

ASHBURTON



Ashburton Money Market Funds Limited

Annual Report Year ended 31 May 2011

Active Investment Managers

A member of the FirstRand Group



The study of growth

California grows the tallest trees in the world - the giant Redwoods or Wellingtonias. They have been found over 378 feet high (the equivalent of 29 Double Decker buses) and are known to live up to 2,200 years.

If you want to create something truly impressive, you really have to think long term. That's the philosophy at Ashburton. So although our investment managers make active investment decisions every day, they are all focused on long term performance.

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Management and administration

Registered Office

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

Manager

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

Investment Manager, Administrator, Secretary, and Registrar

Ashburton (Jersey) Limited
PO Box 239, 17 Hilary Street, St Helier
Jersey JE4 8SJ, Channel Islands

Custodian

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

Bankers

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
Twenty Two Colomberie, St Helier
Jersey JE1 4XA, Channel Islands

Legal Advisers

Ogier
Ogier House, The Esplanade, St Helier
Jersey JE4 9WG, Channel Islands

Directors of Ashburton Money Market Funds Limited

Peter Bourne joined Ashburton (Jersey) Limited in August 2007 as Managing Director. Peter has been with the FirstRand Group since 1984 and since 1987 has been an investment professional. Most recently, Peter was responsible for running the portfolio management division of the FirstRand Group's Wealth Segment. Peter's only significant business activities not connected with the business of the Manager or the Company is that of Director of Ashburton (Jersey) Limited, the Administrator, and Director of FirstRand International Wealth Management Holdings Limited, the holding company of the Manager.

Nicholas Lee is an Investment Director of Ashburton, having joined the Company in 1988. He has direct responsibility for the core services of Asset Management, Multi Asset, Cash and Fixed Income and Equities Management through the Specialist Funds. From 1979 to 1988, he worked in the Investment Management team at Barclays de Zoete Wedd, firstly as an investment analyst and then as a pension fund manager. Nick is a Member of the Securities Institute. Nicholas' only significant business activities not connected with the business of the Manager or the Company is that of Director of Ashburton (Jersey) Limited, the Administrator.

Ian Ling is a Director of the Manager and has been with the group since 1992. He has worked in the finance industry since 1968, having been a partner of Laurie Milbank & Company, a London stockbroking firm. He was a founding Member of Channel Islands Portfolio Managers Limited and then became a Director of Quilter Goodison (CI) Limited upon their acquisition of that company. He is a Fellow of the Securities Institute. Ian's only significant business activities not connected with the business of the Manager or the Company is that of Chairman of Union Bancaire Asset Management (Jersey) Limited, Investment Consultant to the SL Fund, Investment Advisor to the Wilberton Settlement and the 19696 Trust and Director of Jupiter Equity Fund IC, Jupiter Offshore ICC, Dagnar Limited, Rangad Limited, Gandar Limited and Sunlake Limited.

Nicholas Taylor is the Chief Financial Officer and a Director of FirstRand 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. Nicholas' only significant business activities not connected with the business of the Manager or the Company is that of Director of Ashburton (Jersey) Limited, the Administrator, and Director of FirstRand International Wealth Management Holdings Limited, the holding company of the Manager.

David Waters qualified as a Chartered Accountant in London in 1970. He was a Partner of Coopers & Lybrand, South Africa before moving to the Channel Islands in 1986, where he became Senior Partner of Ernst & Young, Jersey. After that firm sold its Trust Company to Royal Bank of Canada, he became the Managing Director of their British Isles trust business before retiring in 2003. David's only significant business activities not connected with the business of the Manager or the Company is that of a Director of Max Property Group PLC and its subsidiaries, UBS Wealth Management Global Property Fund Ltd and some of its subsidiaries and Episode Inc.

Investment policy and objectives

The investment objective of each of the Ashburton Money Market Funds is to achieve an increase in its value with minimal volatility and risk, through a portfolio exclusively exposed to cash or cash equivalent instruments traded on the global capital markets. To achieve these objectives, the Funds will adhere to the following investment powers and restrictions:

Investment Powers and Restrictions

(i) On acquisition investments must:

(a) Be 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, (including Australia and New Zealand), the American continents or Africa, which has obtained full membership of The World Federation of Exchanges; or

(b) Where not listed or dealt in on such exchanges, represent in aggregate not more than 10% of the net asset value of the relevant Fund;

(c) Not provide more than a total of 10% exposure of the net asset value of the relevant Fund, to securities issued by any single issuer. Total exposure includes any deposits held with that same issuer. Nor may the Fund hold more than 10% of the issuer's issued capital and published reserves. The first of these limits may be increased to 20% of the net asset value of the relevant Fund if the issuer is an Approved Bank as defined by the Jersey Financial Services Commission.

These restrictions shall not apply in respect of any deposit of up to US dollars 1,000,000 or its equivalent in the base currency of the relevant Fund.

(d) Notwithstanding point c) above, up to 30% of the total net asset value of the relevant Fund may be invested in Government and other public securities, as defined by the Jersey Financial Services Commission, of the same issue with unlimited exposure to said issuer.

(e) Have Investment Grade short-term and long-term ratings by either Moody's or Standard & Poor's of at least the following:

Standard & Poor's		Moody's Investors Services Limited	
Long-Term	Short-Term	Long-Term	Short-Term
A	A-1	A3	Prime 1

and thereafter the portfolio must maintain:

(f) An average credit rating of AA2 (Bloomberg Composite Rating).

(g) A maximum average duration of six months.

(ii) No investment into unitised or collective investment schemes is permitted.

(iii) Borrowing will only be undertaken by a Fund for the purpose of meeting the payment of redemptions and will not, in any event, exceed 10% of the value of a Fund.

(iv) The Fund is permitted to enter into securities lending transactions provided it does so as part of a formalised scheme operated by a first class financial institution approved by the Custodian. The Fund will not enter into securities borrowing activity.

(v) No investment in futures, options or any other form of derivative instrument is permitted.

(vi) At least 90% of the interest bearing instruments included in the Fund will have a credit rating of "investment grade" by Standard & Poor's, Moody's Investors Services Limited or Fitch Ratings Limited. If the ratings between these agencies differ, the lower of the ratings will apply.

