



### The Study of Growth

The study of growth is to recognise the value of evolution – progressive and ongoing. It is a perpetual cycle of advancement. At Ashburton Investments, we believe that sustainability is key to nurturing growth and, ultimately, expanding horizons.

Annual Report and Audited  
Financial Statements

# Ashburton Global Investment Funds Limited

For the year ended  
28 February 2014

A part of the FirstRand Group

**ASHBURTON**  
INVESTMENTS

*Focused Insight*



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**The following are included  
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# Management and administration

## Registered Office

17 Hilary Street, St Helier,  
Jersey, JE4 8SJ, Channel Islands.

## Manager and Secretary

Ashburton Fund Managers Limited.  
PO Box 239, 17 Hilary Street, St Helier,  
Jersey, JE4 8SJ, Channel Islands.

## Investment Advisors

Ashburton (Jersey) Limited.  
Advisor to the Ashburton SA Fixed Interest Strategy Feeder Fund.  
PO Box 239, 17 Hilary Street, St Helier,  
Jersey, JE4 8SJ, Channel Islands.

RMB Private Bank (a division of FirstRand Bank Limited).  
Advisor to the Ashburton Global Balanced Fund and the  
Ashburton Global Strategy Fund.  
5 Merchant Place, Cnr Fredman Drive and Gwen Lane,  
2196, Republic of South Africa.

## Administrator and Registrar

Ashburton (Jersey) Limited.  
17 Hilary Street, St Helier,  
Jersey, JE4 8SJ, Channel Islands.

## Bankers and Custodian

Royal Bank of Canada (Channel Islands) Limited - Jersey Branch  
19/21 Broad Street, St Helier,  
Jersey, JE1 8PB, 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 Global Investment Funds Limited

**Peter Bourne** is Managing Director at Ashburton (Jersey) Limited, a position he has held since August 2007. He joined the FirstRand Group in 1984 and has been an investment professional since 1987. Prior to joining Ashburton, Peter was responsible for running the Portfolio Management division of the FirstRand Group's Wealth Segment. Peter is also on the board of Ashburton Fund Managers which is an associated Company.

**Nicholas Lee** is Ashburton's Director of Portfolio Management Services. Nick joined Ashburton in 1988 and has 32 years of experience in the investment industry. Nick's responsibilities reflect the breadth and depth of his experience, which he now focuses primarily on private client portfolio management. Nick, together with the team, is also responsible for Ashburton's core multi-asset strategy and is a senior member of the Ashburton Asset Allocation Committee. From 1979 to 1988, Nick worked in the Investment Management team at Barclays de Zoete Wedd, firstly as an investment analyst and then as a pension fund manager. After joining Ashburton, Nick ran the International Equity Fund for many years before taking on responsibility for the all of the Ashburton investment team. Nick is also a Member of the Chartered Institute for Securities and Investment.

**Nicholas Taylor** is the Chief Financial Officer and a Director of FNB International Wealth Management Holdings Limited, Ashburton (Jersey) Limited and the Manager. After graduating as an electrical engineer, Nicholas joined Coopers & Lybrand, where he qualified as a Chartered Accountant. He joined Ashburton in 1994 and is a Fellow of the Institute of Chartered Accountants in England and Wales.

**Emil Jansen van Rensburg** is Ashburton Investments Head of Solutions. Before joining Ashburton, Emil served as Chief Operating Officer of the Wealth & Investment business for FNB Wealth, the private banking division of FNB and has been with the FirstRand Group for 13 years. Prior to joining FirstRand, Emil was the partner and founding member of Viljoen & Wasserman Attorneys and subsequently held the role of portfolio manager and investment analyst at Citadel. Emil holds a B.Proc from the University of the Free State, is an admitted Attorney, Supreme Court of South Africa and has a Diploma in Investment Analysis and Portfolio Management from the University of South Africa. Emil was appointed as a Director on 17 June 2013.

**Paolo Senatore** is the Chief Investment Officer ('CIO') of RMB Private Bank and is directly responsible for investment strategy across the company. Paolo holds a MSc (Mechanical Engineering) and initially started his career with the Council for Scientific and Industrial Research. In 1995 he joined Rand Merchant Bank ('RMB') gaining exposure to a number of areas within the bank. By 1997 he had joined London & Dominion Trust, wholly owned by RMB, and the foundation of the RMB Private Bank Portfolio Management operations. There he gained experience in private client portfolio management and was responsible for the development of the institutional business line. He became CIO in 2005 and subsequently CIO for the FNB Wealth Segment.

# Investment policy and objectives

Ashburton Global Investment Funds Limited has been established as an umbrella scheme, which may operate various sub-funds. Two sub-funds were in operation at the year end: the Ashburton Global Balanced Fund (the 'Global Balanced Fund') and Ashburton Global Strategy Fund (the 'Global Strategy Fund'). The SA Fixed Interest Strategy Feeder Fund was in operation during the year until the final redemption request was issued on 28 February 2014. The SA Fixed Interest Strategy Feeder Fund officially closed on 6th March.

## Global Balanced Fund

The investment objective of the Global Balanced Fund is to produce long-term capital growth through a portfolio of funds providing exposure to a conservative allocation between global equity, fixed income and cash markets complemented by alternative investment strategies. Using, inter alia, exchange traded funds ('ETF') to provide cost effective and efficient exposure to global equity markets, this portfolio combines specialist multi manager and single manager solutions to provide access to some of the world's best investment managers.

RMB Private Bank, as Investment Adviser of the Global Balanced Fund, will guide the asset allocation strategy, as well as recommend the stock and fund selection.

The Global Balanced Fund will invest primarily via other collective investment funds including ETFs and hedge funds. It may also invest directly in fixed income securities, equities and cash instruments and may use futures, options and currency forward contracts for the purposes of efficient portfolio management.

## Global Strategy Fund

The investment objective of the Global Strategy Fund is to produce long-term capital growth through a portfolio of funds providing exposure to an allocation between global equity, fixed income and cash markets complemented by alternative investment strategies. Using, inter alia, ETFs to provide cost effective and efficient exposure to global equity markets, this portfolio combines specialist multi manager and single manager solutions to provide access to some of the world's best investment managers.

RMB Private Bank, as Investment Adviser of the Global Strategy Fund, will guide the asset allocation strategy, as well as recommend the stock and fund selection.

The Global Strategy Fund is currently available in US Dollar only. However, the Directors have approved the future launch of additional share classes or sub-funds denominated in Sterling and Euro at such time as the Manager perceives there to be sufficient investor demand.

## Investment powers and restrictions

The Directors have resolved that for the Global Balanced Fund and Global Strategy Fund:-

- There will be no investment in holdings that carry unlimited liability.
- There will be no direct investment in commodities.
- There will be no direct investment in real estate.
- Investment in warrants and/or warrant funds will not exceed 5% of the net asset value of the Funds.
- Each Fund will invest in the participatory interests of not less than five collective investment schemes, which, for the avoidance of doubt, may include ETFs. The investment in any one collective investment scheme may not exceed 35% of the net asset value of each Fund. The limit may be exceeded only if the excess is due to appreciation or depreciation of the value of the underlying participatory interests.
- For the Global Balanced Fund, investment in hedge funds or funds of hedge funds will not exceed 30% of the net asset value of the Fund.
- For the Global Strategy Fund, investment in hedge funds or funds of hedge funds will not exceed 40% of the net asset value of the Fund, with a maximum of 10% of the net asset value of the Fund invested in a single hedge fund and a maximum of 25% in any one fund of hedge funds.

