

Perspective[®]

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Halfway

Existing issues remain a hurdle for investor confidence.

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European Power - The Blue Age

The future of European power may be more blue than green.

TECHNOLOGY

What's old in tech

New versus old companies. Who will emerge victorious in the new technology cycle?

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Welcome Halfway



Midway through the year and markets remain mired in uncertainty. Far from the more settled quarter that April's early gains suggested, investors have largely shunned equities in favour of more risk-averse strategies. The problems are not new; unconvincing growth metrics around the world and more particularly, the risk of a US default and the spreading contagion of the European debt crisis continue to dominate the financial headlines. No surprise then that confidence is at a very low ebb.

As Tristan Hanson, our Strategist and Head of Asset Allocation, points out in this quarter's outlook piece, we are increasingly reliant on policymakers and lawmakers in the Western world to resolve these issues. The market's faith has been tested on a number of occasions. It remains to be seen if they will continue to deliver on time and as needed.

...it is striking that emerging economies are fiscally robust and much less dependent on those driving fiscal and monetary policy in their regions.

While these problems are not completely contained within the developed world universe, it is striking that emerging economies are fiscally robust and much less dependent on those driving fiscal and monetary policy in their regions. Nobody disputes that there is a significant shift in the balance of economic power underway but these dynamics will play a significant role in accelerating this process. We wouldn't think of writing off the mega powers of the West, such as the USA and Germany, but our portfolios do tend to reflect our long held view that developing countries are an increasing driver of economic and corporate success globally.

...the risk of a US default and the spreading contagion of the European debt crisis continue to dominate the financial headlines

In our feature article this quarter, Alan Le Maistre, one of our energy experts on the European team, tries to make sense of the fallout from the Japanese nuclear disaster. Some countries, notably Germany, have indicated that they are to close down their nuclear capacity in its entirety; is this actually feasible in the current climate of global warming and the lack of alternative clean energy sources?

Luke Gale of our Asset Allocation team spends some time on a perennial favourite of economists, the Big Mac Index, to provide some insight into our currency views. We also asked our resident tech guru, Jonathan Aldrich-Blake of our Americas team, to comment on the recent spate of interest and new listings in the social media area. For those who thought the technology boom was still dead...!

I hope you enjoy this edition of Perspective.

To more peaceful and relaxed markets ahead!

Regards

Peter Bourne
Managing Director

European Power - *The Blue Age*

The implications of the Japanese nuclear disaster on the European power market

Written by Alan Le Maistre
Assistant Investment Manager,
European Equity Fund



Since 1973, global electricity demand has increased fourfold. As rapid economic expansion, urbanisation and electrical penetration of the developing world outpaced efficiency gains made in the West; demand for power and, in particular, electricity exploded. The trend looks set to continue.

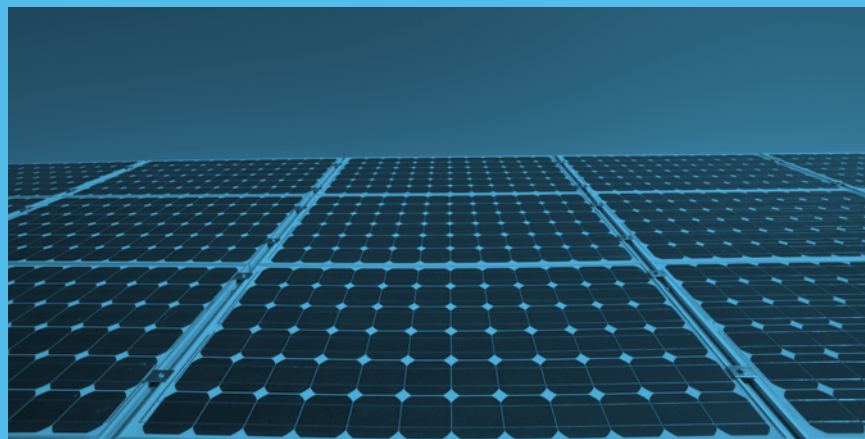
Despite the near hysteria towards global warming and climate change, since the early seventies global CO₂ emissions have continued to rise at the same rate as global power demand. Contrary to common belief, coal consumption has never stopped increasing since the industrial revolution. Over the last decade, coal has been the fastest growing energy source, meeting 47% of new electricity demand. However, the green noose strangling the hydrocarbons continues to tighten and coal's position as the world's leading power solution is thankfully at risk. Perhaps surprisingly, whilst the renewables have received a lot of political and public attention in recent years, penetration (excluding Hydro) remains low (less than 3% global electricity supply) due to uncompetitive costs of production and unpredictable loads. Increases in renewable energy as a share of total global consumption have been negligible. Hydroelectric generation as a share of total global production actually fell 5% over the last 40 years.