Manager's report

During the reporting period there were two major themes that dominated the headlines within the credit markets: debt concerns over peripheral Europe and the second round of quantitative easing (QE2) by the Federal Reserve and the Bank of England.

Despite global markets posting strong returns during the second half of 2010, volatility was still widespread. Bond and money market yields plummeted to new lows around the world and commodity prices and gold surged. The focus in November last year was very much on the Federal Reserve's decision to extend quantitative easing by the \$600bn that the market was expecting. The Fed's concentration of treasury purchases at shorter maturities drove a steepening in the yield curve between 30 year and 10 year maturities, pushing the yield on the 10 year bond lower.

A scarcity of supply has also dragged short end rates sharply lower over the last few months: The US Treasury has been forced to let its supplementary financing program (SFP) run off as Congress and the Administration debate the timing of an increase in the debt ceiling after the Treasury approached the \$14.294 trillion statutory ceiling on its outstanding debt during the start of the year. This reduced T-bill supply by almost \$200 billion during the first quarter of 2011 and pushed yields to 0.01% during May.

Markets now expect front-end rates in the US to remain low – even after the expiration of QE2 at the end of June. In February, the Fed Funds futures contracts were pointing to a rate hike during the last quarter of 2011, however, short-rate markets have now pushed out the date of the first rate hike into 2012. Whilst the Bank of England left rates unchanged during the 12 month reporting period, the ECB raised rates by 0.25% to 1.25% during April this year. The market is not pricing in a UK rate hike until November this year.

All eyes were on peripheral Europe once again during the last quarter of 2010. This generated significant volatility forcing Credit Default Swap (CDS) spreads in subordinated financial debt to spike to new highs for the year. Despite the announcement of Ireland's bailout plan, uncertainty increased along with market fears that other countries could be hit by the debt crisis and these peripheral worries continued into 2011. Greek 10 year yields reached a record level of 16.2% on increased speculation of default. Standard and Poor's (S&P) rating agency downgraded Greece from BB- to B with a statement that they may cut further, whilst the revised outlook for Italy was cut from stable to negative. Portugal's 3 year yield also spiked to new highs at just under 12% after the True Finn party refused to vote for a European bailout. However, Portugal reached an agreement on a three year aid plan of €78bn in aid from the EU, ECB and IMF which needs to be approved after the Portuguese elections on 5 June. Moodys downgraded Portugal's long-term government debt to Baa1 from A3, whilst Ireland's rating was cut a further two notches to Baa3.

In our view, it is inevitable that Greece will not be able to honour its debt in full and on-time, thereby requiring a restructuring of sorts either via lengthening maturities or reducing principal and/or interest payments or some combination of the above. The risks posed by a disorderly default would be disastrous for the European banking system and for other peripheral sovereigns given contagion risks. Recognising this, we believe the Troika (EU, IMF, ECB) will continue to assist Greece with further bailout funds in the short-run. However, on a longer-term view, ongoing fiscal transfers from the core and a loss of sovereignty in the periphery does not appear sustainable.

In light of the European peripheral debt concerns we have continued to avoid financial paper and in particular European banks which have substantial exposure to Greek debt. We have placed any maturing cash and inflows into government treasury bills, Supra Sovereign agency (SSA) bonds, and non-financial corporate debt. This strategy has worked well with the AAA rated SSA and government bonds providing safety and liquidity whilst the corporate debt holdings help maintain a competitive level of yield for the funds. All of our Funds finished ahead of their respective LIBOR benchmark over the 12 month reporting period.

Sterling Money Market Fund

Our Sterling service performed very well over the reporting period with minimal volatility. The peripheral debt concerns in Europe did not have any significant impact on the UK banking sector which helped dampen the pricing volatility of the financial paper held within the Fund. Moreover, yields on UK Treasury bills have not only been significantly higher than their European counterparts but have also been very stable over the reporting period. Our significant weighting in government bills and paper meant our Sterling Fund continued to post steady positive returns.

Dollar Money Market Fund

The Dollar Fund suffered throughout the month of June as credit spreads widened and our European bank names were marked down. However, performance turned around quickly after the defensive measures undertaken during the reporting period helped the Dollar Fund recover the small drawdown throughout the summer months.

Manager's report cont.

Euro Money Market Fund

After struggling considerably during the height of the European debt crisis in the second quarter of 2010, the Euro Fund has recovered well. However, the European credit markets remain fragile due to anxieties over Greece's debt problem. We will therefore continue with our defensive measures as capital preservation is our priority followed by a respectable level of yield.

Ashburton Fund Managers Limited Manager
31 May 2011

Directors' report

The Directors present their report to the members, together with the audited financial statements for the year ended 31 May 2011.

Incorporation

The Company was incorporated in Jersey, Channel Islands on 30 July 2002 and commenced trading on 14 October 2002. Its registration number is 83723. The Company is an unclassified Fund regulated under the Collective Investment Funds (Jersey) Law 1988.

Results

The Total Return for each Fund for the year ended 31 May 2011 is detailed within the relevant Fund section.

Dividends

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

Directors

The Directors of the Company in office at 31 May 2011 are set out on page 2 of this report. All Directors served throughout the year.

Directors' responsibilities for the Financial Statements

Directors are required by the Companies (Jersey) Law 1991 (as amended) to prepare Financial Statements for each financial period, which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the Total Return for that period. In preparing these Financial Statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a 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, hence, for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The accounts are published on www.ashburton.com which is a website maintained by Ashburton (Jersey) Limited. 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 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 accounts 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.

Directors' interests

P A Bourne has a holding of 13,698.235 units in the Sterling Money Market Fund. None of the remaining Directors had a holding in any of the Funds.

Financial year

The Financial Statements are prepared on an annual and semi-annual basis to the last business day in May and November.

Directors' report cont.

Principal activities

The Company is an open-ended investment company established as a vehicle for international investment and which offers a choice of professionally managed investment Funds. The assets and liabilities attributable to each Fund are segregated in the books of the Company and participating redeemable preference shares are issued in designated Funds.

