

# ASHBURTON



## Ashburton Global Funds PCC

---

### Interim Report Period ended 30 September 2011

Active Investment Managers

A member of the FirstRand Group



## The study of time

It took over 17 million years for the Colorado River to carve out the steep-sided gorge of the Grand Canyon. As the Colorado Plateau was raised, the river cut through it to a depth of more than a mile (1.6km). The canyon is 277 miles (446km) long, and up to 18 miles (29km) wide in places.

If you want to create something truly impressive, you really have to think long term. That's the philosophy at Ashburton. So although our investment managers make active investment decisions every day, they are all focused on long term performance.

---

# Contents

---

Management and administration	02
Directors of Ashburton Global Funds PCC	02
Investment policy and objectives	03
Manager's report	05
Directors' report	10
Aggregated Financial Statements	12

---

<b>Equity Funds</b>	Americas Equity Fund	13
	Americas Equity Feeder Fund	15
	Japan Equity Fund	16
	Japan Equity Feeder Fund	18
	Chindia Equity Feeder Fund	19
	European Equity Fund	20
	European Equity Feeder Fund	22
	Sterling International Equity Fund	23
	Dollar International Equity Fund	25

---

<b>Balanced Funds</b>	Sterling Asset Management Fund	27
	Euro Asset Management Fund	30

---

<b>Total Return Bond Funds</b>	Sterling Total Return Bond Fund	33
	Dollar Total Return Bond Fund	35

---

<b>Core Cell</b>	Ashburton Global Funds PCC	37
------------------	----------------------------	----

---

**The following are included within each 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 Global Funds PCC

---

**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 creates different Funds, established as separate Protected Cells, according to the investment policy applicable thereto. In respect of each Fund, there is maintained a separate and segregated investment portfolio in which the assets and liabilities and income and expenditure attributable or allocated to each Fund are applied or charged. The decisions relating to investments comprising each Fund are made in accordance with the following objectives, whilst the asset allocation for each of the respective portfolios 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 Funds belong to either the “Securities Fund” or “Feeder Fund” category. The principal objectives of each Fund are as follows:-

## Asset Management Funds

To achieve an increase in the value of each of the Funds in base currency terms whilst aiming to suppress volatility and risk, through a conservative allocation of assets between, primarily, international equities, fixed interest securities, cash or money market instruments and other investments. Investment in fixed income securities will not exceed 70% of the value of the portfolio at any time and such investments will primarily be sovereign, supra-national or corporate bond issues of not less than single A grade. Where lesser investment grade issues are purchased, they will not exceed an aggregate value of 20% of the value of the portfolio. Where sub-investment grade issues are purchased, they will not exceed an aggregate value of 10% of the value of the portfolio. A single lesser grade or sub-investment grade fixed income security will not exceed 5% of the value of the portfolio at the time of acquisition. Investment in international equities will not exceed 50% of the value of the portfolio and the value of an individual equity investment will not exceed, on acquisition, 5% of the value of the portfolio. Exposure of the portfolio to non-base currencies, after hedging, will not exceed 50% of the value of the portfolio.

## Total Return Bond Funds

To achieve long-term total returns from a combination of interest income, capital growth and currency appreciation by investing in debt securities on a global basis. An active management approach is utilised to identify opportunities across the geographic and credit rating spectrum with cash seen as a specific asset class for use at times of bond market weakness. Individual securities are predominately AAA rated with a maximum of 20% allowed in investment grade securities less than A rated and a maximum of 10% allowed in sub-investment grade securities. A currency overlay strategy is utilised whereby the maximum exposure to non-base currencies, after hedging, is 50%.

## International Equity Funds

To maximise capital growth in base currency terms by investing primarily in a portfolio of international equities. Investment will be made in companies of substance, financial strength and demonstrably superior management skills, with some exposure also to smaller capitalised stocks. Only in exceptional times would such investments represent less than 80% of the portfolio. A single investment will not exceed on acquisition more than 5% of the total value of the portfolio, other than as permitted by the Order. These Funds may also invest in warrants, to the extent permitted by the Order, and derivative instruments such as futures and traded options, in so far as they are used solely for the purposes of efficient portfolio management.

## Americas Equity Fund

To achieve long-term capital growth by investing in a diversified portfolio of equity or equity related securities, principally in the USA but also encompassing the Canadian and Latin American regions. The Fund will focus on the quality and attractiveness of individual companies rather than the outlook for particular markets. The Investment Manager is also permitted to invest in securities traded in other markets where the underlying companies derive a significant proportion of their earnings from the Americas region.

## Japan Equity Fund

To achieve long-term capital growth through investment primarily in Japan. The Fund will focus on the quality and attractiveness of individual companies rather than the outlook for particular markets. The Investment Manager is also permitted to invest in securities traded in other markets where the underlying companies derive a significant proportion of their earnings from the Japan region.

## European Equity Fund

To achieve long-term capital growth through a diversified portfolio of equity or equity related investments in companies incorporated in any European country. The Fund will focus on the quality and attractiveness of individual companies rather than the outlook for particular markets. The Investment Manager is also permitted to invest in securities traded in other markets where the underlying companies derive a significant proportion of their earnings from the European region.

---

# Investment policy and objectives cont.

---

## Regional Equity Sterling Feeder Funds

To provide the sterling equivalent of the capital growth of their target fund. The Feeder Fund category Funds will only invest in the single Fund nominated in their investment objectives, together with cash deposits.

## General Features

The Securities Fund category Funds will 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.

As allowed under Article 3.01.02, Schedule 2(9)(f)(v) of the Order, there will be no restriction on the proportion of any Fund's assets that may be invested in securities issued by the governments of the USA, Japan, Canada, New Zealand, Australia, Switzerland, the UK or any member state of the EU.

As long as 35% or less of the property of the pool is invested in such Government and other public securities issued by any one issuer, there is no limit on the amount which may be invested in -

- a) such Government and other public securities;
- b) such Government and other public securities issued by any one issuer or of any one issue.

Where, however, the property of the pool is invested as to more than 35% in such Government and other public securities issued by any one issuer, then –

- a) up to 30% of the property of the pool may consist of such Government and other public securities of any one issue;
- b) the property of the pool must include such Government and other public securities issued by that or another issuer of at least six different issues.

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.

All Funds, apart from the Sterling Feeder Funds, will from time to time, and as appropriate for their mandate, invest in derivatives or other financial instruments used for efficient portfolio management, as permitted by the Order.

The Funds 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

---

## General Market Commentary

The six months to 30 September 2011 proved to be another challenging time for investors. Global equities struggled at the start of the period on a variety of well-trodden concerns: the continued European sovereign debt crisis, fears of a China hard landing, slowing US growth and worries about the US budget deficit and imminent debt ceiling decision. Global government bonds provided some offset as growth and inflation fears subsided, and modestly outperformed corporate bonds. The US dollar weakened as economic activity softened in response to high energy prices and lagged effects on global supply chains of Japan's earthquake. Interest rates remained at low levels in the major developed economies, although the ECB did raise European rates from 1% to 1.25% and then to 1.5% in July. The Federal Reserve's QE2 program came to an uneventful end in June. Meanwhile, in emerging markets monetary tightening continued in China, India and Brazil.

Europe's sovereign debt crisis continued to drag on with no comprehensive solution in sight. We had viewed a crisis contained to Greece, Ireland and Portugal as manageable which was the case with a series of short-term policy fixes generating an unhealthy, but so far bearable, 'muddle-through' scenario. But this represented something of an unstable equilibrium. If contagion spread persistently to Spain or Italy we felt that market conditions would deteriorate further, requiring a more aggressive policy response from the authorities.

As we moved into the final three months of the period global financial conditions deteriorated markedly. A number of major developments around the world contributed to worsening conditions. In the US, the political fiasco over extending the federal debt ceiling took the country to the brink of a technical default. While the ceiling was eventually raised, the nature of the process and the lack of progress in limiting long term deficits prompted S&P to downgrade the US from AAA to AA.

In Europe, policy confusion over how to deal with a debt crisis that had now spread to Italy (the world's third largest bond market) and the ECB's reluctance to expand its balance sheet in support, along with further sovereign and bank credit rating downgrades led to a collapse in confidence. Despite agreeing a second bailout for Greece in July, confidence in the agreement quickly disappeared with investors fearing a more substantial default. In China, fears mounted that the country would face a hard landing over property, local government debt and banking concerns, as monetary conditions tightened.

Global equities declined sharply with Europe, China and other emerging markets leading the declines. Global government bonds rallied sharply, benefiting from expectations of prolonged low interest rates and their safe haven status. Elsewhere the currency markets also displayed extremely high volatility with the Japanese yen and US dollar rallying and emerging market currencies weakening markedly.

## Americas Equity and Feeder Funds

Fund activity overall has been relatively low. We have not attempted to anticipate a double dip recession scenario, which would entail a major turnaround in the position of many of the Fund's holdings. However, we have reduced the overall movement risk of the portfolio by reducing some of the more volatile holdings. While we still see the US on the recovery track, it has become more apparent that this will be a longer process than initially thought, and some of the more economically sensitive names may as a result see an increased level of volatility. Along with Beta reduction we have moved our sector weightings to a more defensive positioning, as we have favoured more stable and recurring revenue type businesses to materials and industrials. However, the Fund still has sufficient exposure to some well managed leading names as well as exposure to new innovative trends should market sentiment turnaround.

An area which is attractive to us is businesses that reduce US healthcare costs. One of the aspects of US healthcare reform entails bringing a further 30 million people who are currently not covered by any insurance plan into the US health system. As a result hospitals and physicians need to introduce IT systems which will not only improve patient record keeping, but also introduce financial management systems which reduce their overall spend. A prime beneficiary of this is Allscripts Healthcare which has been bought for the Fund. Part of the US stimulus package also provided over US\$20 billion in incentives for early adoption of electronic health records. Another area that we have been overweight for the period has been the consumer discretionary sector, while on the face of it this would seem a very economically sensitive play, there has been a dichotomy in the space with the very high end seeing impressive resilience, combined with a strong growth profile in emerging regions.

The Americas Fund has made good progress relative to a poor market backdrop over the period. This has been due to a combination of both good sector selection and stock selection. Whilst the portfolio is largely positioned for the longer term recovery of the US it has benefited as much by remaining substantially underweight Financials and Energy, which saw particularly poor returns over the period. Over and above this the tilting of the portfolio towards Secular or longer term themes has worked well.

The Fund's major themes remain Technological Innovation, Stable or Recurring Revenue, Global Growth and to a lesser extent Infrastructure.

---

# Manager's Report cont

---

## Japan Equity and Feeder Funds

The start of the period was extremely volatile with Japan recovering from the Great East Japan Earthquake of mid-March 2011. With huge numbers of companies seeing immediate fallout from the disaster unfolding and their stock prices sliding, this presented a number of opportunities to us to enter stocks at levels which were extremely attractive to us.

Stock selection, particularly in the more niche investment sectors of technology and innovation, helped to provide the outperformance at the start of the period under assessment. We booked profits in a number of stocks throughout the second quarter along with a trend from other investors also booking profits post the disaster. We sold stocks in the second quarter as the valuations in selective companies appeared over-stretched. The debris clear-up operation and rebuilding exercises are now just getting underway with the new PM in charge looking to sign off on a third supplementary budget by the end of October 2011.

The retail market has also been showing a rebound from the lows in March and April, shaking off concerns of consumers tightening their belts, or the power restrictions pushing people away from mall shopping. With a growing number of active web-users increasing their spending online companies will be direct beneficiaries of this trend. The technology and innovation theme continues to be a key thematic in the fund. Modern Japanese culture is driven by technology and mobile connectivity, both of which are the underlying principles behind some of Japan's more interesting mid/small cap companies and make up some of the current portfolio.

This was a relatively quiet trading series of months with markets whipsawing around as fears abounded about negative global growth for years to come. Doomsday predictions were rife, resulting in hugely irrational markets. At these times, it is often those who stand back and try to make sense of the trading frenzy that outperform, and this proved to be the case with the fund down just 2.1% compared to the 12.8% fall in the benchmark for the period. The Topix Index, a barometer for Japanese equities, is currently trading around the market lows of 2003, a low which signalled the start of the most successful bull market in Japan since the heady days of the late 1980s. It may be wise for investors to reassess their current underweight to Japan.

