

ASHBURTON

Ashburton Emerging Markets Funds Limited

Key Features

Important information for clients

This key features booklet covers the following Ashburton Fund which sits under the Ashburton Emerging Markets Funds Limited umbrella.


Equity Fund

Chindia Equity Fund

Managed by Ashburton Fund Managers Limited

Active Investment Managers

A member of the FirstRand Group



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.

Ashburton Emerging Markets Funds Limited

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Key Features

The purpose of this booklet

The aim of this Key Features booklet is to help you make an informed choice about your intended investment. It is important that you fully understand the investment that you are considering.

This booklet covers the Chindia Equity Fund (“the Fund”) available through Ashburton Emerging Markets Funds Limited. We have included important information about the Fund, which should be read along with the relevant Fund prospectus and application form.

Please read these documents carefully and keep them in a safe place for future reference.

If there is anything that you do not fully understand or you are unsure whether this Fund is suitable for you, we strongly recommend that you talk to your Financial Adviser for advice.

The terms “us”, “we” or “our” in this booklet mean Ashburton Fund Managers Limited and/or Ashburton (Jersey) Limited.

A glossary of investment terms for your reference is also included at the end of this booklet.

The aims of the Fund

The Chindia Equity Fund has a distinct aim, which makes it suitable for investors with a particular risk profile and financial needs. It is advisable to talk to your Financial Adviser to make sure the Chindia Equity Fund meets your financial needs and matches your risk profile.

- Chindia Equity Fund

The aim of the Chindia Equity Fund is to achieve long-term capital growth.

The Fund will invest in equity or equity-related investments predominantly in the stock markets of China and India.

The Fund may 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.

Your investment

Your minimum initial investment is £10,000 (or the equivalent in another currency).

You may make additional investments in the Fund at any time, subject to a minimum amount of £2,000 (or the equivalent in another currency).

In return for your investment, you will receive shares in the Fund. The number of shares you receive will be determined by the share price on the day you buy your shares.

Your investment in the Fund has no specific term, however, it is advisable to view it as a medium to long-term commitment.

As a guide, a medium-term investment should be held for at least three to five years. A long-term investment should be held for a minimum of five to ten years, preferably longer.



Risk factors

You should remember that your investment is not guaranteed. The value of your shares, and the dividend income from them, may go down as well as up and will depend on the performance of the underlying assets chosen by the Fund.

The amount you get back when you sell your shares may be less than the amount you originally invested. A charge is made when you purchase shares and this charge is likely to reduce the value of your shares if you decide not to hold on to them for the medium to long-term.

The following are specific risk factors which may have an adverse effect on the performance of the Fund and could have a material influence on your decision to invest in it.

Market price risk

Investments will principally be made in equities. Except for bank deposits, the value of these is not fixed and may go down as well as up.

This change in value may be the result of one or more factors affecting an individual stock. These could be factors such as the trading position of a company or the perceived credit worthiness of a bond issuer.

General market factors such as interest rates, government policy or the health of the underlying economy also have an effect. All of these factors could affect the entire value of the Fund's portfolio.

Liquidity risk

This is the risk that arises if an asset is difficult to sell. An investment, held by the Fund, may sometimes need to be sold quickly to prevent a loss or to provide enough money to repay clients who have recently sold their shares in the Fund.

If an investment can be sold quickly it is known as a liquid asset. If it cannot be sold quickly it is known as an illiquid asset.

Most stocks and shares bought and sold on major financial stock markets are considered to be liquid as they can be sold quickly to raise cash. However, a good example of an illiquid asset is property, as this can take time to sell if cash needs to be raised.

If the Fund held illiquid assets this could slow down the process of repaying money if you sold your shares in the Fund. However, the majority of the Fund's assets are considered to be liquid, readily tradeable and therefore easily sold if the need arises.

