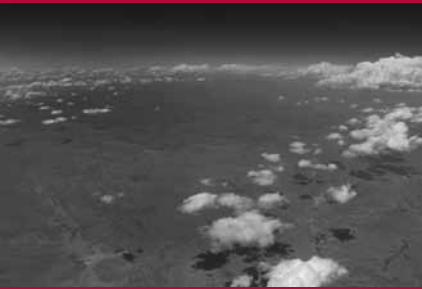


ASHBURTON



Ashburton Emerging Markets Funds Limited

Annual Report Year ended 31 March 2011

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.

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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

RBC Fund Services (Jersey) Limited
19/21 Broad Street, St Helier
Jersey JE1 8PB, 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 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 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, Episode Inc and LNG Europa Credit Fund Ltd and its subsidiary.

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

Our primary asset allocation decision throughout the duration has been to overweight Greater China (in this instance China as opposed to Taiwan) and underweight India, with a 55-45% geographical bias prevailing most of the time.

As we entered the beginning of the financial period, we struggled to fathom why China had performed almost as poorly as Greece in the first quarter of 2010. Granted, China was at the early stages of a 'tightening cycle' as Beijing attempted to reign in fixed asset investment, loan growth and M2 to pre-stimulus levels following the Party's directive to banks to lend at will following the aftermath of the global financial crisis. Yet there was a huge dichotomy between the growth prospects of the two economies and the fiscal and monetary capabilities of both leaderships, in that China's government had the ability to turn the stimulus taps on again should the international landscape deteriorate rapidly. In addition, the relentless nature of the sell-off meant Shanghai was approaching trough valuations at two decade lows versus Emerging Market peers. Corporate insiders had also begun rapidly accumulating stock, suggesting they viewed their own companies as cheap.

This view was echoed to investors throughout 2010 before we turned outright bullish on China in 1Q 2011. First and foremost, the standard argument for avoiding China in favour of alternative EM's or the ultra-expansionary policy-fuelled Western markets has been that China is in 'tightening mode'. History shows us it has rarely paid to bet against Beijing and this cycle has supported that argument. Inflation, property and loan growth data all suggest to us that we are approaching the end of the cycle if we haven't already, whilst valuation support provides added comfort.

Our core China themes have remained intact for the period, with Consumer and Lifestyle ("C&L") and industrial advancement our standout calls. The structural drivers of C&L (demographics, urbanisation, rising middle class, Western-style consumerism etc.) are well understood and flagged and valuations of the mainline companies in the sector have become expensive, as there is still too much money chasing too few stocks. In addition, hyper-competition in areas such as standard retail, sports apparel and footwear has led to significant margin erosion and a real threat that grandiose expansion plans may not materialise. We would like to reiterate that our energies have been focused on identifying companies in the mid-cap sector that are less formally covered but extremely well managed, mostly debt-free, trading at a reasonable discount to peers and undergoing a restructuring or rethinking strategy to benefit from the world's best consumption story. Our exposure to this theme has been consistently bolstered, with the addition of L'Occitane (high-end cosmetics), Springland (retail and supermarket), Focus Media (commercial advertising services) and Sparkle Roll (exclusive distributor of luxury cars, watches and wine).

Industrial advancement is a theme that was introduced in the portfolio back in 2009 but is starting to gain traction and we continue to build on our exposure as time progresses and more quality companies emerge. The concept is simple – in order for China to continually improve the living standards and prosperity of her people and for wages to continue accelerating at double-digit rates, improvements must be made in real productivity. What we have seen in terms of the progress in technological innovation over the past decade is phenomenal as Chinese value-added manufacturers move up the intellectual property curve. Trademarks and patents are being filed at a rate that far eclipses what we saw in Japan in the 60s and in Korea from the 80s to the present day. A handful of industrial goods companies are now emerging as industry leaders and also competing on the global stage and we see this list growing rapidly over the next decade. In addition, the sector accounts for a relatively small proportion of the index (less than 10%), which we see moving towards 20%+ over the next decade. Dongyue (specialty chemicals), Boer Power (electrical efficiency systems), Sany Heavy and ERA holdings (coal machinery) have delivered decent performance over the medium term.

