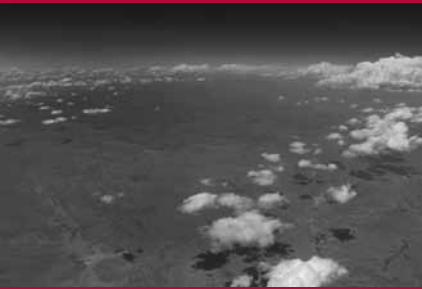


ASHBURTON




Ashburton Emerging Markets Funds Limited

Interim Report Period ended 30 September 2011

Active Investment Managers

A member of the FirstRand Group

A black and white aerial photograph of a vast, flat landscape, likely a desert or tundra, with scattered, fluffy white clouds. The terrain is textured with subtle ridges and valleys, and the clouds are scattered across the horizon and foreground, creating a sense of depth and scale.

The study of speed

The fastest that a human has travelled through the earth's atmosphere is an incredible 614 mph. Captain Joseph Kittinger of the United States Air Force achieved this in August 1960 when he stepped from his high altitude balloon, the Excelsior III, at an altitude of 102,800 ft. Part of a project to test a multi-stage parachute, Kittinger's achievement proved that it was possible for air crew to descend safely after ejecting at high altitude.

If you want success in emerging markets you need to be prepared to explore new areas and push the limits of what's possible within them. Which is exactly what we do at Ashburton. We focus our energy on identifying opportunities at an early stage and developing them into effective investment vehicles for our clients.

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The following are included in respect of the Fund:

Portfolio Statement
Balance Sheet
Statement of Total Return
Statement of Changes in Shareholders' Net Assets
Statement of Material Portfolio Changes

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

RBC Fund Services (Jersey) Limited
19/21 Broad Street, St Helier
Jersey JE1 5PB, Channel Islands

Bankers and Sub-Custodian

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

Independent Auditors

PricewaterhouseCoopers CI LLP
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 Emerging Markets 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 FNB 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. Nicholas is a Member of the Chartered Institute for Securities and Investment. 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 Chartered Institute for Securities and Investment. 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 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 FNB International Wealth Management Holdings Limited, Ashburton (Jersey) Limited and the Manager. After graduating as an electrical engineer, Nicholas joined Coopers & Lybrand, where he qualified as a Chartered Accountant. He joined Ashburton in 1994 and is a Fellow of the Institute of Chartered Accountants in England and Wales. 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.

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 Company can create different funds established as separate Funds but currently operates one Fund only, the Chindia Equity Fund. The decisions relating to investments comprising the Fund are made in accordance with the Fund's objectives, whilst the asset allocation will generally be set in accordance with the respective current investment strategy adopted by the Investment Manager.

The Company belongs to the "Umbrella Fund" category under the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 ("the Order") and the Fund belongs to the "Securities Fund" category.

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

General features

In general, Securities Fund category Funds may invest in equities, fixed interest and other securities quoted on eligible markets as appropriate, as allowed by the Order. Investment may also be made in securities that are unquoted or not regularly traded on an eligible market to the extent permitted by the Order. Investments may also be made in other collective investment schemes including those operated by the Investment Manager or a company or person associated with the Manager, provided the underlying fund is of a type permitted by the Order, and the total investment does not exceed 5% of the property of the Fund.

Investment in securities not officially listed on an eligible market, on a secondary market, or other securities market shall be made only to the extent permitted by the Order.

The Fund will from time to time, and as appropriate for its mandate, invest in derivatives or other financial instruments used for efficient portfolio management, as permitted by the Order.

The Fund will maintain adequate cash deposits to meet redemptions and to take advantage of any expected interest rate changes. Such balances will normally be held on short-term deposit but may be held in other forms of short-term money instruments including certificates of deposit, bills and floating rate notes.

Manager's Report

Disappointing is the only way to describe the period, one in which politicians clearly lost the confidence of markets as a clear dislocation manifested between a 'credit and equity world' signalling fear over credible responses in addressing the big issues and global leaders who feel they have the luxury of time on their hands. Asian emerging markets have been hardest hit during the year to date, even though the epicentre of the storm lies far away. However, we have also witnessed a re-emergence of hysteria concerning China and its supposedly imminent collapse. Indeed, the current environment has more than a whiff of 2008 about it, not only in the unrelenting selling of stocks but also the deluge of reports from broker analysts predicting doom for the Chinese economy.