# Investment policy and objectives cont.

## Investment powers and restrictions cont.

- Direct investments in futures, options and currency forward contracts may be made in so far as they are used for efficient portfolio management purposes to hedge against risks arising in the management of the assets of the Funds, by virtue of fluctuations in the price of investments, or by reason of fluctuations in interest or exchange rates and to take advantage of forecast future movements in financial markets, often short-term, without incurring the costs and expenses of trading and delivery of physical assets. In such circumstances, investments in futures and options, other than for the purpose of hedging the currency or pricing of investments or to close out other derivative transactions, are restricted to the extent that either the option premium or the futures margin placed with one or more clearing brokers may not in aggregate exceed 25% of the net asset value of the Funds at the time the transactions are made.
- One currency may be used in substitution for one or more other currencies where the Investment Manager considers that there is a sufficiently close correlation between them. Hedging instruments, including currency forward contracts, need not correspond exactly to specific assets of the Funds, provided that there is a significant economic link between such instruments and an equivalent value of certain assets within that Fund.
- No borrowing will be undertaken by the Funds save for the purpose of the payment of redemptions, which will not exceed 10% of the net asset value of the Fund.
- The Funds may enter into securities lending and borrowing transactions provided they do so as part of a formalised scheme operated by a first class financial institution approved by the Custodian. Currently, no stock lending is being applied.
- Where direct investments are held they must be:-
  - (a) transferable securities admitted to official listing on a recognised stock exchange, or dealt in on another regulated market which operates regularly and is recognised and open to the public, in any country of Europe, Asia, Oceania, the American continents or Africa, which has obtained full membership to the World Federation of Exchanges; or,
  - (b) recently issued transferable securities, provided the terms of issue include an undertaking that application will be made for official listing on any of the stock exchanges or regulated markets referred to above within a year of the issue and such admission is then achieved within a year of the issue.
- Investments in unlisted securities are restricted to a maximum of 10% of the net asset value of the Fund.
- Fixed income investments will primarily consist of sovereign, supra-national and corporate bond issues of not less than (A) grade as defined by Moody's (A3) and/or Standard & Poor's (A-).
- Where lesser investment grade issues are purchased, they will not exceed an aggregate value of 20% of the net asset value of the Fund. Where sub-investment grade issues are purchased (Moody's (Ba1) and below, Standard & Poor's (BB+) and below), they will not exceed an aggregate value of 10% of the net asset value of the Fund. A single lesser grade or sub-investment grade fixed income security will not exceed 5% of the net asset value of the respective Fund at the time of acquisition. Short term cash instruments and bank deposits may be comprised within the Fund. There will be no restriction on the proportion of any Fund's assets that may be invested in sovereign securities issued by the Governments of the United States of America, Japan or any member states of the European Union that are classified by a major rating agency, such as Moody's or Standard and Poor's, as investment grade.
- Sub-underwriting contracts may be entered into, subject to the consent of the Custodian.
- The Funds will not enter into debentures.
- The Funds will not write call or put options.
- Writing of uncovered options is prohibited.
- No short sales or purchases on margin except for the purposes of efficient portfolio management will be entered into.
- A maximum of 10% of the net asset value of each Fund may be invested in unregulated Open Ended Investment Companies ('OEIC').
- The Funds will not hold more than 10% of any class of security issued by any single issuer.

## SA Fixed Interest Strategy Feeder Fund

Please note that the SA Fixed Interest Strategy Feeder Fund did not breach investment restrictions as the fund did not trade during the year until the final redemption was requested on 28 February 2014.

# Manager's report

## Global Balanced Fund

Global bond and equity markets realised a certain degree of volatility in the year under review, amid varying fiscal and monetary policy adjustments. Economic growth forecasts saw downward revisions throughout the year, reducing Ashburton Investments forecast expectations to 2.9% growth forecast for 2013, 3.5% for 2014 and accelerating to 3.8% in 2015.

In May 2013, the US Federal Reserve (US Fed) announced its intention to begin scaling back (tapering) on its asset purchasing programme, raising sensitivity across global bond and equity markets. While an easing in the pace of bond buying was likely to prove somewhat onerous for bond markets (resulting in an initial spike of bond yields), the potential reaction of equity markets was a little less clear, given that tapering was always going to begin on the back of improved US economic data, implying improved growth prospects for equities. The initial taper began in January 2014, starting with \$10bn down to \$75bn, to be reviewed at each meeting throughout 2014. The tone from the Fed has continued to be one of supportive monetary policy rates for as long as economic data remains unsatisfactory.

Adding to the volatility across markets over the second half of 2013 was the US Government's fiscal stand-off, as the Democrats and Republicans negotiated over certain fiscal policies, effectively delaying any firm decisions through to the first quarter of 2014.

Across the Eurozone, 2013 began with Cyprus dominating the headlines, causing more than a few market jitters. Notwithstanding the bail-out which laid to rest worries of a potential break-up of the region, the deal reached included a substantial restructuring of the Cyprus financial system, raising concerns as to whether this unusual treatment created a precedent for the rest of the Eurozone or not. While contagion was averted, questions arose around the overall health and stability of the Eurozone economy, and represented potential risk that was closely monitored. Economic data from the region remained soft throughout the period, albeit seemingly beating quarterly growth expectations. Policy rates are expected to remain supportive throughout 2014 and 2015.

In early April 2013, the Bank of Japan (BoJ) announced an aggressive quantitative easing programme. It was announced that the Japanese monetary base was planned to double by the end of 2014 through the purchase of longer-dated government bonds and other assets as a means of achieving a 2% inflation target within the same time frame. This translated into an increase at an annual pace of just over \$60-70bn at prevailing exchange rates. This compared to the US Federal Reserve's pace of \$85bn per month, for an economy which is approximately 2.5 times the size of Japan's. The result was that such actions meant a significant increase to the amount of global liquidity in the system, implying the further depression of global interest rate levels. Added to this, this action translated into a competitive devaluation of the Japanese Yen (supportive of Japanese exporters and the share prices of these companies rising strongly in response). The additional "carry" effect created resulted in global bond yields falling to even lower levels (although these reversed as the year progressed).

Global Emerging Markets experienced a particularly difficult time in the period being reviewed. Varying Developed Market policy actions (in particular the US Fed taper) saw emerging economies come under significant pressure, as their currencies weakened in the face of outflows from their markets. The unprecedented \$ 2.5 trillion (2,500,000,000,000 US Dollars) that the Fed had injected into the system since 2008, resulted in a surge of demand for high yielding bonds across emerging markets. These bonds offered investors in the developed world an attractive alternative to the low yields on offer in their home countries. Prospects of the beginning of tapering resulted in rising developed market bond yields, which in turn resulted in a broad emerging market sell-off. Investors have since appeared particularly wary of those countries running wide current account and fiscal account deficits such as South Africa, Brazil and India. All three have suffered currency depreciation in excess of 20% in the period, and have since been included in relation to the term 'the Fragile Five' – referring to those economies running excessive twin deficits. South African bonds have borne the brunt of the sell-off, with 10 year bond yields rising to well above 8%.