We remain optimistic on the energy sector and subscribe to the premise that the all the 'easy oil/low-hanging fruit' has been drilled and therefore more specialist (and costly) methods are required for new finds as wells move further offshore and into more inaccessible terrain. Selective investments across a broad range of subsectors have been taken, ranging from E&P (Petrochina and Oil Search) to LNG gas distribution (Petronet) and thermal coal (Harum Energy).

At a stock level, stand-out performers were China State Construction (social housing, infrastructure), Chroma ATE (battery and equipment testing), Avichina (civil and military aviation manufacturer), Bank of China Hong Kong and TSMC (technology).

Manager's Report cont

India began the financial period in extremely resilient fashion, yet we felt there was very little in the way of attractive stock opportunities given sector valuations (most at 1 or even 2 standard deviations above the long-term average). Yet the market would rally to within a whisker of its all time high, aided by enormous foreign capital flows that exceeded the frenzy of late 2007. As the year progressed, several one-off factors, namely persistent high primary article inflation, potential political paralysis in light of various corruption scandals, rising oil and commodity prices and pressures on the fiscal deficit in addition to relatively expensive market valuations and high corporate earnings expectations resulted in us taking the exposure down to our maximum stated floor of 40%.

As a consequence of our market view, trading has remained relatively light as we anticipate further weakness heading into summer. Nevertheless, the brutal sell-off through January afforded us the opportunity to buy quality names such as L&T, India Cements and Ambuja Cements (infrastructure), LIC Housing Finance (financials), Tata Global Beverages, Mahindra and Mahindra and Raymond Ltd (consumer) at attractive levels. We continue to favour these sectors and banks and further purchases will be made to bolster exposure to these themes as opportunities present themselves.

Ashburton Fund Managers Limited
Manager
31 March 2011

Directors' report

The Directors present their report to the members, together with the audited financial statements for the year ended 31 March 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 year ended 31 March 2011 is set out on page 11.

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 year ended 31 March 2011.

Directors

The Directors of the Company in office at 31 March 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. 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' 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 year 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, fixed interest 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 year to which these financial statements relate.

Secretary

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

Manager

The Manager of the Company at 31 March 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
1 July 2011

Registered Office:

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

Custodian's report

To the members of Ashburton Emerging Markets Funds Limited

In the Custodian's opinion, Ashburton Emerging Markets Limited has been managed during the year ended 31 March 2011 in accordance with the limitations imposed on the investment and borrowing powers of the Manager and the Directors and the Custodian by the constitutional documents, by the prospectus and the Collective Investment Funds (Recognized Funds) Rules 2003 (the 'Rules') and otherwise in accordance with the provisions of the constitutional documents and the Rules.

RBC Fund Services (Jersey) Limited
19/21 Broad Street, St Helier
Jersey JE1 8PB, Channel Islands

1 July 2011

Independent Auditor's report to the Members of Ashburton Emerging Markets Funds Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ashburton Emerging Markets Funds Limited ("the Company") which comprise the balance sheet and portfolio statement as of 31 March 2011 and the statement of total return and statement 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 and the Collective Investment Fund (Recognized Funds) (Rules) (Jersey) Order 2003. 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 March 2011, and of its financial performance 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 and the Collective Investment Fund (Recognized Funds) (Rules) (Jersey) Order 2003.

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, directors of Ashburton Emerging Markets Funds Limited, investment policy and objectives, manager's report, directors' report, custodian's report and the statements of material portfolio changes.