The shortfall in generation capacity has largely been filled by nuclear power, which currently accounts for 14% of global electricity production. Following twenty years without a significant nuclear incident, soaring oil and coal prices and the weight of the carbon footprint, sentiment for the industry seemed to be improving, with significant plans for capacity additions from (amongst others) France, Italy, China, UK, and Russia. Nuclear power, arguably cheaper and cleaner than its alternatives, offered a compelling solution to the power dilemma. That was, of course, until 11 March 2011, when the tragic tsunami and subsequent nuclear crisis in Japan sent shockwaves across the world, bringing the safety of nuclear power back into question.

Many countries with a vested interest in a nuclear future professed their continued support for the industry (or, like France and the UK, kept remarkably quiet about it - ignoring of course those radioactive iodine leaks in Oxfordshire). However, some governments were clearly spooked by the incident. Two points should be stressed:

- (i) The conclusion that all nuclear power programmes should be abandoned, based on a disaster at an appallingly sited plant (in an earthquake zone), is illogical beyond comprehension. Energy policies must be adapted to suit their environment. It should be blindingly obvious that solar projects are ideal for the Sahara desert and not so ideal for Scotland, and nuclear plants should not

Seldom do we see energy policies as ambitious as Merkel's (30 March 2011) decision to shut down the entire German nuclear fleet by 2022, a staggering 22% of the nation's electricity generation capacity.



be built on fault lines or in city centres.

(ii) Replacing nuclear power is a relative call.

The most likely replacement plants would be coal powered and, while nuclear power causes calamity when it goes wrong, coal causes calamity when it goes right. And coal goes right a lot more often than nuclear goes wrong. The only safe coal-fired plant is one which has broken down past the point of repair. Acid rain, heavy metal pollution, mountaintop removal, open pit mining and fly-ash clouds releasing 100 times more radiation than a nuclear plant producing the equivalent energy, are some of the overlooked side effects of the coal industry. In 2006 alone, 4,749 Chinese coal miners were killed in blasts, floods and other accidents and the potential number of deaths as a result of climate change is unfathomable.

Surprisingly, it was in Germany where the repercussions of Fukushima Daiichi were most severe; perhaps imprudently, dependent on one's view as to the probability of a tsunami in Bavaria. Seldom do we see energy policies as ambitious as Merkel's (30 March 2011) decision to shut down the entire German nuclear fleet by 2022, a staggering 22% of the nation's electricity generation capacity. In the short term, (assuming stable German electricity demand) 10GW of new coal/lignite capacity due to come on stream by 2013 will largely offset the deficits from the first phase of nuclear shutdowns. However by 2015 the phase out of additional nuclear plants as well as 10-20gw of older, inefficient coal plants will severely disrupt the supply/demand balance of German power, putting upward pressure on domestic electricity prices and placing more pressure on energy intensive industries to increase production efficiencies.

In conjunction with the nuclear phase out, the country also set an ambitious new set of "green goals" aiming to double the nations renewable energy capacity share to 35% by 2020 and calling for a reduction in electricity consumption of 10%.