The Company is an umbrella fund. Where assets of an individual Fund are insufficient to meet that Fund's liabilities, then any liabilities that remain undischarged will revert to the Company as a whole and be allocated amongst the other Funds. At the year end, the Directors are not aware of any existing or contingent liabilities 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 are stated on page 3. 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 each Fund's investment objectives involves certain inherent risks. The main risks arising from the Funds' financial instruments are the market price and liquidity risks. The Directors review and agree with the Investment Manager policies for managing each of these risks. These policies have remained unchanged since the beginning of the year to which these Financial Statements relate.

Secretary

The Secretary of the Company at 31 May 2011 was Ashburton (Jersey) Limited who served for the whole of the year then ended.

Manager

The Manager of the Company at 31 May 2011 was Ashburton Fund Managers Limited who served for the whole of the year then ended.

By order of the board

Ashburton (Jersey) Limited

Secretary
21 July 2011

Registered Office:

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

Custodian report

To the members of Ashburton Money Market Funds Limited

In our opinion, the Manager of the Company, Ashburton Fund Managers Limited, has in all material respects, managed the Company for the year ended 31 May 2011 in accordance with the provisions of the Principal Documents and the Collective Investment Funds (Jersey) Law 1988.

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

21 July 2011

Independent Auditor's report to the Members of Ashburton Money Market Funds Limited

Report on the financial statements

We have audited the accompanying financial statements of Ashburton Money Market Funds Limited ("the Company") which comprise the balance sheets and portfolio statements as of 31 May 2011 and the statements of total return and statements of changes in shareholders' net assets 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 as of 31 May 2011, and of its total return 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 management and administration information, directors of Ashburton Money Market Funds Limited, investment policy and objectives, manager's report, directors' report, custodian report, statements of material portfolio changes and 5 year price, performance, distribution and total expense ratios.

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.

Karl Hairon
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants
Jersey, Channel Islands

Aggregated Financial Statements

BALANCE SHEET as at 31 May 2011

	31 May 2011	31 May 2010
	£	£
Assets		
Portfolio of investments	72,897,114	85,072,443
Debtors	1,805,392	1,077,203
Cash at Bank	11,698,122	14,307,971
Total assets	86,400,628	100,457,617
Liabilities		
Creditors	3,199,534	1,410,725
Total liabilities	3,199,534	1,410,725
Net assets attributable to redeemable preference shareholders	83,201,094	99,046,892

The financial statements on pages 09 to 22 were approved by the Board of Directors on 21 July 2011.

N J Taylor
Director

N C Lee
Director

STATEMENT OF TOTAL RETURN For the year ended 31 May 2011

	01 Jun 2010		01 Jun 2009	
	31 May 2011		31 May 2010	
	£	£	£	£
Net gains/(losses) on investments during the year		(724,546)		(1,219,703)
Gross income	1,448,696		2,184,362	
Expenses	(399,786)		(572,515)	
Net income/(deficit) before taxation		1,048,910		1,611,847
Change in net assets attributable to shareholders		324,364		392,144

STATEMENT OF CHANGES IN SHAREHOLDERS' NET ASSETS For the year ended 31 May 2011

	01 Jun 2010		01 Jun 2009	
	31 May 2011		31 May 2010	
	£	£	£	£
Net assets at 1 June 2010		99,046,892		131,313,741
Movements due to sales and repurchase of shares				
Amount receivable on creation of shares	36,111,271		29,765,810	
Amount payable on redemption of shares	(52,281,433)		(62,424,803)	
		(16,170,162)		(32,658,993)
Change in net assets attributable to shareholders		324,364		392,144
Net assets at 31 May 2011		83,201,094		99,046,892

Sterling Money Market Fund

PORTFOLIO STATEMENT as at 31 May 2011

Description	Bloomberg Composite	Holding	Value £	As a % of Net Assets
Bonds				
Clydesdale Bank 3.375% 09/12/2011	AAA	1,000,000	1,013,640	3.23
European Investment Bank 5.5% 07/12/2011	AAA	2,000,000	2,048,980	6.53
Kreditanstalt fuer Wiederaufbau 5.25% 12/01/2012	AAA	2,000,000	2,054,680	6.55
Kreditanstalt fuer Wiederaufbau 5.75% 07/12/2011	AAA	2,000,000	2,052,060	6.54
Landwirtsch Rentenbank 5.25% 18/01/2012	AAA	2,000,000	2,055,580	6.56
Nationwide Building Society 3.75% 21/11/2011	AAA	1,000,000	1,014,030	3.23
Royal Bank of Scotland 4.125% 14/11/2011	AAA	1,504,000	1,526,695	4.87
Total Capital 4.625% 07/03/2012	AA	1,500,000	1,538,805	4.91
Bonds Total (2010: 3.19%)			13,304,470	42.42
Floating Rate Notes				
Australia and New Zealand Banking Group FRN 23/10/2012	AA-	1,500,000	1,507,560	4.81
Barclays Bank FRN 18/03/2013	AAA	1,000,000	997,510	3.18
European Investment Bank FRN 14/06/2013	AAA	2,000,000	2,000,360	6.38
General Electric Capital UK Funding FRN 30/01/2012	AA	1,200,000	1,198,440	3.82
Hong Kong & Shanghai Banking Corporation FRN 10/09/2012	AA	1,200,000	1,206,852	3.85
Lloyds TSB Bank FRN 24/04/2012	AAA	3,160,000	3,174,252	10.12
Rabobank FRN 09/03/12	AAA	1,500,000	1,500,690	4.78
SNS Bank FRN 27/04/2012	AAA	1,000,000	1,005,120	3.21
Tesco Personal Finance FRN 27/02/2012	AAA	1,160,000	1,163,028	3.71
Wells Fargo FRN 25/01/2012	A+	1,500,000	1,498,620	4.78
Floating Rate Notes Total (2010: 86.17%)			15,252,432	48.64
Total Portfolio (2010: 89.36%)			28,556,902	91.06
Cash at Bank			4,605,661	14.69
Other Net Liabilities			(1,802,130)	(5.75)
Total Net Assets			31,360,433	100.00
Number of shares in issue				23,899,205

BALANCE SHEET as at 31 May 2011

Note	31 May 2011 £	31 May 2010 £
Assets		
Portfolio of investments	28,556,902	33,344,504
Debtors	292,419	95,521
Cash at Bank	4,605,661	4,800,731
Total assets	33,454,982	38,240,756
Liabilities		
Creditors	2,094,549	933,339
Total liabilities	2,094,549	933,339
Net assets attributable to redeemable preference shareholders	31,360,433	37,307,417

