



INDEXATION

FULLY INVESTED /

 **ASHBURTON**
INVESTMENTS

A part of the FirstRand Group



WHO WE ARE

Fully invested in helping investors reach their investment destination safely

Ashburton Investments is the FirstRand group's investment management business fully invested in meeting client needs more effectively.

We recognise the importance of incorporating an indexation business within Ashburton Investments, as we appreciate that many of our clients are looking for lower cost investment strategies that can deliver optimised outcomes. When constructing an investor's portfolio, the debate should not be an active versus passive one but rather how one can combine active and passive to generate optimised client outcomes. Index investing involves making active decisions; it is in fact anything but passive.

We are a boutique indexation business housed within one of the largest integrated financial services companies in Africa, able to attract the best investment professionals, with access to the latest technology, and the extensive range of investment capabilities and services that the group has to offer.

Responsible investing

At Ashburton Investments, we are committed to socially responsible investing, transformation and empowerment, development of staff and skills transfer and sharing. We utilise proxy voting as a mechanism to support strong governance processes of the companies we are invested in, and we publicly disclose proxy vote results. As a sizeable asset manager, we are able to influence corporate behaviour, and this is a responsibility we consider core to our investment governance processes.

We participate in Association for Savings and Investment South Africa (ASISA) Responsible Investing sub-committee, and endorse the Codes for Responsible Investing South Africa (CRISA). We are also a signatory to the United Nations Principles for Responsible Investment (UNPRI).





INDEXATION TEAM AND CAPABILITIES

Depth of experience and a long-standing track record

Our indexation business was founded on the principles of excellent tracking abilities within a cost-conscious environment. We offer index tracking as well as index-based investment solutions.

The history of this team goes back to 2006, when the business was originated as RMB's Exchange Traded Product business. The team pioneered many first to market exchange traded products, and the Ashburton MidCap ETF and the Ashburton Global 1200 Equity Fund of Funds ETF remain unique in the market. Leveraging off our capabilities in the FirstRand group enabled the team to launch the Ashburton Inflation Exchange ETF, the first of its kind in South Africa.

Our Quantitative Solutions team works alongside the Indexation team to provide research, quantitative data analysis, and product design to ensure our solutions and funds are best of breed in the market.