However, renewable generation alone will struggle to meet the shortfall. At 16% of total consumed generation, renewables are already overweight in the German power mix. Integration of further renewable projects will be costly due to the unpredictability of renewable power and significant investments will need to be made to the transmission networks, including power storage and smart grid

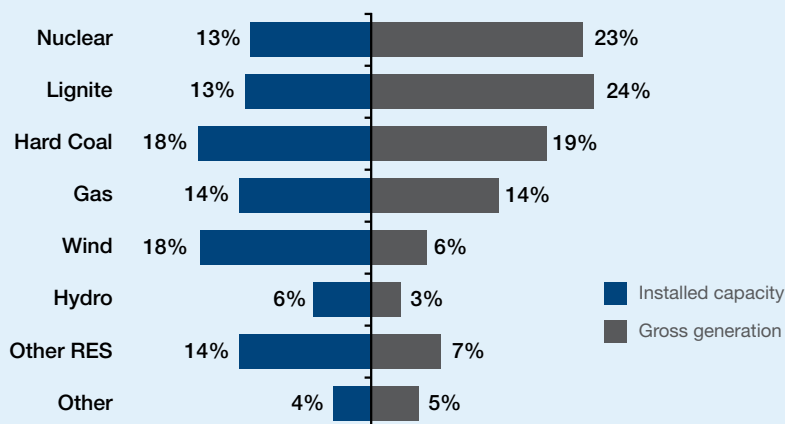
technology upgrades. Light wind conditions this spring arguably had a greater negative impact on the nation's power generation than the closure of its first nuclear plants. For this reason, renewable operators must install a non-renewable, "backup" power supply, significantly adding to the cost of installations. Gas-fired plants are typically chosen for their cleaner credentials, cheaper development costs and shorter development times than other fuel types. Backup power will typically cover 30% of the targeted gross generation of renewable projects.

Continued on next page

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While wind power represents 18% of installed capacity, it only generates 6% of consumed electricity

Installed capacity vs. gross generation (2010)



Source: ENTSC-E, RWE, BMU and Bernstein analysis



Whilst wind represents 18% of installed German capacity, it only generates 6% of the total consumed energy. In effect, you need to install three times as much wind capacity as you hope to consume to compensate for trough wind conditions. The ratios for solar installations in Northern Europe are even more alarming. This puts an effective ceiling on the maximum renewable capacity that a country can install, as any capacity exceeding this ceiling would be wasted in times of good wind/sun or low demand. On this premise, the maximum plausible increase in German renewable capacity could only replace half the required base load deficit, post 2015.

The Germans will inevitably be forced to develop coal and gas fired plants to plug the power shortfall and in the age of the carbon footprint, gas as the cleaner alternative is the preferred solution. Conventional gas is in abundance and new technologies and unconventional resources have dramatically increased supply. As domestic European production declines 1-2% annually, total gas imports will need to increase significantly and Europe will increasingly be forced to look

East to Russia to compensate for lost supply. Additionally, we expect robust growth in the European LNG (Liquid Natural Gas) market, offering diversification and security of supply and cost competitive prices relative to oil linked pipeline imports. In 2000, European LNG stood at around 6% of total gas demand, by 2010 this exposure had increased to 15% and by 2020 LNG as a percentage of total gas supply could be as high as 25%.

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The consequences of the Japanese Tsunami on the European power market are tangible. In an age where traditional hydrocarbons are too dirty, renewables are too dear and once again, nuclear is too dangerous, it seems probable that we will turn to gas.

The future of the European power market may be more blue than green.

Japan's *stance on LNG*

Written by Jonathan Schiessl
Lead Manager, Japan Equity Fund

The future of energy obviously has global ramifications, and none more so than in Japan. Japan's energy policy has been left in tatters by the Fukushima disaster. This is particularly important as current policy dates back to the 1970's when Japan was hit hard by rising oil prices, and hence the move to nuclear was designed to lessen dependence on imported oil. Now that the future of nuclear is being reviewed, and it is deeply unpopular amongst the Japanese people, the case for gas gets stronger by the day.

