies held was more than 100%. Over the year, the Chindia Equity Fund (I class USD) returned 59.3%, a little ahead of the FTSE Emerging Markets benchmark return of 56.6%.

Fund activity

Trading activity was substantially lower than in previous years, with the stated aim of holding quality companies and reducing dealing costs borne by investors. Having been relatively balanced between China and Indian equities, the fund was tilted more towards India during March 2021. This was because expectations of Chinese credit stimulus fell which led to declining growth expectations. Along with fears of increased inflation this resulted in renewed investor fear of a stagflationary environment.

India is now the only major economy that looks set to enjoy double digit GDP growth in 2021, according to the International Monetary Fund. High frequency data remains broadly encouraging despite a rise in COVID-19 infections. Mobility data suggests that more severe localised lockdown measures have been adopted which ought to reduce viral spread. While headline valuations look somewhat elevated for the Indian equity market as a whole, we believe that this is offset by the more positive short to medium term growth prospects of the nation.

New additions to the fund were made in the form of Tech Mahindra and Mahindra Logistics. Both firms benefit from a well-regarded governance and ownership structure designed to facilitate long term decision making with good shareholder treatment.

Following a sell-off induced by the high-profile collapse of the Archegos hedge fund, on the final day of the financial year, a new position was established at month end in Chinese internet search giant Baidu. This occurred soon after an alternative listing of Baidu shares on the Hong Kong exchange, resulting in a demand mismatch for the shares that we believe is likely to be short term in nature.

A similar situation occurred in January when the fund took advantage of short term forced selling of China Mobile, after the US announced restrictions on ownership of the stock by its citizens.

On the 25 of May 2021, all dealing of subscriptions and redemptions in the Fund were suspended following the Board's decision to close the Fund. The Board, in light of a big reduction in the size of the Fund decided that in the shareholders interests it was no longer economically or practically viable to keep the Fund open.

Outlook

The position tilt towards India will remain for as long as our data indicates a more positive outlook for Indian equities. A risk near to this positioning is the resurgence in COVID-19 viral case numbers in the nation which could cool both sentiment and the bubbling economic resurgence.

It is expected that global inflation will be elevated for the first few months of the financial year ahead. We expect this to be temporary, however we will monitor this closely as it could result in a more rapid reduction in supportive measures from the central banks. At some stage, with economic recoveries looking good, the equity market will begin to factor in a decrease in supportive measures from central banks. More speculative investments are likely to suffer in this environment. The results of our approach of investing in high quality companies in the region, with a particular emphasis of corporate governance, have so far been encouraging.

Ashburton (Jersey) Limited

Manager
31 March 2021

Directors' report

The Directors present their annual report to the members, together with the audited financial statements of Ashburton Emerging Markets Funds Limited ("the Company") and of Chindia Equity Fund ("the Fund") (together "the financial statements") for the year ended 31 March 2021.

Incorporation

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

Results

The statement of comprehensive income for the year ended 31 March 2021 is set out on page 11.

Dividends

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

Directors

The Directors of the Company in office at 31 March 2021 are set out on page 2 of this report. All Directors served throughout the period and up to the date of signing the financial statements with the exception of Mark Grenyer and Alan Scrimger. Mark Grenyer was appointed as a Director with effect from 24 June 2020 and resigned on 21 October 2020. Alan Scrimger resigned as a Director on 3 November 2020. Alan Baird and Corne Burger were appointed as Directors with effect from 22 October 2020 and 3 November 2020 respectively. Please also refer to the significant events on page 6.

Directors' responsibilities for the financial statements

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

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

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

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

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

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

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors believe the carrying value of the investments to approximate their recoverable values as at 31 March 2021.

Directors' report cont.

Directors' interests

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

Financial year

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

Principal activities

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

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

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

Investment policy and objectives

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

- Investments in equities and other securities.

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

- Hedging instruments such as forward foreign currency exchange contracts.

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

Secretary

The Secretary of the Company as at 31 March 2021 was JTC Fund Solutions (Jersey) Limited, who were appointed on 1 May 2020. Up to 30 April 2020, Ashburton (Jersey) Limited served as Secretary of the Company.