STATEMENT OF TOTAL RETURN For the year ended 31 May 2011

Note	01 Jun 2010 31 May 2011 £	01 Jun 2009 31 May 2010 £
Net gains/(losses) on investments during the year	8 (327,213)	(503,488)
Gross income	9 704,105	1,079,226
Expenses	10 (190,113)	(266,457)
Net income/(deficit) after taxation	513,992	812,769
Change in net assets attributable to shareholders	186,779	309,281

STATEMENT OF CHANGES IN SHAREHOLDERS' NET ASSETS For the year ended 31 May 2011

	01 Jun 2010 31 May 2011 £	01 Jun 2009 31 May 2010 £
Net assets at 1 June 2010	37,307,417	62,515,822
Movements due to sales and repurchase of shares		
Amount receivable on creation of shares	7,024,803	3,642,961
Amount payable on redemption of shares	(13,158,566)	(29,160,647)
Change in net assets attributable to shareholders	(6,133,763)	(25,517,686)
Net assets at 31 May 2011	31,360,433	37,307,417

Sterling Money Market Fund cont.

NOTES TO THE FINANCIAL STATEMENTS as at 31 May 2011

Notes 1 to 7 can be found on pages 19 to 22.

	31 May 2011	31 May 2010
	£	£

8. Net gains/(losses) on investments

The net gains/(losses) on investments during the year comprise:

Proceeds from sales of investments	72,413,385	61,991,572
Original cost of investments sold	<u>(72,590,197)</u>	<u>(62,804,800)</u>
Gains/(losses) realised on investments sold	(176,812)	(813,228)

Net (appreciation)/depreciation thereon already recognised	(598)	317,004
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Net unrealised appreciation/(depreciation)	(149,803)	(7,264)
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Net gains/(losses) on investments	(327,213)	(503,488)
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9. Income

Bank interest	21,259	51,658
Bond interest	682,846	1,027,568

	<u>704,105</u>	<u>1,079,226</u>
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10. Expenses

Audit Fees	3,027	3,498
Bank interest and charges	145	277
Custodian's fee	5,695	7,960
Directors' fee	11,350	13,116
Manager's and administration fees	179,857	254,022
Sundry expenses	(9,961)	(12,416)

	<u>190,113</u>	<u>266,457</u>
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11. Debtors

Accrued interest and dividends receivable	292,419	95,521
Due from brokers	-	-
Subscriptions receivable	-	-
Other debtors	-	-

	<u>292,419</u>	<u>95,521</u>
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12. Creditors

Due to brokers	2,000,000	-
Redemptions payable	48,865	882,813
Other creditors	45,684	50,526

	<u>2,094,549</u>	<u>933,339</u>
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Sterling Money Market Fund cont.

NOTES TO THE FINANCIAL STATEMENTS as at 31 May 2011 cont.

13. Interest rate risk

	Weighted average period for which rate is fixed (yrs)		Weighted average period for which rate is floating (yrs)		Weighted average interest rate (%)	
	31 May 2011	31 May 2010	31 May 2011	31 May 2010	31 May 2011	31 May 2010
GBP	0.572	0.268	1.123	1.655	4.936	6.000

STATEMENT OF MATERIAL PORTFOLIO CHANGES For the year ended 31 May 2011

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

Description	Acquisition cost £	Description	Disposal proceeds £
United Kingdom Treasury Bill 07/02/2011	2,499,044	Rabobank Nederland FRN 29/07/2010	3,000,000
United Kingdom Treasury Bill 20/09/2010	2,497,438	General Electric Capital UK Funding FRN 22/06/2010	2,965,000
Kreditanstalt fuer Wiederaufbau 5.75% 07/12/2011	2,096,000	Nationwide Building Society FRN 18/06/2010	2,880,000
European Investment Bank 5.5% 07/12/2011	2,079,800	United Kingdom Treasury Bill 20/09/2010	2,500,000
Kreditanstalt fuer Wiederaufbau 5.25% 12/01/2012	2,077,000	United Kingdom Treasury Bill 07/02/2011	2,500,000
Landwirtsch Rentenbank 5.25% 18/01/2012	2,076,400	BNZ International Funding FRN 06/07/2010	2,000,000
United Kingdom Treasury 4.25% 07/03/2011	2,039,800	Bank of Nova Scotia FRN 22/09/2010	2,000,000
European Investment Bank 4.25% 07/12/2010	2,031,400	United Kingdom Treasury Bill 25/10/2010	2,000,000
United Kingdom Treasury 6.25% 25/11/2010	2,028,600	United Kingdom Treasury Bill 08/11/2010	2,000,000
LCR Finance 4.75% 31/12/2010	2,009,560	United Kingdom Treasury 6.25% 25/11/2010	2,000,000
Other acquisitions	46,517,240	Other disposals	48,568,385
Total for year	67,952,282	Total for year	72,413,385

5 YEAR PRICE & PERFORMANCE For the year ended 31 May 2011 unaudited

	Performance	Net Asset Value £	Price per share £	Highest offer Price per share £	Lowest bid Price per share £
31.05.2011	0.56%	31,372,486	1.3127	1.3127	1.3053
31.05.2010	0.62%	37,305,862	1.3054	1.3054	1.2974
31.05.2009	3.57%	62,516,775	1.2974	1.2974	1.2542
31.05.2008	4.56%	45,536,314	1.2527	1.2527	1.1873
31.05.2007	4.48%	36,266,071	1.1956	1.1956	1.1442

The above information relates to the actual published prices on the last dealing date of the year as at 10.00am.