## European Equity and Feeder Funds

During the period the Fund maintained a heavy overweight exposure to oil and energy sectors. Whilst allocation was little changed over the period, the managers actively shifted allocation between the more cyclical oil services stocks and more defensive integrations as macro conditions dictated. In particular oil services exposure was reduced between April and July as a high oil price and weaker US consumption pulled investors eyes away from the strong cash flows and positive industry signals displayed by the sector. Towards the end of the period this defensive allocation shift was reversed. We strongly believe that consolidation will continue to bolster the rig market, particularly at current rig valuations and age profiles of existing fleets. Upstream capital spending plans have continued to rise; obviously this augers well for the oil services in general and as the markets focus shifts away from macro factors and back to fundamentals we feel the disappointing performance of the sector over the period has potential to reverse.

The Fund increased its weighting to a "Clean & Green" theme by 4.5% over the period. Exposure to the cleaner fossil fuels sector was increased through LNG players as demand boomed following the Japanese nuclear disaster and MENA supply tensions.

Whilst we continue to view emerging economies as the potential near term driver of global markets, we reduced exposure to our Billion Boomers theme over the period as the outlook for the global economy worsened, Asian economic indicators disappointed and market sentiment dived. We cut exposure to the more cyclical hard and soft commodities and mining equipment companies (which have fared far better than the underlying commodities). Continuing with the defensive allocation shift we increased exposure to the austerity busters theme picking up a selection of liquid defensives in the Telco, consumer staples and healthcare sectors and increasing the portfolio yield. Underweight positions in these defensive sectors were the largest draw on portfolio alpha for the period.

---

# Manager's Report cont

---

## **Sterling and Dollar International Equity Funds**

Performance over the period has been disappointing. The Sterling class underperformed its benchmark by over 2% and the US dollar class underperformed by nearly 3%. However, against the peer group we performed roughly in-line with our competitors. The Funds did well in the April to June period, but suffered in the broad market sell-off in the last quarter.

Over the period we kept the regional weightings largely unchanged. That is 80% of the portfolio is invested in developed markets, with the US being the single largest position at over 40%.

We have had a near 30% weight to European equities, of which over 10% is in the UK. Our Asian exposure is 28% (18% Asia ex-Japan and 10% to Japan).

From a thematic view we have been steadily reducing our cyclical exposure over the period, in the face of the deteriorating global picture. Our industrials exposure has been significantly reduced, as has the consumer discretionary sector. We still remain marginally overweight these sectors, but have been increasing our positions to more defensive areas such as consumer staples and pharmaceuticals. We have also retained our faith in our oil and energy theme, although we have pared back our positions somewhat. We have remained significantly underweight financials throughout the period.

In hindsight, number of reasons for the performance can be highlighted. We were too slow to adjust the portfolio due to the suddenness of the global meltdown in equity markets, and retained too much cyclical exposure and emerging market exposure – this undid our good call to be underweight global banks.

In addition, our top down calls on a regional basis went against us, as over the period the US outperformed both Europe and Emerging markets. Nonetheless, the Fund remains appropriately positioned for any sustained recovery.

## **Chindia Equity Feeder Fund**

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 in both economies 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.

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.

---

# Manager's Report cont

---

## **Sterling and Euro Asset Management Funds**

The Asset Management Funds held up relatively well against their respective benchmarks for much of the period principally due to the low weighting in equities. September however, proved to be a particularly difficult month given the sharp sell-off in US high yield corporate bonds and emerging market currencies in addition to the low relative exposure to Government bonds.

The main changes in equity strategy were initially to reduce exposure to 32% from 42% as we felt sentiment was becoming too bullish with the VIX Index for example hitting new lows for the year. After the sharp sell-off in equities from the April highs, with the MSCI World Index falling nearly 10% into mid-June, on a dramatic deterioration in bullish sentiment due to weaker economic data, the re-emergence of concerns over the Eurozone's sovereign debt crisis and the outlook for Chinese monetary policy, we increased equity exposure to 46% given our positive medium term view. However, the subsequent inadequate European rescue package and more importantly, the contagion to the Italian and Spanish sovereign debt markets created, in our view, a much more risky short term investment environment - as a result, we tactically reduced equity exposure at the beginning of July to 26%. This exposure was maintained into the end of the period

In terms of bond strategy we trimmed holdings in long-dated US Treasuries and UK Gilts into strength, as bond markets rallied in response to growth concerns. We also felt it was prudent to reduce duration risk after the spike lower in yields and given the view that the current growth fears would prove temporary. In August further profits were taken in both the long-dated conventional and inflation linked US bond positions with the proceeds being switched into long dated UK Gilts, UK inflation linked bonds and the 30-year German bond. Profits were subsequently taken on the long dated German Bund, after a strong performance and the proceeds were added to our high yield debt holdings. Towards the end of the period we increased the holding in UK inflation-linked gilts into weakness, where we still believe 'real' yields offer value given the outlook for UK inflation. Following the sell-off in emerging markets we increased exposure to Mexican local currency debt and also bought a 5% position in US dollars for the Sterling fund and increased the US dollar exposure from 5% to 8% for the Euro Fund since we had been surprised by the Euro's continued resilience given deteriorating news flow.

While the uncertainties will continue to weigh on markets in the near-term, the recent sell-off in risk assets is likely to bring a number of opportunities to medium-term investors, provided significant policy mistakes are avoided. Equities are trading on valuations towards the low-end of their range of the past 25 years; high yield US corporate debt offers a yield of around 9% with low expected default rates and the panicky sell-off in a number of emerging markets is likely to present opportunities. Sentiment indicators suggest widespread pessimism, which from a contrarian point of view allows scope for positive surprise.

## **Total Return Bond Funds**

The Total Return Bond Funds struggled against their respective benchmarks for much of the period under review, although the Funds did outperform their Morningstar sector average. The exposure to corporate bonds and emerging currencies combined with our short duration relative to the benchmark for the government bond exposure all contributed to the underperformance.

In terms of strategy, we trimmed holdings in long-dated US Treasuries and UK Gilts into strength, as bond markets rallied in response to growth concerns. We also felt it prudent to reduce duration risk after the spike lower in yields and given our view that the growth fears would prove temporary. In August, further profits were taken in the remaining holding in the long-dated conventional and inflation linked US bond positions with the proceeds being switched into long dated UK Gilts, UK inflation linked bonds and the 30-year German bond. Profits were subsequently taken on the long dated German Bund, after a strong short term performance and the proceeds were added to our high yield debt holdings. Towards the end of the period, the holding in UK inflation-linked gilts was increased into weakness, where we still believe 'real' yields offer value given the outlook for UK inflation.

Currency strategy remained largely unchanged with around 20% outside base currency and a continued bias to emerging market currencies. In the closing months of the period a 5% position in US dollars was established for the Sterling fund and following the sharp sell-off in emerging markets we added to the Mexican local currency debt exposure.

---

# Manager's Report cont

---

The investment backdrop remains very challenging. Volatility is high and the fears that have dogged markets for some months now are unlikely to disappear quickly. We believe the European debt crisis remains the greatest concern and while we do not believe a 'silver bullet' solution exists, we do hope for a more constructive stance from European policymakers. Relative to the consensus view, we are more sanguine about US growth prospects and have been mildly encouraged by recent data. Developments in the Chinese financial system remain opaque but we do not foresee a hard landing for China and view the authorities there as having sufficient policy tools to tackle any problem loan issues and ease liquidity.

It is very likely therefore, that global government bonds will weaken as economic fears dissipate and we remain of the view that global bonds will deliver low returns overall, although we see pockets of value in various markets. For example, high yield US corporate debt offers a yield of around 9% with low expected default rates and the panicky sell-off in a number of emerging markets is likely to present opportunities.

Ashburton Fund Managers Limited  
Manager  
30 September 2011

---

# Directors' report

---

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

## Incorporation

The Company was incorporated as an open-ended investment company with limited liability in the Isle of Man, with registration number 30960 on 29 July 1986. The Company subsequently redomiciled in Jersey, pursuant to a certificate of continuance issued by the Registrar of Companies in Jersey dated 14 May 2004, with registration number 87675 with limited liability in accordance with the provisions of the Companies (Jersey) Law 1991.

On 6 November 2006, following the passing of shareholders' resolutions and by Order of the Royal Court, the Company's status was converted from a limited company to a Protected Cell Company (the 'Company') and on 7 November 2006 each sub-fund was redesignated as a Protected Cell (the 'Fund'). Also on that date, by the sanction of the Royal Court, the European Equity Fund PC, the Americas Equity Fund PC and the Asia Pacific Equity Fund PC were transferred from Ashburton International Management PCC to the Company. 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 detailed within the relevant Fund section in respect of each Fund.

## Dividends

The dividends paid in respect of the period ended 30 September 2011 are as follows:

		01 April 2011 30 September 2011		01 April 2010 30 September 2010	
		Per Share	Amount	Per Share	Amount
Sterling Total Return Bond Fund	-R Class	£0.0586	£113,236	£0.0380	£51,568
	-C Class	£1.4311	£379,383	£1.1719	£273,580
Dollar Total Return Bond Fund	-R Class	\$0.0094	\$177,376	\$0.0070	\$113,156
	-C Class	\$1.3389	\$93,864	\$1.1995	\$117,125
Sterling Asset Management Fund	-R Class	£0.0114	£313,417	£0.0038	£104,498
	-I Class	£0.8753	£46,672	£0.5218	£22,182

None of the other Funds paid dividends in respect of the period.

## 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.

---

# Directors' report

---

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Protected Cells 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](http://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' interests**

None of the Directors had a holding in any of the Funds.

## **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 investment and which offers a choice of professionally managed investment Funds. The assets and liabilities attributable to each Fund are segregated in the books of the Company and participating redeemable preference shares are issued in designated Funds.

The Company is a Protected Cell Company. The assets of each Protected Cell ('Fund') are segregated and are only available to the creditors and shareholders of that Fund. 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 its respective Fund.

## **Investment policy and objectives**

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

- Investments in equities, convertible securities, fixed income securities, floating rate securities and fixed income deposits.
- 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 each 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 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

# Aggregated Financial Statements

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011	31 Mar 2011
	£	£
<b>Assets</b>		
Portfolio of investments	389,665,338	443,190,889
Debtors	4,282,047	6,800,758
Bank	33,260,338	17,063,541
<b>Total assets</b>	<b>427,207,723</b>	<b>467,055,188</b>
<b>Liabilities</b>		
Creditors	6,595,087	7,140,442
<b>Total liabilities</b>	<b>6,595,087</b>	<b>7,140,442</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>420,612,636</b>	<b>459,914,746</b>

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

	01 Apr 2011		01 Apr 2010	
	30 Sep 2011		30 Sep 2010	
	£	£	£	£
<b>Net assets at 1 April</b>		<b>459,914,746</b>		<b>425,364,217</b>
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	47,312,341		91,218,230	
Amount payable on redemption of shares	(36,219,618)		(92,209,160)	
		<b>11,092,723</b>		<b>(90,930)</b>
<b>Change in net assets attributable to shareholders</b>		<b>(50,394,833)</b>		<b>35,541,460</b>
<b>Net assets at 30 September</b>		<b>420,612,636</b>		<b>459,914,746</b>

## STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011		01 Apr 2010	
	30 Sep 2011		31 Mar 2011	
	£	£	£	£
Net gains/(losses) on investments during the period		(51,519,980)		(6,889,315)
Other gains/(losses)		72,302		493,159
Gross income	4,696,012		4,894,155	
Expenses	(2,068,334)		(1,966,262)	
Net income/(deficit) before taxation	2,627,678		2,927,893	
Withholding tax	(488,120)		(358,441)	
Net income/(deficit) after taxation	2,139,558		2,569,452	
Total return for the period	(49,308,120)		(3,826,704)	
Equalisation	(60,055)		-	
Distributions	(1,026,658)		(618,149)	
<b>Change in net assets attributable to shareholders</b>		<b>(50,394,833)</b>		<b>(4,444,853)</b>