Our investment team

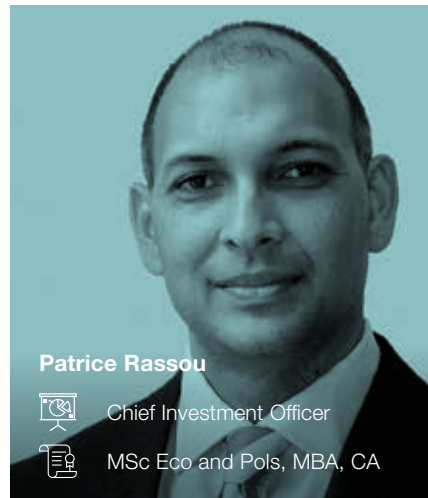


Team history



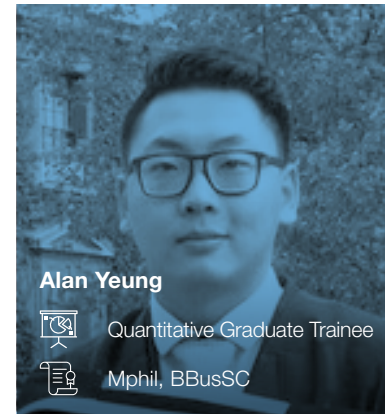
Number of team members

Source: Ashburton Investments





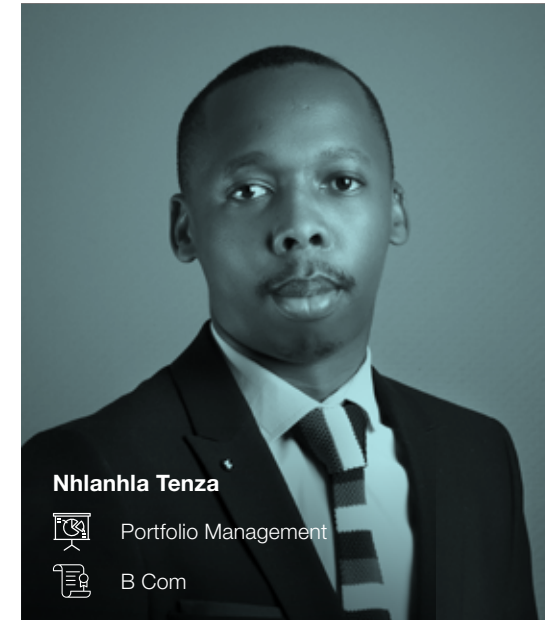
Patrice Rassou

 Chief Investment Officer
 MSc Eco and Pols, MBA, CA





Alan Yeung

 Quantitative Graduate Trainee
 Mphil, BBusSC





Nhlanhla Tenza

 Portfolio Management
 B Com




Mfundo Nyathi

 Quantitative Solutions
 BSc (Hons) Actuarial Science



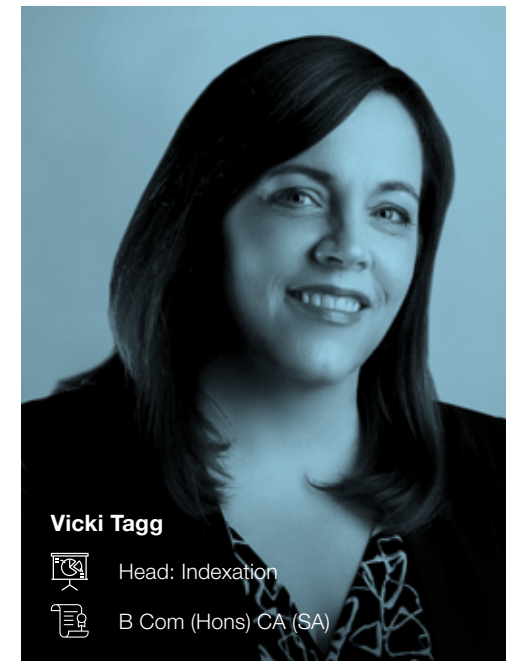
Mathew John

 Quantitative Research and Data Science
 MSc





Nikolay Mladenov

 Portfolio Management
 B Com (Hons) H DIP Tax



Vicki Tagg

 Head: Indexation
 B Com (Hons) CA (SA)

Our edge



EXCELLENCE IN TRACKING

- Proven track record
- Deep understanding of risk mitigation
- Optimal implementation of corporate actions
- Optimisation or full replication
- Fully integrated systems



STRENGTH OF TEAM

- Representation on industry bodies
- Highly experienced indexation team
- Investment process



ACCESS TO MORE

- Index, active and alternatives blend
- External products where appropriate



QUANTITATIVE SOLUTIONS TEAM

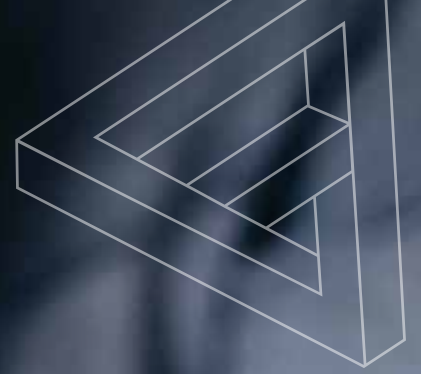
- Strong research and analytics team
- Optimisation of asset allocation and customised solutions
- Functional input into investment process



CLIENT CENTRIC APPROACH

- Boutique indexation business with client centric focus
- Collaborative approach with client to meet their investment objectives
- Ability to pull elements of the broader business together to construct optimal solutions

Source: Ashburton Investments



INDEXATION TEAM AND CAPABILITIES

Our funds and products

ASHBURTON INDEXATION

TRADITIONAL INDEX TRACKING

BUILDING BLOCKS

- Top40 ETF
- Midcap ETF
- Inflation X ETF
- Global 1200 Equity Fund of Funds ETF
- WGBI ETF
- GOVI UT

- Broad skill set to track indices across multiple providers

MULTI ASSET SOLUTIONS

PACKAGED SOLUTIONS

Dynamic Series

- Growth (CPI +5%)
- Moderate (CPI +3.5%)
- Stable (CPI +2%)

- Passive core including alternative and active building blocks

CUSTOMISATION

BESPOKE SOLUTIONS

Customised for client needs

- Asset consultants
- Multi managers
- Retirement funds
- Umbrella funds

- Collaborate with clients to customise to their needs, including smart beta and ESG indices

Source: Ashburton Investments

The indexation business comprises three product lines:

1. Traditional index tracking
2. Multi asset solutions
3. Customisation

1 / Traditional index tracking: Successful track record

Ashburton Investments offers index-tracking exchange traded funds (ETFs), with market exposure ranging across traditional market cap, fixed income, global equities and global bonds.