US Dollar Money Market Fund

PORTFOLIO STATEMENT as at 31 May 2011

Description	Bloomberg Composite	Holding	Value US\$	As a % of Net Assets
Bonds				
Australia & New Zealand Bank 3.2% 15/12/2011	AA+	955,000	969,487	1.67
Caisse D'Amortissement de la Dette Sociale 4.125% 09/12/2011	AAA	3,000,000	3,059,070	5.27
European Investment Bank 5.25% 15/06/2011	AAA	2,000,000	2,003,460	3.45
General Electrical Capital 5.25% 21/02/2012	AA	358,000	370,097	0.64
HBOS 5.25% 19/09/2011	A+	2,500,000	2,533,325	4.36
Inter American Development Bank 3.25% 15/11/2011	AAA	5,000,000	5,069,075	8.73
Kommunalbanken 3.375% 15/11/2011	AAA	1,720,000	1,744,063	3.00
Kreditanstalt fuer Wiederaufbau 3.5% 15/12/2011	AAA	3,000,000	3,052,470	5.26
Kreditanstalt fuer Wiederaufbau 3.75% 27/06/2010	AAA	1,240,000	1,243,026	2.14
Total Capital 5% 10/10/2011	AA	1,000,000	1,016,440	1.75
Bonds Total (2010: 6.14%)			21,060,513	36.27
Floating Rate Notes				
Bank Nederland Gemeenten FRN 03/11/2012	AAA	3,000,000	3,004,860	5.18
Barclays Bank FRN 16/03/2012	AAA	2,000,000	2,010,400	3.46
Commonwealth Bank of Australia FRN 17/09/2014	AA+	1,135,000	1,140,774	1.96
Commonwealth Bank of Australia FRN 25/06/2014	AA+	1,080,000	1,091,976	1.88
Danske Bank FRN 24/05/2012	AAA	3,000,000	3,007,710	5.19
European Investment Bank FRN 05/03/2012	AAA	2,000,000	2,005,480	3.45
Hong Kong & Shanghai Banking Corporation FRN 28/02/2013	AA	3,000,000	3,010,050	5.18
National Australia Bank FRN 08/07/2014	AA	1,080,000	1,091,268	1.88
National Australia Bank FRN 15/06/2011	AA	2,500,000	2,500,125	4.31
Ned Waterschapsbank FRN 01/03/2013	AAA	3,000,000	3,001,290	5.17
Pepsico FRN 15/07/2011	A	1,500,000	1,500,270	2.58
Royal Bank of Scotland FRN 11/05/2012	AAA	2,300,000	2,314,674	3.99
Societe Financement de l'Economie Francaise FRN 16/07/2011	AAA	2,000,000	2,002,980	3.45
Westpac Banking FRN 21/10/2011	AA	1,415,000	1,415,283	2.44
Floating Rate Notes Total (2010: 77.96%)			29,097,140	50.12
Total Portfolio (2010: 84.10%)			50,157,653	86.39
Cash at Bank			7,517,085	12.95
Other Net Assets			381,974	0.66
Total Net Assets			58,056,712	100.00
Number of shares in issue				49,587,797

BALANCE SHEET as at 31 May 2011

Note	31 May 2011 US\$	31 May 2010 US\$
Assets		
Portfolio of investments	50,157,653	54,973,030
Debtors	2,083,840	1,536,937
Cash at Bank	7,517,085	8,901,535
Total assets	59,758,578	65,411,502
Liabilities		
Creditors	1,701,866	36,669
Total liabilities	1,701,866	36,669
Net assets attributable to redeemable preference shareholders	58,056,712	65,374,833

STATEMENT OF TOTAL RETURN For the year ended 31 May 2011

Note	01 Jun 2010 31 May 2011 US\$	01 Jun 2009 31 May 2010 US\$
Net gains/(losses) on investments during the year	8 (300,821)	(665,092)
Gross income	9 623,738	886,579
Expenses	10 (175,237)	(219,118)
Net income/(deficit) after taxation	448,501	667,461
Change in net assets attributable to shareholders	147,680	2,369

STATEMENT OF CHANGES IN SHAREHOLDERS' NET ASSETS For the year ended 31 May 2011

	01 Jun 2010 31 May 2011 US\$	01 Jun 2009 31 May 2010 US\$
Net assets at 1 June 2010	65,374,833	48,864,468
Movements due to sales and repurchase of shares		
Amount receivable on creation of shares	40,487,113	33,900,468
Amount payable on redemption of shares	(47,952,914)	(17,392,472)
	(7,465,801)	16,507,996
Change in net assets attributable to shareholders	147,680	2,369
Net assets at 31 May 2011	58,056,712	65,374,833

US Dollar Money Market Fund cont.

NOTES TO THE FINANCIAL STATEMENTS as at 31 May 2011

Notes 1 to 7 can be found on pages 19 to 22.

	31 May 2011	31 May 2010
	US\$	US\$

8. Net gains/(losses) on investments

The net gains/(losses) on investments during the year comprise:

Proceeds from sales of investments	72,218,774	55,016,379
Original cost of investments sold	<u>(72,583,773)</u>	<u>(55,529,473)</u>
Gains/(losses) realised on investments sold	(364,999)	(513,094)
Net (appreciation)/depreciation thereon already recognised	(198,632)	(92,112)
Net unrealised appreciation/(depreciation)	262,810	(59,886)
Net gains/(losses) on investments	<u>(300,821)</u>	<u>(665,092)</u>

9. Income

Bank interest	12,530	24,295
Bond interest	611,208	862,284
	<u>623,738</u>	<u>886,579</u>

10. Expenses

Audit Fees	5,321	3,566
Bank interest and charges	123	258
Custodian's fee	9,971	7,996
Directors' fee	19,953	13,373
Manager's and administration fees	157,446	207,977
Sundry expenses	(17,577)	(14,052)
	<u>175,237</u>	<u>219,118</u>

11. Debtors

Accrued interest and dividends receivable	380,183	236,139
Due from brokers	1,703,657	-
Subscriptions receivable	-	1,300,798
Other debtors	-	-
	<u>2,083,840</u>	<u>1,536,937</u>

12. Creditors

Due to brokers	-	-
Redemptions payable	1,657,551	-
Other creditors	44,315	36,669
	<u>1,701,866</u>	<u>36,669</u>

US Dollar Money Market Fund cont.

NOTES TO THE FINANCIAL STATEMENTS as at 31 May 2011 cont.