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
1 July 2011

Chindia Equity Fund

PORTFOLIO STATEMENT as at 31 March 2011

Description	Holding	Value US\$	As a % of Net Assets
Equities			
Australia			
Oil Search	440,000	3,239,315	2.20
Australia Total (2010: 3.03%)		3,239,315	2.20
China			
Focus Media Holding	75,000	2,280,750	1.55
Greatview Aseptic Packaging	4,000,000	2,563,427	1.74
Lianhua Supermarket	715,000	2,837,429	1.93
Sino Prosper State Gold Resources	50,000,000	2,825,421	1.92
Springland International	3,074,000	2,317,408	1.58
China Total (2010: 10.76%)		12,824,435	8.72
Hong Kong			
Agile Property	1,700,000	2,676,701	1.82
BOC Hong Kong	1,020,000	3,320,769	2.26
Boer Power	1,700,000	1,812,122	1.23
China Mobile	300,000	2,760,565	1.88
China Oilfield	1,400,000	3,164,472	2.15
China Overseas Land & Investment	1,300,000	2,641,255	1.80
China State Construction International	3,094,000	2,821,234	1.92
CNNC International	1,681,000	1,208,972	0.82
Dah Sing Banking Group	1,650,000	2,551,355	1.74
Dongyue	3,000,000	2,434,999	1.66
Era	30,000,000	2,504,351	1.70
Far East Horizon	50,000	46,042	0.03
Honghua Group	8,779,000	1,206,394	0.82
I.T.	4,800,000	3,230,227	2.20
L'Occitane International	1,100,000	2,709,579	1.84
Petrochina	3,015,000	4,561,347	3.10
Ping An Insurance	250,000	2,531,642	1.72
Sany Heavy Equipment International	1,910,000	3,134,907	2.13
Sparkle Roll	12,592,000	1,972,945	1.34
Waison Meters	4,400,000	2,362,052	1.61
Hong Kong Total (2010: 21.07%)		49,651,930	33.77
India			
Bajaj Holdings and Investment	194,286	3,507,684	2.39
BF Utilities	100,000	1,751,081	1.19
Bharat Petroleum	200,000	2,728,794	1.86
Gujarat Ambuja Cements	500,000	1,643,743	1.12
India Cements	900,000	1,939,146	1.32
Indian Overseas Bank	1,100,000	3,580,419	2.44
IRB Infrastructure Developers	475,000	2,261,270	1.54
ITC	999,000	4,051,410	2.76
Jyothy Laboratories	450,000	2,225,622	1.51
Larsen & Toubro	85,000	3,207,983	2.18
LIC Housing Finance	500,000	2,503,789	1.70
Mahindra & Mahindra	125,000	1,962,050	1.33
Manappuram General Finance & Leasing	700,000	2,056,027	1.40
Maruti Udyog	70,000	1,989,850	1.35
Motherson Sumi Systems	620,000	2,979,397	2.03
Pantaloon Retail India	208,213	1,234,340	0.84
Petronet	1,000,000	2,650,873	1.81
Raymond	297,762	2,122,931	1.44
Redington India	1,000,000	1,762,758	1.20
Sesa Goa	395,000	2,562,522	1.74
Tata Tea	1,150,000	2,489,418	1.69
Voltas	567,000	2,288,626	1.56
Yatra Capital	137,000	1,020,538	0.69
India Total (2010: 45.29%)		54,520,271	37.09

PORTFOLIO STATEMENT as at 31 March 2011 cont.

Description	Holding	Value US\$	As a % of Net Assets
Indonesia			
Harum Energy	2,900,000	2,981,620	2.03
Indonesia Total (2010: 0.00%)		2,981,620	2.03
Taiwan			
Chroma Ate	966,659	3,124,302	2.13
Chunghwa Telecom	1,298,182	4,045,639	2.75
Hon Hai Precision	575,000	2,014,935	1.37
Taiwan Fertilizer	900,000	2,648,589	1.80
Yuanta Financial Holding	4,555,000	3,277,591	2.23
Taiwan Total (2010: 12.13%)		15,111,056	10.28
Equities Total (2010: 97.52%)		138,328,627	94.09
Open forward foreign currency exchange contracts (2010: 0.38%)		315,136	0.21
Open futures contracts (2010: 0.07%)		49,600	0.03
Total Portfolio (2010: 97.52 %)		138,693,363	94.33
Cash at bank		12,319,195	8.38
Other Net Liabilities		(3,987,188)	-2.71
Total Net Assets		147,025,370	100.00
R Class shares in issue			30,156,207
I Class shares in issue			34,770
C Class shares in issue			1,390,362

Chindia Equity Fund cont.