Japan is already the world's largest importer of Liquid Natural Gas (LNG) and the push to more LNG usage is set to accelerate

Japan is already the world's largest importer of Liquid Natural Gas (LNG) and the push to more LNG usage is set to accelerate - we view this as the main consequence of Fukushima. Within our Japan Equity Fund, this thematic is one that we were playing before the disaster, but we have subsequently increased LNG related exposure. We include the likes of Inpex (a long-term Fund holding that is Japan's largest upstream oil producer) that has a gigantic LNG field in offshore Australia under development and LNG plant builders, like JGC, that benefit from the increased capital expenditure on LNG plants. Two Japanese companies have nearly a 70% global market share in this area, of which one is JGC.

• What's old *in tech*



Written by Jonathan Aldrich-Blake
Assistant Investment Manager,
Americas Equity Fund

The technology sector was once associated with exhilarating growth, high beta and the billions that were being made in Silicon Valley. While this still is the case for certain areas of the sector, most of the household names that made their way through the early noughties have grown from adolescent, free-thinking teenagers into corporate mature adults, more akin to chinos and shirts than Bermudas and t-shirts. So where does this leave the industry in 2011? The sector, as a whole, has a price earnings ratio that is now in line with the broader market. There is also certainly a bifurcation between the new, exciting best-of-breed companies coming out of the valley and the old companies that survived the tech bubble, now primarily ex-growth and with waning dominance.

These latter companies have barrow loads of excess cash, of which they are producing more of daily. Because of their size, small acquisitions only make rounding errors to the bottom line figures, leaving the temptation to be frivolous with their cash and making foolish acquisitions. It could be argued that Intel's purchase of McAfee will be one of these. This has lead to a new investment proposition, namely value technology. But what will it take to get the true value investors interested? More dividends, buybacks or shareholder-friendly management perhaps?

Tech Bubble 2.0? Probably not. Whilst it can be argued that we have seen some fairly high profile and over-hyped IPO's recently, these have been limited to a niche area of the market. These recent launches only listed with a limited number of shares available to the market, giving them exclusivity premium that some were willing to pay. Additionally, bubbles are normally linked with huge amounts of hype and a barrage of companies coming to the market, not just a handful, and the very fact we are talking about it means that everyone is wary of these lofty valuations. To put it into perspective, if Facebook received similar valuation metrics to LinkedIn, when IPO'd it would make Facebook the world's most

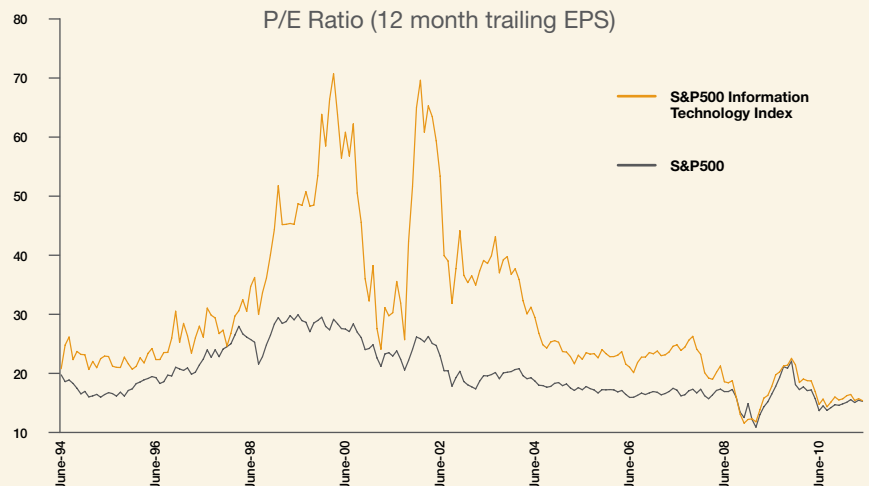
To put it into perspective, if Facebook received similar valuation metrics to LinkedIn, when IPO'd it would make Facebook the world's most valuable company by market value by some considerable clip.

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Overall, there are some very interesting prospective trends and concepts coming to the forefront that warrant investment, but one has to be careful to avoid the overvalued, as well as the stale names having their market share nibbled at all the edges. We are still in the early stages of a new technology cycle and investors must look for the best-of-breed names and play in secular themes that will lead us for the next decade.



