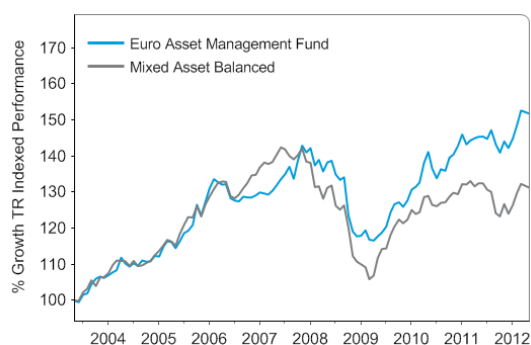


Euro Asset Management Fund

Investment objective

This Fund aims to achieve an increase in value whilst suppressing volatility and risk, through a conservative allocation of assets between, primarily, international equities, fixed interest securities and cash or money market instruments. Exposure to equities is limited to a maximum of 50% and exposure to fixed income securities is limited to a maximum of 70%. Exposure to currencies, other than base currency, after hedging, will not exceed 50%.

Performance



Annual average compound rate of return: **4.74%**

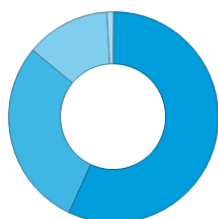
Growth (%)	Fund	*Sector Average
YTD	4.83	3.87
1 Yr	4.43	-2.21
3 Yr	28.84	15.83
5 Yr	15.70	-7.77
since launch	51.87	31.33
<hr/>		
Volatility (%)	Fund	*Sector Average
since launch	6.45	6.56

*Sector: Mixed Asset Balanced
Source: Morningstar

Strategy

Asset Allocation (%)

57	Bonds
29	Equities
13	Cash/Cash Equiv
1	Bonds - I/Linked

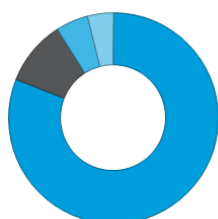


Geographical Weightings (%)

	EUR	US	UK	JPN	ASIA	OTHER
Bonds	9	26	8	-	-	14
Equities	2	13	3	4	6	1
Cash/Cash Equiv	13	-	-	-	-	-
Bonds - I/Linked	-	-	1	-	-	-

Currency Weightings (%)

81	Europe
10	Others
5	Asia
4	N America



Largest Holdings

Top 5 Bonds	%	Top 5 Equities	%
Mex Bonos Desarr 6.5% 10 Jun 2021	5.47	Sba Communications	1.11
South Africa(Rep Of) 5.250% 05/13	4.29	Cerner Corp	0.97
Republic Of Turkey 7.500% 07/17	3.53	American Express Co	0.94
Muzinich Fund Americayield Hedged	3.45	Perrigo Co	0.93
Korea Rep 7.125% 04/19	3.44	Comp De Bebidas Amer	0.92

Fund Facts



Head of Asset Allocation
Tristan Hanson

Launch Date	25/04/03
Fund Size	€47.81m
Fund Currency	EUR
Sell Price	1.4458
Buy Price	1.5181
Yield	0.0000
Minimum Investment	£10,000 or foreign currency equivalent
Initial Charge	5%
Annual Mgmt Fee	1.5%
Total Expense Ratio	1.84%
Dealing Day	Daily
ISIN No	GB0032012865
Sedol No	3201286
Dividend Policy	Income re-invested: roll-up fund
Manager	Ashburton Fund Managers Limited
Investment Manager	Ashburton (Jersey) Limited
Custodian	Royal Bank of Canada (Channel Islands) Ltd
Authorised For Public Sale In	Jersey, Guernsey and South Africa

Regulation:
Collective Investment Funds (Jersey) Law 1988 (as amended).

Contact Us

Ashburton (Jersey) Limited
Switchboard: +44 (0)1534 512000
E-mail: enquiries@ashburton.com
www.ashburton.com

Commentary highlights

- US treasuries rallied 1.5% and German bunds, 1.1% on flight to safety. In currency markets, the Yen (+3.8%) and Sterling (+1.4%) were notable outperformers versus the dollar, while the Euro dropped 0.8%.
- There was no major change to equity strategy during the month, having reduced equity exposure by around 5% across the funds in late March. There were very modest changes within fixed income holdings.
- We continue to be positioned somewhat cautiously, but, in our view, the growing sense of pessimism may create buying opportunities in several markets in the weeks ahead.