BALANCE SHEET as at 31 March 2011

Note	31 Mar 2011 US\$	31 Mar 2010 US\$
Assets		
Portfolio of investments	138,693,363	104,566,253
Debtors	379,297	3,254,749
Cash at Bank	12,319,195	1,207,380
Total assets	151,391,855	109,028,382
Liabilities		
Creditors	4,366,485	1,805,373
Total liabilities	4,366,485	1,805,373
Net assets attributable to redeemable preference shareholders	147,025,370	107,223,009

The financial statements on pages 10 to 17 were approved by the Board of Directors on 1 July 2011.

N J Taylor
Director

N C Lee
Director

STATEMENT OF TOTAL RETURN For the year ended 31 March 2011

Note	01 Apr 2010 31 Mar 2011		01 Apr 2009 31 Mar 2010	
	US\$	US\$	US\$	US\$
Net gains/(losses) on investments during the year	9	11,170,523		37,144,071
Other gains/(losses)	10	(400,186)		(271,172)
Gross income	11	2,136,057	1,252,781	
Expenses	12	(768,723)	(481,721)	
Net income/(deficit) before taxation		1,367,334	771,060	
Withholding tax		(115,751)	(60,353)	
Net income/(deficit) after taxation		1,251,583	710,707	
Total return for the year		12,021,920	37,583,606	
Equalisation		234,717	268,445	
Distributions	13	-	(1,027,104)	
Change in net assets attributable to shareholders		12,256,637	36,824,947	

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

	01 Apr 2010 31 Mar 2011		01 Apr 2009 31 Mar 2010	
	US\$	US\$	US\$	US\$
Net assets at 1 April		107,223,009		40,843,232
Movements due to sales and repurchase of shares				
Amount receivable on creation of shares		49,218,795	72,205,212	
Amount payable on redemption of shares		(21,673,071)	(42,650,382)	
		27,545,724	29,554,830	
Change in net assets attributable to shareholders		12,256,637	36,824,947	
Net assets at 31 March		147,025,370		107,223,009

NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

Notes 1 to 8 can be found on pages 13 to 17.	31 March 2010 US\$	31 March 2010 US\$
9. Net gains/(losses) on investments		
The net gains/(losses) on investments during the year comprise:		
Proceeds from sales of investments	200,288,021	211,956,024
Original cost of investments sold	(188,963,766)	(189,962,728)
Gains/(losses) realised on investments sold	11,324,255	21,993,296
Net (appreciation)/depreciation thereon already recognised	(8,125,145)	(947,353)
Net realised appreciation/(depreciation) on:		
Forward foreign currency exchange contracts	(8,649)	(20,417)
Future contracts	15,976	520,532
Net realised appreciation/(depreciation)	3,206,437	21,546,058
Net change in unrealised appreciation/(depreciation) on:		
Forward foreign currency exchange contracts	315,136	-
Future contracts	49,600	-
Investments	7,599,350	15,598,013
Net gains/(losses) on investments	11,170,523	37,144,071
10. Other gains/(losses)		
Other gains/(losses) during the year comprise:		
Currency gains/(losses)	(400,186)	(271,172)
11. Income		
Bank interest	2,264	956
Bond interest	-	-
Dividends	2,133,793	1,251,825
	2,136,057	1,252,781
12. Expenses		
Audit Fees	8,165	6,353
Bank interest and charges	8,802	3,552
Custodian's fee	66,622	36,840
Directors' fee	15,950	14,903
Manager's fee	486,338	381,553
Administration fee	81,056	-
Sundry expenses	101,790	38,520
	768,723	481,721
13. Distributions		
Final distribution	-	1,027,104
	-	1,027,104
14. Debtors		
Accrued interest and dividends receivable	42,168	5,245
Due from brokers	-	3,080,550
Subscriptions receivable	337,129	161,883
Other debtors	-	7,071
	379,297	3,254,749
15. Creditors		
Dividend payable	-	1,027,104
Due to brokers	2,754,096	551,109
Redemptions payable	1,261,128	117,475
Other creditors	351,261	109,685
	4,366,485	1,805,373

Chindia Equity Fund cont.