S&P500 vs S&P500 Information Technology Sector
P/E Ratio (12 month trailing EPS)



An appetite for 'burgernomics'

How do we measure how cheap or expensive a particular currency is? The most commonly used method in economics is the purchasing power parity theory (PPP). The theory states that the exchange rate between one currency and another is in equilibrium when their domestic purchasing powers at that rate of exchange are equivalent.

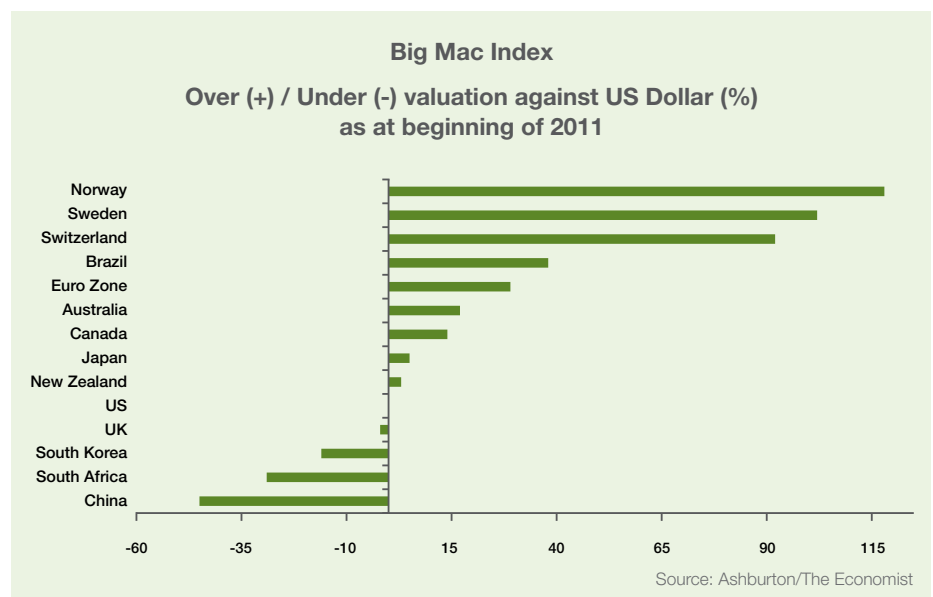
In short, what this means is that a basket of goods should cost the same, for example, in the UK and the US once you take the exchange rate into account, this is known as absolute purchasing power parity. The Economist introduced the 'Big Mac' index in 1986, initially as a semi-humorous illustration for currency valuations, but has been published annually since then. The index also gave rise to the word "burgernomics".

The Big Mac PPP exchange rate between two countries is obtained by dividing the price of a Big Mac in one country (in its currency) by the price of a Big Mac in another country (in its currency). This value is then compared with the actual exchange rate; if it is lower, then the first currency is under-valued (according to PPP theory) compared with the second, and conversely, if it is higher, then the first currency is over-valued.

The Big Mac PPP exchange rate between two countries is obtained by dividing the price of a Big Mac in one country (in its currency) by the price of a Big Mac in another country (in its currency).

Another (and more widely accepted in the financial community) measure of PPP utilises the consumer price index (CPI) level of inflation for each country. This particular measure is known as relative PPP and describes the differences in the rates of inflation between the two countries. Both forms of purchasing power parity evolve from the same premise; that large price differentials between countries should not be sustainable in the long run as market forces will equalise prices between countries and change exchange rates in doing so.

Written by Luke Gale
Investment Manager,
Asset Allocation Team



The chart above shows the valuations for the major and minor currencies versus the dollar using the Big Mac methodology. It is clearly evident that the Scandinavian currencies along with the Swiss franc are grossly overvalued. It is noteworthy to mention, however, that if one were to utilise the relative PPP measure (using relative inflation rates), the Swedish krona is trading near "fair value" and is the cheapest of the major currencies whilst the Swiss franc is still one of the most expensive. This highlights the problem of relying on just a single valuation measure, as differences in the results between analyses can be large. However, given that the Swiss franc is expensive on both valuation measures one would have to be cautious about owning this currency at the present time.