# Americas Equity Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value US\$	As a % of Net Assets
<b>Equities</b>			
<b>Canada</b>			
Canadian National Railway	25,500	1,743,180	2.13
Finning International	65,000	1,263,041	1.55
Onex	64,000	2,052,738	2.51
<b>Canada Total (2011: 6.62%)</b>		<b>5,058,959</b>	<b>6.19</b>
<b>USA</b>			
Accretive Health	50,000	1,075,250	1.32
Allegheny Technologies	31,000	1,202,335	1.47
Allscripts Healthcare Solutions	94,000	1,756,860	2.15
Altera	40,000	1,322,800	1.62
American Express	37,000	1,727,900	2.11
Apple	6,000	2,341,920	2.87
Atmel	120,000	997,800	1.22
Cerner	39,000	2,746,770	3.36
Chevron	14,750	1,391,662	1.70
Chicago Bridge & Iron	44,500	1,353,245	1.66
Coach	33,000	1,781,835	2.18
Companhia de Bebidas das Americas	56,250	1,750,781	2.14
Conoco Phillips	18,000	1,158,930	1.41
Danaher	33,000	1,436,820	1.76
Ecolab	40,000	1,972,200	2.41
Estee Lauder Companies	17,000	1,511,555	1.85
FMC Technologies	40,000	1,548,600	1.89
Gilead Sciences	28,000	1,098,860	1.34
Green Mountain Coffee Roasters	22,000	2,119,810	2.59
Hexcel	74,000	1,649,460	2.02
International Business Machines	10,000	1,791,100	2.19
JP Morgan Chase	26,500	831,040	1.02
Las Vegas Sands	43,000	1,778,264	2.18
Lululemon Athletica	26,000	1,349,790	1.65
McDonald's	22,500	1,996,875	2.44
Mead Johnson Nutrition	29,000	2,064,220	2.52
National-Oilwell Varco	17,000	897,345	1.10
NII Holdings	42,000	1,239,210	1.52
Occidental Petroleum	17,000	1,280,355	1.57
O'Reilly Automotive	25,000	1,684,375	2.06
Perrigo	16,000	1,576,400	1.93
Polypore International	32,000	1,855,360	2.27
Rockwood	28,000	1,024,240	1.25
Rovi	32,000	1,389,760	1.70
SBA Communications	40,500	1,426,613	1.75
Sensata Technologies	45,000	1,294,200	1.58
Stericycle	22,500	1,826,888	2.23
Tesla Motors	52,000	1,252,680	1.53
Treehouse Foods	27,500	1,686,163	2.06
Ultra Salon Cosmetics & Fragrance	32,000	2,114,240	2.59
Volcano	52,000	1,567,800	1.92
WABCO	31,000	1,240,775	1.52
Wynn Resorts	13,000	1,631,565	2.00
<b>USA Total (2011: 85.99%)</b>		<b>66,744,651</b>	<b>81.65</b>
<b>Equities Total (2011: 94.57%)</b>		<b>71,803,610</b>	<b>87.84</b>

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Holding	Value US\$	As a % of Net Assets
<b>Equities</b>			
Open futures contracts (2011: 0.00%)		(163,164)	(0.20)
<b>Total Portfolio (2011: 94.57%)</b>		<b>71,640,446</b>	<b>87.64</b>
<b>Bank</b>		<b>10,868,852</b>	<b>13.30</b>
<b>Other Net Liabilities</b>		<b>(767,709)</b>	<b>(0.94)</b>
<b>Total Net Assets</b>		<b>81,741,589</b>	<b>100.00</b>
<b>R Class shares in issue</b>			<b>18,936,232</b>
<b>C Class shares in issue</b>			<b>603,464</b>

# Americas Equity Fund cont.

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011 US\$	31 Mar 2011 US\$
<b>Assets</b>		
Portfolio of investments	71,640,446	81,693,463
Debtors	29,924	247,149
Cash at Bank	10,868,852	4,837,850
<b>Total assets</b>	<b>82,539,222</b>	<b>86,778,462</b>
<b>Liabilities</b>		
Creditors	797,633	394,849
<b>Total liabilities</b>	<b>797,633</b>	<b>394,849</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>81,741,589</b>	<b>86,383,613</b>

## 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 period		(11,231,835)		(3,151,714)
Other gains/(losses)		(7,336)		10,834
Gross income	285,568		324,936	
Expenses	(371,361)		(341,594)	
Net income/(deficit) before taxation	(85,793)		(16,658)	
Withholding tax	(64,743)		(92,704)	
Net income/(deficit) after taxation		(150,536)		(109,362)
Total return for the period		(11,389,707)		(3,250,242)
Equalisation		7,137		-
Distributions		-		-
<b>Change in net assets attributable to shareholders</b>		<b>(11,382,570)</b>		<b>(3,250,242)</b>

## 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		86,383,613		74,313,481
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	13,969,803		17,360,731	
Amount payable on redemption of shares	(7,229,257)		(18,317,165)	
		6,740,546		(956,434)
Change in net assets attributable to shareholders		(11,382,570)		13,026,566
<b>Net assets at 30 September</b>		<b>81,741,589</b>		<b>86,383,613</b>

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

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

Description	Acquisition cost US\$
Danaher	1,779,784
Sensata Technologies	1,612,892
Treehouse Foods	1,592,960
Green Mountain Coffee Roasters	1,526,040
Allscripts Healthcare Solutions	1,521,388
Ecolab	1,514,273
Lululemon Athletica	1,471,735
Altera	1,417,146
Nalco Holding	1,394,000
Hexcel	1,380,092
Other acquisitions	21,524,651
<b>Total for period</b>	<b>36,734,961</b>

Description	Disposal proceeds US\$
Nalco Holding	2,285,820
VeriFone Systems	2,028,893
Flowserve	1,861,066
Citigroup	1,795,782
Transocean	1,623,508
Acuity Brands	1,615,553
Stillwater Mining	1,605,112
Joy Global	1,595,314
Johnson Controls	1,565,228
Cummins	1,548,801
Other disposals	18,091,541
<b>Total for period</b>	<b>35,616,618</b>

# Americas Equity Feeder Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value £	As a % of Net Assets
<b>Collective Investment Schemes</b>			
Ashburton Global Americas Equity Fund C Class	305,513	17,927,256	100.02
<b>Collective Investment Schemes Total (2011: 100.02%)</b>		<b>17,927,256</b>	<b>100.02</b>
<b>Total Portfolio (2011: 100.02 %)</b>			
Cash at bank		306	0.00
Other Net Liabilities		(4,355)	(0.02)
<b>Total Net Assets</b>		<b>17,923,207</b>	<b>100.00</b>
<b>R Class shares in issue</b>			<b>442,959</b>
<b>C Class shares in issue</b>			<b>169,302</b>

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011 £	31 Mar 2011 £
<b>Assets</b>		
Portfolio of investments	17,927,256	17,420,797
Debtors	-	-
Cash at Bank	306	474
<b>Total assets</b>	<b>17,927,562</b>	<b>17,421,271</b>
<b>Liabilities</b>		
Creditors	4,355	4,065
<b>Total liabilities</b>	<b>4,355</b>	<b>4,065</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>17,923,207</b>	<b>17,417,206</b>

## STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011 30 Sep 2011		01 Apr 2010 30 Sep 2010	
	£	£	£	£
Net gains/(losses) on investments during the period		(1,625,213)		(1,124,463)
Other gains/(losses)		-		-
Gross income	1		95,696	
Expenses	(13,084)		(9,115)	
Net income/(deficit) before taxation	(13,083)		86,581	
Withholding tax	-		-	
Net income/(deficit) after taxation		(13,083)		86,581
Total return for the period		(1,638,296)		(1,037,882)
Equalisation		(637)		-
Distributions		-		-
<b>Change in net assets attributable to shareholders</b>		<b>(1,638,933)</b>		<b>(1,037,882)</b>

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

	01 Apr 2010 30 Sep 2011		01 Apr 2010 31 Mar 2011	
	£	£	£	£
<b>Net assets at 1 April</b>		<b>17,417,206</b>		<b>13,844,489</b>
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	2,300,820		2,096,211	
Amount payable on redemption of shares	(155,886)		(603,144)	
		2,144,934		1,493,067
Change in net assets attributable to shareholders		(1,638,933)		2,079,650
<b>Net assets at 30 September</b>		<b>17,923,207</b>		<b>17,417,206</b>

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

The following shows the purchases and disposals for the period.

Description	Acquisition cost £
Ashburton Global Americas Equity Fund C Class	2,294,108
<b>Total for period</b>	<b>2,294,108</b>

Description	Disposal proceeds £
Ashburton Global Americas Equity Fund C Class	162,435
<b>Total for period</b>	<b>162,435</b>

# Japan Equity Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value US\$	As a % of Net Assets
<b>Equities</b>			
<b>Japan</b>			
Aica Kogyo	125,000	1,816,378	2.71
Anritsu	165,000	1,852,413	2.76
Bit-isle	620	1,311,461	1.95
Canon	30,500	1,408,547	2.10
Central Glass	245,000	1,211,136	1.80
Denki Kagaku Kogyo Kabushiki Kaisha	280,000	1,085,469	1.62
Denso	40,000	1,306,622	1.95
Digital Garage	285	843,469	1.26
FamilyMart	33,900	1,308,901	1.95
Hankyu Department Stores	173,000	1,395,343	2.08
Hitachi	240,000	1,214,518	1.81
Hitachi Metals	93,000	1,088,851	1.62
Idec Izumi	80,000	877,325	1.31
Inpex	246	1,548,901	2.31
Isuzu Motors	381,000	1,665,357	2.48
Itochu Techno-Science	35,000	1,593,600	2.37
Japan Retail Fund Investment	670	1,084,272	1.62
JGC	47,000	1,176,376	1.75
JS Group	53,200	1,510,805	2.25
JSR	60,000	1,050,605	1.57
JTEKT	117,900	1,437,132	2.13
Mabuchi Motor	25,000	1,174,060	1.75
Marubeni	245,000	1,399,180	2.08
Maruichi Steel Tube	44,000	1,051,490	1.57
Maruwa	38,000	1,636,269	2.44
Mitsubishi Estate	70,000	1,154,677	1.72
Mitsubishi UFJ Financial Group	258,000	1,188,136	1.77
Mitsui	80,000	1,180,174	1.76
Mitsui Fudosan	80,000	1,293,613	1.93
Mitsui Sugar	360,000	1,540,783	2.30
Murata Manufacturing	23,500	1,291,629	1.92
NGK Insulators	75,000	1,152,270	1.72
Nihon Kohden	66,700	1,817,829	2.71
NTT Docomo	745	1,373,311	2.05
Rakuten	1,100	1,292,182	1.93
Santen Pharmaceutical	39,000	1,643,814	2.45
Senko	300,000	1,217,640	1.81
Seven & I Holdings	42,000	1,196,019	1.78
Softbank	40,000	1,192,662	1.78
Sumitomo Bakelite	216,000	1,168,935	1.74
Sumitomo Electric	121,100	1,444,630	2.15
Sumitomo Mitsui Financial Group	45,000	1,291,401	1.91
Tokyo Electron	33,000	1,528,295	2.28
Toray Industries	184,000	1,309,327	1.95
Toyota Motor	30,400	1,063,031	1.58
Tsukui	110,000	1,459,607	2.17
Tsumura & Co	42,700	1,373,155	2.05
United Urban	1,310	1,388,903	2.07
Xebio	45,500	1,171,387	1.75
Yamaha Motor	93,400	1,258,780	1.88
<b>Japan Total (2011: 97.91%)</b>		<b>66,040,670</b>	<b>98.40</b>
<b>Equities Total (2011: 97.91%)</b>		<b>66,040,670</b>	<b>98.40</b>

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Holding	Value US\$	As a % of Net Assets
<b>Equities</b>			
Open forward foreign currency exchange contracts (2011: 0.00%)		15,851	0.02
<b>Total Portfolio (2011: 97.91%)</b>		<b>66,056,521</b>	<b>98.42</b>
<b>Bank</b>		<b>658,285</b>	<b>0.98</b>
<b>Other Net Assets</b>		<b>403,792</b>	<b>0.60</b>
<b>Total Net Assets</b>		<b>67,118,598</b>	<b>100.00</b>
<b>R Class shares in issue</b>			<b>6,548,880</b>
<b>I Class shares in issue</b>			<b>12,989</b>
<b>C Class shares in issue</b>			<b>586,532</b>

# Japan Equity Fund cont.

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011 US\$	31 Mar 2011 US\$
<b>Assets</b>		
Portfolio of investments	66,056,521	64,103,752
Debtors	582,112	1,793,364
Cash at Bank	658,285	2,665,187
<b>Total assets</b>	<b>67,296,918</b>	<b>68,562,303</b>
<b>Liabilities</b>		
Creditors	178,320	3,092,539
<b>Total liabilities</b>	<b>178,320</b>	<b>3,092,539</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>67,118,598</b>	<b>65,469,764</b>