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

16. Currency exposure

	31 Mar 2011	31 Mar 2010
AUD	3,244,074	-
HKD	58,363,966	34,138,566
IDR	2,981,620	-
INR	63,472,001	45,264,040
JPY	-	1,323,983
SGD	51	1,113
TWD	15,310,362	13,108,364
Other	-	6,581,331
Total exposure	95.41%	93.65%

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

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

Description	Acquisition cost		Description	Disposal proceeds	
		US\$			US\$
ITC	3,466,569		Tata Consultancy Services	3,818,136	
Ping An Insurance	3,320,165		ITC	3,452,386	
Bajaj Holdings and Investment	3,242,599		Bajaj Holdings and Investment	3,229,332	
BOC Hong Kong	3,084,482		China Pacific Insurance	3,111,198	
Indian Overseas Bank	3,072,256		State Bank of India	3,103,164	
Dah Sing Banking Group	3,028,419		BOCI Prudential	3,096,203	
Maanshan Iron and Steel	3,027,837		Reliance Industries	3,060,481	
HSBC Hldings	3,017,180		Indian Overseas Bank	3,059,685	
Industrial & Commerical Bank of China	3,013,114		China Construction Bank	2,977,067	
Larsen & Toubro	2,970,683		Ping An Insurance	2,977,002	
Other acquisitions	191,547,033		Other disposals	168,403,367	
Total for year	222,790,337		Total for year	200,288,021	

10 YEAR PRICE, PERFORMANCE, DISTRIBUTION AND TOTAL EXPENSE RATIOS For the year ended 31 March 2011 unaudited

	Performance			Net Asset Value US\$	Price per share			Highest offer Price per share			Lowest bid Price per share			Distribution per share Paid & payable			TER R Class (*)
	R Class	I Class	C Class		R Class	I Class	C Class	R Class	I Class	C Class	R Class	I Class	C Class	R Class	I Class	C Class	
	US\$	US\$	US\$		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
31.03.2011	8.70%	9.46%	10.52%	147,025,370	1.1358	147.7285	77.4077	1.2898	167.1482	87.1800	0.9069	117.3181	60.9838	-	-	-	1.90%
31.03.2010	85.99%	87.28%	88.81%	108,252,783	1.0449	135.6340	70.9495	1.0838	140.4430	73.2984	0.5702	73.5117	38.1457	-	0.6843	0.9213	1.88%
31.03.2009	-48.51%	-26.02%	-48.71%	41,347,607	0.5623	73.9768	38.2614	1.2414	97.0483	83.5770	0.4526	58.8783	30.7324	0.0005	1.5783	0.6944	1.87%
31.03.2008	11.33%	-	-25.40%	67,677,068	1.1097	-	74.6007	1.5287	-	100.0000	0.9867	-	68.3463	-	-	-	1.89%
31.03.2007	4.66%	-	-	39,392,034	0.9968	-	-	1.0346	-	-	-	-	0.9090	-	-	-	1.86%

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

(*) The Total Expense Ratio (TER) is a measure of the total costs associated with managing and operating the Fund. Details of the total costs can be found in Note 12.

Notes to the Financial Statements

1. Presentation of Financial Statements

The Company has maintained only one Fund during the year to 31 March 2011. Shares are issued and allocated to the Fund by the Company. The proceeds of the issue and the income arising thereafter are credited to the Fund. Expenses incurred over the period are charged to the Fund. Upon redemption, shareholders are entitled only to their proportion of the value of the net assets held in the 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 - Financial Statements of Authorised Funds as issued by the Investment Management Association in the United Kingdom, other than as noted in the Investments note.

Interest Receivable

Interest receivable on bank deposits is accrued on a daily basis.

Dividend Income

Dividends are recognised on the ex-dividend date. Where the Fund has elected to receive its dividends in the form of additional shares rather than cash, the amount of the market value of the shares is recognised as income together with a corresponding increase in the cost of the shares.

Withholding Tax

Dividend income is shown gross of withholding tax in accordance with FRS No 16: Current Tax.

Bank Interest and Charges

Bank overdraft interest and charges are recognised as expenses under note 12 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.

Equalisation

Equalisation applies to shares purchased during a distribution period. It is the income earned per share at time of purchase and is credited to the income account of the Fund. On the income allocation date, shareholders will receive the same rate of distribution on their shares and for shares purchased during the distribution period. The income equalisation will form part of the distribution.