Foreign currency risk

The Fund may purchase shares denominated in currencies other than their base currency. For example, a Fund based in US dollars may buy shares which are based and priced in Hong Kong dollars. By doing so the Fund would be exposed to a different currency.

It should be understood that a substantial portion of a Fund's share portfolio may be denominated in currencies other than the currency in which the Fund is priced.

This means that the capital value of the Fund and its total return may be significantly affected by currency movements.

The rate of exchange between various currencies can be a direct result of interest rates in each country. A country's interest rate is usually influenced by inflation and the general outlook for that particular economy.

Movements in foreign exchange rates can impact the level of income received and the capital value of the investment.

Capital risk

Your capital is the amount of money you originally invested. In order to achieve the desired rate of return from the Fund, your capital may be exposed to capital risk. This means that you may get back less than you originally invested.

Derivatives

Derivatives are financial instruments used to hedge against price or currency movements and may be used for the purpose of efficient portfolio management only.

Efficient portfolio management is used to achieve one or more of the following: reduce risk, reduce cost or generate additional capital or income, with no or an acceptably low level of risk. Derivatives will not be used, for speculation.

Inflation

The purchasing power of cash can be eroded over time by inflation. This means that, in times of inflation, simply keeping savings in notes and coins generates a loss. The rate of return on your investment needs to be assessed against the rate of inflation. This will establish the true rate of return on your investment.

Volatility

In the modern world, information travels very quickly. Assessments of the short, medium and long-term value of investments are revised on the release of every new piece of relevant information. This causes large swings in asset prices, which can be very short-lived. Timing the purchase and sale of individual investments is therefore vitally important as it can affect the rate of return on your investment.

Time

Taking a longer-term view over investments and riding out the ups and downs of the markets will help to ensure a sound average return. It is advisable to view your investment as a medium to long-term commitment.

Deciding when to sell is, however, a major factor in defining the outcome of an investment. Therefore it is just as important to get financial advice when selling an investment as it is before making one.

While the Fund looks to preserve capital as much as enhance it, the very fact that it is exposed to the markets means that there can be times when the value falls.

Counterparty risk

Within financial services, the term counterparty is used to refer to any third party organisation which makes up part of a trade when buying or selling a stock. This could be an organisation such as a government, bank, broker or securities dealer.

There is a risk that the counterparty may fail to deliver the sales proceeds when the Fund sells a stock or may not deliver an investment when the Fund buys a stock.

However, we aim to negate this risk as much as possible by only buying and selling investments through approved brokers and settling any trades using a standard and well-established method.

We also make use of an independent custodian to safeguard the assets of the Fund.

Other risks

Our charges may have to rise in the future, which could reduce the value of your investment.

The value of any tax advantage will depend on your individual circumstances. The taxation basis of the Fund may change, potentially with retrospective effect.

You should be aware that all of the protections afforded by the United Kingdom regulatory system do not apply.

Your questions answered

How much do I need to invest?

The initial minimum lump sum you can invest in the Fund is £10,000 (or the equivalent in another currency).

How do I invest?

Applications to invest can normally be made on any business day in Jersey. To do this you can either:

- contact your Financial Adviser, or;
- complete an application form and forward it together with supporting documentation and a completed bank instruction letter, to the address below.

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

We will send you all the necessary forms that you need on request or you can print them from our website, www.ashburton.com.

Investments will only be processed on receipt of cleared funds, a fully completed application form and acceptable supporting documentation.

Details of the supporting documents you need to send to us can be found on the application form.

What price will I buy shares at?

The Fund is valued at 10am on each Dealing Day. This is known as the "Valuation Point". A Dealing Day will normally be a business day in Jersey.

The buying and selling price of the Fund, and its current yield, is published each day in the Managed Funds Service section of the Financial Times.

The price is also published weekly in the Jersey Evening Post and is available at all times on our website, www.ashburton.com.

The published price is calculated on the previous Dealing Day, which means that this is not the price you will buy and sell your shares at but can be used as a guide.