## 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 period		(1,847,778)		257,863
Other gains/(losses)		(19,897)		(3,698,431)
Gross income	705,412		514,299	
Expenses	(169,856)		(220,454)	
Net income/(deficit) before taxation	535,556		293,845	
Withholding tax	(49,378)		(35,982)	
Net income/(deficit) after taxation		486,178		257,863
Total return for the period		(1,381,497)		(3,698,431)
Equalisation		(84,286)		-
Distributions		-		-
<b>Change in net assets attributable to shareholders</b>		<b>(1,465,783)</b>		<b>(3,698,431)</b>

## 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		65,469,764		68,687,077
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	9,861,773		16,251,283	
Amount payable on redemption of shares	(6,747,156)		(22,965,788)	
		3,114,617		(6,714,505)
Change in net assets attributable to shareholders		(1,465,783)		3,497,192
<b>Net assets at 30 September</b>		<b>67,118,598</b>		<b>65,469,764</b>

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

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

Description	Acquisition cost US\$
Mitsui	1,444,735
Toray Industries	1,396,806
Murata Manufacturing	1,365,861
Denso	1,336,665
Itochu Techno-Science	1,328,353
Sumitomo Bakelite	1,318,408
Tokyo Electron	1,280,859
Japan Tobacco	1,278,081
Rakuten	1,275,696
Mitsubishi UFJ Financial Group	1,270,955
Other acquisitions	17,198,981
<b>Total for period</b>	<b>30,495,400</b>

Description	Disposal proceeds US\$
Cyber Agent	1,581,301
Japan Tobacco	1,440,464
Omron	1,431,333
Fukuoka Financial	1,370,578
UBE Industries	1,308,504
Aisin Seiki	1,265,867
AEON Credit Service	1,189,684
NKSJ	1,166,829
Murata Manufacturing	1,149,727
Sony	1,140,809
Other disposals	13,930,719
<b>Total for period</b>	<b>26,975,815</b>

# Japan Equity Feeder Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value £	As a % of Net Assets
<b>Collective Investment Schemes</b>			
Ashburton Global Japan Equity Fund C Class	325,272	18,189,217	100.03
<b>Collective Investment Schemes Total (2011: 100.02%)</b>		<b>18,189,217</b>	<b>100.03</b>
<b>Total Portfolio (2011: 100.02 %)</b>		<b>18,189,217</b>	<b>100.03</b>
Cash at bank		396	0.00
Other Net Liabilities		(4,789)	(0.03)
<b>Total Net Assets</b>		<b>18,184,824</b>	<b>100.00</b>
<b>R Class shares in issue</b>			<b>740,659</b>
<b>C Class shares in issue</b>			<b>153,406</b>

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011 £	31 Mar 2011 £
<b>Assets</b>		
Portfolio of investments	18,189,217	17,629,198
Debtors	-	59,536
Cash at Bank	396	601
<b>Total assets</b>	<b>18,189,613</b>	<b>17,689,335</b>
<b>Liabilities</b>		
Creditors	4,789	64,238
<b>Total liabilities</b>	<b>4,789</b>	<b>64,238</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>18,184,824</b>	<b>17,625,097</b>

## STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011 30 Sep 2011		01 Apr 2010 30 Sep 2010	
	£	£	£	£
Net gains/(losses) on investments during the period		387,701		(1,914,057)
Other gains/(losses)		5		(3)
Gross income	1		296,305	
Expenses	(15,879)		(14,631)	
Net income/(deficit) before taxation	(15,878)		281,674	
Withholding tax	-		-	
Net income/(deficit) after taxation		(15,878)		281,674
Total return for the period		371,828		(1,632,386)
Equalisation		(1,139)		-
Distributions		-		-
<b>Change in net assets attributable to shareholders</b>		<b>370,689</b>		<b>(1,632,386)</b>

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

	01 Apr 2010 30 Sep 2011		01 Apr 2010 31 Mar 2011	
	£	£	£	£
<b>Net assets at 1 April</b>		<b>17,625,097</b>		<b>18,060,767</b>
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	342,732		2,019,381	
Amount payable on redemption of shares	(153,694)		(2,811,288)	
		<b>189,038</b>		<b>(791,907)</b>
Change in net assets attributable to shareholders		<b>370,689</b>		<b>356,237</b>
<b>Net assets at 30 September</b>		<b>18,184,824</b>		<b>17,625,097</b>

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

The following shows the purchases and disposals for the period.

Description	Acquisition cost £
Ashburton Global Japan Equity Fund C Class	342,358
<b>Total for period</b>	<b>342,358</b>
Description	Disposal proceeds £
Ashburton Global Japan Equity Fund C Class	170,041
<b>Total for period</b>	<b>170,041</b>

# Chindia Equity Feeder Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value £	As a % of Net Assets
<b>Collective Investment Schemes</b>			
Ashburton Emerging Markets Chindia Equity Fund C Class	1,010,092	38,812,794	100.09
<b>Collective Investment Schemes Total (2011: 100.02%)</b>		<b>38,812,794</b>	<b>100.09</b>
<b>Total Portfolio (2011: 100.07 %)</b>			
Cash at bank		766	0.00
Other Net Liabilities		(34,013)	(0.09)
<b>Total Net Assets</b>		<b>38,779,547</b>	<b>100.00</b>
<b>R Class shares in issue</b>			
			<b>9,972,419</b>
<b>I Class shares in issue</b>			
			<b>100,725</b>
<b>C Class shares in issue</b>			
			<b>267,173</b>

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011 £	31 Mar 2011 £
<b>Assets</b>		
Portfolio of investments	38,812,794	45,539,888
Debtors	103,619	47,178
Cash at Bank	766	1,518
<b>Total assets</b>	<b>38,917,179</b>	<b>45,588,584</b>
<b>Liabilities</b>		
Creditors	137,632	81,191
<b>Total liabilities</b>	<b>137,632</b>	<b>81,191</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>38,779,547</b>	<b>45,507,393</b>

## STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011 30 Sep 2011		01 Apr 2010 30 Sep 2010	
	£	£	£	£
Net gains/(losses) on investments during the period		(9,304,193)		3,070,163
Other gains/(losses)		8		(30)
Gross income		2		531,322
Expenses		(180,315)		(163,770)
Net income/(deficit) before taxation		(180,313)		367,552
Withholding tax		-		-
Net income/(deficit) after taxation		(180,313)		367,552
Total return for the period		(9,484,498)		3,437,685
Equalisation		(1,335)		-
Distributions		-		-
<b>Change in net assets attributable to shareholders</b>		<b>(9,485,833)</b>		<b>3,437,685</b>

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

	01 Apr 2010 30 Sep 2011		01 Apr 2010 31 Mar 2011	
	£	£	£	£
<b>Net assets at 1 April</b>		<b>45,507,393</b>		<b>40,206,793</b>
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares		3,700,074		6,159,363
Amount payable on redemption of shares		(942,087)		(2,020,958)
		<b>2,757,987</b>		<b>4,138,405</b>
Change in net assets attributable to shareholders		(9,485,833)		1,162,195
<b>Net assets at 30 September</b>		<b>38,779,547</b>		<b>45,507,393</b>

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

The following shows the purchases and disposals for the period.

Description	Acquisition cost £
Ashburton Emerging Markets Chindia Equity Fund C Class	3,567,830
<b>Total for period</b>	<b>3,567,830</b>

Description	Disposal proceeds £
Ashburton Emerging Markets Chindia Equity Fund C Class	990,730
<b>Total for period</b>	<b>990,730</b>

# European Equity Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value €	As a % of Net Assets
<b>Equities</b>			
<b>Austria</b>			
Schoeller-Bleckmann Oilfield	13,196	694,967	0.89
<b>Austria Total (2011: 1.06%)</b>		<b>694,967</b>	<b>0.89</b>
<b>Denmark</b>			
Duerr	51,134	1,253,294	1.60
<b>Denmark Total (2011: 0.00%)</b>		<b>1,253,294</b>	<b>1.60</b>
<b>France</b>			
Air Liquide	16,836	1,477,612	1.89
BNP Paribas	70,000	2,153,200	2.75
Credit Agricole	360,000	1,935,000	2.48
European Aeronautic Defence and Space Company	50,855	1,079,779	1.38
LVMH Moët Hennessy	8,802	874,391	1.12
Technip	13,801	846,346	1.08
<b>France Total (2011: 3.38%)</b>		<b>8,366,328</b>	<b>10.70</b>
<b>Germany</b>			
Allianz	11,577	820,925	1.05
Bayerische Motoren Werke	17,238	867,071	1.11
Deutsche Bank	49,000	1,295,315	1.66
Deutsche Telekom	145,000	1,280,785	1.63
Deutz	222,685	951,088	1.22
Eiringsklinger	85,069	1,538,302	1.97
Fresenius Medical Care	26,000	1,309,620	1.68
Iwka	58,000	825,050	1.06
Kinghero	29,929	389,975	0.50
Linde	9,762	1,003,534	1.28
MorphoSys	60,890	1,175,969	1.50
SAP	29,306	1,117,379	1.43
SGLCarbon	56,700	2,225,475	2.85
VIB Vermoegen	97,383	656,556	0.84
Volkswagen	7,736	798,355	1.02
<b>Germany Total (2011: 20.47%)</b>		<b>16,255,399</b>	<b>20.80</b>
<b>Netherlands</b>			
Koninklijke Vopak	24,299	877,801	1.12
<b>Netherlands Total (2011: 0.96%)</b>		<b>877,801</b>	<b>1.12</b>
<b>Norway</b>			
Agrinos	91,000	438,320	0.56
Aker Drilling	647,563	2,171,072	2.78
Asia Offshore	543,500	1,825,627	2.34
Det Norske Oljeselskap	222,000	1,239,554	1.59
Electromagnetic GeoServices	788,719	1,149,706	1.47
Golar LNG Energy	52,184	1,230,317	1.56
Golden Ocean	830,536	440,155	0.56
Kvaerner	600,000	602,722	0.77
Marine Harvest	2,350,000	802,178	1.03
North Atlantic Drilling	1,480,550	1,534,184	1.96
Orkla	210,000	1,180,803	1.51
Pacific Drilling	228,000	1,423,337	1.82
Petroleum Geo-Services	161,500	1,232,866	1.58
Prospector Offshore Drilling	800,000	866,500	1.11
Royal Caribbean	71,500	1,157,800	1.48
Seadrill	35,000	726,467	0.93
Seawell	384,986	1,081,143	1.38
Standard Drilling	1,734,174	1,455,181	1.86
Storebrand	140,000	534,059	0.68
Subsea 7	74,313	1,071,006	1.37

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Holding	Value €	As a % of Net Assets
Yara International	37,000	1,140,362	1.46
<b>Norway Total (2011: 30.25%)</b>		<b>23,303,359</b>	<b>29.80</b>
<b>Pan European</b>			
Bonfield Longbow Fund	18,629	678,520	0.87
<b>Pan European Total (2011: 1.09%)</b>		<b>678,520</b>	<b>0.87</b>
<b>Portugal</b>			
Galp Energia	96,500	1,323,015	1.69
<b>Portugal Total (2011: 0.00%)</b>		<b>1,323,015</b>	<b>1.69</b>
<b>Spain</b>			
Banco Bilbao Vizcaya Argentaria	256,000	1,584,640	2.03
Banco Bilbao Vizcaya Argentaria Rights	256,000	28,416	0.04
Obrascon Huarte Lain	64,000	1,202,240	1.54
Viscofan	52,674	1,414,560	1.81
<b>Spain Total (2011: 5.82%)</b>		<b>4,229,856</b>	<b>5.42</b>
<b>Sweden</b>			
Atlas Copco	60,879	820,165	1.05
<b>Sweden Total (2011: 6.38%)</b>		<b>820,165</b>	<b>1.05</b>
<b>Switzerland</b>			
ABB	51,069	665,596	0.85
Burckhardt Compression	8,037	1,179,325	1.51
Swatch Group	3,534	900,031	1.15
Transocean	27,000	981,063	1.25
<b>Switzerland Total (2011: 4.94%)</b>		<b>3,726,015</b>	<b>4.76</b>
<b>United Kingdom</b>			
Abcam	85,000	349,356	0.45
Aggreko	55,941	1,068,279	1.37
Anglo American	36,065	942,673	1.21
Aveva	46,728	778,174	1.00
BG Group	93,461	1,329,161	1.70
BHP Billiton	47,927	965,226	1.23
British American Tobacco	26,524	837,494	1.07
Cairn Energy	373,000	1,207,300	1.54
Glaxosmithkline	89,351	1,365,447	1.74
HSBC Holdings	258,019	1,471,133	1.88
Prudential	207,539	1,359,162	1.74
Royal & Sun Alliance	543,000	704,645	0.90
Shire	63,813	1,453,576	1.86
Standard Chartered	44,219	663,007	0.85
Tullow Oil	57,717	864,062	1.11
<b>United Kingdom Total (2011: 19.01%)</b>		<b>15,358,695</b>	<b>19.65</b>
<b>Russia</b>			
Gazprom	142,780	1,031,541	1.32
<b>Russia Total (2011: 2.10%)</b>		<b>1,031,541</b>	<b>1.32</b>
<b>Equities Total (2011: 96.94%)</b>		<b>77,918,955</b>	<b>99.67</b>
<b>Total Portfolio (2011: 96.94%)</b>		<b>77,918,955</b>	<b>99.67</b>
<b>Bank</b>		<b>1,748,959</b>	<b>2.24</b>
<b>Other Net Liabilities</b>		<b>(1,493,267)</b>	<b>(1.91)</b>
<b>Total Net Assets</b>		<b>78,174,647</b>	<b>100.00</b>
<b>R Class shares in issue</b>			<b>6,259,809</b>
<b>C Class shares in issue</b>			<b>739,788</b>