17. Interest rate risk

	Weighted average period for which rate is fixed (yrs)		Weighted average period for which rate is floating (yrs)		Weighted average interest rate (%)	
	31 May 2011	31 May 2010	31 May 2011	31 May 2010	31 May 2011	31 May 2010
USD	0.406	-	0.767	2.144	3.951	-

STATEMENT OF MATERIAL PORTFOLIO CHANGES For the year ended 31 May 2011

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

Description	Acquisition cost US\$	Description	Disposal proceeds US\$
Inter American Development Bank 3.25% 15/11/2011	5,088,543	Bank Nederland Gemeenteen 5.35% 28/06/2010	4,000,000
United States Treasury Bill 07/04/2011	3,999,935	United States Treasury Bill 23/09/2010	4,000,000
United States Treasury Bill 06/01/2011	3,499,995	United States Treasury Bill 16/09/2010	4,000,000
United States Treasury Bill 23/12/2010	3,499,821	United States Treasury Bill 09/09/2010	4,000,000
United States Treasury Bill 30/12/2010	3,499,678	Portman Building Society FRN 18/10/2010	3,500,000
United States Treasury Bill 14/04/2011	3,498,775	United States Treasury Bill 06/01/2011	3,500,000
Caisse D'Amortissement de la Dette Sociale 4.125% 09/12/2011	3,074,436	United States Treasury Bill 30/12/2010	3,500,000
Kreditanstalt fuer Wiederaufbau 3.5% 15/12/2011	3,065,432	United States Treasury Bill 23/12/2010	3,500,000
Kreditanstalt fuer Wiederaufbau 1.875% 15/03/2011	3,027,600	United States Treasury Bill 14/04/2011	3,500,000
HBOS 5.25% 19/09/2011	2,554,000	Rabobank Nederlandse FRN 02/07/2010	3,000,000
Other acquisitions	32,895,108	Other disposals	35,718,774
Total for year	67,703,323	Total for year	72,218,774

5 YEAR PRICE & PERFORMANCE For the year ended 31 May 2011 unaudited

	Performance	Net Asset Value US\$	Price per share US\$	Highest offer Price per share US\$	Lowest bid Price per share US\$
31.05.2011	0.26%	58,067,310	1.1710	1.1712	1.1677
31.05.2010	0.02%	65,372,108	1.1680	1.1701	1.1680
31.05.2009	1.31%	48,865,080	1.1678	1.1678	1.1533
31.05.2008	3.18%	42,216,119	1.1527	1.1527	1.1086
31.05.2007	4.89%	31,252,711	1.1160	1.1160	1.0640

The above information relates to the actual published prices on the last dealing date of the year as at 10.00am.

Euro Money Market Fund

PORTFOLIO STATEMENT as at 31 May 2011

Description	Bloomberg Composite	Holding	Value €	As a % of Net Assets
Treasury Bills				
German Treasury Bill 12/10/11	AAA	1,000,000	996,260	5.22
German Treasury Bill 13/07/11	AAA	1,000,000	999,090	5.24
Treasury Bills Total (2010: 0.00%)			1,995,350	10.46
Bonds				
Bank Nederland Gemeenten 5.25% 04/07/2011	AAA	1,000,000	1,003,460	5.26
Coca Cola HBC Finance 4.375% 15/07/2011	A-	500,000	501,594	2.63
General Electric Capital European 3.375% 08/02/2012	AA	500,000	504,895	2.65
JTI (UK) Finance 4.625% 10/06/2011	A+	500,000	500,320	2.62
Nippon Telegraph and Telephone 4.125% 09/06/2011	AA	500,000	500,205	2.62
Philip Morris International 5.625% 09/09/2011	A	750,000	758,108	3.97
RWE Finance 2.5% 16/09/2011	A	500,000	501,475	2.63
Siemens Financial Services 5.75% 04/07/2011	A+	500,000	501,853	2.64
Telstra 6.375% 29/06/2011	A	500,000	501,450	2.63
Total Capital 3.875% 06/09/2011	AA	500,000	503,165	2.64
Toyota Motor Credit 5.375% 29/07/2011	AA-	500,000	502,970	2.64
Yorkshire Building Society 4% 07/11/11	AA+	1,000,000	1,008,260	5.29
Bonds Total (2010: 0.00%)			7,287,755	38.22
Floating Rate Notes				
Bank of Scotland FRN 10/10/12	AAA	1,000,000	993,920	5.21
Commonwealth Bank of Australia FRN 02/11/2011	AA	750,000	750,075	3.93
Diageo FRN 22/05/12	A-	750,000	750,503	3.93
European Investment Bank FRN 15/01/2014	AAA	1,000,000	1,000,090	5.24
Nationwide Building Society FRN 27/06/2012	A+	750,000	746,422	3.91
Rabobank Nederlandse FRN 20/06/2013	AAA	1,000,000	991,880	5.20
Swedish Housing FRN 16/09/2013	A+	700,000	701,169	3.68
Westpac Banking FRN 27/06/2011	AA	750,000	750,222	3.93
Floating Rate Notes Total (2010: 83.24%)			6,684,281	35.03
Total Portfolio (2011: 83.24%)			15,967,386	83.71
Cash at bank			2,905,030	15.23
Other Net Assets			202,101	1.06
Total Net Assets			19,074,517	100.00
Number of shares in issue				16,258,003

BALANCE SHEET as at 31 May 2011

Note	31 May 2011 €	31 May 2010 €
Assets		
Portfolio of investments	15,967,386	21,084,684
Debtors	286,520	57,671
Cash at Bank	2,905,030	4,709,164
Total assets	19,158,936	25,851,519
Liabilities		
Creditors	84,419	521,097
Total liabilities	84,419	521,097
Net assets attributable to redeemable preference shareholders	19,074,517	25,330,422

STATEMENT OF TOTAL RETURN For the year ended 31 May 2011

Note	01 Jun 2010 31 May 2011 €	01 Jun 2009 31 May 2010 €
Net gains/(losses) on investments during the year	(246,200)	(358,569)
Gross income	419,744	650,174
Expenses	(118,479)	(198,383)
Net income/(deficit) after taxation	301,265	451,791
Change in net assets attributable to shareholders	55,065	93,222

STATEMENT OF CHANGES IN SHAREHOLDERS' NET ASSETS For the year ended 31 May 2011

	01 Jun 2010 31 May 2011 €	01 Jun 2009 31 May 2010 €
Net assets at 1 June 2010	25,330,422	44,864,866
Movements due to sales and repurchase of shares		
Amount receivable on creation of shares	5,212,821	6,389,223
Amount payable on redemption of shares	(11,523,791)	(26,016,889)
Change in net assets attributable to shareholders	(6,310,970)	(19,627,666)
Net assets at 31 May 2011	19,074,517	25,330,422

Euro Money Market Fund cont.