Our flagship fund is the Ashburton Top40 ETF. This fund has been in existence since 2008 and is offered at a management fee of 0.1% (including VAT) per annum and has been recognised as having one of the lowest tracking differences in its category, making it one of the most cost-efficient ETFs in the market.

Our team is skilled in structuring funds to ensure transaction costs are as low as possible so that tracking errors are minimised, leveraging off the economies of scale the broader business offers. The team also applies stringent corporate action review and management to further keep tracking errors to a minimum.

The team can track a range of indices on both off the shelf and customised basis, including factor-based indices and global indices across multiple jurisdictions, in a variety of different vehicles, including segregated mandates.

Our current range of index tracker building blocks are as follows:

PRODUCT	INVESTMENT OBJECTIVE	INVESTMENT VEHICLE
Ashburton GOVI Tracker A	Aims to provide investors with a real rate of return in line with a diversified portfolio of government bonds representing the JSE Government Bond Index (GOVI). The GOVI index comprises all bonds issued by the Republic of South Africa that fall into the top 10 positions of the Composite All Bond Index (ALBI).	Unit trust
Ashburton Inflation ETF	Aims to provide investors with a real rate of return above inflation (CPI), through exposure to a diversified portfolio of government inflation-linked bonds. The Ashburton Inflation ETF aims to track the performance of the FTSE/JSE Inflation-Linked Government Index (IGOV).	ETF
Ashburton Global 1200 Equity Fund of Funds ETF	Aims to provide investors with efficient exposure to the global equity market by tracking the S&P Global 1200. The S&P Global 1200 Index captures 70% of the world market cap, covering seven distinct regions and 30 countries.	ETF
Ashburton Mid Cap ETF	Aims to provide investors with exposure to the South African equities market through the purchase of a JSE listed ETF representing the FTSE/JSE Mid Cap Index. The market representation target for the Mid Cap Index is 85%-96% of the FTSE/JSE All Share Index.	ETF
Ashburton Top40 ETF	Aims to provide investors with exposure to the South African equities market through the purchase of a JSE listed ETF representing the FTSE/JSE Top40 Index. The FTSE/JSE Top40 index contains 40 largest companies listed on the JSE in terms of market capitalisation.	ETF
Ashburton World Government Bond ETF	Aims to provide investors with exposure to investment grade sovereign bonds across developed and emerging markets through the purchase of a JSE listed ETF representing the FTSE World Government Bond Index (WGBI).	ETF



INDEXATION TEAM AND CAPABILITIES

Our funds and products

2 / Multi asset solutions: Packaged portfolios

Our Indexation business offers off the shelf solutions such as the **Ashburton Dynamic Series retirement solutions**.

Ashburton Investments has partnered with FirstRand Life Assurance to create a series of dynamically managed multi asset pooled solutions to meet clients' retirement needs. These solutions are structured with the goal of achieving long-term growth while targeting specific risk levels to meet the desired outcome.

The indexation team taps into Ashburton Investment's broader investment philosophy and process to construct these solutions. We draw on local and global economic research and insights from the broader group to help us identify macro trends and determine overall strategic and tactical asset allocation. We follow a team-driven and prudent investment process, which is applied across all our investment decisions, ensuring sustainable long-term performance.

The solutions invest in a combination of local equity, property, bonds, cash, commodities, alternative and offshore assets, and adjust to changing conditions within markets as required. They are constructed using both passive and active underlying funds, as well as alternatives, to ensure the most cost-efficient investment returns for clients. We believe that combining both active and passive investment strategies in a core satellite approach can provide significant value to the investor, by offering efficient solutions at lower cost with enhanced returns. Where we do not have the most suitable in-house building blocks available we use external building blocks to ensure that clients are provided with the best available investment solutions in the market.

The pooled nature of the Ashburton Dynamic Series provides further cost savings to our clients by providing access to these solutions using an efficient structure. The solutions comply with Regulation 28 of the Pension Funds Act, 1956.

3 / Customisation: Tailored for clients

We collaborate with clients and customise our solutions according to their needs. We focus on understanding the broader context of our clients' investment objectives and needs and draw on our breadth of traditional and alternative capabilities to give investors a highly customised solution to address their needs.

Why choose Ashburton Investments Indexation?



Source: Ashburton Investments

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March 2021