# European Equity Fund cont

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011 €	31 Mar 2011 €
<b>Assets</b>		
Portfolio of investments	77,918,955	96,667,377
Debtors	2,349,853	3,666,603
Cash at Bank	1,748,959	2,597,699
<b>Total assets</b>	<b>82,017,767</b>	<b>102,931,679</b>
<b>Liabilities</b>		
Creditors	3,843,120	3,213,808
<b>Total liabilities</b>	<b>3,843,120</b>	<b>3,213,808</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>78,174,647</b>	<b>99,717,871</b>

## STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011 30 Sep 2011		01 Apr 2010 30 Sep 2010	
	€	€	€	€
Net gains/(losses) on investments during the period		(20,143,617)		(1,133,599)
Other gains/(losses)		(44,099)		(107,421)
Gross income	1,653,354		1,308,499	
Expenses	(294,416)		(297,072)	
Net income/(deficit) before taxation	1,358,938		1,011,427	
Withholding tax	(332,472)		(225,086)	
Net income/(deficit) after taxation		1,026,466		786,341
Total return for the period		(19,161,250)		(454,679)
Equalisation		(22,683)		-
Distributions		-		-
<b>Change in net assets attributable to shareholders</b>		<b>(19,183,933)</b>		<b>(454,679)</b>

## 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	
	€	€	€	€
Net assets at 1 April		99,717,871		83,785,382
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	7,318,235		17,465,875	
Amount payable on redemption of shares	(9,677,526)		(14,304,853)	
		(2,359,291)		3,161,022
Change in net assets attributable to shareholders		(19,183,933)		12,771,467
<b>Net assets at 30 September</b>		<b>78,174,647</b>		<b>99,717,871</b>

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

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

Description	Acquisition cost €
BNP Paribas	1,775,980
Credit Agricole	1,727,163
Banco Santander Central Hispano	1,702,218
Assicurazioni Generali	1,638,241
Banco Bilbao Vizcaya Argentaria	1,596,223
Shire	1,542,405
Sulzer	1,538,355
BCA	1,534,907
Continental	1,534,822
Daimler Chrysler	1,534,722
Other acquisitions	139,953,599
<b>Total for period</b>	<b>156,078,635</b>

Description	Disposal proceeds €
Assicurazioni Generali	2,421,859
TGS Nopec Geophysical	1,903,657
Grifols	1,832,386
Banco Santander Central Hispano	1,780,165
Repsol YPF	1,758,616
Obrascon Huarte Lain	1,755,504
K & S	1,746,144
Societe Generale	1,732,821
Banco Bilbao Vizcaya Argentaria	1,596,989
Atlas Copco	1,566,074
Other disposals	136,316,723
<b>Total for period</b>	<b>154,410,938</b>

# European Equity Feeder Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value £	As a % of Net Assets
<b>Collective Investment Schemes</b>			
Ashburton Global European Equity Fund C Class	1,010,092	26,627,998	100.12
<b>Collective Investment Schemes Total (2011: 100.05%)</b>		<b>26,627,998</b>	<b>100.12</b>
<b>Total Portfolio (2011: 100.05 %)</b>		<b>26,627,998</b>	<b>100.12</b>
Cash at bank		953	0.00
Other Net Liabilities		(31,245)	(0.12)
<b>Total Net Assets</b>		<b>26,597,706</b>	<b>100.00</b>
<b>R Class shares in issue</b>			<b>7,746,671</b>
<b>I Class shares in issue</b>			<b>23,777</b>
<b>C Class shares in issue</b>			<b>186,081</b>

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011 £	31 Mar 2011 £
<b>Assets</b>		
Portfolio of investments	26,627,998	34,835,495
Debtors	-	-
Cash at Bank	953	2,218
<b>Total assets</b>	<b>26,628,951</b>	<b>34,837,713</b>
<b>Liabilities</b>		
Creditors	31,245	21,416
<b>Total liabilities</b>	<b>31,245</b>	<b>21,416</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>26,597,706</b>	<b>34,816,297</b>

## STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011 30 Sep 2011		01 Apr 2010 30 Sep 2010	
	£	£	£	£
Net gains/(losses) on investments during the period		(6,945,989)		(1,421,834)
Other gains/(losses)		(10)		(24)
Gross income	6		499,455	
Expenses	(117,264)		(99,050)	
Net income/(deficit) before taxation	(117,258)		400,405	
Withholding tax	-		-	
Net income/(deficit) after taxation	(117,258)		400,405	
Total return for the period	(7,063,257)		(1,021,453)	
Equalisation	(2,545)		-	
Distributions	-		-	
<b>Change in net assets attributable to shareholders</b>	<b>(7,065,802)</b>		<b>(1,021,453)</b>	

## 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	
	£	£	£	£
<b>Net assets at 1 April</b>		<b>34,816,297</b>		<b>30,734,421</b>
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	2,804,546		3,765,795	
Amount payable on redemption of shares	(3,957,335)		(4,105,916)	
Change in net assets attributable to shareholders		(7,065,802)		4,421,997
<b>Net assets at 30 September</b>		<b>26,597,706</b>		<b>34,816,297</b>

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

The following shows the purchases and disposals for the period.

Description	Acquisition cost £
Ashburton Global European Equity Fund C Class	2,791,040
<b>Total for period</b>	<b>2,791,040</b>
Description	Disposal proceeds £
Ashburton Global European Equity Fund C Class	4,052,548
<b>Total for period</b>	<b>4,052,548</b>

# Sterling International Equity Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value £	As a % of Net Assets
<b>Equities</b>			
<b>China</b>			
Anhui Conch Cement	70,000	124,456	0.65
Gome Electrical Appliances	950,000	143,099	0.75
<b>China Total (2011: 1.04%)</b>		<b>267,555</b>	<b>1.40</b>
<b>France</b>			
LVMH Moet Hennessy	3,830	330,135	1.73
Technip	7,150	380,462	1.99
<b>France Total (2011: 0.00%)</b>		<b>710,597</b>	<b>3.72</b>
<b>Germany</b>			
Fresenius Medical Care	8,580	374,997	1.97
Linde	4,390	391,585	2.05
Volkswagen	3,620	324,158	1.70
<b>Germany Total (2011: 1.83%)</b>		<b>1,090,740</b>	<b>5.72</b>
<b>Hong Kong</b>			
China Construction Bank	500,000	197,137	1.03
China Mobile	75,000	475,969	2.50
China Overseas Land & Investment	190,000	177,037	0.93
Petrochina	295,000	234,807	1.23
<b>Hong Kong Total (2011: 5.38%)</b>		<b>1,084,950</b>	<b>5.69</b>
<b>India</b>			
ICICI Bank	8,400	198,512	1.04
<b>India Total (2011: 1.11%)</b>		<b>198,512</b>	<b>1.04</b>
<b>Japan</b>			
Hankyu Department Stores	58,000	300,008	1.57
Hitachi Metals	38,000	285,325	1.50
Inpex	74	298,807	1.57
JS Group	21,500	391,567	2.05
Mitsubishi Estate	23,000	243,310	1.29
NGK Insulators	21,000	206,911	1.08
Sumitomo Bakelite	70,000	242,943	1.27
<b>Japan Total (2011: 9.21%)</b>		<b>1,968,871</b>	<b>10.33</b>
<b>Korea</b>			
Hyundai Wia	3,700	312,271	1.64
iShares MSCI South Korea	13,400	421,258	2.21
Samsung Electronic	909	415,759	2.18
<b>Korea Total (2011: 5.00%)</b>		<b>1,149,288</b>	<b>6.03</b>
<b>Norway</b>			
Subsea 7	29,600	370,158	1.94
<b>Norway Total (2011: 7.32%)</b>		<b>370,158</b>	<b>1.94</b>
<b>Spain</b>			
Viscofan	13,795	321,451	1.69
<b>Spain Total (2011: 0.00%)</b>		<b>321,451</b>	<b>1.69</b>
<b>Taiwan</b>			
Wistron Neweb	111,297	178,060	0.93
<b>Taiwan Total (2011: 0.95%)</b>		<b>178,060</b>	<b>0.93</b>
<b>United Kingdom</b>			
Aggreko	32,068	531,367	2.79
Anglo American	16,730	379,436	1.99
HSBC Holdings	85,300	422,005	2.21
Prudential	78,960	448,690	2.35

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Holding	Value £	As a % of Net Assets
<b>Equities</b>			
Shire	20,891	412,911	2.17
Tullow Oil	36,463	473,654	2.48
<b>United Kingdom Total (2011: 12.88%)</b>		<b>2,668,063</b>	<b>13.99</b>
<b>USA</b>			
American Express	16,500	494,164	2.59
Apple	1,600	400,508	2.10
Cerner	10,400	469,744	2.46
Coach	12,450	431,115	2.26
Companhia de Bebidas das Americas	16,800	335,343	1.76
Danaher	14,200	396,504	2.08
Ecolab	13,300	420,545	2.21
FMC Technologies	16,300	404,704	2.13
Gazprom	40,800	255,769	1.34
Infosys Technologies	8,300	275,460	1.44
JP Morgan Chase	17,300	347,930	1.82
Las Vegas Sands	15,250	404,454	2.12
McDonald's	7,200	409,799	2.15
Mead Johnson Nutrition	9,900	451,922	2.37
National-Oilwell Varco	9,500	321,591	1.69
NII Holdings	15,750	298,021	1.56
Perrigo	5,450	344,360	1.81
Polypore International	11,250	418,313	2.19
Rockwood	12,200	286,203	1.50
Stericycle	8,550	445,211	2.33
WABCO	12,800	328,558	1.72
<b>USA Total (2011: 40.59%)</b>		<b>7,940,218</b>	<b>41.63</b>
<b>Equities Total (2011: 97.35%)</b>		<b>17,948,463</b>	<b>94.11</b>
<b>Open forward foreign currency exchange contracts (2011: 0.23%)</b>		<b>(105,094)</b>	<b>(0.55)</b>
<b>Total Portfolio (2011: 97.58%)</b>		<b>17,843,369</b>	<b>93.56</b>
<b>Bank</b>		<b>1,375,432</b>	<b>7.21</b>
<b>Other Net Liabilities</b>		<b>(147,371)</b>	<b>(0.77)</b>
<b>Total Net Assets</b>		<b>19,071,430</b>	<b>100.00</b>
<b>R Class shares in issue</b>			<b>419,702</b>

# Sterling International Equity Fund

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011	31 Mar 2011
	£	£
<b>Assets</b>		
Portfolio of investments	17,843,369	22,944,729
Debtors	45,646	295,540
Cash at Bank	1,375,432	582,900
<b>Total assets</b>	<b>19,264,447</b>	<b>23,823,169</b>
<b>Liabilities</b>		
Creditors	193,017	309,735
<b>Total liabilities</b>	<b>193,017</b>	<b>309,735</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>19,071,430</b>	<b>23,513,434</b>

## STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011		01 Apr 2010	
	30 Sep 2011		30 Sep 2010	
	£	£	£	£
Net gains/(losses) on investments during the period		(3,589,173)		(1,195,438)
Other gains/(losses)		(19,940)		23,263
Gross income	275,791		224,420	
Expenses	(208,050)		(209,494)	
Net income/(deficit) before taxation	67,741		14,926	
Withholding tax	(46,684)		(27,751)	
Net income/(deficit) after taxation		21,057		(12,825)
Total return for the period		(3,588,056)		(1,185,000)
Equalisation		(561)		-
Distributions		-		-
<b>Change in net assets attributable to shareholders</b>		<b>(3,588,617)</b>		<b>(1,185,000)</b>