A member of the FirstRand Group

Euro Asset Management Fund

Commentary

Review

Global equity markets started to correct in April as better loan growth and manufacturing data from China and a strong earnings season in the US was not enough to push markets higher. The MSCI AC World index closed down 1.4% on the month. Europe (particularly Spain and Italy) and Japan underperformed (the latter reversing recent outperformance); while Chinese equities were notable outperformers after a weak March.

In the US, the economic data took on a softer tone, which unsettled markets, with March job gains lower than expected and durable goods orders and Q1 GDP data also below expectations. The European sovereign debt crisis remained a major concern, with Spain increasingly the focus. The Spanish 10-year yield closed the month at 5.77% up from 5.35% in March. Rising Spanish unemployment and negative ratings action – S&P downgraded both Spanish sovereign debt and the credit ratings of its major banks – added to the pessimism. This, together with election polls that indicated Socialist candidate Hollande was likely to win the French presidential elections (which was confirmed at the time of writing) did little to help sentiment.

US treasuries rallied 1.5% and German bunds, 1.1% on flight to safety. In currency markets, the yen (+3.8%) and sterling (+1.4%) were notable outperformers versus the dollar, while the euro dropped 0.8%. The Brazilian real and Indian rupee continued to underperform.

Activity

There was no major change to equity strategy during the month, having reduced equity exposure by around 5% across the funds in late March. There were very modest changes within fixed income holdings, including a small addition to our holdings of Qatar sovereign debt which we believe offers an attractive yield for minimal fundamental risk.

Outlook

At the time of writing, concerns over the European sovereign debt crisis are once again very elevated following elections over the weekend, with Francois Hollande assuming the French presidency and a Greek election result failing to support a coalition between the two traditional parties that agreed the latest EU bailout. Moreover, the outlook for Spain appears bleak as unemployment and loan losses increase. In the US, sentiment with regard to the growth outlook has deteriorated following two months of jobs data that disappointed the market and concerns are rising over fiscal consolidation in 2013. In China, investors continue to wait for signs that the worst of the growth slowdown is over.

Our views have not changed, as reflected in very limited trading activity. We believe US growth is sustainable in the range of 2% to 2.5%, although the fiscal situation poses a material risk. As we wrote last month, we believe the recent fears over Chinese growth will subside over the coming 6 months or so, if not sooner. In Europe, conditions will remain very difficult but equity markets are now trading materially lower than at the end of March.

Generally, we view equities as attractively priced and also retain a preference for corporate and emerging market bonds within fixed income markets. We also think a number of emerging market currencies should strengthen against the majors (including interest rate return). We continue to be positioned somewhat cautiously, but, in our view, the growing sense of pessimism may create buying opportunities in several markets in the weeks ahead.

Contacts

Channel Islands

Tom Zambon
Tel: +44 (0)1534 512010
email: tom.zambon@ashburton.com

Kellie Christian
Tel: +44 (0)1534 512118
email: kellie.christian@ashburton.com

South Africa

David Christie
Tel: +27 (0)11 282 4435
email: david.christie@ashburton.co.za

Claire Davies
Tel: +27 (0)11 282 4592
email: claire.davies@ashburton.co.za

Adam Benzimra
Tel: +27 (0) 21 673 3502
email: adam.benzimra@ashburton.co.za

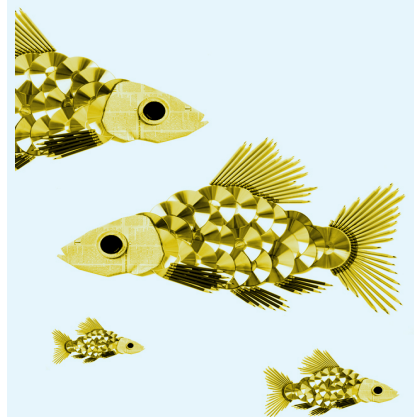
Debbie Miskin
Tel: +27 (0)31 560 7860
debbie.miskin@ashburton.co.za

UK

Gavin Fraser
Tel: +44 (0)1534 512234
email: gavin.fraser@ashburton.com

Terry James
Tel: +44 (0)207 939 1803
email: terry.james@ashburton.com

The way we see things



Euro Asset Management Fund

Carp created using 249 pencils, 99 CDs, The Financial Times newspaper, 4 gold chocolate coins, 4 lens caps.

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