Manager

The Manager of the Company as at 31 March 2021 was Ashburton (Jersey) Limited who served for the whole of the year then ended.

Independent auditors

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

Significant events

Director appointments and resignations

Mark Grenyer was appointed as a Director with effect from 24 June 2020 and resigned with effect from 21 October 2020.

Alan Baird was appointed as a Director with effect from 22 October 2020.

Alan Scrimger resigned as a Director with effect from 3 November 2020.

Corne Burger was appointed as a Director with effect from 3 November 2020.

COVID-19 pandemic

During the period ended 31 March 2021, the financial markets have been impacted by the global COVID-19 pandemic and have been very volatile and are likely to remain so for the foreseeable future. The Directors have assessed the impact on the Company and Fund's viability. Should shareholders require the latest information on the Fund, they should contact their financial advisor.

Directors' report cont.

Subsequent events

On the 25 of May 2021, all dealing of subscriptions and redemptions in the Fund were suspended following the Board's decision to close the Fund, due to the small size of the Fund. The Board of directors therefore decided to liquidate the Fund and to compulsorily redeem all the shares within the Fund on or around 21 June 2021 (the "Redemption Date"). At least 90 per cent (90%) of the redemption proceeds will be paid out on a pro rata basis on the Redemption Date. The remainder will be paid on a pro rata basis as well within a reasonable time after such Redemption Date.

The wind down is expected to complete within the next 12 months. The Directors therefore consider it appropriate to prepare these Financial Statements on a basis other than going concern.

There have been no other significant events subsequent to the reporting period requiring disclosure within these financial statements.

By order of the board

JTC Fund Solutions (Jersey) Limited

Alan Baird

Director

18 June 2021

Registered Office:

28 Esplanade, St Helier, Jersey, JE2 3QA.

Independent auditor's report

to the members of Ashburton Emerging Markets Funds Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ashburton Emerging Markets Funds Limited (the "Company") and of Chindia Equity Fund (the "Fund") as at 31 March 2021, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

What we have audited

The Company and the Fund's financial statements comprise:

- the statement of financial position as at 31 March 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in redeemable preference shareholders' net assets for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 10 in the financial statements, which explains the intention of the directors of Ashburton Emerging Markets Funds Limited to compulsorily redeem the shares of the fund subsequent to the statement of financial position date. These financial statements have therefore been prepared using a basis other than going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

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

Responsibilities of directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Company and the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and the Fund or to cease operations, or have no realistic alternative but to do so. See note 10 to the financial statements, which refers to the directors' conclusion on preparing the financial statements on a basis other than going concern.

Independent auditor's report cont.

to the members of Ashburton Emerging Markets Funds Limited

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Use of this report

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

Report on other legal and regulatory requirements

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

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

We have no exceptions to report arising from this responsibility.

Ian Ross
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants
Jersey, Channel Islands
18 June 2021