To buy shares at the Valuation Point on a particular day, we must receive your application by 10am on that day.

If we receive your application after 10am, we will buy your shares at 10am on the next Dealing Day.

Please note that we cannot accept responsibility for the accuracy of the information published in newspapers.

Why are there different share prices?

The Fund will be priced at a single pricing, mid-market basis. When you buy shares, the price you will buy them at will include an "initial charge". The difference between the selling price and buying price is the initial charge, which is 5%.

Is there a Regular Savings Plan?

We do not currently offer a Regular Savings Plan where you can buy shares on a regular monthly basis for a lower initial amount.

What are my cancellation rights?

Unlike the UK where you are able to cancel your investment up to 14 days after investing, there are no similar cancellation rights in Jersey.

Will I receive a regular dividend income from my shares?

Some Funds will receive more income than others due to the type of investments they hold. For example, a bond fund is designed to hold fixed income stocks and will therefore receive more income from those stocks. Equity funds, such as Chindia Equity, don't hold this type of stock and are less likely to receive a high amount of income. The level of dividend you receive from your investment therefore depends on the amount of income the Fund has received.

Dividends, where there are any, are declared at the end of March

and September for the Fund. These dividends will be payable on or around the 15th of April and October each year.

How can I find out about the Fund?

You can log on to our website, www.ashburton.com/performance, to see up to date performance for all our Funds.

How will charges and expenses affect my investment?

The maximum charges and expenses you will bear are:

Initial Charge = 5%

Annual Management Charge = 1.50%

The Fund also bears the fees of a Custodian, an administrator and their own operational costs. The costs are estimated to total 0.38%

The initial charge is deducted from the sum you invest and the net amount passed to the Fund. All other charges and expenses are paid out of the assets of the Fund. These are charged first to the income of the Fund and then to the capital.

The effect of these charges on an investment of £10,000, assuming growth of 6% a year, is set out in the table below.

Please remember that these figures are not guaranteed and only serve to demonstrate the effect that charges and expenses may have on your investment.

Chindia Equity Fund

At the end of year	Investment to date	Effect of deductions	What you might get back
	£	£	£
1	10,000	688	9,912
3	10,000	1,068	10,746
5	10,000	1,481	11,649
10	10,000	2,670	14,255

The last row in the table shows that over 10 years, the effect of total charges and expenses could amount to £2,670.

Putting it another way, this would have the same effect as reducing the investment growth from 6% a year down to 3.61% a year.

How much will any advice cost?

Your Financial Adviser will give you details about the cost of his or her advice. The amount may depend on the size of your investment. We may pay commission to your adviser, if registered with us, when you purchase shares. Any commission paid will come out of the initial charge when you purchase shares.

Information about how much commission has been paid will be sent to you when you purchase shares. A commission due to your Financial Adviser will be paid within one month of your investment being entered on to the Fund's share register.

How can I sell my shares?

You can place an order to sell all or some of your shares on any Dealing Day in Jersey between the hours of 9am and 5pm.

To sell shares at the Valuation Point on a particular day, we must receive your instruction by 10am on that day.

If we receive your instruction to sell after 10am, we will sell your shares at 10am on the next Dealing Day.

When will I receive my money from selling my shares?

The proceeds from selling your shares will usually be paid within four business days after we've received your original written instructions to sell your shares.

We will pay your money, to an account in your name, in US dollars, sterling or euros, whichever currency is on your instruction.

Can I switch my investment between Funds?

You can switch shares from one Fund to another Fund in the Ashburton range of Funds, at any time, but the minimum amount you can switch into a Fund that you don't already hold shares in, is equivalent to the minimum subscription (ie £10,000 or the equivalent in another currency).

Although we are permitted to make a charge of 0.5% of the value of the shares for each switch, we don't currently make this charge. If this changes in the future we will give you three months written notice.

What about tax?