While the manufacturing purchasing managers' index in China continually showed softer data quarter on quarter, the announced planned reforms at the 3rd Chinese Plenum appeared to have improved the quality of the growth outlook in this economy. Notwithstanding the positive sentiment created, uncertainty persisted around the implementation of these reforms.

The Ashburton Global Balanced Fund began the period under review on \$44.5m assets under management. Over this period, the fund has returned 11.47% (net of fees) relative to its composite benchmark, which returned 13.40%. Emerging Market exposure continued to detract from performance, with Developed Markets delivering better returns.



# Manager's report cont.

## Global Balanced Fund cont.

In the 12 months to 28 February 2014, the fund averaged approximately 66.32% in its equity exposure. Bonds, over the same period, have averaged an approximate weight of 21.70% relative to their benchmark weighting of 30%. We continue to make allocations to both sovereign and corporate assets within this asset class, having maintained a bias to corporate bonds over the period. As noted from previous reports, the fund made an allocation to the Momentum Global Spread Capture Fund, from which we are awaiting the final pay-out from the announced liquidation of the fund. At present, the Ashburton Global Balanced Fund currently retains 0.26% in this fund.

## Global Strategy Fund

Over the period 28 February 2013 to 28 February 2014 the Fund returned 6.43% compared to its benchmark of 5.59% (one month lag). The Fund achieved this return with a volatility of 3.87% and a maximum drawdown of -1.54%.

The Fund has enjoyed decent inflows over the 12 month period and currently has \$67m under management.

All of the underlying managers enjoyed satisfactory performance over the period with the exception of the Sarasin Real Estate Fund. The biggest detractors of performance of this Fund were the fact that the Fund is only allowed to invest in companies that take ecological and socially sustainable issues into account in their business operations. We were of the opinion that socially responsible companies would trade at a premium due to the current move towards more "green" properties but we have identified that because of the size of the market, it is very limiting for a manager to manage a mandate on this basis. We have decided to replace the manager based on this limitation.

During the course of the year we also switched from the Vantage Global Investment Fund into the Vantage World Equity Fund. This change was based on the fact that the Global Investment Fund ran an extremely low net equity position and because of our bullish view on global equities at the time, we saw it fit to move to a Fund that was fully invested in equities.

Our hedge Fund exposure, through the Aurum Isis Fund, continues to add steady, low volatility returns to the portfolio because of their non-directional global macro approach. The Fund has historically exhibited very low correlation with other asset classes as well as with the other managers included in the portfolio.

Our fixed income exposure through the Franklin Templeton Global Total Return Fund performed broadly in line with the broader bond market and we remain convinced that they are best positioned to manage our fixed income exposure based on their mandate and philosophy – global bonds remain a very fragile asset class if the exposure is predominantly sovereign. The Fund's mandate allows them to manage this risk actively as they can allocate capital between sovereigns, high-yield, emerging markets, investment and non-investment grade corporates and currencies.

During the year the Fund remained over-weight towards global equities and continued to hold its under-weight position in fixed interest.

## SA Fixed Interest Strategy Feeder Fund

Please note that there is no managers report for the SA Fixed Interest Strategy Feeder Fund as the fund did not trade during the year until the final redemption was requested on 28 February 2014.

Ashburton Fund Managers Limited  
Manager  
28 February 2014



# Directors' report

The Directors present their report to the members together with the audited financial statements of Ashburton Global Investment Funds Limited ("The Company") and financial statements of each sub-fund (together "the financial statements") for the year ended 28 February 2014.

## **Incorporation**

The Company was incorporated in Jersey, Channel Islands, on 16 March 2006 with the name RMB Private Bank Global Investment Funds Limited. It was subsequently renamed Ashburton Global Investment Funds on 14 December 2011. Its registration number is 92867. The Company is an unclassified scheme regulated under the Collective Investment Funds (Jersey) Law 1988.

## **Results**

The total return for the year ended 28 February 2014 is detailed within the relevant Fund section in respect of each Fund.

## **Dividends**

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

## **Directors**

The Directors of the Company in office at 28 February 2014 are set out on page 2 of this report. All Directors served throughout the year, with the exception of E Jansen van Rensburg who was appointed on 17 June 2013.

## **Director's responsibilities for the financial statements**

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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 each Fund and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

All of this applies to accounting records and financial statements of the sub-funds.

The annual report and audited financial statements are published on [www.ashburtoninvestments.com](http://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 annual financial statements may differ from legislation in other jurisdictions.

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 or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

# Directors' report<sub>cont.</sub>

## Directors' interests

Poalo Senatore had an indirect beneficial interest of 9,123,539 units in the Global Balanced Fund through a corporate structure at 28 February 2014.

None of the other Directors had a beneficial interest in the shares of the funds at 28 February 2014.

## Financial year

The financial statements are prepared on an annual and semi-annual basis to the last business day in February and August respectively.

## Principal activities

The Company is an open-ended investment company established as a vehicle for international investments.

The Company is an umbrella scheme with three sub-funds established as at 28 February 2014. Where assets of an individual fund are 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 fund. 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 appropriate individual Fund.

## Investment policy and objectives

The investment policy and objectives of each Fund is stated on page 3 and 4. Consistent with their investment objectives and policy, the Funds may invest in cash or cash equivalent instruments traded on the global capital markets.

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 the market price, foreign currency and liquidity risks. The Directors review and agree with the Investment Advisor 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 28 February 2014 was Ashburton Fund Managers Limited who served for the whole of the year then ended.

## Manager

The Manager of the Company as at 28 February 2014 was Ashburton Fund Managers Limited who served for the whole of the year then ended.


## Independent Auditors

The company's auditors, Pricewaterhouse Coopers CI LLP, have indicated their willingness to continue in office.

## Significant Events

The Directors resolved to close the Ashburton SA Fixed Interest Strategy Feeder Fund (the "SA Feeder Fund") with effect from 28 February 2014. The sole investor in the SA Feeder Fund requested the redemption of their entire shareholding in the SA Feeder Fund on 28 February 2014 and, notwithstanding that due to timing differences the redemption was settled on 6th March 2014, the Directors are of the opinion that the SA Feeder Fund officially closed on 28 February 2014.

By order of the board  
Ashburton (Jersey) Limited

  
Secretary  
18 June 2014

Registered Office:  
17 Hilary Street, St Helier, Jersey JE4 8SJ, Channel Islands.

# Custodian report

## To the members of Ashburton Global Investment Funds Limited

In our opinion, the Manager of Ashburton Global Investment Funds Limited has in all material respects, managed the Company for the year ended 28 February 2014 in accordance with the provision of the Principal Documents and the Collective Investment Funds (Jersey) Law 1988.



Royal Bank of Canada (Channel Islands) Limited  
Jersey Branch  
PO Box 194, 19/21 Broad Street, St Helier,  
Jersey, JE1 8PB, Channel Islands.