Ashburton Emerging Market Funds Limited and Chindia Equity Fund

PORTFOLIO STATEMENT

Description	Ccy	Holding	Mid value USD	%
EQUITIES				
Hong Kong				
Anhui Conch Cement	HKD	78,500	510,707	1.98
China Mobile	HKD	124,000	812,305	3.15
China Oriental Group	HKD	1,816,000	547,804	2.13
CK Hutchison	HKD	49,500	394,947	1.53
iShares Core S&P	HKD	270,000	1,062,801	4.12
Ping An Insurance Group	HKD	53,500	637,110	2.47
Shenzhou International	HKD	33,600	696,524	2.70
Tencent	HKD	19,240	1,510,975	5.87
Uni-President	HKD	437,000	532,351	2.06
Want Want China	HKD	437,000	327,168	1.27
Hong Kong total (2020: 30.16%)			7,032,692	27.28
India				
Aarti Industries	INR	33,980	611,803	2.37
Asian Paints	INR	16,720	585,010	2.27
Crompton Greaves Consumer Electricals	INR	138,170	721,329	2.80
Divi's Laboratories	INR	15,050	741,534	2.88
Eicher Motors	INR	15,750	566,017	2.20
Emami	INR	86,150	564,678	2.19
GAIL India	INR	189,250	353,945	1.37
Greaves Cotton	INR	209,273	371,820	1.44
HCL Technologies	INR	64,306	873,620	3.39
HDFC Bank	INR	37,700	768,361	2.98
Housing Development Finance	INR	18,515	635,383	2.46
ICICI Lombard General Insurance	INR	24,740	486,414	1.89
Infosys	INR	49,882	937,023	3.63
Jyothy Laboratories	INR	78,840	146,886	0.57
Larsen & Toubro	INR	6,900	388,353	1.51
Larsen & Toubro Infotech	INR	38,240	744,241	2.89
Mahindra Logistics	INR	52,300	403,057	1.56
Mahindra & Mahindra	INR	47,040	510,470	1.98
Merck	INR	4,100	346,108	1.34
Phoenix Mills	INR	20,350	214,590	0.83
Power Grid Corporation of India	INR	149,290	441,976	1.71
Reliance Industries	INR	31,925	879,042	3.41
Tech Mahindra	INR	48,640	663,066	2.57
India total (2020: 41.96%)			12,954,726	50.24
Singapore				
DBS Group	SGD	35,000	752,939	2.92
Singapore total (2020: 0%)			752,939	2.92
United States				
Alibaba	USD	6,780	1,554,213	6.04
JD.Com	USD	4,560	378,617	1.47
Momo Inc	USD	16,970	250,392	0.97
Sea	USD	2,325	498,375	1.93
Yum China	USD	10,920	640,294	2.48
United States total (2020: 14.70%)			3,321,891	12.89
Equities total (2020: 86.82%)			24,062,248	93.33

PORTFOLIO STATEMENT CONT.

Description	Ccy	Holding	Mid value USD	%
FUND INVESTMENTS				
Hong Kong (2020: 9.46%)	HKD	-	-	-
United Kingdom				
Pacific Assets Trust	GBP	272 100	1,200,000	4.65
United Kingdom total (2020: 1.24%)			1,200,000	4.65
Fund Investments total (2020: 10.70%)			1,200,000	4.65
Total portfolio (2020: 97.52%)			25,262,248	97.98
Cost $19,843,455				
Cash and cash equivalents (2020: 2.58%)			534,248	2.07
Other net liabilities (2020: 0.10%)			(11,756)	(0.05)
Total net assets			25,784,740	100.00
R class shares in issue				3,026,831
R GBP class shares in issue				3,060,529
I class shares in issue				753
I GBP class shares in issue				471
C class shares in issue				106,928
D class shares in issue				17,531

Ashburton Emerging Market Funds Limited and Chindia Equity Fund cont.

STATEMENT OF FINANCIAL POSITION

	Note	31 Mar 2021 USD	31 Mar 2020 USD
ASSETS			
Financial assets at fair value through profit or loss	10	25,262,248	17,763,167
Trade and other receivables	1	12,644	-
Cash and cash equivalents	10	534,248	470,384
Total assets		25,809,140	18,233,551
LIABILITIES			
Trade and other payables	2	24,400	18,973
Total liabilities		24,400	18,973
Net assets attributable to redeemable preference shareholders		25,784,740	18,214,578

The company's aggregated financial statements and the financial statements of the Fund on pages 10 to 20 were approved by the Board of Directors on 18 June 2021.

Nicholas Taylor
Director

STATEMENT OF COMPREHENSIVE INCOME

	Note	1 Apr 2020 31 Mar 2021 USD	1 Apr 2019 31 Mar 2020 USD
OPERATING LOSS			
Net gains/(losses) on financial assets at fair value through profit or loss	3,10	10,372,681	(5,365,154)
Investment income	4	337,571	704,463
Other income	4	110	10,967
Expenses	5,10,12	(245,542)	(393,535)
Operating profit/(loss)		10,464,820	(5,043,259)
FINANCE COSTS			
Distributions	6	(73,339)	(47,363)
Total finance costs		(73,339)	(47,363)
Profit/(loss) before tax		10,391,481	(5,090,622)
Withholding tax on dividends		(34,755)	(16,492)
Increase/ (decrease) in net assets attributable to redeemable preference shareholders from operations		10,356,726	(5,107,114)