The tax treatment of your investment will depend on your country of residence for tax purposes. Therefore, we have not attempted to summarise the actual taxation consequences for each investor in this Key Features booklet.

It is your responsibility to declare any income or capital growth to your tax authority. If you are in any doubt regarding your tax position, you should obtain advice from your tax adviser.

- Jersey Investors

Dividends will be paid gross to Jersey residents.

- United Kingdom Investors

UK Reporting Fund Regime

If you are based in the UK, whether a Fund is a Reporting Fund or a Non-Reporting Fund affects the tax treatment of any growth in your capital once you sell your investment. The Fund has entered the UK Reporting Fund Regime for the period 1 April 2010 onwards.

Capital gains tax

So long as the Fund becomes a Reporting Fund, any profit or loss on the sale of your shares in the Funds will, subject to personal circumstances and any allowances, be treated as a capital gain or capital loss.

Income tax

If you are resident in the UK you may be liable to UK income tax on dividends paid to you by the Funds and reported by the Funds.

- European Union (EU) Investors

Investors resident in an EU Member State may be subject to a retention tax or reporting requirement on income received from the Funds. This is in accordance with the European Savings and Tax Directive in the UK and the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 in Jersey which came into effect from 1 July 2005.

What information will I receive when I buy, sell or switch shares?

A contract note will be sent to you when you buy, sell or switch shares. The contract note will be sent on the next business day after your purchase, sale or switch.

What information will I receive about the value of my shares?

You will receive a statement showing the value of your shareholding twice a year. These will be sent in July and January.

What information will I receive about the performance of the Fund?

An Annual Report for the Fund will be available in July and a six monthly Interim Report for the Fund will be available in November.

Further information

Who is the Manager?

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

The Manager holds a permit under the Collective Investment Funds (Jersey) Law 1988, as amended, and is regulated by the Jersey Financial Services Commission.

The Manager is the company responsible for the day-to-day running and general management of the Fund. The Manager is allowed to delegate some of these day-to-day duties, such as the role of Investment Management, Administrator, Secretary and Registrar, to another company.

Who is the Investment Manager, Registrar, Secretary and Administrator?

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

The company is authorised and regulated by the Jersey Financial

Services Commission within the Financial Services (Jersey) Law 1998. It also holds a Permit under the Collective Investment Funds (Jersey) Law 1988, as amended.

As Investment Manager, the company will create the investment strategies for the Fund and also provides the Fund with investment advice and recommendations. As Registrar, Secretary and Administrator the company will also perform routine operational tasks associated with the day-to-day running of the Funds.

Who is the Custodian?

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

The Custodian holds a permit under the Collective Investment Funds (Jersey) Law 1988, as amended.

The Custodian is the person or company entrusted with the safekeeping of the property of the Fund.

What can I do if I have a complaint?

Queries and complaints should be sent to Ashburton (Jersey) Limited. The Administrator will investigate all complaints in accordance with standard procedures. If you are not satisfied you have the right to complain directly to:

Jersey Financial Services Commission
PO Box 267
14-18 Castle Street
St Helier
Jersey, JE4 8TP
Channel Islands

Are there any compensation arrangements?

The Financial Services and Markets Act 2000 of the United Kingdom and the rules and regulations of the Financial Services Compensation Scheme made under that Act do not apply to the Funds. However, in certain circumstances, the Collective Investment Funds (Recognised Funds) (Compensation for Investors) (Jersey) Regulations 1988, as amended, may provide compensation for investors. Full details of these are available on request.

Where can I get further information on the Fund?

For more information you can call your Financial Adviser or contact Ashburton Fund Managers Limited directly. Copies of the Fund's prospectus and the most recent annual report or interim report can be obtained free of charge on request from us, downloaded from our website www.ashburton.com or from:

FirstRand Bank Limited (London Branch)
20 Gracechurch Street
London
EC3V 0BG

The facilities required to be made available to UK investors are also available from this address.