18 June 2014



# Independent Auditors' report

## to the members of Ashburton Global Investment Funds Limited

### Report on the financial statements

We have audited the accompanying financial statements of Ashburton Global Investment Funds Limited ("the Company") and the separate financial statements of each sub fund (together "the sub funds"). The aggregated financial statements of the Company and the separate financial statements of each sub fund comprise the balance sheets as of 28 February 2014 and the statements of total return and statements of changes in shareholders' net assets of the Company and the sub funds for the year then ended and the notes to the financial statements.

### Directors' responsibility for the financial statements

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

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company and the sub funds as of 28 February 2014, and of their financial performance for the year then ended in accordance with United Kingdom Accounting Standards and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

### Report on other legal and regulatory requirements

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises all other information noted in the contents section of the Annual Report.

In our opinion the information given in the directors' report is consistent with the financial statements.

This report, including the opinion, has been prepared for and only for the Company's 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 this opinion, 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.

James de Veuille  
For and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants  
Jersey, Channel Islands  
18 June 2014

# Aggregated Financial Statements

## BALANCE SHEET as at 28 February 2014

	28 Feb 2014 USD	28 Feb 2013 USD
<b>Assets</b>		
Portfolio of investments	115,208,949	66,202,279
Debtors	6,033,501	5,360,280
Cash at Bank	2,987,901	8,709,546
<b>Total assets</b>	<b>124,230,351</b>	<b>80,272,105</b>
<b>Liabilities</b>		
Creditors	191,266	3,983,170
<b>Total liabilities</b>	<b>191,266</b>	<b>3,983,170</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>124,039,085</b>	<b>76,288,935</b>

The aggregated financial statements and the financial statements of each sub-fund on pages 11 to 23 were approved by the Board of Directors on 18 June 2014.

N J Taylor  
Director

N C Lee  
Director

## STATEMENT OF TOTAL RETURN For the year ended 28 February 2014

	1 Mar 2013 28 Feb 2014 USD	1 Mar 2012 28 Feb 2013 USD
Net gains/(losses) on investments during the year	8,677,233	2,841,346
Other gains/(losses)	14,621	6,518
Income	688,146	550,218
Expenses	(894,656)	(566,473)
Net income/(deficit) before taxation	(206,510)	(16,255)
Withholding tax	-	-
Net income/(deficit) after taxation	(206,510)	(16,255)
<b>Total return for the year</b>	<b>8,485,344</b>	<b>2,831,609</b>
<b>Change in net assets attributable to shareholders</b>	<b>8,485,344</b>	<b>2,831,609</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS NET ASSETS For the year ended 28 February 2014

	1 Mar 2013 28 Feb 2014 USD	1 Mar 2012 28 Feb 2013 USD
Net assets as at 1 Mar 2013	76,288,935	43,560,644
Movements due to sales and repurchase of shares		
Amount received on creation of shares	42,945,266	35,164,548
Amount paid on redemption of shares	(3,680,460)	(5,267,866)
	39,264,806	29,896,682
Change in net assets attributable to shareholders	8,485,344	2,831,609
<b>Net assets as at 28 Feb 2014</b>	<b>124,039,085</b>	<b>76,288,935</b>

# Global Balanced Fund

## PORTFOLIO STATEMENT as at 28 February 2014

Description	Holding	Mid Value	
		USD	%
<b>Collective Investment Schemes</b>			
BlackRock Fixed - US Corporate Bond Index Fund	219,854	3,060,586	5.38
HSBC MSCI World ETF	590,120	9,849,103	17.30
iShares MSCI Europe	111,970	5,985,341	10.51
iShares MSCI Emerging Markets	79,175	2,940,362	5.16
iShares MSCI Japan	91,100	1,071,669	1.88
iShares MSCI North America	148,800	5,339,688	9.38
iShares MSCI World	487,440	17,241,891	30.29
Muzinich High Yield Fund - Hedged Sterling Class	20,207	3,250,220	5.71
RMBI - Global Fixed Income Fund	27,640	4,021,669	7.06
<b>Collective Investment Schemes Total (2013: 89.45%)</b>		<b>52,760,529</b>	<b>92.67</b>
<b>Bonds</b>			
US Treasury 1% 31/05/2018	1,600,000	1,581,438	2.78
<b>Bonds Total (2013: 0.00%)</b>		<b>1,581,438</b>	<b>2.78</b>
<b>Total Portfolio (2013: 89.45%)</b>		<b>54,341,967</b>	<b>95.45</b>
<b>Cost \$46,140,093</b>			
<b>Cash at Bank</b>		<b>2,321,513</b>	<b>4.08</b>
<b>Other Net Assets/(Liabilities)</b>		<b>267,403</b>	<b>0.47</b>
<b>Total Net Assets</b>		<b>56,930,883</b>	<b>100.00</b>
<b>A Class Shares in Issue</b>		<b>3,951,817</b>	
<b>B Class Shares in Issue</b>		<b>734,711</b>	

## BALANCE SHEET as at 28 February 2014

Note	28 Feb 2014		28 Feb 2013	
	USD		USD	
<b>Assets</b>				
Portfolio of investments	54,341,967		39,761,439	
Debtors	5	321,149	144,726	
Cash at Bank		2,321,513	4,648,089	
<b>Total assets</b>		<b>56,984,629</b>	<b>44,554,254</b>	
<b>Liabilities</b>				
Creditors	6	53,746	103,240	
<b>Total liabilities</b>		<b>53,746</b>	<b>103,240</b>	
<b>Net assets attributable to redeemable preference shareholders</b>				
		<b>56,930,883</b>	<b>44,451,014</b>	

## STATEMENT OF TOTAL RETURN For the year ended 28 February 2014

Note	1 Mar 2013		1 Mar 2012	
	28 Feb 2014	USD	28 Feb 2013	USD
Net gains/(losses) on investments during the year	1	5,274,400	1,862,087	
Other gains/(losses)	2	13,124	14,057	
Income	3	675,022	536,444	
Expenses	4	(572,641)	(465,267)	
Net income/(deficit) before taxation		102,381	71,177	
Withholding tax		-	-	
Net income/(deficit) after taxation		102,381	71,177	
Total return for the year		5,389,905	1,947,321	
<b>Change in net assets attributable to shareholders</b>				
		<b>5,389,905</b>	<b>1,947,321</b>	

## STATEMENT OF CHANGES IN SHAREHOLDERS NET ASSETS For the year ended 28 February 2014

	1 Mar 2013		1 Mar 2012	
	28 Feb 2014	USD	28 Feb 2013	USD
Net assets as at 1 Mar 2013		44,451,014	43,560,644	
<b>Movements due to sales and repurchase of shares</b>				
Amount received				
on creation of shares		9,766,786	4,208,125	
Amount paid				
on redemption of shares		(2,676,822)	(5,265,076)	
Change in net assets attributable to shareholders		7,089,964	(1,056,951)	
Change in net assets attributable to shareholders		5,389,905	1,947,321	
<b>Net assets as at 28 Feb 2014</b>		<b>56,930,883</b>	<b>44,451,014</b>	