STATEMENT OF CHANGES IN REDEEMABLE PREFERENCE SHAREHOLDERS' NET ASSETS

	Note	1 Apr 2020 31 Mar 2021 USD	1 Apr 2019 31 Mar 2020 USD
Net assets attributable to redeemable preference shareholders at 1 April		18,214,578	28,272,066
Amount receivable on creation of shares		503,346	283,984
Amount payable on redemption of shares		(3,289,910)	(5,234,358)
Increase/(decrease) in net assets attributable to redeemable preference shareholders		10,356,726	(5,107,114)
Net assets attributable to redeemable preference shareholders at 31 March		25,784,740	18,214,578

NOTES TO THE FINANCIAL STATEMENTS

	31 Mar 2021 USD	31 Mar 2020 USD
1. TRADE AND OTHER RECEIVABLES		
Dividends receivable	12,644	-
Total trade and other receivables	12,644	-
2. TRADE AND OTHER PAYABLES		
Due to brokers	58	50
Redemptions payable	90	-
Other payables	24,252	18,923
Total trade and other payables	24,400	18,973
3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS DURING THE YEAR COMPRISE:		
Proceeds from sales of investments during the year	9,511,208	34,800,425
Cost of investments sold during the year	(7,797,130)	(35,910,128)
Gains/(losses) realised on investments sold	1,714,078	(1,109,703)
Realised foreign exchange losses	(31,475)	(39,014)
Net realised gains/(losses) for the year	1,682,603	(1,148,717)
Net unrealised gains/(losses) for the year	8,690,078	(4,216,437)
Net gains/(losses) on financial assets	10,372,681	(5,365,154)
4. INCOME		
Investment income		
Dividend income	337,571	704,463
Total investment income	337,571	704,463
Other income		
Bank interest income	110	10,967
Total other income	110	10,967
Total income	337,681	715,430
5. EXPENSES		
Audit fees	25,076	18,289
Bank overdraft interest and charges	2,989	3,166
Custodian's fees	9,490	9,659
Directors' fees	10,001	10,095
Manager's fees	150,327	173,902
Administration fees	25,686	29,890
Sundry expenses	21,022	23,411
Transaction costs	951	125,123
Total expenses	245,542	393,535
6. DISTRIBUTIONS		
Income paid on cancellation of shares	74,899	48,873
Income received on creation of shares	(1,560)	(1,510)
Net distributions for the year	73,339	47,363

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

The notes on pages 14 to 20 form an integral part of these financial statements.

Ashburton Emerging Market Funds Limited and Chindia Equity Fund cont.

CASH FLOW STATEMENT

	31 Mar 2021 USD	31 Mar 2020 USD
CASH FLOW FROM OPERATING ACTIVITIES		
Increase/ (decrease) in net assets attributable to redeemable preference shareholders	10,356,726	(5,107,114)
Interest income	(110)	(7,801)
Dividend income	(337,571)	(704,463)
Withholding taxes	34,755	16,492
Distributions paid to redeemable preference shareholders	73,339	47,363
Exchange losses on cash and cash equivalents	31,475	39,014
Net decrease in receivables	-	193,982
Net increase/(decrease) in payables	5,337	(270,555)
Net increase in margin cash	-	714,590
Net (increase)/decrease in fair value of financial assets and liabilities	(10,415,847)	5,028,107
Purchases of investments	(6,594,442)	(33,173,634)
Proceeds from sale of investments	9,511,208	34,800,425
Cash generated from operations	2,664,870	1,576,406
Dividends received	290,172	687,971
Bank interest received	110	10,967
Interest paid	-	(3,166)
Net cash flow generated from operating activities	2,955,152	2,272,178
CASH FLOW FROM FINANCING ACTIVITIES		
Distribution paid to redeemable preference shareholders	(73,339)	(47,363)
Cash received on shares issued	503,346	283,984
Cash paid out on shares redeemed	(3,289,820)	(5,240,877)
Net cash flow used in financing activities	(2,859,813)	(5,004,256)
Net decrease in cash and cash equivalents	95,339	(2,732,078)
Cash and cash equivalents at beginning of year	470,384	3,241,476
Exchange losses on cash and cash equivalents	(31,475)	(39,014)
Cash and cash equivalents at end of year	534,248	470,384

