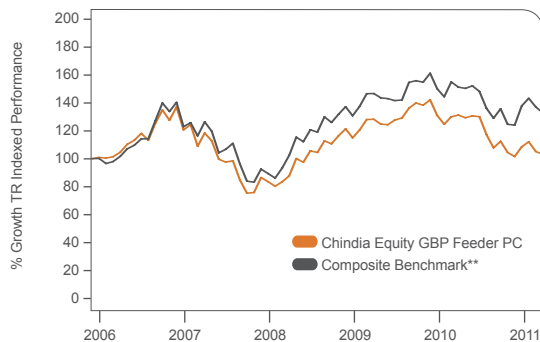


Chindia Equity Fund - £ Feeder Fund

Investment objective

To achieve long-term capital growth through equity or equity related investments predominantly in the stock-markets of China and India. The Fund focuses on the quality and attractiveness of individual companies rather than the outlook for particular markets. The Fund also invests in companies traded in other markets where a significant proportion of growth in their underlying business is set to derive from China or India.

Performance



Annual average compound rate of return: **0.72%**

Benchmark: ** 50% MSCI India and 50% MSCI Golden Dragon. Source: Lipper.

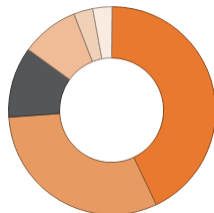
Growth (%)	Fund	Composite Benchmark**
YTD	2.05	8.83
1 Yr	-26.27	-14.69
3 Yr	23.84	38.24
since launch	7.18	50.73
Volatility (%)	Fund	Composite Benchmark**
since launch	28.12	27.73
Ratios	Beta	Sharpe
1 Yr	0.91	-1.24
3 Yr	0.97	0.38
since launch	0.96	0.06

Strategy

Sector Weightings (%)	Ashburton Weighting	Benchmark	Over/under weight vs Benchmark
Cash	11.09	0.00	11.09
Energy	15.19	12.51	2.68
Industrials	7.43	5.66	1.77
Health Care	4.36	2.96	1.40
Financials	28.87	27.87	1.00
Info Technology	19.10	18.84	0.26
Con Discretionary	7.59	7.35	0.24
Con Staples	5.61	6.61	-1.00
Utilities	1.86	3.24	-1.38
Telecom Services	4.38	6.47	-2.09
Future	-5.48	0.00	-5.48
Basic Materials	0.00	8.49	-8.49

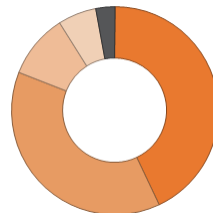
Geographical Weightings (%)

43	India
31	China & HK
11	Cash
9	Taiwan
3	Australia
3	N America



Currency Weightings (%)

43	India
38	Hong Kong
10	Taiwan
6	N America
3	Others



Largest Holdings (%)

Company	Sector	%	Company	Sector	%
China Mobile	Telecoms	4.38	Wistron Corp	Info Technology	3.17
Taiwan Semicon Man	Info Technology	4.29	Boc Hong Kong Hldg	Financials	3.05
China Const Bk	Financials	3.38	Petrochina Co	Energy	2.99
China State Constr	Industrials	3.31	Ping An Insurance	Financials	2.83
Oil Search Ltd	Energy	3.25	Oil & Natural Gas	Energy	2.77

Fund Facts



Lead Fund Manager
Jonathan Schiessi

Launch Date	01/12/06
Fund Size	£38.78m
Fund Currency	GBP
Sell Price	1.1346
Buy Price	1.0806
Minimum Investment	£10,000 or foreign currency equivalent
Initial Charge	5%
Annual Management Fee	1.5%
Total Expense Ratio	1.83%
Dealing Day	Daily
ISIN No	JEO0B1 G6ZG90
Sedol No	B1G6ZG9
Dividend Distribution Dates	15 April and 15 October
Manager	Ashburton Fund Managers Limited
Investment Manager	Ashburton (Jersey) Limited
Custodian	RBC Fund Services (Jersey) Ltd
Reporting Fund	Yes
FSA Recognised	Yes
ISA/PEP Eligible	Yes
Authorised for public sale in	Jersey, Guernsey, UK, Sweden, 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 Scheme under section 270 of the UK Financial Services and Markets Act 2000. South Africa - Approved for promotion under Section 65 of the Collective Investment Schemes Control Act 2002.