Sundry Expenses

Sundry expenses are accounted for on an accruals basis using an appropriate exchange rate.

Comparatives

The Fund was originally incorporated as a protected cell of Ashburton Global Funds PCC. Following the changes in the legal status of the Fund all accounting records have been transferred to the new entity and the comparatives for the previous period are shown in these financial statements.

Notes to the Financial Statements cont.

2. Principal Accounting Policies cont.

Investments

The investments, including futures and options, of the Fund are valued at the market mid price as at 10.00am on the year-end date. This is a departure from the Statement of Recommended Practice ('SORP') for Authorised Funds 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 under the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 and has adopted a single pricing basis which requires the property of the Funds to be valued at mid-market price.

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.

Currency Translation

Assets and liabilities that are denominated in foreign currencies are translated into the base currency of the Fund at the rates of exchange ruling at the Balance Sheet date. Exchange profits or losses are recognised in the Statement of Total Return.

The relevant rates of exchange ruling at the Balance Sheet date against the base currency were:

	US dollar
AUD	0.9671
EUR	1.4216
GBP	1.6138
HKD	7.7865
INR	44.5325
JPY	82.7600
KRW	1,096.7500
MYR	3.0243
SGD	1.2595
TWD	29.3930

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. Forward Foreign Currency Exchange Contracts

Forward foreign exchange contracts outstanding at the Balance Sheet date are valued in relation to the cost of closing the contract at a forward exchange rate. The difference between the contractual cost and the estimated cost of closing out the contract is recognised in the Statement of Total Return. Realised gains or losses are recognised on the maturity of a contract or when a contract is matched against another contract with an identical currency exposure and maturity date. The resulting gain or loss is recognised in the Statement of Total Return.

The unrealised profit or loss is recognised in the Portfolio Statements of the Fund as open forward foreign currency exchange contracts.

4. Related Party Disclosures

In accordance with Financial Reporting Standard (FRS) No. 8 'Related Party Disclosures' the Company is required to disclose transactions with related parties.

RBC Fund Services (Jersey) 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 Company. The Manager is entitled to receive an initial charge up to a maximum of 5% of the dealing price of the shares issued. The value of subscriptions and redemptions of shares during the year is disclosed in the Statement 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 calculated on the net asset value of the Fund calculated on a mid basis. The fee is accrued daily and paid monthly.

Listed below are the fees per share class

Chindia Equity Fund – R Class	1.50%
Chindia Equity – I Class	0.75%

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, RBC Fund Services (Jersey) Limited, receives a fee which is based on the net asset value of the Fund. The fee is accrued daily and paid quarterly.

Net Asset Value (based on a mid basis)

Less than £500 million	0.045% per annum
£500 million and over	0.035% per annum

The Custodian receives a transaction fee of either £15, £25, or £40 or currency equivalent per transaction dependent upon which stockmarket the trade is executed.

The Directors of the Company have had no transactions with the Company which would require disclosure under FRS 8. Details of fees paid can be found in note 12 in the Fund.

Ultimate controlling party

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

Notes to the Financial Statements cont.

5. Soft Commission

Ashburton (Jersey) Limited (the Investment Manager) is permitted to receive soft commission 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.

6. Taxation

The Company will be taxed at 0% on its profits. Any capital gains realized may be subject to tax in the countries of origin. All liabilities in respect of taxes payable on realized gains are provided for as soon as there is a reasonable certainty that a liability will crystallise.

7. 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 that 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 100 management shares in issue and all 100 are fully paid up and held by 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.

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 the 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 the Fund 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.

8. 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 the Fund might suffer by holding financial instruments in the investment portfolio through adverse 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 Fund follows a policy of geographical and/or sector diversification as detailed in the investment portfolios. In addition to the above, the Investment Manager meets weekly to consider and discuss the outlook for global markets in order to assess the risks associated with particular geographical regions or industry sectors whilst following the stated investment objective. The Investment Manager operates stop-loss techniques to minimise losses.

Foreign currency risk

The total return achieved from and the capital value of the Fund's investment portfolio can be significantly affected by currency movements as a considerable percentage of the Fund's assets and income are denominated in currencies other than the Fund's reporting currency.