NOTES TO THE FINANCIAL STATEMENTS

	31 Mar 2021 USD	31 Mar 2020 USD
7. CURRENCY EXPOSURE		
INR	12,967,718	7,648,793
HKD	7,033,769	7,216,853
Other	797,163	240,687
GBP	1,234,846	33,278
Total exposure	85.45%	83.12%

STATEMENT OF MATERIAL PORTFOLIO CHANGES

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

Description	Acquisition costs USD
iShares Core S&P	1,077,972
China Mobile	711,653
Tech Mahindra	672,297
Pacific Assets Trust PLC	603,931
DBS Group	523,002
Reliance Industries	418,092
Mahindra Logistics	418,032
Alibaba	349,603
Sea	332,156
Larsen & Toubro Infotech	313,549
Other acquisitions	1,174,155
Total for the year	6,594,442

Description	Disposal proceeds USD
Tencent	1,470,213
iShares Core	1,320,119
iShares FTSE	1,221,248
JD.Com	862,398
Reliance Industries	577,317
Yum China	478,027
Sinotruk	472,893
Godrej Agrovet	428,488
Merck	401,555
Titan	337,752
Other disposals	1,941,198
Total for the year	9,511,208

NOTES TO THE FINANCIAL STATEMENTS

8. SHARES ISSUED/REDEEMED DURING THE YEAR

Shares issued	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD
31.03.2021	238,786	29,822	155	154	-	-
31.03.2020	116,606	60,289	78	-	127	1,371

Shares redeemed	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD
31.03.2021	777,997	461,443	152	-	10,139	12,022
31.03.2020	1,614,789	1,192,367	7,028	59	3,492	3,140

The notes on pages 14 to 20 form an integral part of these financial statements.

Ashburton Emerging Market Funds Limited and Chindia Equity Fund cont.

10 YEAR PRICE, PERFORMANCE, DISTRIBUTION AND TOTAL EXPENSE RATIOS

	PERFORMANCE						PRICE PER SHARE					
	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD
31.03.2021	57.99%	41.15%	59.30%	42.54%	60.78%	58.97%	1.7161	1.2442	240.4831	174.6468	137.2802	21.0475
31.03.2020	-21.30%	-16.72%	-20.70%	-16.09%	-19.90%	-20.90%	1.0862	0.8815	150.9595	122.5230	85.3817	13.2400
31.03.2019	-17.38%	-11.03%	-16.76%	-10.35%	-15.92%	-16.97%	1.3802	1.0585	190.3656	146.0141	106.5873	16.7384
31.03.2018	18.85%	5.45%	19.74%	6.24%	20.94%	19.45%	1.6705	1.1897	228.6944	162.8752	126.7727	20.1590
31.03.2017	19.59%	38.02%	20.49%	39.73%	21.69%	20.18%	1.4055	1.1282	190.9854	153.3157	104.8233	16.8769
31.03.2017	-10.85%	-8.48%	-10.16%	-7.86%	-9.28%	-10.42%	1.1753	0.8174	158.5126	109.7204	86.1374	14.0426
31.03.2015	31.31%	47.89%	32.47%	48.67%	33.14%	31.99%	1.3184	0.8931	176.4436	119.0830	94.9521	15.6753
31.03.2014	10.63%	3.14%	11.06%	3.51%	11.15%	18.76%	1.0040	0.6039	133.1965	80.0983	71.3174	11.8758
31.03.2013	5.50%	-	6.01%	-	6.72%	-	0.9075	-	119.9311	-	64.1644	-
31.03.2012	-24.26%	-	-23.42%	-	-22.33%	-	0.8602	-	113.1331	-	60.1230	-