The Chinese renminbi still remains 45% undervalued according to the Big Mac index and is still the most undervalued currency in the world despite the Bank of China allowing a steady appreciation since June last year. Contrary to owning the Swiss franc, it would

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appear taking a long-term investment in the renminbi is not such a bad bet at these valuation levels.

While purchasing power parity theory helps us understand exchange rate differentials, exchange rates do not always converge in the long run the way PPP theory predicts and currencies may stay over or undervalued for extended periods due to speculation, trade deficits and currency risk etc.

In summary, we at Ashburton would not employ "burgernomics" solely as an investment rationale for buying or selling a currency. However, valuation analysis is an integral part of our investment process and as such, we do utilise the variants of PPP theory as a valuation tool in order to form our strategic currency views.

A perilous *ascent*



Written by Tristan Hanson
Head of Asset Allocation

Global equities are up over 50% since the 2009 lows and yet it feels like the Global Financial Crisis never ended.



Investors have in effect been walking along a treacherous mountain-top path with perilous drops on either side. Any stumble could be disastrous. While you're up there and the sun is shining, the view looks great. But every now and then a dark cloud blows over, obscuring the path in front. Suddenly, it all seems very scary!

The dark clouds in recent months have been familiar: the ongoing sovereign debt crisis in Europe, fears of a policy-induced slowdown in China and recurrent concerns over the sustainability of US growth.

Leading the trek are the world's politicians and central bankers. A major slip-up from one of them – or an unexpected accident - and it's a long way down for everyone involved. However, there are some grounds for optimism, as well as caution.

Tackling the issues in reverse order, US growth should improve in the second half of 2011. Companies are in good health with strong profits and robust balance sheets. This should support jobs growth (hitherto disappointing)

and corporate spending, with the latter benefiting from the 100% bonus depreciation tax benefit until year-end. Lower gasoline prices and Japan's post-quake rebound will add further support to the global economy.

China has slowed in response to policy tightening. Structurally, this is welcome given overheating concerns. We acknowledge that the cyclical outlook is complicated by problem loans to local governments, property risks and policy uncertainty. But rising wages, productivity gains and a boost from government-led social housing construction make a soft landing achievable.

The situation in Europe is the most precarious. As we have argued, peripheral sovereign debt issues will be an ongoing concern for months and years to come. We have also viewed a crisis contained to Greece, Ireland and Portugal as manageable. So far this has been the case with a series of short-term policy fixes generating an unhealthy, but so far bearable, 'muddle-through' scenario.

However, recent contagion to the Italian bond market and bank shares is potentially a very serious development should it persist. Once sovereigns are under attack, a self-fulfilling panic cannot be ruled out. As the world's third largest sovereign debt market, Italy poses a systemic risk to global financial markets. It is therefore imperative that the EU authorities and ECB act to stop contagion spreading to Spain or Italy, although the risk is that they continue to fall behind the curve.

...the ongoing sovereign debt crisis in Europe, fears of a policy-induced slowdown in China and recurrent concerns over the sustainability of US growth.

For the time being some caution is merited. We had been more positive in June when we raised equity weightings in our Multi Asset Funds in the belief that investors were too pessimistic on a number of issues. However, the recent sovereign debt contagion to Italy is a material concern and a potential game-changer. We have therefore scaled back risk exposures in our Funds and await signs of stabilisation before jumping back in.

As the world's third largest sovereign debt market, Italy poses a systemic risk to global financial markets.

The Global Financial Crisis pushed policymakers and investors on a new and uncertain path. On several occasions, we have seemed too close to the edge. There is further difficult terrain ahead: a cautious and flexible approach is required.



Celebrating 75 in style



The Sunset Concerts raised £6,300 for the National Trust's Coastline Campaign

The National Trust for Jersey celebrated its 75th anniversary, along with over 3,500 islanders, by enjoying a weekend of fantastic music and sunshine at the Ashburton-supported Sunset Concerts on Friday 1 and Saturday 2 July.

The crowds gathered in the natural amphitheatre of the Grantez headland, overlooking St Ouen's bay, to enjoy their picnics and the music on offer as the sun set in front of them.