# Global Balanced Fund cont.

## NOTES TO THE FINANCIAL STATEMENTS as at 28 February 2014

	28 Feb 2014	28 Feb 2013
	USD	USD
<b>1. Net gains/(losses) on investments</b>		
<b>The net gains/(losses) on investments during the year comprise:</b>		
Proceeds from sales of investments	11,664,679	15,741,860
Original cost of investments sold	(10,033,288)	(14,388,426)
Gains/(losses) realised on investments sold	<u>1,631,391</u>	<u>1,353,434</u>
Net (appreciation)/depreciation thereon already recognised	<u>(1,680,941)</u>	<u>(1,363,331)</u>
Net realised appreciation/(depreciation)	(49,550)	(9,897)
Net change in unrealised appreciation/(depreciation) on:		
appreciation/(depreciation) on:	5,323,950	1,871,984
<b>Net gains/(losses) on investments</b>	<b><u>5,274,400</u></b>	<b><u>1,862,087</u></b>
<b>2. Other gains/(losses)</b>		
Other gains/(losses) during the year comprise:		
<b>Currency gains/(losses)</b>	<b><u>13,124</u></b>	<b><u>14,057</u></b>
<b>3. Income</b>		
Bank interest	131	-
Bond interest	8,196	-
Dividends	666,695	536,444
	<b><u>675,022</u></b>	<b><u>536,444</u></b>
<b>4. Expenses</b>		
Audit fees	4,165	6,301
Bank overdraft fees and charges	296	223
Custodian's fees	22,608	19,205
Manager's fees	534,231	436,023
Sundry expenses	2,341	3,515
	<b><u>572,641</u></b>	<b><u>465,267</u></b>
<b>5. Debtors</b>		
Accrued interest and dividends receivable	67,430	82,012
Subscriptions receivable	105,864	50,658
Other debtors	147,855	12,056
	<b><u>321,149</u></b>	<b><u>144,726</u></b>
<b>6. Creditors</b>		
Redemptions payable	-	57,987
Other creditors	53,746	45,253
	<b><u>53,746</u></b>	<b><u>103,240</u></b>



# Global Balanced Fund cont.

## NOTES TO THE FINANCIAL STATEMENTS as at 28 February 2014 cont.

### 7. Currency exposure

	28 Feb 2014	28 Feb 2013
GBP	26,484,247	17,123,948
JPY	1,064,608	1,317,976
EUR	-	400
<b>Total exposure</b>	<b>48.39%</b>	<b>41.46%</b>

### 8. Shares issued/redeemed during the year

	Shares issued		Shares redeemed	
	A Class	B Class	A Class	B Class
28.02.2014	674,269	184,449	197,292	35,378
28.02.2013	265,305	133,133	239,078	270,482

## STATEMENT OF MATERIAL PORTFOLIO CHANGES For the year ended 28 February 2014

The following table shows the top ten purchases and disposals for the year.

Description	Acquisition costs USD	Description	Disposal proceeds USD
HSBC MSCI World ETF	3,716,170	iShares MSCI World	3,731,325
iShares MSCI World	2,831,003	Mundane World Leaders Fund	2,832,311
US Treasury 1% 31/05/2018	1,557,125	RMBI - Global Spread Capture Fund	2,245,544
iShares MSCI Europe	1,548,899	RMBI - Global Fixed Income Fund	1,329,962
HSBC MSCI World ETF	1,355,069	iShares MSCI Japan	770,537
iShares MSCI Europe	1,250,705	BlackRock Fixed - US Corporate Bond Index Fund	755,000
HSBC MSCI World ETF	1,243,314		
HSBC MSCI World ETF	1,152,772		
iShares MSCI Europe	1,133,291		
iShares MSCI World	895,598		
Other Acquisitions	4,286,859		
<b>Total for year</b>	<b>20,970,805</b>	<b>Total for year</b>	<b>11,664,679</b>

## 10 YEAR PRICE, PERFORMANCE AND DISTRIBUTION For the year ended 28 February 2014 (unaudited)

	Performance		Net asset value USD	Price per share		Highest offer price per share		Lowest bid price per share	
	A Class	B Class		A Class	B Class	A Class	B Class	A Class	B Class
	USD	USD		USD	USD	USD	USD	USD	USD
28.02.2014	11.95%	11.92%	56,930,970	12.1886	11.9283	12.1886	11.9283	10.8700	10.6624
28.02.2013	4.03%	3.76%	44,451,014	10.8876	10.6581	11.5764	11.3407	10.0336	9.8309
29.02.2012	-1.48%	-1.99%	43,560,644	10.4656	10.2720	11.5374	11.3714	9.6589	9.4997
28.02.2011	11.02%	10.45%	50,761,707	10.6231	10.4804	11.1708	11.0240	9.2396	9.1494
28.02.2010	23.93%	22.12%	42,954,214	9.5683	9.4884	10.4993	10.4179	7.4194	7.3935
28.02.2009	-30.05%	-29.63%	34,847,261	7.7210	7.7696	11.8539	11.8527	7.7210	7.6955
29.02.2008	2.25%	0.37%	38,448,736	11.0380	11.0411	12.2640	11.5932	10.6260	10.8090
28.02.2007	7.96%	-	15,639,247	10.7955	-	11.4270	-	9.6322	-

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

Details of the total expenses can be found in Note 4.

# Global Strategy Fund

## PORTFOLIO STATEMENT as at 28 February 2014

Description	Holding	Mid Value	
		USD	%
<b>Collective Investment Schemes</b>			
Ashburton Dollar Money Market Fund	1,117,566	1,305,318	1.95
Aurum Isis Fund	32,500	8,728,504	13.01
Franklin Templeton Global Total Return Fund	361,303	9,823,831	14.64
Mundane World Leaders Fund	48,228	18,038,319	26.88
Sarasin Real Estate Fund	309,377	3,256,188	4.85
Vantage World Equity Fund	128,449	19,714,822	29.37
<b>Collective Investment Schemes Total (2013: 82.99%)</b>		<b>60,866,982</b>	<b>90.70</b>
<b>Total Portfolio (2013: 82.99%)</b>		<b>60,866,982</b>	<b>90.70</b>
<b>Cost \$56,179,455</b>			
<b>Cash at Bank</b>		<b>585,722</b>	<b>0.87</b>
<b>Other Net Assets/(Liabilities)</b>		<b>5,655,498</b>	<b>8.43</b>
<b>Total Net Assets</b>		<b>67,108,202</b>	<b>100.00</b>
<b>A Class Shares in Issue</b>			
		<b>2,130,879</b>	
<b>D Class Shares in Issue</b>			
		<b>4,004,706</b>	

## BALANCE SHEET as at 28 February 2014

Note	28 Feb 2014	28 Feb 2013
	USD	USD
<b>Assets</b>		
Portfolio of investments	60,866,982	26,343,176
Debtors	5,712,331	5,215,554
Cash at Bank	585,722	4,061,457
<b>Total assets</b>	<b>67,165,035</b>	<b>35,620,187</b>
<b>Liabilities</b>		
Creditors	56,833	3,879,289
<b>Total liabilities</b>	<b>56,833</b>	<b>3,879,289</b>
<b>Net assets attributable to redeemable preference shareholders</b>		
	<b>67,108,202</b>	<b>31,740,898</b>