	HIGHEST PRICE PER SHARE						LOWEST PRICE PER SHARE					
	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD
31.03.2021	1.8488	1.3306	258.8432	186.6084	147.5917	22.6611	1.0582	0.8630	147.0775	119.9607	83.1929	12.8993
31.03.2020	1.4273	1.0956	198.0561	152.0502	111.7900	17.3796	0.9882	0.8524	137.3154	118.4522	77.6477	12.0440
31.03.2019	1.7328	1.2996	237.5826	178.1926	131.9702	20.9317	1.2615	0.9774	173.4527	134.3477	96.7088	15.2674
31.03.2018	1.9191	1.3919	262.3840	190.2571	145.2023	23.1387	1.4171	1.0956	192.7107	148.9839	105.8718	17.0253
31.03.2017	1.4142	1.1545	192.1139	156.8405	105.3994	16.9784	1.1183	0.7692	150.9912	103.6838	82.1718	13.3714
31.03.2017	1.4414	0.9878	192.6000	192.9676	103.8810	17.1418	1.0301	0.7083	138.7834	94.9872	75.3252	12.2999
31.03.2015	1.3354	0.8931	178.6201	119.0830	96.0471	15.8718	0.9723	0.5732	129.2171	76.1394	69.3457	11.5140
31.03.2014	1.0040	0.6039	133.1965	80.0983	71.3174	11.8758	0.7672	0.5567	103.1668	73.8740	55.7418	9.0576
31.03.2013	0.9638	-	126.7062	-	67.6248	-	0.7628	-	100.6912	-	53.7854	-
31.03.2012	1.2020	-	156.3304	-	81.9171	-	0.7800	-	102.5644	-	54.4740	-

	DISTRIBUTION PER SHARE PAID AND PAYABLE			SHARES IN ISSUE						NET ASSET VALUE	TER*
	R Class USD	I Class USD	C Class USD	R Class USD	R Class GBP	I Class USD	I Class GBP	C Class USD	D Class USD	USD	R Class
31.03.2021	-	-	-	3,026,831	3,060,529	753	471	106,928	17,531	25,784,937	2.04%
31.03.2020	-	-	-	3,566,042	3,492,150	750	318	117,067	29,553	18,214,304	2.02%
31.03.2019	-	-	-	5,064,225	4,624,228	7,700	377	120,432	31,322	28,269,755	2.03%
31.03.2018	-	-	-	6,081,365	4,933,824	10,322	623	140,908	32,466	39,392,038	2.07%
31.03.2017	-	-	-	5,408,328	5,285,653	4,318	623	144,986	5510	31,264,414	2.18%
31.03.2017	-	-	-	6,053,766	5,991,180	3,938	782	216,420	175	33,521,163	2.12%
31.03.2015	-	-	-	6,330,138	7,209,710	983	981	316,565	4,351	48,322,707	2.12%
31.03.2014	-	-	-	7,146,289	9,080,079	983	5,390	352,105	500	42,256,367	2.14%
31.03.2013	-	-	-	19,695,996	-	5,178	-	708,535	-	86,577,687	1.95%
31.03.2012	-	-	-	24,061,937	-	21,767	-	1,374,539	-	142,292,417	1.89%

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

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

Notes to the financial statements cont.

9. PRESENTATION OF FINANCIAL STATEMENTS

Ashburton Emerging Markets Funds Limited ("the Company") has maintained the Chindia Equity Fund ("the Fund") during the year ended 31 March 2021. Shares are issued and allocated to the Fund by the Company. The proceeds of the issue and the income arising thereafter are credited to the Fund. Expenses incurred during the year are charged to the Fund. Upon redemption, shareholders are entitled only to their proportion of the value of the net assets held in the Fund.

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

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

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies

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

Basis of preparation

Given the circumstances refered to in the Directors Report, the financial statements of the Company and Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a basis other than going concern.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss. The fair values of financial assets and financial liabilities are considered to approximate their recoverable values as at 31 March 2021.

Standards and amendments to existing standards effective 1 April 2020

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2020 that have a material effect on the financial statements of the Fund.

New standards, amendments and interpretations effective after 1 April 2020

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

Notes to the financial statements cont.

