



ASHBURTON
EMERGING MARKETS
FUNDS LIMITED

INTERIM REPORT AND UNAUDITED
FINANCIAL STATEMENTS
For the period ended 30 September 2021







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Statement of financial position

Statement of comprehensive income

Statement of changes in redeemable preference shareholders' net assets

Statement of material portfolio changes

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

JTC Fund Solutions (Jersey) Limited.
28 Esplanade, St Helier,
Jersey, JE2 3QA, Channel Islands.

Banker 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 Depository 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.

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.

On 25 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 23 June 2021 (the “Redemption Date”). Redemption proceeds were paid out in August 2021 to all eligible investors.

Directors' report

The Directors present their interim report to the members, together with the unaudited financial statements of Ashburton Emerging Markets Funds Limited ("the Company") and of Chindia Equity Fund ("the Fund") (together "the financial statements") for the period ended 30 September 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 period ended 30 September 2021 is set out on page 6.

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 as at the date of the approval of the financial statements are set out on page 2 of this report. All Directors served throughout the period and up to the date of approval of the financial statements, except for Ian Ling who resigned as a Director with effect from 5 November 2021.

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 period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the total return for that period.

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 interim report and unaudited 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.

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.

The Directors believe the carrying value of the investments to approximate their recoverable values as at 30 September 2021.

Directors' interests

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

Directors' report cont.

Financial period

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 period 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.

At the period 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 policies for managing each of these risks. These policies have remained unchanged since the beginning of the period to which these financial statements relate.

Secretary

The Secretary of the Company as at 30 September 2021 was JTC Fund Solutions (Jersey) Limited who served for the whole period then ended.

Manager

The Manager of the Company as at 30 September 2021 was Ashburton (Jersey) Limited who served for the whole of the period then ended.

Significant events

On 25 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 23 June 2021 (the "Redemption Date"). Redemption proceeds were paid out in August 2021 to all eligible investors.

Due to the liquidation of the Fund, there is no investment manager's report included in these financial statements.

Subsequent events

A liquidator is expected to be appointed by the end of 2021 to begin the process of liquidation of the Company. The liquidation expenses will be paid by the Manager.

There were no other events after the period end which require disclosure in these financial statements.

By order of the Board

JTC Fund Solutions (Jersey) Limited

26 November 2021

Registered Office:

28 Esplanade, St Helier, Jersey, JE2 3QA

Ashburton Emerging Markets Funds Limited and Chindia Equity Fund

STATEMENT OF FINANCIAL POSITION

	30 Sep 2021 USD	31 Mar 2021 USD
ASSETS		
Financial assets at fair value through profit or loss	-	25,262,248
Trade and other receivables	-	12,644
Cash and cash equivalents	539	534,248
Total assets	539	25,809,140
LIABILITIES		
Trade and other payables	219	24,400
Total liabilities	219	24,400
Net assets attributable to redeemable preference shareholders	320	25,784,740

STATEMENT OF COMPREHENSIVE INCOME

	1 Apr 2021 30 Sep 2021 USD	1 Apr 2020 31 Mar 2021 USD
OPERATING PROFIT		
Net gains on financial assets at fair value through profit or loss	1,049,110	10,372,681
Investment income	177,270	337,571
Other income	25	110
Expenses	(102,111)	(245,542)
Operating profit	1,124,294	10,464,820
FINANCE COSTS		
Distributions	(61,300)	(73,339)
Total finance costs	(61,300)	(73,339)
Profit before tax	1,062,994	10,391,481
Withholding tax on dividends	(13,800)	(34,755)
Capital gains tax	(205,024)	-
Increase in net assets attributable to redeemable preference shareholders from operations	844,170	10,356,726

STATEMENT OF CHANGES IN REDEEMABLE PREFERENCE SHAREHOLDERS' NET ASSETS

	1 Apr 2021 30 Sep 2021 USD	1 Apr 2020 31 Mar 2021 USD
Net assets attributable to redeemable preference shareholders at 1 April	25,784,740	18,214,578
Amount receivable on creation of shares	38,023	503,346
Amount payable on redemption of shares	(26,666,613)	(3,289,910)
Increase in net assets attributable to redeemable preference shareholders	844,170	10,356,726
Net assets attributable to redeemable preference shareholders at period/year end	320	25,784,740

STATEMENT OF MATERIAL PORTFOLIO CHANGES

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

Description	Acquisition costs USD
Baidu Inc	522,435
Total for the period	522,435

Description	Disposal proceeds USD
Tencent	1,488,961
Alibaba	1,442,758
Pacific Assets Trust	1,256,576
iShares Core S&P	1,115,448
Infosys	983,119
Reliance Industries	965,558
Divi's Laboratories	893,338
HCL Technologies	863,574
Aarti Industries	846,246
Shenzhou International	824,639
Other disposals	16,237,779
Total for the period	26,917,996



CHANNEL ISLANDS

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Ashburton Investments is a registered business name of Ashburton (Jersey) Limited which is regulated by the Jersey Financial Services Commission.