

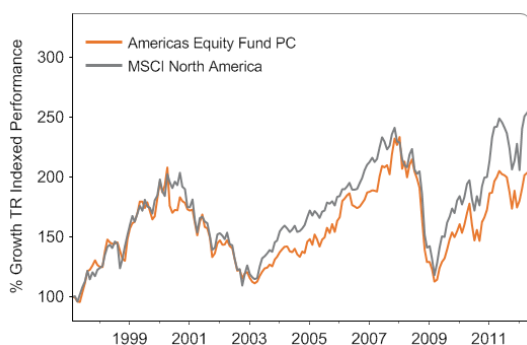
Americas Equity Fund PC

Investment objective

To achieve long-term capital growth by investing in a diversified portfolio of equity or equity related securities, principally in the USA but also encompassing the Canadian and Latin American regions. The Fund will focus on the quality and attractiveness of individual companies rather than the outlook for particular markets. The Investment Manager is also permitted to invest in securities traded in other markets where the underlying companies derive a significant proportion of their earnings from the Americas region. This Fund is also available as a sterling feeder fund.*



Performance



Annual average compound rate of return: **4.81%**

Benchmark: MSCI North America. Source: Morningstar.

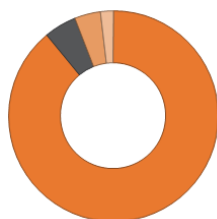
Growth (%)	Fund	MSCI North America
YTD	13.75	11.69
1 Yr	-0.02	2.86
3 Yr	65.26	70.25
5 Yr	2.23	6.81
since launch	105.43	156.54
Volatility (%)	Fund	MSCI North America
since launch	17.17	16.73
Ratios	Beta	Sharpe
1 Yr	0.85	0.22
3 Yr	1.07	0.82
5 Yr	0.91	0.19
since launch	0.81	0.07

Strategy

Sector Weightings (%)	Ashburton Weighting	Benchmark	Over/under weight vs Benchmark
Industrials	16.21	9.87	6.34
Cash	4.84	0.00	4.84
Financials	20.16	16.03	4.13
Con Discretionary	14.76	11.01	3.75
Telecom Services	4.00	2.94	1.06
Basic Materials	5.62	4.88	0.74
Health Care	8.17	10.53	-2.36
Energy	10.07	12.80	-2.73
Utilities	0.00	3.21	-3.21
Con Staples	6.37	10.11	-3.74
Info Technology	9.80	18.63	-8.83

Geographical Weightings (%)

89	N America
5	Cash
4	Canada
2	Latin America



Market Capitalisation (%)

No Data

Largest Holdings (%)

Company	Sector	%	Company	Sector	%
Ishares Tr	Financials	3.25	Bank Of America Corp	Financials	2.76
Starbucks Corp	Con Discretionary	2.84	Mead Johnson Nutrit	Con Staples	2.73
Rockwood Holdings	Materials	2.82	Coach Inc	Con Discretionary	2.64
Ecolab Inc	Materials	2.80	Kansas City Southern	Industrials	2.62
Onex Corp	Financials	2.78	Las Vegas Sands Corp	Con Discretionary	2.61

Fund Facts



Lead Fund Manager
Nick Skimming

Launch Date	06/01/97
Fund Size	\$71.18m
Fund Currency	USD
Sell Price	2.0543
Buy Price	2.1570
Yield	0.0000
Minimum Investment	£10,000 or foreign currency equivalent
Initial Charge	5%
Annual Mgmt Fee	1.5%
Total Expense Ratio	1.86%
Dealing Day	Daily
ISIN No	GB0002278108
Sedol No	0227810
Dividend Distribution Dates	15 April and 15 October
Manager	Ashburton Fund Managers Limited
Investment Manager	Ashburton (Jersey) Limited
Custodian	RBC Fund Services (Jersey) Limited
Reporting Fund	Yes
FSA Recognised	Yes
ISA/PEP Eligible	Yes
Authorised For Public Sale In	Jersey, Guernsey, UK, Sweden, Australia and South Africa

Regulation:

Collective Investment Funds (Jersey) Law 1988 (as amended). Operated in accordance with C.I.F. (Recognised Funds) (Rules) (Jersey) Order 2003. (UK FSA Recognised under section 270 of the UK Financial Services & Markets Act 2000).

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Commentary highlights

- The first quarter's earnings season has been underway and by and large this has been a pleasant surprise as analysts have been downplaying expectations, meaning that many of the companies reporting have seemingly done quite well.
- Trading activity within the Fund was limited. On a sectoral level we reduced both our technology and healthcare holdings, with the proceeds mostly going into cash.
- We are continuing to prefer to invest in the domestic recovery theme. Companies which lie in this theme are bought because their business focus is US centric, and so they will benefit from an upturn in US economic growth.

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Commentary

Review

Following one of the best starts to the year in many a year, US markets found building on these gains tougher in April, as an element of doubt over the strength of recovery was seen. This was as an increasing number of economic data points turned in relatively muted statistics; in particular the widely watched initial jobless claims saw some disappointing numbers, suggesting that job creation was still fairly anaemic.

The month's Federal Reserve minutes still stated that expansion was being seen across the nation in manufacturing, hiring and retail sales, but also indicated that they felt the recovery was fragile and only modest expansion was likely. Policy makers also signalled that interest rates will remain low for some time, although the likelihood of further monetary stimulus is doubtful as there is some scepticism over the benefits of this to the economy, as asset price inflation is seen as a by-product.

The first quarter's earnings season has been underway and by and large this has been a pleasant surprise as analysts have been downplaying expectations, meaning that many of the companies reporting have seemingly done quite well. It is evident from reports however, that the US domestic economy is doing relatively well, whilst growth from Europe and China has been sluggish. US financials in particular have produced positive results, exceeding expectations by a high margin, as have some of the building companies.

Activity

Trading activity within the Fund was limited. On a sectoral level we reduced both our technology and healthcare holdings, with the proceeds mostly going into cash. The reduction in our technology holdings were as a result of the top slicing of our position in Apple and the sale of Sandisk. With Apple we still have a decent sized holding, but with the price weakness around solid results and the strong run it has had this year we felt that this was a good opportunity to bank some of the profits. We cut the Sandisk position due to preliminary reports that there is again an oversupply in the flash market, along with continued weakness from some of their predominant customers.

The only new addition to the Fund was Whirlpool. We used the recent weakness to buy back into the stock, there are continued signs that the housing market in the US is continuing to build its base, and stronger than expected results from LATAM should help the stock in the coming months. Other changes to the Fund included cutting our Citi, Altera and Accretive health positions.

Outlook

We are continuing to prefer to invest in the domestic recovery theme. Companies which lie in this theme are bought because their business focus is US centric, and so they will benefit from an upturn in US economic growth, which at this point in time looks to be the economy which is further down the road to recovery. The Fund overall is positioned for a modest uptick in growth, although we have taken some beta off the table ahead of the summer months. We also continue to look for companies which offer a high and recurring revenue stream and which will produce reasonable earnings results regardless of economic activity.

Contacts

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The way we see things



Americas Equity Fund PC
Bald Eagle created using 11 US dollars, 20 pens,
The Wall Street Journal newspaper.