NOTES TO THE FINANCIAL STATEMENTS as at 31 May 2011

Notes 1 to 7 can be found on pages 19 to 22.

	31 May 2011	31 May 2010
	€	€

8. Net gains/(losses) on investments

The net gains/(losses) on investments during the year comprise:

Proceeds from sales of investments	39,892,058	54,440,684
Original cost of investments sold	<u>(40,109,151)</u>	<u>(54,924,365)</u>
Gains/(losses) realised on investments sold	(217,093)	(483,681)
Net (appreciation)/depreciation thereon already recognised	(44,779)	(170,158)
Net unrealised appreciation/(depreciation)	15,672	295,270
Net gains/(losses) on investments	<u>(246,200)</u>	<u>(358,569)</u>

9. Income

Bank interest	19,799	55,842
Bond interest	399,945	594,332
	<u>419,744</u>	<u>650,174</u>

10. Expenses

Audit Fees	1,879	2,575
Bank interest and charges	272	335
Custodian's fee	3,544	5,865
Directors' fee	7,046	9,654
Manager's and administration fees	111,904	187,111
Sundry expenses	(6,166)	(7,157)
	<u>118,479</u>	<u>198,383</u>

11. Debtors

Accrued interest and dividends receivable	286,520	57,671
Due from brokers	-	-
Subscriptions receivable	-	-
Other debtors	-	-
	<u>286,520</u>	<u>57,671</u>

12. Creditors

Due to brokers	-	-
Redemptions payable	55,734	481,318
Other creditors	28,685	39,779
	<u>84,419</u>	<u>521,097</u>

Euro Money Market Fund cont.

NOTES TO THE FINANCIAL STATEMENTS as at 31 May 2011 cont.

17. Interest rate risk

	Weighted average period for which rate is fixed (yrs)		Weighted average period for which rate is floating (yrs)		Weighted average interest rate (%)	
	31 May 2011	31 May 2010	31 May 2011	31 May 2010	31 May 2011	31 May 2010
EUR	0.223	-	1.156	2.037	4.642	-

STATEMENT OF MATERIAL PORTFOLIO CHANGES For the year ended 31 May 2011

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

Description	Acquisition cost €	Description	Disposal proceeds €
German Treasury Bill 20/04/2011	1,249,015	Deutsche Bank FRN 16/06/2010	2,000,000
Nederlandse Waterschapsbank 5.125% 19/04/2011	1,034,500	German Treasury Bill 20/04/2011	1,250,000
Bank Nederland Gemeenten 5.25% 04/07/2011	1,027,730	Alliance & Leicester FRN 21/09/2010	1,148,735
Netherlands (Kingdom of) 4% 15/01/2011	1,020,330	HBOS 3.5% 21/11/2011	1,011,100
HBOS 3.5% 21/11/2011	1,014,800	Lloyds TSB Bank FRN 25/03/2013	1,002,500
Yorkshire Building Society 4% 07/11/11	1,012,401	Bank of Scotland FRN 18/08/2010	1,001,000
Denmark (Kingdom of) 3.125% 15/10/2010	1,008,750	Bank of Scotland FRN 18/08/2010	1,000,000
Kreditanstalt fuer Wiederaufbau 2.5% 11/10/2010	1,006,300	Denmark (Kingdom of) 3.125% 15/10/2010	1,000,000
Societe Financement de L'Economie Francaise 2.25% 10/02/2011	1,003,922	Kreditanstalt fuer Wiederaufbau 2.5% 11/10/2010	1,000,000
SNS Bank 2.375% 15/04/2011	1,002,800	Dutch Treasury Bill 30/09/2010	1,000,000
Other acquisitions	24,639,442	Other disposals	28,478,723
Total for year	35,019,990	Total for year	39,892,058

5 YEAR PRICE & PERFORMANCE For the year ended 31 May 2011 unaudited

	Performance	Net Asset Value €	Price per share €	Highest offer Price per share €	Lowest bid Price per share €
31.05.2011	0.32%	19,078,767	1.1735	1.1735	1.1676
31.05.2010	0.22%	25,323,098	1.1697	1.1714	1.1666
31.05.2009	2.90%	44,865,170	1.1671	1.1671	1.1351
31.05.2008	3.37%	33,911,605	1.1342	1.1342	1.0911
31.05.2007	2.83%	17,007,144	1.0960	1.0960	1.0657

The above information relates to the actual published prices on the last dealing date of the year as at 10.00am.

Notes to the Financial Statements

1. Presentation of Financial Statements

The Company maintains three separate Funds. Separate Financial Statements are maintained for each respective Fund. Shares are issued by the Company and allocated to whichever Fund is selected by the investor. The proceeds of the issue and the income arising thereafter are credited to the respective Fund. Expenses that are specifically identifiable as being incurred by a Fund are charged to that Fund. Expenses which are common to all Funds are allocated to each Fund (in proportion to their net asset values). Upon redemption, shareholders are entitled only to their proportion of the value of the net assets held in the Fund in which their shares are designated.

Accordingly, a separate Statement of Total Return, Statement of Changes in Shareholders' Net Assets, Balance sheet, Statement of Material Portfolio Changes and Portfolio Statement have been prepared for each Fund.

2. 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 2010 ('SORP') Financial Statements of Authorised Funds as issued by the Investment Management Association in the United Kingdom, other than as noted in the Investments notes.

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.

Bank Interest and Charges

Bank overdraft interest and charges are recognised as expenses under note 10 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 the 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 weekly on a Friday at the market mid-price as at 10.00am. This is a departure from the 'SORP' which recommends that the bid market price is used to value the portfolio.

Whilst this is a departure from the 'SORP', the directors believe this is a necessary departure, as the company operates a single pricing policy which is the mid-market price and represents the value of subscriptions or redemptions.

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. Traditionally Floating Rate Notes ('FRN's') closely approximate to their par value and are therefore regarded as cash equivalents and are included under current asset investments.