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

	01 Apr 2011		01 Apr 2010	
	30 Sep 2011		31 Mar 2011	
	£	£	£	£
<b>Net assets at 1 April</b>		<b>23,513,434</b>		<b>23,586,434</b>
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	189,892		1,832,773	
Amount payable on redemption of shares	(1,043,279)		(2,821,602)	
		(853,387)		(988,829)
Change in net assets attributable to shareholders		(3,588,617)		915,829
<b>Net assets at 30 September</b>		<b>19,071,430</b>		<b>23,513,434</b>

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

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

Description	Acquisition cost
	£
Danaher	465,562
China Mobile	440,074
Freeport-McMoran	429,040
CB Richard Ellis Group	427,925
Mead Johnson Nutrition	419,384
Sandvik	415,380
LVMH Moët Hennessy	405,248
Nestlé	402,761
iShares MSCI South Korea	398,606
Fresenius Medical Care	391,183
Other acquisitions	8,957,500
<b>Total for period</b>	<b>13,152,663</b>

Description	Disposal proceeds
	£
Hyundai Wia	601,610
Cummins	471,749
AMEC	444,439
BorgWarner	440,455
Volvo	434,306
VeriFone Systems	425,658
Atlas Copco	415,977
Rovi	409,037
Transocean	405,244
BG Group	401,124
Other disposals	10,075,208
<b>Total for period</b>	<b>14,524,807</b>

# Dollar International Equity Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value US\$	As a % of Net Assets
<b>Equities</b>			
<b>China</b>			
Anhui Conch Cement	30,000	83,170	0.73
Gome Electrical Appliances	450,000	105,695	0.93
<b>China Total (2011: 0.97%)</b>		<b>188,865</b>	<b>1.66</b>
<b>France</b>			
LVMH Moet Hennessy	1,550	208,331	1.84
Technip	2,690	223,197	1.97
<b>France Total (2011: 0.00%)</b>		<b>431,528</b>	<b>3.81</b>
<b>Germany</b>			
Linde	1,670	232,278	2.05
Fresenius Medical Care	3,240	220,808	1.95
Volkswagen	1,370	191,293	1.69
<b>Germany Total (2011: 1.64%)</b>		<b>644,379</b>	<b>5.69</b>
<b>Hong Kong</b>			
China Construction Bank	206,000	126,647	1.12
China Mobile	26,000	257,289	2.27
China Overseas Land & Investment	82,000	119,138	1.05
Petrochina	126,000	156,383	1.38
<b>Hong Kong Total (2011: 5.55%)</b>		<b>659,457</b>	<b>5.82</b>
<b>India</b>			
ICICI Bank	3,800	140,030	1.24
<b>India Total (2011: 1.07%)</b>		<b>140,030</b>	<b>1.24</b>
<b>Japan</b>			
Hankyu Department Stores	22,000	177,442	1.57
Hitachi Metals	14,000	163,913	1.45
Inpex	28	176,298	1.56
JS Group	8,200	232,868	2.06
Mitsubishi Estate	9,000	148,458	1.31
NGK Insulators	9,000	138,272	1.22
Sumitomo Bakelite	26,000	140,705	1.24
<b>Japan Total (2011: 9.31%)</b>		<b>1,177,956</b>	<b>10.41</b>
<b>Korea</b>			
Hyundai Wia	1,350	177,662	1.57
iShares MSCI South Korea	5,080	249,022	2.20
Samsung Electronic	315	224,656	1.98
<b>Korea Total (2011: 5.03%)</b>		<b>651,340</b>	<b>5.75</b>
<b>Norway</b>			
Subsea 7	10,800	210,595	1.86
<b>Norway Total (2011: 7.48%)</b>		<b>210,595</b>	<b>1.86</b>
<b>Spain</b>			
Viscofan	6,133	222,842	1.97
<b>Spain Total (2011: 0.00%)</b>		<b>222,842</b>	<b>1.97</b>
<b>Taiwan</b>			
Wistron Neweb	39,499	98,537	0.87
<b>Taiwan Total (2011: 0.94%)</b>		<b>98,537</b>	<b>0.87</b>
<b>United Kingdom</b>			
Aggreko	11,375	293,903	2.60
Anglo American	6,465	228,633	2.02
HSBC Holdings	32,340	249,481	2.20
Prudential	31,060	275,214	2.43

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Holding	Value US\$	As a % of Net Assets
<b>Equities</b>			
Shire	7,829	241,287	2.13
Tullow Oil	13,634	276,161	2.44
<b>United Kingdom Total (2011: 12.90%)</b>		<b>1,564,679</b>	<b>13.82</b>
<b>USA</b>			
American Express	6,262	292,435	2.58
Apple	599	233,802	2.06
Cerner	3,937	277,283	2.45
Coach	4,725	255,126	2.25
Companhia de Bebidas das Americas	6,375	198,422	1.75
Danaher	5,400	235,116	2.08
Ecolab	5,062	249,582	2.20
FMC Technologies	6,187	239,530	2.12
Gazprom	16,910	165,295	1.46
Infosys Technologies	3,700	191,475	1.69
JP Morgan Chase	6,544	205,220	1.81
Las Vegas Sands	5,794	239,611	2.12
McDonald's	2,737	242,909	2.14
Mead Johnson Nutrition	3,750	266,925	2.36
National-Oilwell Varco	3,600	190,026	1.68
NII Holdings	6,082	179,449	1.58
Perrigo	2,062	203,158	1.79
Polypore International	4,256	246,763	2.18
Rockwood	4,631	169,401	1.50
Stericycle	3,262	264,858	2.34
WABCO	4,837	193,601	1.71
<b>USA Total (2011: 40.17%)</b>		<b>4,739,987</b>	<b>41.85</b>
<b>Equities Total (2011: 97.00%)</b>		<b>10,730,195</b>	<b>94.75</b>
<b>Open forward foreign currency exchange contracts (2011: 0.30%)</b>		<b>(92,185)</b>	<b>(0.81)</b>
<b>Total Portfolio (2011: 97.30%)</b>		<b>10,638,010</b>	<b>93.94</b>
<b>Bank</b>		<b>640,039</b>	<b>5.65</b>
<b>Other Net Assets</b>		<b>46,884</b>	<b>0.41</b>
<b>Total Net Assets</b>		<b>11,324,933</b>	<b>100.00</b>
<b>R Class shares in issue</b>			<b>1,356,649</b>

# Dollar International Equity Fund cont

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011	31 Mar 2011
	US\$	US\$
<b>Assets</b>		
Portfolio of investments	10,638,010	16,994,072
Debtors	87,988	244,809
Cash at Bank	640,039	453,821
<b>Total assets</b>	<b>11,366,037</b>	<b>17,692,702</b>
<b>Liabilities</b>		
Creditors	41,104	227,498
<b>Total liabilities</b>	<b>41,104</b>	<b>227,498</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>11,324,933</b>	<b>17,465,204</b>

## 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 period		(3,480,107)		(11,211)
Other gains/(losses)		(39,952)		2,398
Gross income	205,097		150,774	
Expenses	(160,920)		(139,797)	
Net income/(deficit) before taxation	44,177		10,977	
Withholding tax	(34,942)		(18,488)	
Net income/(deficit) after taxation		9,235		(7,511)
Total return for the period		(3,510,824)		(16,324)
Equalisation		817		-
Distributions		-		-
<b>Change in net assets attributable to shareholders</b>		<b>(3,510,007)</b>		<b>(16,324)</b>

## 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		17,465,204		15,613,561
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	3,229,162		2,096,283	
Amount payable on redemption of shares	(5,859,426)		(1,969,938)	
		(2,630,264)		126,345
Change in net assets attributable to shareholders		(3,510,007)		1,725,298
<b>Net assets at 30 September</b>		<b>11,324,933</b>		<b>17,465,204</b>

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

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

Description	Acquisition cost US\$
Mead Johnson Nutrition	360,483
Danaher	354,827
Nestle	340,251
iShares MSCI South Korea	337,282
China Mobile	331,515
Ecolab	329,721
CB Richard Ellis Group	323,622
Freepart-McMoran	313,525
Sandvik	312,490
LVMH Moet Hennessy	309,811
Other acquisitions	8,839,384
<b>Total for period</b>	<b>12,152,911</b>

Description	Disposal proceeds US\$
Hyundai Wia	441,946
AMEC	350,311
Cummins	344,178
Amerisource-Bergen	332,046
BG Group	325,480
VeriFone Systems	322,236
Atlas Copco	313,929
Market Vectors	309,099
Yara International	307,956
Volvo	306,240
Other disposals	11,661,623
<b>Total for period</b>	<b>15,015,044</b>

# Sterling Asset Management Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value £	As a % of Net Assets
<b>Equities</b>			
<b>Australia</b>			
Newcrest Mining	21,000	446,812	0.67
<b>Australia Total (2011: 1.08%)</b>		<b>446,812</b>	<b>0.67</b>
<b>China</b>			
Gome Electrical Appliances	2,125,000	320,091	0.48
<b>China Total (2011: 0.00%)</b>		<b>320,091</b>	<b>0.48</b>
<b>France</b>			
LVMH Moet Hennessy	3,117	268,676	0.40
Technip	3,027	161,071	0.24
<b>France Total (2011: 0.00%)</b>		<b>429,747</b>	<b>0.64</b>
<b>Germany</b>			
Fresenius Medical Care	9,120	398,598	0.60
Linde	3,613	322,277	0.48
Volkswagen	1,640	146,856	0.22
<b>Germany Total (2011: 0.80%)</b>		<b>867,731</b>	<b>1.30</b>
<b>Hong Kong</b>			
BOC Hong Kong	275,000	378,018	0.57
Petrochina	621,000	494,289	0.74
<b>Hong Kong Total (2011: 2.29%)</b>		<b>872,307</b>	<b>1.31</b>
<b>India</b>			
ICICI Bank	24,000	567,178	0.85
<b>India Total (2011: 0.64%)</b>		<b>567,178</b>	<b>0.85</b>
<b>Japan</b>			
Anritsu	100,000	719,986	1.08
Canon	14,800	438,332	0.66
Inpex	131	528,969	0.79
JS Group	30,700	559,121	0.84
JSR	36,300	407,630	0.61
Marubeni	92,000	336,950	0.51
Mitsubishi Estate	44,000	465,463	0.70
Mitsubishi UFJ Financial Group	168,000	496,165	0.74
NGK Insulators	33,000	325,145	0.49
Nihon Kohden	33,700	589,016	0.88
Sumitomo Electric	66,600	509,515	0.76
<b>Japan Total (2011: 8.80%)</b>		<b>5,376,292</b>	<b>8.06</b>
<b>Korea</b>			
Hyundai Wia	11,792	995,217	1.49
<b>Korea Total (2011: 1.50%)</b>		<b>995,217</b>	<b>1.49</b>
<b>Norway</b>			
Subsea 7	19,933	249,269	0.37
<b>Norway Total (2011: 2.57%)</b>		<b>249,269</b>	<b>0.37</b>
<b>Spain</b>			
Viscofan	21,692	505,467	0.76
<b>Spain Total (2011: 0.00%)</b>		<b>505,467</b>	<b>0.76</b>
<b>United Kingdom</b>			
Aggreko	26,185	433,885	0.65
Anglo American	13,660	309,809	0.47
HSBC Holdings	41,993	207,752	0.31
Prudential	34,387	195,404	0.29
Shire	14,771	291,949	0.44