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

Financial assets and financial liabilities

Classification

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

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

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

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

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

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

Recognition, derecognition and measurement

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

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

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

Revenue recognition

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

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

Withholding tax

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

Equalisation/Distributions

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

Notes to the financial statements cont.

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

Bank overdraft interest and charges

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

Due from/to brokers

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

Transaction costs

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

Custody fees

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

Cash and cash equivalents

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

Going concern

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

Fair value estimation

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

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

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

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

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

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

The level in the fair value hierarchy, within which the fair value measurement is categorised in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. All financial instruments within the Fund are categorised under level 1 (2020: All financial instruments level 1).

Notes to the financial statements cont.

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

Currency translation

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

The relevant rates of exchange ruling as at the 31 March 2021 against the base currency were:

	EUR	GBP	HKD	INR	SGD
USD	0.8514	0.7256	7.7738	73.2388	1.3441

Margin cash

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

Sundry expenses

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

11. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund holds the following derivative instruments:

Forward foreign exchange contracts

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

As at 31 March 2021, the Funds had no open forward foreign currency exchange contracts.

Notes to the financial statements cont.

12. RELATED PARTY DISCLOSURES

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

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

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

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

Listed below are the fees per share Class:

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

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

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

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

Ultimate controlling party

There is no ultimate controlling party of the Company.

13. TAXATION

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

14. MANAGEMENT SHARES

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

Unclassified shares

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

Participating redeemable preference shares

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

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

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

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

Notes to the financial statements cont.

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

Market price risk

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

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

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

The table below summarises, for the Fund, the impact of increases/(decreases) in the equities and treasury bills on the net asset value as at 31 March 2021. The analysis is based on the assumption that the equities and treasury bills increase/(decrease) by 5%, with all other variables held constant.

Fund	Value (base currency)		5% movement in equities		5% movement in treasury bills		5% movement in fund investments	
	2021	2020	2021	2020	2021	2020	2021	2020
Chindia Equity Fund	25,784,740	18,214,578	1,203,112	790,654	-	-	60,000	97,504

Foreign currency risk

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

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

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

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

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

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

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

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

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

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

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

Interest rate risk

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

Notes to the financial statements cont.

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS CONT.

Liquidity risk

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

The Fund's assets comprise securities which are quoted/listed on various stockmarkets together with short-term debtors and cash. These securities include investments in funds which are subject to regular dealing days. The listed securities are considered to be readily realisable within the rules of the stock exchange on which they are quoted. In general the Manager manages the Fund's cash to ensure that liabilities are met. As at 31 March 2021, all non-derivative financial liabilities will mature within one month.

Counterparty risk

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

Credit risk

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

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

The Manager reviews the Fund's credit position on a monthly basis. The maximum exposure to credit risk, before any credit enhancements, at 31 March 2021 is the carrying amount of the equities, treasury bills, derivative assets, cash and cash equivalents, margin cash and trade and other receivables as disclosed in the statement of financial position and portfolio statement for the Fund.

Capital risk management

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

Fair value disclosure

The financial assets and liabilities of the Fund are included in the statement of financial position at fair value, being the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of financial assets and financial liabilities are considered to approximate their recoverable values as at 31 March 2021. The basis of valuation of investments is disclosed in note 10 of the financial statements.

16. SIGNIFIC FAIR VALUE DISCLOSURE ANT EVENTS AFTER THE REPORTING PERIOD

Going concern

On the 25 of May 2021, all dealing of subscriptions and redemptions in the Fund were suspended following the Board's decision to close the Fund, due to the small size of the Fund. The Board of directors therefore decided to liquidate the Fund and to compulsorily redeem all the shares within the Fund on or around 21 June 2021 (the "Redemption Date"). At least 90 per cent (90%) of the redemption proceeds will be paid out on a pro rata basis on the Redemption Date. The remainder will be paid on a pro rata basis as well within a reasonable time after such Redemption Date.

The wind down is expected to complete within the next 12 months. The Directors therefore consider it appropriate to prepare these Financial Statements on a basis other than going concern.

There have been no other significant events subsequent to the reporting period requiring disclosure within these financial statements.

Notes

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