Cash flow statement

The Company is exempt from the requirement to prepare a Cash Flow Statement as it is an Open-ended Investment Company ('OEIC') which meets the conditions for exemption as stated in Financial Reporting Standard ('FRS') No 1.

Notes to the Financial Statements cont.

3. Related party disclosures

In accordance with Financial Reporting Standard 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 the same are detailed below.

The Manager acts as principal on all transactions of shares in the Funds. No initial charge is levied by the Manager. The value of subscriptions and redemptions of shares during the year is disclosed in the Statements 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 of 0.25% per annum of the net asset value of the Sterling Money Market Fund and the Euro Money Market Fund. At present it does not receive a fee on the Dollar Money Market Fund. Fees are accrued weekly and paid quarterly.

For its services as Administrator, Ashburton (Jersey) Limited receives a fee of 0.25% calculated on the net asset value of each Fund.

The Custodian, Royal Bank of Canada (Channel Islands) Limited receives a fee which is based on the aggregate value of the net asset value of all the Funds respectively. The fee is accrued weekly and paid quarterly. The fees are calculated as follows:

Net Asset Value	
Less than US\$ 25 million	0.020%
US\$ 25 million and over	0.015%

The Custodian also receives a transaction fee of either £15, £25 or £40 (or currency equivalent) per transaction depending on which stock market the trade is executed.

The Directors of the Company have no transactions with the Company which would require disclosure under FRS No 8, other than the holdings as detailed in the Directors' report. Details of fees paid can be found in Note 10 within each Fund section.

Ultimate controlling party

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

4. Soft commissions

Ashburton (Jersey) Limited ('the Investment Manager') is permitted to receive soft commissions upon certain conditions being fulfilled. The Investment Manager may effect the transactions through a third party with which they have an arrangement under which the third party will provide such goods, services or other benefits (such as research facilities), the nature of which is such that their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the performance of the Investment Manager's services to the Company. The Investment Manager will not be compromised by these arrangements and will always effect transactions on a best execution basis.

5. Taxation

The Company is taxed at 0% on its profits.

Notes to the Financial Statements cont.

6. 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, which 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 two management shares in issue which are fully paid up and held by the 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 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. The premium payable is debited to the share premium account or, in the event that 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.

Financial Reporting Standard (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.

7. Financial instruments and associated risks

In accordance with Financial Reporting Standard (FRS) No 13 'Derivatives and other financial instruments', the objectives and policies employed by the Investment Manager in holding financial instruments have been explained in the Directors' Report on page 6. 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 each Fund might suffer through holding financial instruments in the investment portfolio through 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 Investment Manager operates stop-loss techniques to minimise losses.

Foreign currency risk

Each Fund has a segregated pool of assets, denominated in Sterling, US Dollar and Euro. There are no exposures to any other currency except for the immaterial expenses which are incurred as a result of operating the Company by the Manager and repaid by the respective Funds in accordance to their respective net asset values.

Interest rate risk

The majority of the Funds' financial assets are short-term investments, the maturity profiles and rates of which are listed in the portfolio statement. The Funds maintain uninvested cash on deposit with various 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 the payment of redemption proceeds. These borrowings will not exceed 10% of the value of the Fund.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Funds are exposed to this risk through the impact of rate changes on interest bearing assets and liabilities held by the Funds. Interest rate risk mainly arises through interest bearing assets such as debt Securities. The risk is managed by regular monitoring of the market value of financial instruments by the Investment Manager. Funds are benchmarked against reference points in order to facilitate performance measurement. Details of interest rate exposure can be found in note 13 in each Fund's section where applicable.

Notes to the Financial Statements cont.

7. Financial instruments and associated risks cont.

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 Funds have four days from the relevant dealing day to pay the proceeds of redemption.

The Funds' assets comprise of fixed and floating rate securities quoted/listed on various stock market exchanges and short-term debtors, creditors and cash. The listed securities are considered to be readily realisable within the rules of the stock exchanges on which they are quoted. The Investment Manager manages the Funds' liquidity to ensure that liabilities are met. Each Fund may borrow up to 10% of its value to ensure payment of redemptions.

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 its obligations. This risk is limited however, as the majority of settlement transactions are now delivery 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 in an arms length transaction between informed and willing parties. The basis of valuation of investments is disclosed in Note 2 to the Financial Statements.

Notice of Annual General Meeting

Notice is hereby given that the ninth Annual General Meeting of Ashburton Money Market Funds Limited will be held at 17 Hilary Street, St Helier, Jersey JE4 8SJ, Channel Islands on Wednesday 31 August 2011 at 10.00am for the following purposes:

1. To receive and adopt the Financial Statements for the year ended 31 May 2011 together with the reports of the Directors and Auditor thereon.
2. To re-appoint PricewaterhouseCoopers CI LLP, as Independent Auditors and to authorise the Directors to fix their remuneration.
3. To fix the remuneration of the Directors.
4. To transact any other ordinary business of the Company.

By Order of the Board

For and on behalf of the Secretary

Ashburton (Jersey) Limited

21 July 2011

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. 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 office of the Secretary not later than 48 hours before the time fixed for the meeting.

Proxy

I/We _____ (Shareholder name)

Shareholder number _____

being (a) member/members of **Ashburton Money Market Funds Limited** hereby appoint the Chairman of the Meeting (see Note 1 below) _____ as my/our proxy to attend, represent and vote for me/us on my/our behalf at the ninth Annual General Meeting of the Company to be held on Wednesday 31 August 2011 at 10.00am at 17 Hilary Street, St. Helier JE4 8SJ, Jersey, Channel Islands and at any adjournment thereof.

Please indicate with an "X" in the spaces below 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.

Resolution No. 1 To receive and adopt the financial statements for the year ended 31 May 2011 together with the reports of the Directors and an Independent Auditor thereon.

For Against

Resolution No. 2 To re-appoint PricewaterhouseCoopers CI LLP as Auditors and to authorise the Directors to fix their remuneration.

For Against

Resolution No. 3 To fix the remuneration of the Directors.

For Against

Resolution No. 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 in person or by proxy, 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 authorized.
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.

Ashburton (Jersey) Limited

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A member of the FirstRand Group

Ashburton (Jersey) Limited is regulated by Jersey Financial Services Commission