## STATEMENT OF TOTAL RETURN For the year ended 28 February 2014

Note	1 Mar 2013	28 Mar 2012
	28 Feb 2014	28 Feb 2013
	USD	USD
Net gains/(losses) on investments during the year	3,427,755	981,241
Other gains/(losses)	-	-
Income	6,676	6,638
Expenses	(322,525)	(100,614)
Net income/(deficit) before taxation	(315,849)	(93,976)
Withholding tax	-	-
Net income/(deficit) after taxation	(315,849)	(93,976)
Total return for the year	3,111,906	887,265
<b>Change in net assets attributable to shareholders</b>	<b>3,111,906</b>	<b>887,265</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS NET ASSETS For the year ended 28 February 2014

	1 Mar 2013	28 Mar 2012
	28 Feb 2014	28 Feb 2013
	USD	USD
Net assets as at 1 Mar 2013	31,740,898	-
<b>Movements due to sales and repurchase of shares</b>		
Amount received on creation of shares	33,178,480	30,856,423
Amount paid on redemption of shares	(923,082)	(2,790)
Change in net assets attributable to shareholders	3,111,906	887,265
<b>Net assets as at 28 Feb 2014</b>	<b>67,108,202</b>	<b>31,740,898</b>

# Global Strategy Fund cont.

## NOTES TO THE FINANCIAL STATEMENTS as at 28 February 2014

	28 Feb 2014 USD	28 Feb 2013 USD
<b>1. Net gains/(losses) on investments</b>		
<b>The net gains/(losses) on investments during the year comprise:</b>		
Proceeds from sales of investments	12,097,629	4,009,144
Original cost of investments sold	(12,381,278)	(4,004,026)
Gains/(losses) realised on investments sold	(283,649)	5,118
Net (appreciation)/depreciation thereon already recognised	(120,608)	-
Net realised appreciation/(depreciation)	(404,257)	5,118
Net change in unrealised appreciation/(depreciation) on:	3,832,012	976,123
<b>Net gains/(losses) on investments</b>	<b>3,427,755</b>	<b>981,241</b>
<b>2. Other gains/(losses)</b>		
Other gains/(losses) during the year comprise:		
<b>Currency gains/(losses)</b>	-	-
<b>3. Income</b>		
Dividends	6,676	6,638
	<b>6,676</b>	<b>6,638</b>
<b>4. Expenses</b>		
Audit fees	3,791	2,526
Bank overdraft fees and charges	4,540	990
Custodian's fees	21,008	6,394
Manager's fees	291,053	89,187
Sundry expenses	2,133	1,517
	<b>322,525</b>	<b>100,614</b>
<b>5. Debtors</b>		
Due from brokers	-	125,000
Subscriptions receivable	792,331	815,554
Trade settlement pending	4,920,000	4,275,000
	<b>5,712,331</b>	<b>5,215,554</b>
<b>6. Creditors</b>		
Due to brokers	-	3,860,000
Redemptions payable	15,721	-
Other creditors	41,112	19,289
	<b>56,833</b>	<b>3,879,289</b>

# Global Strategy Fund cont.

## NOTES TO THE FINANCIAL STATEMENTS as at 28 February 2014 cont.

### 7. Currency exposure

	28 Feb 2014	28 Feb 2013
EUR	-	90,421
HKD	-	87,340
GBP	-	64,282
JPY	-	14,800
Other	-	73,842
<b>Total exposure</b>	-	<b>1.04%</b>

### 8. Shares issued/redeemed during the year

	Shares issued		Shares redeemed	
	A Class	D Class	A Class	D Class
28.02.2014	1,185,483	1,958,801	42,114	46,157
28.02.2013	987,792	2,092,062	282	-

## STATEMENT OF MATERIAL PORTFOLIO CHANGES For the year ended 28 February 2014

The following table shows the top ten purchases and disposals for the year.

Description	Acquisition costs	Description	Disposal proceeds
	USD		USD
Vantage World Equity Fund	4,150,000	Vantage Global Investment Fund	5,251,883
Vantage World Equity Fund	3,000,000	Vantage Global Investment Fund	3,350,000
Vantage World Equity Fund	2,800,000	Sarasin Real Estate Fund	1,184,940
Vantage World Equity Fund	2,500,000	Ashburton Dollar Money Market Fund	782,000
Mundane World Leaders Fund	2,240,000	Ashburton Global Dollar International Equity Fund	778,806
Vantage Global Investment Fund	2,040,000	Ashburton Dollar Money Market Fund	750,000
Vantage World Equity Fund	1,460,000		
Mundane World Leaders Fund	1,455,000		
Vantage World Equity Fund	1,140,000		
Vantage World Equity Fund	1,125,000		
Other Acquisitions	21,277,004		
<b>Total for year</b>	<b>43,187,004</b>	<b>Total for year</b>	<b>12,097,629</b>

## 10 YEAR PRICE, PERFORMANCE AND DISTRIBUTION For the year ended 28 February 2014 (unaudited)

	Performance		Net asset value	Price per share		Highest offer price per share		Lowest bid price per share	
	A Class	D Class		A Class	D Class	A Class	D Class	A Class	D Class
	USD	USD		USD	USD	USD	USD	USD	USD
28.02.2014	5.92%	6.42%	67,112,774	10.8768	10.9710	10.9517	11.0411	10.1421	10.1995
28.02.2013	2.69%	3.10%	31,740,898	10.2690	10.3095	10.8221	10.8636	9.8131	9.8226

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

Details of the total expenses can be found in Note 4.

# SA Fixed Interest Strategy Feeder Fund

This Fund was closed on 6 March 2014.

## BALANCE SHEET as at 28 February 2014

	Note	28 Feb 2014 USD	28 Feb 2013 USD
<b>Assets</b>			
Portfolio of investments		-	97,664
Debtors	5	21	-
Cash at Bank		80,666	-
<b>Total assets</b>		<b>80,687</b>	<b>97,664</b>
<b>Liabilities</b>			
Creditors	6	80,687	641
<b>Total liabilities</b>		<b>80,687</b>	<b>641</b>
<b>Net assets attributable to redeemable preference shareholders</b>			
		-	<b>97,023</b>

## STATEMENT OF TOTAL RETURN For the year ended 28 February 2014

	Note	1 Mar 2013 28 Feb 2014 USD	18 Apr 2012 28 Feb 2013 USD
Net gains/(losses) on investments during the year	1	(24,922)	(1,982)
Other gains/(losses)	2	1,497	(7,539)
Income	3	6,448	7,194
Expenses	4	510	(650)
Net income/(deficit) before taxation		6,958	6,544
Withholding tax		-	-
Net income/(deficit) after taxation		6,958	6,544
Total return for the year		(16,467)	(2,977)
<b>Change in net assets attributable to shareholders</b>			
		<b>(16,467)</b>	<b>(2,977)</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS NET ASSETS For the year ended 28 February 2014

		1 Mar 2013 28 Feb 2014 USD	18 Apr 2012 28 Feb 2013 USD
Net assets as at 1 Mar 2013		97,023	-
<b>Movements due to sales and repurchase of shares</b>			
Amount received on creation of shares		-	100,000
Amount paid on redemption of shares		(80,556)	-
		(80,566)	100,000
Change in net assets attributable to shareholders		(16,467)	(2,977)
<b>Net assets as at 28 Feb 2014</b>		<b>-</b>	<b>97,023</b>