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Commentary highlights

- In India, the Reserve Bank delivered a surprise 50 basis point rate cut (versus consensus expectations of 25 basis points). WPI inflation came in above market expectations in March.

- A light month overall for trading activity. In terms of our China exposure, we have cautiously been tilting the portfolio composition towards a more large-cap bias with selective mid-cap satellites playing into our preferred structural themes.

- A smooth leadership transition in the second half of the year remains a priority. The domestic Shanghai Ashare market remains the key indicator to watch for a more positive shift in sentiment.

Read the full commentary overleaf.

A member of the FirstRand Group

Chindia Equity Fund - £ Feeder Fund

Commentary

Review

MSCI China and MSCI India returned +3.47% and -4.71% (US\$ terms) respectively during April.

China's economy expanded +8.1% in the first quarter of 2012, slowing from +8.9% in the fourth quarter of last year. The quarterly growth was the weakest in 11 quarters and undershot market expectations of +8.3 to 8.5%. On a more positive note, the Purchasing Managers Index (PMI) rose for the fourth consecutive month to 53.1, the highest level since October, indicating the economy is on a path of steady growth. The economy also bounced back to a trade surplus in March from February's deficit of \$31.5 billion, posting a \$670 million trade surplus in the first quarter. Exports amounted to \$166 billion in March (+9% year-on-year), whilst imports reached \$160.3 billion. First quarter retail sales registered +14.8% year-on-year growth, or +10.9% real growth after adjusting for inflation.

In India, the Reserve Bank delivered a surprise 50 basis point rate cut (versus consensus expectations of 25 basis points). WPI inflation came in above market expectations in March. After picking up to +6.95% in February, the headline rate was expected to slow to +6.65% (Bloomberg consensus), but only edged slightly lower to +6.89% as helpful base effects continue to wane. Industrial production disappointed, rising just +4.1% year-on-year in February. Market consensus according to the Bloomberg survey was for a +6.7% year-on-year increase, little changed from January.

Activity

A light month in terms of overall trading activity. In terms of our China exposure, we have cautiously been tilting the portfolio composition towards a more large-cap bias, with selective mid-cap satellites playing into our preferred structural themes. China Lumena Materials and Huabao both acted poorly since purchase and were both sold early in the month, which proved timely. We replaced these names with Baidu (Chinese internet search engine) and Prince Frog (produces a range of child care and household hygiene products). Our stock selection in India has remained broadly consistent for several months.

Outlook

Whilst we remain structurally positive on China and India in the long-term, there is plenty to keep us awake at night as we enter a seasonally weak period for markets. In Europe, the prospective winners of Presidential campaigns in France and Greece have aggressively campaigned on a platform of pro-growth policies and an end to the strict austerity measures that were necessary to secure bailout funding, but have crippled productivity and led to a surge in youth unemployment. Any rise in global risk aversion will naturally affect Asia.

With regards to India, we remain underweight the market, a view held for some time. Weakening economic growth, persistently high inflation, a rapidly depreciating currency and the prospect of an empty ammunition shelter in terms of further monetary policy tools leave the economy in a precarious position, absent much needed reforms. That said, softening commodity prices would certainly alleviate pressure on the fiscal deficit and operational profits at the company level. Conversely, we are becoming increasingly more positive on China, with better than expected loan growth and manufacturing data and a selective easing in property restrictions; all tentative signals that Beijing is easing off the tightening accelerator. A smooth leadership transition in the second half of the year remains a priority. The domestic Shanghai A-share market remains the key indicator to watch for a more positive shift in sentiment.

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The way we see things



Chindia Equity Fund
Dragon created using 56 Chinese yuan, a shredded newspaper, 1 light bulb, a magnet, tape, 193 British coins, 7 scalpel blades.