Information disclosure

We will keep your information confidential, except where we are required to:

(a) disclose such information we consider appropriate to regulated entities with whom the Fund has entered into an agreement

(b) disclose any such information as required by law and/or as requested by any applicable regulatory authority.

In which other jurisdictions is the Fund authorised?

Guernsey: The Fund is authorised to be promoted in Guernsey under the Protection of Investors (Bailiwick of Guernsey) Law 1987.

Isle of Man: The Fund is applying for approval to be a recognised scheme in the Island under section 12(1) of the Financial Supervision Act 1988.

South Africa: The Fund has been approved for sale by the

South African Financial Services Board under section 65 of the Collective Investment Schemes Control Act 2002.

United Kingdom: The Fund has been classed as a 'recognised' scheme by the Financial Services Authority under section 270 of the UK Financial Services Act 2000.



Glossary

Cancellation price:

The minimum price at which you can sell your shares in a Fund.

Cancellation rights:

A period of 14 days, running from the date on which a contract for an investment is deemed to have been entered into, during which you are able to change your mind and cancel the contract. This is a statutory right under the Financial Services and Markets Act 2000, **but does not apply to investments in offshore funds, including this Fund.**

Contract note:

The written confirmation of a sale, purchase or switch of shares in a Fund, giving details of the number of shares, the price and date of the transaction.

Creation price:

The cost of creating a share. This is determined by valuation of the underlying assets (capital and income) in a Fund, together with any associated expenses.

Custodian:

An independent bank or financial institution appointed to hold assets on behalf of the Fund for safekeeping.

Derivatives:

Financial instruments sometimes used within a portfolio of investments which allow investors to hedge against price movement.

Equities:

Investments in shares in a company listed on a stock exchange.

Hedge / hedging transactions:

A transaction carried out in order to reduce or eliminate an unwanted effect. May be used where, for example, it is desired to take advantage of higher interest rates in other currencies, in which case a hedging transaction may be entered into in order to negate a potentially adverse movement in the exchange rates.

Net asset value:

The value of a Fund based on the market values of the underlying assets, including cash balances and all other assets and liabilities of the Fund. The net asset value per share is calculated by dividing this figure by the number of shares issued.

Open-ended:

A generic term describing a type of collective investment scheme that is incorporated as a company. The number of shares issued in an open-ended investment company will vary according to the demand for the shares from investors.

Recognised scheme:

A term indicating that the Fund meets certain criteria as set out by the Financial Services Authority and is able to be marketed and sold in the United Kingdom.

Redemption:

The transaction when an investor sells his or her shares back to the Fund or the Manager. This may also be called a "repurchase".

Securities:

A general term referring to a wide range of different investments such as shares, debentures, government securities, unit trusts and collective investment schemes.

Trail commission:

Commission paid by the Fund Manager to an agent or Financial Adviser for introducing business. This commission is paid on an ongoing basis, normally for the time that the money remains invested in the Fund, and is not a one off payment.

Yield:

A term used for the rate of income from an investment, which is expressed in percentage terms and is based on the capital value of the investment. It provides an indication of the rate of return that an investor may receive when purchasing the investment at a particular price on which the yield has been calculated. The yield on the Fund will vary from day to day according to the income generated by the underlying investments in the Fund and the current dealing price.

Disclaimer

Past performance is not necessarily a guide to future performance. The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment. Where investments involve exposure to a currency other than that in which the Fund is denominated, changes in rates of exchange may cause the value of the investment to go up or down. Ashburton (Jersey) Limited and Ashburton Fund Managers Limited are regulated by the Jersey Financial Services Commission. Ashburton Emerging Markets Funds Limited has a Recognized Fund Certificate under the Collective Investment Funds (Jersey) Law 1998. Approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by FirstRand Bank Limited (London Branch), 20 Gracechurch Street, London EC3V 0BG, which is authorised and regulated by the Financial Services Authority.

Notes

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Ashburton (Jersey) Limited

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