At the asset allocation level, the decision has been taken to step away from making aggressive market calls and retain a 50/50 China and India split (+/- 5%) at all times. The shift was gradually implemented through the second quarter and since July we have been running a neutral macro allocation. This minimises both country and currency risk and also gives our investors an equally weighted exposure which we feel better reflects their investing preference in the first instance.

Our major decisions over the period were to scale back overweight positions within the consumer discretionary, industrials and energy sectors to reduce beta, and we also pared back consumer staples where selective valuations had become demanding. At the other end of the spectrum we increased our exposure within healthcare, utilities, financials and technology.

Whilst we are not believers in a Chinese 'hard landing' scenario, it was becoming increasingly evident that credit conditions were tightening, with SME's adversely affected. Consultancy research confirmed this view, whilst underground lending rates in selective cities began skyrocketing, crippling margins and forcing smaller players out of business. In addition, various accounting scandals engulfed several smaller Chinese US-listed companies, further damaging sentiment.

As for India, political paralysis is hampering reforms to address basic infrastructure needs and chronic supply constraints, leading to growth moderation, whilst continued inflationary pressures and weakening corporate earnings have - rightly - been concerns. In response, the Reserve Bank of India has tackled inflation head-on with aggressive monetary tightening, whilst also maintaining a flexible exchange rate. It is now in a position Western central banks can only dream about. As for politics, India's growth story is all the more unique because it is happening despite government, not because of it. Agreed, there can be no India story if government does not work to fix the problem and it will, though expect the pace of reform to be incremental and uneven.

In summary, a brutal six months in which reasonable performance through mid-August unravelled through September as fears over a global slowdown and the lack of a co-ordinated policy response snowballed. At the stock selection level, our India portfolio performed well, but the bulk of the good work and more was undone by poor China performance. However, we do feel that fears of an imminent China collapse are grossly overstated, whilst a recent visit to India confirms that a policy U-turn in key sectors (power and infrastructure) is imminent, which along with an end in the tightening cycle should ultimately turn sentiment more positive.

Ashburton Fund Managers Limited
Manager
30 September 2011

Directors' report

The Directors present their report to the members, together with the unaudited financial statements for the period ended 30 September 2011.

Incorporation

The Company was originally incorporated as Chindia Equity Fund PC, a protected cell (the "PC") of Ashburton Global Funds PCC, a protected cell company on 8 November 2006. The Company subsequently converted to an open ended investment company with limited liability and changed its name to Ashburton Emerging Markets Funds Limited on 6 December 2010. The Company is a Jersey Recognized Collective Investment Fund operating as an umbrella Fund and complies with and has been granted a Recognized Fund Certificate under the Order and a permit under the Collective Investment Funds (Jersey) Law 1988.

Results

The Total Return for the period ended 30 September 2011 is set out on page 8.

Dividends

In respect of the fund, the Directors may declare a dividend, at their discretion, at the end of March and September payable on or around the 15th of April and October each year.

The Directors do not recommend the payment of a dividend for the Fund's participating redeemable preference shares for the period ended 30 September 2011.

Directors

The Directors of the Company in office at 30 September 2011 are set out on page 2 of this Report. All Directors served throughout the period and to the date of this report.

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 the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies (Jersey) Law 1991 and the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003.

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. 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.

Directors' report cont.

Directors' interests

None of the Directors had a holding in the Fund.

Financial year

The Financial Statements are prepared on an annual and semi-annual basis to the last business day in March and September respectively.

Principal activities

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

The Company is an umbrella scheme with one fund presently established. Should further funds be launched in the future, investors should be aware that, where assets of an individual Fund were insufficient to meet that Fund's liabilities, then any liabilities that remained undischarged would revert to the Company as a whole and be allocated amongst the other Funds.

At the period end the Directors are not aware of any existing or contingent liability which could not be discharged out of the assets of the Fund.