Local band Kevin Pallot and The Pinnacles entertained on the Friday night with a variation

of blues, country, folk and jazz. Then, on the Saturday night, Port Isaac's Fisherman's Friends delighted the audience with their repertoire of sea shanties, just one week after having performed on the main stage at the Glastonbury festival.

Although free to attend for the public, spectators donated generously to the National Trust's Coastline Campaign, raising a total of £6,300 over the two nights. The money raised will help go towards the fantastic work the National Trust do in preserving the island's natural coastline.

Upcoming Ashburton conferences

We are pleased to announce that our next set of conferences are scheduled to take place this September.

Our next round of Investment Briefings will be held in the Channel Islands the week commencing 12 September.

Our annual South African Conferences have

also been confirmed for the week commencing 19 September in Cape Town, Johannesburg and Durban.

The theme for these events will be centred around innovation and technology and they are sure to provoke some interesting thought and debate amongst attendees.

Multi Asset Funds 5-yr anniversary



Last month, Ashburton's Multi Asset Cautious (GBP), Balanced (GBP and USD) and Aggressive (GBP) Funds celebrated their 5-year anniversary, having launched on 19 June 2006.

These Funds are designed to generate capital growth within three different risk strategies, giving investors more flexibility and allowing them to match their own attitude to risk to the appropriate Fund.

Through these products, investors have access to a broad range of asset classes such as cash, bonds, equities, hedge funds, alternative assets and derivative instruments.

The Funds are managed by Tristan Hanson, Ashburton's Head of Asset Allocation, and since launch the Multi Asset Balanced Fund (GBP) is up 22.68% (Lipper: 30 June 2011).

For more information on the Multi Asset Funds or other Ashburton products, please visit www.ashburton.com/products or contact your local Ashburton representative or Financial Adviser.