## NOTES TO THE FINANCIAL STATEMENTS as at 28 February 2014

	28 Feb 2014 USD	28 Feb 2013 USD
<b>1. Net gains/(losses) on investments</b>		
<b>The net gains/(losses) on investments during the year comprise:</b>		
Proceeds from sales of investments	79,138	-
Original cost of investments sold	(106,042)	-
Gains/(losses) realised on investments sold	(26,904)	-
Net (appreciation)/depreciation thereon already recognised	(1,982)	-
Net realised appreciation/(depreciation)	(28,886)	-
Net change in unrealised appreciation/(depreciation) on:	3,964	(1,982)
<b>Net gains/(losses) on investments</b>	<b>(24,922)</b>	<b>(1,982)</b>
<b>2. Other gains/(losses)</b>		
Other gains/(losses) during the year comprise:		
<b>Currency gains/(losses)</b>	<b>1,497</b>	<b>(7,539)</b>
<b>3. Income</b>		
Bank interest	53	728
Dividends	6,395	6,466
	<b>6,448</b>	<b>7,194</b>
<b>4. Expenses</b>		
Audit fees	-	-
Bank overdraft fees and charges	-	9
Custodian's fees	17	16
Manager's fees	(625)	625
Sundry expenses	98	-
	<b>(510)</b>	<b>650</b>
<b>5. Debtors</b>		
Accrued interest and dividends receivable	21	-
	21	-
<b>6. Creditors</b>		
Redemptions payable	80,556	-
Other creditors	131	641
	<b>80,687</b>	<b>641</b>

# SA Fixed Interest Strategy Feeder Fund cont.

## NOTES TO THE FINANCIAL STATEMENTS as at 28 February 2014 cont.

### 7. Currency exposure

	28 Feb 2014	28 Feb 2013
ZAR	-	97,664
<b>Total exposure</b>	<b>-</b>	<b>100.00%</b>

### 8. Shares issued/redeemed during the year

	Shares issued	Shares redeemed
	A Class	A Class
28.02.2014	-	10,000
28.02.2013	10,000	-

## STATEMENT OF MATERIAL PORTFOLIO CHANGES For the year ended 28 February 2014

The following table shows the top ten purchases and disposals for the year.

Description	Acquisition costs	Description	Disposal proceeds
	USD		USD
Ashburton MM Bond Fund Class B3	2,337	Ashburton MM Bond Fund Class B3	79,138
Ashburton MM Bond Fund Class B3	402		
<b>Total for year</b>	<b>2,739</b>	<b>Total for year</b>	<b>79,138</b>

## 10 YEAR PRICE, PERFORMANCE AND DISTRIBUTION For the year ended 28 February 2014 (unaudited)

	Performance	Net asset value	Price per share	Highest offer price per share	Lowest bid price per share
	A Class	A Class	A Class	A Class	A Class
	USD	USD	USD	USD	USD
28.02.2014	-	-	-	10.0261	7.5700
28.02.2013	-2.59%	97,023	10.2690	10.1234	9.0183

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

Details of the total expenses can be found in Note 4.

# Notes to the Financial Statements

## 9. Presentation of financial statements

The Ashburton Global Investment Funds Limited ("the Company") has maintained the Global Balanced fund, the Global Strategy fund and the SA Fixed Interest Strategy Feeder fund (together "the funds") during the year to 28 February 2014. Shares are issued and allocated to the funds by the Company. The proceeds of the issue and the income arising thereafter are credited to the relevant fund. Expenses incurred over the period are charged to the funds in proportion to their NAVs. Upon redemption, shareholders are entitled only to their proportion of the value of the net assets held in the relevant fund.

## 10. Principal accounting policies

### Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost convention as modified by the revaluation of investments. They have also been prepared in accordance with the Statement of Recommended Practice ('SORP') 2010 - Financial Statements of Authorised Funds as issued by the Investment Management Association in the United Kingdom, other than as noted in the Investments note.

### Interest receivable

Interest receivable on bank deposits is accrued on a daily basis. Bond interest is accrued on a daily basis using industry standard conventions depending on the country of origin of the bond. Income from bonds is recognised using the effective interest rate method.

### Dividend income

Dividends are recognised on the ex-dividend date. 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 accordance with Financial Reporting Standard ('FRS') No 16: Current Tax.

### Bank interest and charges

Bank overdraft interest and charges are recognised as expenses under note 4 in each fund's section except as follows:

- expenses which are incidental to the acquisition of an investment are included within the cost of the investment; and
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

### Sundry expenses

Expenses which do not relate specifically to a particular fund are allocated between funds in proportion to their net asset values. They are accounted for on an accruals basis using an appropriate exchange rate.

### Investments

The investments of each fund are valued at the market mid price as at 10.00 a.m. on the year end date which is a departure from the SORP. The fund is priced at market mid price as the constituent parts of the fund are single priced collective investment schemes that do not operate a bid-offer price. Therefore, in the event of a redemption, this is the price that the client would receive.

Realised profits and losses resulting from the disposal of investments and unrealised profits and losses resulting from the revaluation of retained investments are recognised in the statement of total return.

### Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and other investments in money market instruments or debt securities which have a maturity date of less than one year.



# Notes to the Financial Statements cont.

## 10. Principal accounting policies cont.

### Currency translation

Assets and liabilities that are denominated in foreign currencies are translated into the base currency of the relevant fund at the rates of exchange ruling at the balance sheet date. Exchange profits or losses are recognised in the statement of total return.

The relevant rates of exchange ruling as at the 28 February 2014 against the base currencies were:

	EUR	JPY	GBP	ZAR
USD	0.7277	102.3300	0.5992	10.7940

### Cash flow statement

The Company is exempt from the requirement to prepare a cash flow statement as it is an open-ended investment company which meets the conditions for exemption as stated in FRS No 1.

## 11. Related party disclosures

In accordance with FRS No. 8 'Related Party Disclosures' the Company is required to disclose transactions with related parties.

Royal Bank of Canada (Channel Islands) Limited ("the Custodian") and Ashburton Fund Managers Limited ("the Manager") are related parties. The fees and commissions payable to each are detailed below.

The Manager acts as principal on all transactions of shares in the Funds. 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 is 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 debtors and creditors respectively.

For its services as manager, Ashburton Fund Managers Limited receives a fee calculated on the net asset value of the relevant fund on a mid basis. The fee is accrued daily and paid monthly in arrears.

Listed below are the fees per share class:

Global Balanced Fund – A Class	1.00%
Global Balanced Fund – B Class	1.50%
Global Strategy Fund – A Class	1.00%
Global Strategy Fund – D Class	0.50%

The SA Fixed Interest Strategy Feeder Fund received a managers fee rebate and so paid no manager fees during the year.

The Custodian receives a fee which is based on the aggregate value of the net asset value of all the Funds, subject to a minimum fee equivalent to GBP 5,000. The fee is accrued daily and paid quarterly in arrears. The fees are calculated as follows:

Net asset value (based on an offer basis) for Global Balanced and Global Strategy Fund

Less than GBP 500 million	0.045% per annum
GBP 500 million and over	0.035% per annum

Net asset value (based on an offer basis) for SA Fixed Interest Strategy Feeder Fund

Less than GBP 500 million	0.02% per annum
GBP 500 million and over	0.02% per annum

The Directors of the Company have had no transactions with the Company which would require disclosure under FRS No. 8. Details of fees paid can be found in note 4 of each Fund.