Notes to the Financial Statements cont.

8. Financial Instruments and Associated Risks cont.

The Manager has identified three principal areas where foreign currency risk could impact upon the Fund:

- movement in foreign currency exchange rates affecting the value of investments;
- movement in foreign currency exchange rates affecting short-term timing and settlement differences; and
- movement in foreign currency exchange rates affecting the income received.

The Fund may be exposed to potential foreign currency risks through investments made outside its respective reporting currency.

These risks may be minimised by the use of foreign currency hedging strategies which are designed to protect the Fund from adverse foreign currency movements. These strategies are defensive in nature and are not used to provide any form of leverage to the portfolio.

The Fund may remain exposed to foreign currency fluctuations on its investments where the Investment Manager feels that there is an acceptable expectation of capital growth.

The Fund may be subject to short-term exposure to foreign currency exchange rate movement, for instance where there is a difference between the trade date and the settlement date. When the Fund enters into a transaction requiring settlement in a currency other than the reporting currency of the Fund, a forward foreign exchange contract is usually entered into at the same time as the initial transaction in order to reduce foreign currency exchange rate risk.

The Fund may receive income in currencies other than its reporting currency and movements in foreign currency exchange rates can affect the reporting currency's value of this income. The Fund normally convert all receipts of income into the reporting currency on or near the date of receipt but does not hedge or otherwise seek to avoid foreign currency exchange rates which would affect the income eventually recognised as receipts.

Details of currency exposure is shown in note 16. Such exposure comprises the monetary assets and monetary liabilities of the Fund that are not denominated in the Fund's reporting currency. The amounts shown in note 16 take into account the effect of the foreign currency exchange contracts entered in to manage these currency exposures.

Interest risk rate

The Fund maintains uninvested cash on deposit with the Royal Bank of Canada (Channel Islands) Limited and with other banks as approved by the Directors. As set out in the Prospectus, it is the policy of the Fund that no borrowing will be undertaken save for the purpose of meeting redemption payments. These borrowings will not exceed 10% of the value of the Fund.

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Fund is exposed to this risk through the impact of rate changes on interest bearing assets and liabilities held by the Fund.

Liquidity risk

The principal liquidity risks arise through the inability of the Fund to settle its investment transactions or to remit the redemption proceeds to its shareholders. The Company has four business days from the relevant dealing day to pay the proceeds of redemption.

The Fund's assets comprise of securities which are quoted/listed on various stockmarkets together with short-term debtors and cash. The listed securities are considered to be readily realisable within the rules of the stock exchange on which they are quoted. In general the Investment Manager manages the Fund's cash to ensure that liabilities are met.

Counterparty risk

Investment transactions entered into by the Fund exposes it to a risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its obligations. The risk is limited, however, as the majority of transactions are now delivery versus payment. To further minimise such risks the Fund only buys and sells through brokers who have been approved by the Directors as an acceptable counterparty.

Fair value disclosure

The financial assets and liabilities of the 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 First Annual General Meeting of Ashburton Emerging Markets Funds Limited will be held at 17 Hilary Street, St Helier, Jersey JE4 8SJ, Channel Islands on Wednesday 10 August 2011 at 10.30 am for the following purposes:

1. To receive and adopt the financial statements for the year ended 31 March 2011 together with the reports of the Directors and Auditor thereon.
2. To re-appoint PricewaterhouseCoopers CI LLP as Auditors of the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration.
3. To fix the remuneration of the Directors at US\$ 8,800 for the forthcoming year.
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
1 July 2011

Registered Office:

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

Notes:

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.

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.

Notice of Annual General Meeting

I/We _____ (Shareholder name)

Shareholder number _____

being (a) member/members of **Ashburton Emerging Markets 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 First Annual General Meeting of the Company to be held on Wednesday 10 August 2011 at 10.30am at 17 Hilary Street, St. Helier, 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 March 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 of the Company and to authorise the Directors to fix their remuneration.

For Against

Resolution No. 3 To fix the remuneration of the Directors at US\$ 8,800 for the forthcoming year.

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 authorised.
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.

Notes

Ashburton (Jersey) Limited

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A member of the FirstRand Group

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