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Currency	Holding	Value £	As a % of Net Assets
<b>Equities</b>				
Tullow Oil		20,687	268,724	0.40
<b>United Kingdom Total (2011: 4.27%)</b>			<b>1,707,523</b>	<b>2.56</b>
<b>USA</b>				
American Express		15,500	464,215	0.70
Apple		2,650	663,341	1.00
Cerner		17,000	767,851	1.15
Coach		14,500	502,102	0.75
Companhia de Bebidas das Americas		30,000	598,826	0.90
Danaher		17,000	474,687	0.71
Ecolab		24,000	758,880	1.14
FMC Technologies		20,000	496,569	0.75
Gazprom		26,667	167,171	0.25
Infosys Technologies		17,980	596,720	0.90
JP Morgan Chase		21,940	441,248	0.66
Las Vegas Sands		12,000	318,258	0.48
McDonald's		11,750	668,770	1.00
Mead Johnson Nutrition		13,000	593,433	0.89
National-Oilwell Varco		12,750	431,610	0.65
NIH Holdings		20,680	391,306	0.59
O'Reilly Automotive		14,000	604,919	0.91
Perrigo		10,000	631,854	0.95
Polypore International		14,500	539,159	0.81
Rockwood		15,250	357,753	0.54
Stericycle		11,250	585,804	0.88
WABCO		15,000	385,029	0.58
<b>USA Total (2011: 16.89%)</b>			<b>11,439,505</b>	<b>17.19</b>
<b>Equities Total (2011: 43.32%)</b>			<b>23,777,139</b>	<b>35.68</b>
<b>Bonds</b>				
Abbey National Treasury 5.5% 18/06/2014	GBP	190,000	190,594	0.29
Air Products & Chemicals 3.875% 10/03/2015	EUR	210,000	191,090	0.29
BAT International Finance 5.875% 12/03/2015	EUR	180,000	172,188	0.26
Borgwarner 4.625% 15/09/2020	USD	300,000	207,270	0.31
BP Capital Markets 4.325% 10/12/2018	GBP	320,000	327,086	0.49
Citigroup 7.625% 03/04/2018	GBP	190,000	214,229	0.32
Citigroup Capital XIII 7.875% 30/10/15	USD	19,350	326,057	0.49
Eskom 5.75% 26/01/2021	USD	314,000	206,805	0.31
Firststrand Bank 4.375% 09/06/2016	USD	340,000	216,285	0.32
France Telecom 7.25% 28/01/2013	EUR	114,000	105,656	0.16
G4S 7.75% 13/05/2019	GBP	208,000	247,209	0.37
Gazprom Via Gaz Capital 5.875% 01/06/2015	EUR	195,000	173,707	0.26
General Electric Capital UK 4.625% 18/01/2016	GBP	190,000	194,892	0.29
GMAC Capital Trust I 8.125% 15/02/2016	USD	20,825	253,685	0.38
Golden Close Maritime 11% 09/12/2015	USD	200,000	132,752	0.20
HSBC Finance 6.25% 19/08/2019	GBP	190,000	205,962	0.31
Hutchison Ports Finance 6.75% 07/12/2015	GBP	205,000	232,925	0.35
Hutchison Whampoa Finance 4.75% 14/11/2016	EUR	350,000	313,638	0.47
ICICI Bank 5.5% 25/03/2015	USD	310,000	200,153	0.30
International Bank for Reconstruction and Development 5.75% 20/08/2012	MXN	11,640,000	563,368	0.85
Johnson & Johnson 5.5% 06/11/2024	GBP	200,000	236,603	0.36
Kingfisher 5.625% 15/12/2014	GBP	229,000	243,136	0.37
Korea (Republic of) 7.125% 16/04/2019	USD	3,080,000	2,389,531	3.59
Korea Expressway 4.5% 23/03/2015	USD	2,300,000	1,518,327	2.28
Lloyds TSB Bank 4.875% 21/01/2016	USD	310,000	195,010	0.29
Marks & Spencer 6.125% 02/12/2019	GBP	185,000	196,012	0.29
Merrill Lynch 7.75% 30/04/2018	GBP	250,000	247,756	0.37
Mexican Bonos Desarrollo 8% 19/12/2013	MXN	468,000	2,382,366	3.58

# Sterling Asset Management Fund cont.

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Currency	Holding	Value £	As a % of Net Assets
Microsoft 5.3% 08/02/2041	USD	319,000	248,240	0.37
Morgan Stanley 5.375% 14/11/2013	GBP	278,000	275,426	0.41
Muzinich America Yield Fund	USD	23,560	2,263,659	3.40
National Express 6.625% 17/06/2020	GBP	195,000	208,780	0.31
National Grid 1.25% 10/06/2021	GBP	325,000	325,000	0.49
Nationwide Building Society 5.625% 09/09/2012	GBP	185,000	184,907	0.28
Next 5.875% 12/10/2016	GBP	200,000	215,336	0.32
Pepsico 4.875% 01/11/2040	USD	535,000	382,999	0.57
PSA International 3.875% 11/02/2021	USD	855,000	540,208	0.81
Reynolds American 7.25% 01/06/2013	USD	428,000	299,505	0.46
Rolls-Royce 7.375% 14/06/2016	GBP	174,000	211,167	0.32
Royal Bank of Scotland 6.625% 17/09/2018	GBP	429,000	431,889	0.65
Seadrill 6.5% 05/10/2015	USD	300,000	178,926	0.27
South Africa (Republic of) 5.25% 16/05/2013	EUR	2,801,000	2,519,579	3.78
Tate & Lyle International Finance 6.75% 25/11/2019	GBP	192,000	219,923	0.33
Temasek Financial 5.125% 26/07/2040	GBP	510,000	557,017	0.84
Tesco 5.2% 24/08/2018	GBP	190,000	203,699	0.31
Toyota Motor Credit 4% 07/12/2017	GBP	255,000	265,551	0.40
Turkey (Republic of) 7.5% 14/07/2017	USD	2,860,000	2,094,469	3.14
UK Treasury 0.75% 22/03/2034	GBP	1,937,000	2,133,547	3.20
UK Treasury 2.5% 17/07/2024	GBP	654,000	2,057,768	3.09
UK Treasury 4.25% 07/09/2039	GBP	2,047,000	2,278,618	3.42
Vale 4.375% 24/03/2018	EUR	348,000	304,494	0.46
Vodafone 5.375% 05/12/2017	GBP	159,000	178,053	0.27
Volkswagen Financial Services 2.5% 07/10/2013	GBP	385,000	387,452	0.58
Wal-Mart Stores 5% 25/10/2040	USD	524,000	374,717	0.56
<b>Bonds Total (2011: 52.64%)</b>			<b>31,425,221</b>	<b>47.19</b>
<b>Cash Equivalents</b>				
<b>Floating Rate Notes</b>				
Barclays Bank FRN 18/03/2013	GBP	215,000	213,591	0.32
<b>Floating Rate Notes Total (2011: 0.00%)</b>			<b>213,591</b>	<b>0.32</b>
<b>Bonds</b>				
Mexican Bonos Desarrollo 6.5% 06/10/2011	MXN	380,000	1,811,878	2.72
<b>Bonds Total (2011: 0.00%)</b>			<b>1,811,878</b>	<b>2.72</b>
<b>Cash Equivalents Total (2011: 0.00%)</b>			<b>2,025,469</b>	<b>3.04</b>
<b>Open forward foreign currency exchange contracts (2011: -0.46%)</b>			<b>(1,292,683)</b>	<b>(1.94)</b>
<b>Open futures contracts (2011: 0.26%)</b>			<b>88,821</b>	<b>0.13</b>
<b>Total Portfolio (2011: 95.76%)</b>			<b>56,023,967</b>	<b>84.10</b>
<b>Bank</b>			<b>11,161,417</b>	<b>16.76</b>
<b>Other Net Liabilities</b>			<b>(573,851)</b>	<b>(0.86)</b>
<b>Total Net Assets</b>			<b>66,611,533</b>	<b>100.00</b>
<b>R Class shares in issue</b>				<b>27,589,506</b>
<b>C Class shares in issue</b>				<b>53,321</b>

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011 £	31 Mar 2011 £
<b>Assets</b>		
Portfolio of investments	56,023,967	63,643,081
Debtors	594,880	892,365
Cash at Bank	11,161,417	2,782,726
<b>Total assets</b>	<b>67,780,264</b>	<b>67,318,172</b>
<b>Liabilities</b>		
Creditors	1,168,731	859,315
<b>Total liabilities</b>	<b>1,168,731</b>	<b>859,315</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>66,611,533</b>	<b>66,458,857</b>

## STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011 30 Sep 2011		01 Apr 2010 30 Sep 2010	
	£	£	£	£
Net gains/(losses) on investments during the period		(2,127,908)		233,737
Other gains/(losses)		77,977		282,953
Gross income	1,161,692		768,708	
Expenses	(632,523)		(568,192)	
Net income/(deficit) before taxation	529,169		200,516	
Withholding tax	(51,597)		(35,087)	
Net income/(deficit) after taxation		477,572		165,429
Total return for the period		(1,572,359)		682,119
Equalisation		1,261		-
Distributions		(360,089)		(124,385)
<b>Change in net assets attributable to shareholders</b>		<b>(1,931,187)</b>		<b>557,734</b>

## 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	
	£	£	£	£
<b>Net assets at 1 April</b>		<b>66,458,857</b>		<b>62,387,719</b>
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	4,486,256		9,919,078	
Amount payable on redemption of shares	(2,402,393)		(8,609,660)	
		2,083,863		1,309,418
Change in net assets attributable to shareholders		(1,931,187)		2,761,720
<b>Net assets at 30 September</b>		<b>66,611,533</b>		<b>66,458,857</b>

# Sterling Asset Management Fund cont.

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

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

Description	Acquisition cost £	Description	Disposal proceeds £
UK Treasury 0.75% 22/03/2034	2,085,463	United States Treasury 2.125% 15/02/2040 TIPS	2,921,548
Mexican Bonos Desarrollo 6.5% 06/10/2011	1,964,120	UK Treasury 2.5% 17/07/2024	2,398,560
United States Treasury 2.125% 15/02/2040 TIPS	1,529,660	United States Treasury 4.625% 15/02/2040	2,030,778
UK Treasury 2.5% 17/07/2024	1,427,790	United States Treasury 4.625% 15/02/2040	1,936,078
UK Treasury 2.5% 17/07/2024	1,375,363	United States Treasury 3.875% 15/08/2040	1,905,863
UK Treasury 2.5% 17/07/2024	1,369,462	United States Treasury 4.625% 15/02/2040	1,423,301
UK Treasury 4.25% 07/09/2039	719,411	UK Treasury 4.25% 07/09/2039	1,376,678
Amerisource-Bergen	691,515	UK Treasury 4.25% 07/09/2039	1,359,415
Turkey (Republic of) 7.5% 14/07/2017	625,649	UK Treasury 4.25% 07/09/2039	1,116,175
Mead Johnson Nutrition	573,895	Hyundai Wia	865,474
Other acquisitions	16,682,930	Other disposals	16,510,631
<b>Total for period</b>	<b>29,045,258</b>	<b>Total for period</b>	<b>33,844,501</b>

# Euro Asset Management Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Holding	Value €	As a % of Net Assets
<b>Equities</b>			
<b>Australia</b>			
Newcrest Mining	2,245	55,050	0.68
<b>Australia Total (2011: 0.94%)</b>		<b>55,050</b>	<b>0.68</b>
<b>China</b>			
Gome Electrical Appliances	225,000	39,060	0.48
<b>China Total (2011: 0.00%)</b>		<b>39,060</b>	<b>0.48</b>
<b>France</b>			
LVMH Moet Hennessy	371	36,855	0.46
Technip	267	16,374	0.20
<b>France Total (2011: 0.00%)</b>		<b>53,229</b>	<b>0.66</b>
<b>Germany</b>			
Fresenius Medical Care	950	47,852	0.59
Linde	413	42,456	0.53
Volkswagen	147	15,170	0.19
<b>Germany Total (2011: 0.78%)</b>		<b>105,478</b>	<b>1.31</b>
<b>Hong Kong</b>			
BOC Hong Kong	31,500	49,902	0.62
Petrochina	68,000	62,378	0.77
<b>Hong Kong Total (2011: 2.27%)</b>		<b>112,280</b>	<b>1.39</b>
<b>India</b>			
ICICI Bank	2,500	68,089	0.84
<b>India Total (2011: 0.59%)</b>		<b>68,089</b>	<b>0.84</b>
<b>Japan</b>			
Anritsu	11,000	91,274	1.13
Canon	1,700	58,026	0.72
Inpex	15	69,804	0.87
JS Group	3,400	71,364	0.89
JSR	4,000	51,767	0.64
Marubeni	11,000	46,430	0.58
Mitsubishi Estate	5,000	60,958	0.76
Mitsubishi UFJ Financial Group	18,000	61,266	0.76
NGK Insulators	4,000	45,421	0.56
Nihon Kohden	3,800	76,544	0.95
Sumitomo Electric	7,500	66,127	0.82
<b>Japan Total (2011: 8.36%)</b>		<b>698,981</b>	<b>8.68</b>
<b>Korea</b>			
Hyundai Wia	1,200	116,720	1.45
<b>Korea Total (2011: 1.50%)</b>		<b>116,720</b>	<b>1.45</b>
<b>Norway</b>			
Subsea 7	2,467	35,555	0.44
<b>Norway Total (2011: 2.69%)</b>		<b>35,555</b>	<b>0.44</b>
<b>Spain</b>			
Viscofan	1,599	42,941	0.53
<b>Spain Total (2011: 0.00%)</b>		<b>42,941</b>	<b>0.53</b>
<b>United Kingdom</b>			
Aggreko	3,889	74,266	0.92
Anglo American	1,567	40,958	0.51
HSBC Holdings	4,187	23,872	0.30
Prudential	3,240	21,219	0.26
Shire	1,691	38,519	0.48