Investment policy and objectives

The policy and objectives of the Fund are set out on page 3. To achieve these objectives, the Fund will hold or invest in a combination of financial instruments which may include:

- Investments in equities and other securities.
- Cash, liquid resources and short-term debtors and creditors that arise directly from their investment activities.
- Hedging instruments such as forward foreign currency exchange contracts.

The holding of financial instruments pursuant to the Fund's investment objectives involves certain inherent risks. The main risks arising from the Fund's financial instruments are market price, foreign currency 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 period to which these financial statements relate.

Secretary

The Secretary of the Company at 30 September 2011 was Ashburton (Jersey) Limited who served for the whole of the period then ended.

Manager

The Manager of the Company at 30 September 2011 was Ashburton Fund Managers Limited who served for the whole of the period then ended.

By order of the board

Ashburton (Jersey) Limited

Secretary

15 November 2011

Registered Office:

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

Chindia Equity Fund

PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value US\$	As a % of Net Assets
Equities			
Australia			
Oil Search	440,000	2,424,404	2.05
Australia Total (2011: 2.20%)		2,424,404	2.05
China			
Anhui Conch Cement	720,000	1,996,085	1.69
Autonavi Holdings	139,800	1,929,240	1.63
Gome Electrical Appliances	6,900,000	1,620,664	1.37
Lianhua Supermarket	1,287,000	1,833,557	1.55
Springland International	3,074,000	2,043,744	1.73
China Total (2011: 8.72%)		9,423,290	7.97
Hong Kong			
Agile Property	1,700,000	1,123,696	0.95
BOC Hong Kong	1,020,000	2,186,299	1.85
BOCI Prudential	632,000	2,295,601	1.94
China Construction Bank	2,869,000	1,763,839	1.49
China Mobile	409,000	4,047,348	3.41
China Overseas Land & Investment	1,328,000	1,929,467	1.63
China State Construction International	3,712,800	1,982,384	1.67
China Zengtong	1,700,000	1,527,354	1.28
Chu Kong Petroleum & Natural Gas Steel Pipe	4,600,000	726,199	0.61
CNNC International	1,681,000	422,880	0.36
Era	30,576,000	2,079,933	1.76
Galaxy Entertainment	1,100,000	1,640,558	1.39
Hong Kong Exchange	152,000	2,237,690	1.89
I.T.	4,100,000	2,578,534	2.18
Lenovo Group	4,700,000	3,191,144	2.70
Petrochina	2,042,000	2,534,399	2.14
Sany Heavy Equipment International	2,865,000	2,283,542	1.93
Hong Kong Total (2011: 33.77%)		34,550,867	29.18
India			
Akzo Nobel India	115,000	2,193,496	1.85
Bajaj Holdings and Investment	194,286	2,852,742	2.41
BF Utilities	100,000	945,525	0.80
Bharat Petroleum	200,000	2,619,493	2.21
Bharti Airtel	350,000	2,728,953	2.30
Chambal Fertilizers and Chemicals	1,550,000	2,965,947	2.51
DLF	550,000	2,459,233	2.08
Eicher Motors	79,313	2,599,711	2.20
ICICI Bank	150,000	2,671,159	2.26
Indian Overseas Bank	1,100,000	2,090,264	1.77
Infosys Technology	50,000	2,573,135	2.17
ITC	999,000	4,033,334	3.41
Jyothy Laboratories	450,000	1,421,657	1.20
Larsen & Toubro	85,000	2,350,161	1.99
Mahindra & Mahindra	175,000	2,874,406	2.43
Manappuram General Finance & Leasing	1,400,000	1,493,848	1.26
Pantaloon Retail India	208,213	854,665	0.72
Power Finance Corp	700,000	2,131,414	1.80
Raymond	367,762	2,532,107	2.14
Redington India	1,200,000	2,252,106	1.90
Reliance Industries	180,000	2,956,900	2.50
Shree Renuka Sugars	1,633,000	1,839,178	1.55
Sun Pharmaceutical Industries	230,000	2,148,874	1.82
Tata Tea	1,150,000	2,007,964	1.70
Yatra Capital	137,000	730,323	0.62
India Total (2011: 37.09%)		56,326,595	47.60

PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Holding	Value US\$	As a % of Net Assets
Equities			
Taiwan			
Chroma Ate	1,005,325	2,085,559	1.76
Chunghua Telecom	1,298,183	4,325,146	3.65
Ili Technology	548,000	1,275,339	1.08
Taiwan Fertilizer	900,000	2,218,612	1.87
Wistron Neweb	891,428	2,223,815	1.88
Yulon Motor	948,000	1,795,491	1.52
Taiwan Total (2011: 10.28%)		13,923,962	11.76
Equities Total (2011: 94.09%)		116,649,118	98.56
Open forward foreign currency exchange contracts (2011: 0.21%)			
		(594,796)	(0.50)
Total Portfolio (2011: 94.33%)		116,054,322	98.06
Bank		2,015,316	1.70
Other Net Assets		291,231	0.24
Total Net Assets		118,360,869	100.00
R Class shares in issue			31,839,437
I Class shares in issue			20,956
C Class shares in issue			1,475,972

Chindia Equity Fund cont.

BALANCE SHEET as at 30 September 2011

	30 Sep 2011 US\$	31 Mar 2011 US\$
Assets		
Portfolio of investments	116,054,322	138,693,363
Debtors	524,369	379,297
Cash at Bank	2,015,316	12,319,195
Total assets	118,594,007	151,391,855
Liabilities		
Creditors	233,138	4,366,485
Total liabilities	233,138	4,366,485
Net assets attributable to redeemable preference shareholders	118,360,869	147,025,370

STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011 30 Sep 2011		01 Apr 2010 30 Sep 2010	
	US\$	US\$	US\$	US\$
Net gains/(losses) on investments during the year		(36,708,832)		15,606,539
Other gains/(losses)		(289,550)		(294,970)
Gross income	2,969,599		2,107,082	
Expenses	(411,061)		(326,637)	
Net income/(deficit) before taxation	2,558,538		1,780,445	
Withholding tax	(151,381)		(108,920)	
Net income/(deficit) after taxation		2,407,157		1,671,525
Total return for the period		(34,591,225)		16,983,094
Equalisation		110,583		-
Distributions		-		-
Change in net assets attributable to shareholders		(34,480,642)		16,983,094

STATEMENT OF CHANGES IN SHAREHOLDERS' NET ASSETS For the period ended 30 September 2011

	01 Apr 2011 30 Sep 2011		01 Apr 2010 31 Mar 2011	
	US\$	US\$	US\$	US\$
Net assets at 1 April		147,025,370		107,223,009
Movements due to sales and repurchase of shares				
Amount receivable on creation of shares	15,099,924		49,218,795	
Amount payable on redemption of shares	(9,283,783)		(21,673,071)	
		5,816,141		27,545,724
Change in net assets attributable to shareholders		(34,480,642)		12,256,637
Net assets at 30 September		118,360,869		147,025,370

STATEMENT OF MATERIAL PORTFOLIO CHANGES For the period ended 30 September 2011

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

Description	Acquisition cost US\$
Reliance Industries	3,012,153
Gome Electrical Appliances	2,889,901
Bharti Airtel	2,846,337
Eva Precision Industrial Holdings	2,839,157
ICICI Bank	2,790,802
Hong Kong Exchange	2,347,205
Akzo Nobel India	2,300,899
Shree Renuka Sugars	2,163,078
China Construction Bank	2,078,478
BOCI Prudential	2,030,383
Other acquisitions	52,960,376
Total for period	78,258,769

Description	Disposal proceeds US\$
Motherson Sumi Systems	3,292,153
Harum Energy	3,211,669
Petronet	3,183,352
L'Occitane International	2,858,265
Focus Media Holding	2,688,185
Dongyue	2,673,352
China Mobile	2,653,636
LIC Housing Finance	2,457,754
China Oilfield	2,433,152
Ping An Insurance	2,024,561
Other disposals	36,649,251
Total for period	64,125,330

Ashburton (Jersey) Limited

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JE4 8SJ Channel Islands	www.ashburton.com

A member of the FirstRand Group

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