### Ultimate controlling party

In the opinion of the Directors there is no ultimate controlling party.

# Notes to the Financial Statements cont.

## 12. Taxation

With effect from 1 January 2009, Jersey abolished the exempt company regime for existing companies. At the same time the standard rate of income tax for companies moved from 20% to 0%. The Company is now taxed at 0%.

## 13. 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 and all 100 are fully paid up and held by Ashburton Fund Managers 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 sub-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 premium 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 each fund. The dividend is payable to the registered holders of such shares on the date the dividend is declared. No dividend shall be payable except out of the profits resulting from the Funds' business.

### FRS No 25

The share capital of each fund of the Company falls under 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.

## 14. Financial instruments and associated risks

In accordance with FRS No 13 'Derivatives and other financial instruments' the objectives and policies employed by the Manager in holding financial instruments have been explained in the Investment policy and objectives on pages 3 and 4. 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 Funds follow a policy of diversification of investment asset classes as detailed in their respective investment portfolio. In addition to the above, the Investment Advisor reviews the Funds weekly to consider the outlook for global markets in order to assess the risks associated with particular investment asset classes whilst following the stated investment objective. The Investment Advisor operates stop-loss techniques to minimise losses.

### Foreign currency risk

The total return achieved from and the capital value of each 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 Funds:

- 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.

# Notes to the Financial Statements cont.

## 14. Financial instruments and associated risks cont.

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

The Funds 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 Funds enter into a transaction requiring settlement in a currency other than the reporting currency of the specific fund, a forward foreign exchange contract is usually entered into at the same time as the initial transaction in order to reduce foreign currency exchange rate risk.

If a fund receives income in currencies other than its reporting currency, the movements in foreign currency exchange rates can affect the reporting currency's value of this income. The Funds normally convert all receipts of income into the reporting currency on or near the date of receipt but do not hedge or otherwise seek to avoid foreign currency exchange rates which would affect the income eventually recognised as receipts.

The currency exposure can be found in note 7 of each fund. Such exposure comprises the monetary assets and monetary liabilities of the fund that are not denominated in the Funds' reporting currency.

### Interest rate risk

The Funds maintain uninvested cash on deposit with the Royal Bank of Canada (Channel Islands) Limited and with other banks as approved by the Directors. As set out in the Prospectus, it is the policy of each 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.

### Liquidity risk

The principal liquidity risks arise through the inability of each fund to settle their respective 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 Funds' assets comprise of securities which are quoted/listed on various stockmarkets together with short-term debtors and cash. 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.

### Counterparty risk

Investment transactions entered into by each fund exposes it to a risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Funds have fulfilled their obligations. The risk is limited however, as the majority of transactions are now delivered versus payment. To further minimise such risks the funds only buy and sell through brokers who have been approved by the Directors as an acceptable counterparty.

### Fair value disclosure

The financial assets and liabilities of each fund are included in the balance sheet at fair value, being the amount at which an asset or liability could be exchanged at an arms length transaction between informed and willing parties. The basis of valuation of investments is disclosed in note 10 of the financial statements.

## 15. Significant events after the reporting period

Other than the closure of the SA Fixed Interest Strategy Feeder Fund on 6th March 2014, as noted in the Directors' report on page 8, there are no significant events after the reporting year end 28 February 2014.

# Notes

# Notes

# Notice of Annual General Meeting

Notice is hereby given that the Eight Annual General Meeting of Ashburton Global Investment Funds Limited will be held at 17 Hilary Street, St Helier, Jersey, JE4 8SJ, Channel Islands on Wednesday, 30 July 2014 at 10.00 a.m. for the following purposes:

## **Agenda**

### Resolution 1.

To receive and adopt the financial statements for the year ended 28 February 2014 together with the report of the Directors and Auditor thereon.

### Resolution 2.

To re-appoint PricewaterhouseCoopers CI LLP as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting at which the annual report and audited financial statements are laid before the Company and to authorise the Directors to fix their remuneration.

### Resolution 3.

To fix the remuneration of the Directors up to a maximum of \$200,000 in aggregate in accordance with the provisions of the Articles of Association for the forthcoming year.

### Resolution 4.

To transact any other ordinary business of the Company.

## **By Order of the Board**

For and behalf of the Secretary  
Ashburton (Jersey) Limited  
18 June 2014

## **Registered Office:**

17 Hilary Street, St Helier, Jersey, JE4 8SJ, Channel Islands.

## **Notes:**

1. A Shareholder entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and (on a poll) to vote instead of him/her. A proxy need not also be a Shareholder of the Fund.

2. A form of proxy is enclosed. The Chairman of the meeting would be willing to act as your proxy if desired. Please complete and sign the form which should reach the registered office of the Secretary not later than 48 hours before the time fixed for the meeting.

# Ashburton Global Investment Funds Limited

## Form of Proxy

**BLOCK LETTERS PLEASE:**

**SHAREHOLDER NUMBER**.....

**FULL NAME(S)**.....

**ADDRESS**.....

I/We being a Member(s) of the abovenamed Company hereby appoint the Chairman of the Meeting..... (see Note 1 below.) as my/our proxy to attend and vote for me/us on my/our behalf at the Eight Annual General Meeting of the Company to be held on Wednesday, 30 July 2014 at 10.00 a.m. at 17 Hilary Street, St Helier, Jersey, JE4 8SJ, Channel Islands and at any adjournment thereof.

Please indicate with an "X" in the table alongside the resolutions how you wish your votes to be cast in respect of the resolutions which are set out below. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

I/We direct my/our proxy to vote on the resolutions as follows:

**Ordinary Resolutions:**

1. To receive and adopt the financial statements for the year ended 28 February 2014 together with the report of the Directors and Independent Auditor thereon.
2. To re-appoint PricewaterhouseCoopers CI LLP as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting at which the annual report and audited financial statements are laid before the Company and to authorise the Directors to fix their remuneration.
3. To fix the remuneration of the Directors up to a maximum of \$200,000 in aggregate in accordance with the provisions of the Articles of Association for the forthcoming year.
4. To transact any other ordinary business of the Company.

FOR	AGAINST

**Signature**.....

**Date**.....

**Notes:**

1. If you wish to appoint another person to be your proxy instead of the Chairman of the Meeting, you should delete the 'Chairman of the Meeting' and write the name of your proxy in the space provided and initial the alteration.
2. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether by proxy or in person, shall be accepted to the exclusion of the votes of the other joint Shareholders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of Shareholders. In the case of a corporation the form must be executed under its common seal or signed by an officer or attorney so authorised.
3. The completion and return of this form will not prevent you from attending and voting at the meeting.
4. To be valid this form must reach the registered office of the Company, 17 Hilary Street, St Helier, Jersey, JE4 8SJ, Channel Islands, not less than 48 hours before the time appointed for the meeting at which the person named in this form proposes to vote.









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**Ashburton (Jersey) Limited**

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**A part of the FirstRand Group**

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