Performance

as at 30 June 2011

% Growth	YTD	1 year	3 year	5 year	10 year	Since Launch	Launch Date	Yield (%)
Multi Asset Funds								
Sterling Asset Management - Accumulating*	0.78	10.35	8.57	22.14	52.26	243.30	04/02/92	n/a
Sector Average	0.87	11.51	15.48	17.15	41.72	218.62		
Sterling Asset Management - Distributing*	2.32	12.14	9.85	23.01	54.73	270.06	01/01/92	0.87
Sector Average	0.87	11.51	15.48	17.15	41.72	226.83		
Dollar Asset Management - Accumulating*	0.42	10.60	1.88	19.29	51.07	205.03	04/02/92	n/a
Sector Average	2.22	15.80	0.32	10.67	44.62	166.93		
Euro Asset Management - Accumulating*	-0.83	8.18	7.95	14.06	-	44.88	25/04/03	n/a
Sector Average	-1.48	3.89	3.98	1.36	-	28.55		
Euro Asset Management - Distributing*	0.72	9.72	8.47	13.91	-	35.10	03/12/01	1.23
Sector Average	-1.48	3.89	3.98	1.36	-	9.00		
Multi Asset Cautious Fund GBP	1.35	7.93	4.89	14.31	-	15.84	19/06/06	0.85
Sector Average	2.22	9.70	16.53	17.13	-	17.62		
Multi Asset Balanced Fund GBP	0.80	12.88	8.17	20.53	-	22.68	19/06/06	0.29
Sector Average	0.87	11.51	15.48	17.15	-	18.67		
Multi Asset Balanced Fund USD	0.77	13.06	2.11	19.33	-	21.85	19/06/06	0.64
Sector Average	2.22	15.80	0.32	10.67	-	12.12		
Multi Asset Balanced Fund EUR	-0.64	10.02	5.26	-	-	1.96	18/02/08	0.19
Sector Average	-1.48	3.89	3.98	-	-	-0.54		
Multi Asset Aggressive Fund GBP	2.08	18.69	4.73	11.07	-	14.18	19/06/06	0.25
Sector Average	0.65	15.40	17.85	21.91	-	24.80		
Equity Funds								
Sterling International Equity Fund PC	-1.37	19.40	-0.21	6.68	11.79	321.26	01/01/92	nil
MSCI World CR GBP	3.00	22.26	27.89	32.58	36.26	335.22		
Dollar International Equity Fund PC	2.09	27.96	-12.57	0.65	36.22	8.88	06/04/00	nil
MSCI World CR USD	5.62	31.19	3.17	15.08	55.55	21.00		
Americas Equity Fund PC	7.92	36.90	-1.57	14.74	27.18	101.84	06/01/97	nil
MSCI North America CR USD	5.85	31.42	9.66	19.33	38.79	141.79		
Japan Equity Fund PC	1.97	20.66	-	-	-	18.45	01/12/09	nil
MSCI Japan CR USD	-4.68	13.18	-	-	-	9.42		
Chindia Equity Fund	-6.57	13.60	14.40	-	-	19.18	01/12/06	nil
Chindia Benchmark	-4.19	15.55	28.77	-	-	44.22		
European Equity Fund PC	-5.42	16.66	-10.44	8.47	38.75	218.60	06/01/97	nil
MSCI Europe CR USD	1.41	15.59	4.26	0.42	11.58	131.93		
Feeder Funds								
Americas Equity Fund - £ Feeder PC	4.26	27.93	19.63	-	-	28.21	01/12/06	nil
Japan Equity Fund - £ Feeder PC	-1.45	13.08	-	-	-	22.04	01/12/09	nil
Chindia Equity Fund - £ Feeder PC	-9.70	6.27	40.96	-	-	44.61	01/12/06	nil
European Equity Fund - £ Feeder PC	-0.75	30.05	1.62	-	-	32.45	01/12/06	nil
Fixed Income Funds								
Sterling Total Return Bond Fund PC	1.82	-	-	-	-	1.37	23/9/10	2.18
JP Morgan Global GBI Hedged GBP TR	1.37	-	-	-	-	-0.61		
Dollar Total Return Bond Fund PC	1.15	-	-	-	-	1.03	23/9/10	1.84
JP Morgan Global GBI Hedged USD TR	1.18	-	-	-	-	-0.82		
Money Market Funds								
Sterling Money Market Fund	0.25	0.54	4.44	14.40	-	31.30	25/10/02	0.25
Dollar Money Market Fund	0.10	0.30	1.45	9.70	-	17.12	25/10/02	0.01
Euro Money Market Fund	0.27	0.53	3.20	9.99	-	17.41	25/10/02	0.14

NB: As from January 2011, all Ashburton Fund benchmark performance is calculated using a Total Return (TR) rather than a Capital Return (CR) basis, bringing it into line with industry standards.

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The average investment results include the returns for all clients who were clients for the whole of each calendar year and are adjusted for money added or withdrawn. Figures for funds are calculated on a bid to bid price basis, ignoring any initial charge, with gross income re-invested. Personal portfolios are calculated at a mid-market basis. All figures are calculated as at 30 June 2011 on a rolling basis. The comparative index used in each case is that deemed to be most appropriate for each fund. The views expressed in Ashburton's Perspective represent the collective views of the Ashburton investment team and the Ashburton external advisers, which will change with altering market conditions and may not necessarily be reflected in the composition of managed portfolios. Past performance is not necessarily a guide to future performance. The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment. Ashburton (Jersey) Limited and Ashburton Fund Managers Limited are regulated by the Jersey Financial Services Commission. Ashburton (Jersey) Limited is also registered as a Foreign Investment Services Provider in South Africa in accordance with Section 8 of the Financial Advisory & Intermediary Services Act 2002. Ashburton Global Funds is a Protected Cell Company and a recognised fund in the UK under Article 270 of the Financial Services and Markets Act 2000. The prospectus of the fund can be viewed at Momentum Global Investment Management Limited, 20 Gracechurch Street, London, EC3V 0BG. Ashburton Fund Managers Limited is part of the First Rand Group. The United Kingdom Financial Services Compensation Scheme does not apply to investors in the fund. Nevertheless, in certain circumstances, the Collective Investment Funds (Recognised Funds) (Compensation for Investors) (Jersey) Regulations 1988 (as amended) may provide compensation for investors.