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Currency	Holding	Value €	As a % of Net Assets
<b>Equities</b>				
Tullow Oil		2,427	36,334	0.45
<b>United Kingdom Total (2011: 4.36%)</b>			<b>235,168</b>	<b>2.92</b>
<b>USA</b>				
American Express		2,025	69,895	0.87
Apple		260	75,006	0.93
Cerner		2,000	104,109	1.29
Coach		1,500	59,861	0.74
Companhia de Bebidas das Americas		3,250	74,764	0.93
Danaher		2,000	64,361	0.80
Ecolab		2,500	91,103	1.13
FMC Technologies		1,960	56,084	0.70
Gazprom		3,200	23,119	0.29
Infosys Technologies		1,900	72,672	0.90
JP Morgan Chase		1,965	45,545	0.57
Las Vegas Sands		1,300	39,735	0.49
McDonald's		1,460	95,768	1.19
Mead Johnson Nutrition		1,500	78,914	0.98
National-Oilwell Varco		1,250	48,767	0.61
NIH Holdings		2,340	51,029	0.63
O'Reilly Automotive		1,500	74,695	0.93
Perrigo		1,000	72,820	0.90
Polypore International		1,500	64,279	0.80
Rockwood		1,500	40,554	0.50
Stericycle		1,430	85,816	1.06
WABCO		1,600	47,332	0.59
<b>USA Total (2011: 16.24%)</b>			<b>1,436,228</b>	<b>17.83</b>
<b>Equities Total (2011: 41.89%)</b>				
<b>Bonds</b>				
Borgwarner 4.625% 15/09/2020	USD	30,000	23,887	0.30
Citigroup Capital XIII 7.875% 30/10/2015	USD	2,275	44,180	0.55
France Telecom 7.25% 28/01/2013	EUR	18,000	19,226	0.24
Gazprom Via Gaz Capital 5.875% 01/06/2015	USD	50,000	51,332	0.64
General Electric Capital UK 4.625% 18/01/2016	GBP	20,000	23,643	0.29
GMAC Capital Trust I 8.125% 15/02/2016	USD	2,450	34,396	0.43
Goldman Sachs 4% 02/02/2015	EUR	65,000	62,364	0.77
HSBC Finance 6.25% 19/08/2019	GBP	20,000	24,986	0.31
HSBC Finance 4.875% 30/05/2017	EUR	50,000	50,191	0.62
Hutchison Ports Finance 6.75% 07/12/2015	GBP	25,000	32,737	0.41
Hutchison Whampoa Finance 4.75% 14/11/2016	EUR	50,000	51,637	0.64
ICICI Bank 5.5% 25/03/2015	USD	100,000	74,410	0.92
Kingfisher 5.625% 15/12/2014	GBP	22,000	26,920	0.33
Korea (Republic of) 7.125% 16/04/2019	USD	269,000	240,517	2.98
Korea Expressway 4.5% 23/03/2015	USD	250,000	190,200	2.36
Lloyds TSB Bank 4.875% 21/01/2016	USD	35,000	25,374	0.31
Marks & Spencer 6.125% 02/12/2019	GBP	50,000	61,054	0.76
Mexican Bonos Desarrollo 8% 19/12/2013	MXN	53,000	310,936	3.86
Microsoft 5.3% 08/02/2041	USD	35,000	31,389	0.39
Muzinich America Yield Fund	GBP	2,644	292,747	3.63
National Grid 1.25% 10/06/2021	GBP	35,000	40,337	0.50
Pepsico 4.875% 01/11/2040	USD	60,000	49,502	0.61
PSA International 3.875% 11/02/2021	USD	153,000	111,408	1.38
Reynolds American 7.25% 01/06/2013	USD	44,000	35,485	0.44
Rolls-Royce 7.375% 14/06/2016	GBP	19,000	26,574	0.33
Royal Bank of Scotland 5.75% 21/05/2014	EUR	50,000	50,547	0.63
South Africa (Republic of) 5.25% 16/05/2013	EUR	306,000	317,226	3.93
Tate & Lyle International Finance 6.75% 25/11/2019	GBP	50,000	66,004	0.82

# Euro Asset Management Fund cont.

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Currency		Value €	As a % of Net Assets
<b>Bonds</b>				
Tesco 5.2% 24/08/2018	GBP	20,000	24,711	0.31
Toyota Motor Credit 4% 07/12/2017	GBP	30,000	36,005	0.45
Turkey (Republic of) 7.5% 14/07/2017	USD	310,000	261,638	3.25
UK Treasury 0.75% 22/03/2034	GBP	203,000	257,692	3.20
UK Treasury 2.5% 17/07/2024	GBP	68,000	246,581	3.06
UK Treasury 4.25% 07/09/2039	GBP	210,000	269,405	3.34
Vale 4.375% 24/03/2018	EUR	50,000	50,420	0.63
Volkswagon Finacial Services 2.5% 07/10/2013	EUR	45,000	52,192	0.65
Wal-Mart Stores 5% 25/10/2040	USD	57,000	46,976	0.58
<b>Bonds Total (2011: 49.84%)</b>			<b>3,614,829</b>	<b>44.85</b>

### Cash Equivalents

<b>Bonds</b>				
International Bank for Reconstruction and Development 5.75% 20/08/2012	MXN	1,230,000	68,608	0.85
Mexican Bonos Desarrollo 6.5% 06/10/2011	MXN	40,000	219,805	2.73
Nationwide Building Society 5.625% 09/09/2012	GBP	50,000	57,595	0.71
<b>Bonds Total (2011: 0.00%)</b>			<b>3,460,08</b>	<b>4.29</b>

<b>Cash Equivalents Total (2011: 0.00%)</b>			<b>3,460,08</b>	<b>4.29</b>
---	--	--	-----------------	-------------

<b>Open forward foreign currency exchange contracts (2011: 1.88%)</b>			<b>(161,098)</b>	<b>(2.00)</b>
---	--	--	------------------	---------------

<b>Open futures contracts (2011: 0.30%)</b>			<b>12,468</b>	<b>0.15</b>
---	--	--	---------------	-------------

<b>Total Portfolio (2011: 93.91%)</b>			<b>6,810,986</b>	<b>84.50</b>
---------------------------------------	--	--	------------------	--------------

<b>Bank</b>			<b>1,235,439</b>	<b>15.33</b>
-------------	--	--	------------------	--------------

<b>Other Net Assets</b>			<b>13,743</b>	<b>0.17</b>
-------------------------	--	--	---------------	-------------

<b>Total Net Assets</b>			<b>8,060,168</b>	<b>100.00</b>
-------------------------	--	--	------------------	---------------

<b>R Class shares in issue</b>				<b>6,890,444</b>
--------------------------------	--	--	--	------------------

<b>I Class shares in issue</b>				<b>1,920</b>
--------------------------------	--	--	--	--------------

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011 €	31 Mar 2011 €
<b>Assets</b>		
Portfolio of investments	6,810,986	8,367,597
Debtors	68,140	177,814
Cash at Bank	1,235,439	498,457
<b>Total assets</b>	<b>8,114,565</b>	<b>9,043,868</b>
<b>Liabilities</b>		
Creditors	54,397	133,589
<b>Total liabilities</b>	<b>54,397</b>	<b>133,589</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>8,060,168</b>	<b>8,910,279</b>

## STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011 30 Sep 2011 €	01 Apr 2010 30 Sep 2010 €
Net gains/(losses) on investments during the period	(224,720)	11,241
Other gains/(losses)	35,690	27,547
Gross income	146,462	98,130
Expenses	(82,572)	(72,814)
Net income/(deficit) before taxation	63,890	25,316
Withholding tax	(6,636)	(4,181)
Net income/(deficit) after taxation	57,254	21,135
Total return for the period	(131,776)	59,923
Equalisation	(2,785)	-
Distributions	-	-
<b>Change in net assets attributable to shareholders</b>	<b>(134,561)</b>	<b>59,923</b>

## 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 €
<b>Net assets at 1 April</b>	<b>8,910,279</b>	<b>7,381,809</b>
<b>Movements due to sales and repurchase of shares</b>		
Amount receivable on creation of shares	595,846	2,308,816
Amount payable on redemption of shares	(1,311,396)	(1,111,972)
	(715,550)	1,196,844
Change in net assets attributable to shareholders	(134,561)	331,626
<b>Net assets at 30 September</b>	<b>8,060,168</b>	<b>8,910,279</b>

# Euro Asset Management Fund cont.

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

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

Description	Acquisition cost €	Description	Disposal proceeds €
UK Treasury 0.75% 22/03/2034	249,269	United States Treasury 2.125% 15/02/2040 TIPS	374,431
Mexican Bonos Desarrollo 6.5% 06/10/2011	237,251	UK Treasury 2.5% 17/07/2024	326,647
United States Treasury 2.125% 15/02/2040 TIPS	197,063	United States Treasury 4.625% 15/02/2040	254,147
UK Treasury 2.5% 17/07/2024	194,388	United States Treasury 4.625% 15/02/2040	242,224
UK Treasury 2.5% 17/07/2024	166,458	United States Treasury 3.875% 15/08/2040	236,369
UK Treasury 2.5% 17/07/2024	166,437	United States Treasury 4.625% 15/02/2040	212,007
UK Treasury 4.25% 07/09/2039	96,384	UK Treasury 4.25% 07/09/2039	200,903
Amerisource-Bergen	88,309	UK Treasury 4.25% 07/09/2039	199,770
Turkey (Republic of) 7.5% 14/07/2017	84,068	UK Treasury 4.25% 07/09/2039	176,356
Apple	82,723	Hyundai Wia	134,329
Other acquisitions	1,959,859	Other disposals	2,282,357
<b>Total for period</b>	<b>3,522,209</b>	<b>Total for period</b>	<b>4,639,540</b>

# Sterling Total Return Bond Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Currency	Holding	Value £	As a % of Net Assets
<b>Bonds</b>				
Abbey National Treasury 5.5% 18/06/2014	GBP	100,000	100,313	0.25
Air Products & Chemicals 3.875% 10/03/2015	EUR	177,000	161,062	0.40
Bank of Scotland 4.625% 04/11/2011	GBP	492,000	493,587	1.23
BAT International Finance 5.875% 12/03/2015	EUR	183,000	175,058	0.44
Borgwarner 4.625% 15/09/2020	USD	195,000	134,725	0.33
BP Capital Markets 4.325% 10/12/2018	GBP	180,000	183,986	0.46
Citigroup 7.625% 03/04/2018	GBP	100,000	112,752	0.28
Citigroup Capital XIII 7.875% 30/10/2015	USD	10,550	177,772	0.44
Comcast 5.9% 15/03/2016	USD	77,000	56,408	0.14
Dow Chemical 5.9% 15/02/2015	USD	138,000	97,806	0.24
European Atomic Energy Community 2.5% 04/12/2015	EUR	1,211,000	1,077,839	2.68
Firstrand Bank 4.375% 09/06/2016	USD	550,000	349,871	0.87
France Telecom 7.25% 28/01/2013	EUR	163,000	151,069	0.38
G4S 7.75% 13/05/2019	GBP	167,000	198,480	0.49
Gazprom Via Gaz Capital 5.875% 01/06/2015	EUR	292,000	260,115	0.65
General Electric Capital UK 4.625% 18/01/2016	GBP	100,000	102,574	0.25
GMAC Capital Trust I 8.125% 15/02/2016	USD	11,350	138,263	0.34
Golden Close Maritime 11% 09/12/2015	USD	100,000	66,376	0.16
HSBC Finance 6.25% 19/08/2019	GBP	100,000	108,401	0.27
Hutchison Whampoa Finance 4.75% 14/11/2016	EUR	350,000	313,638	0.78
ICICI Bank 5.5% 25/03/2015	USD	275,000	177,555	0.44
Johnson & Johnson 5.5% 06/11/2024	GBP	150,000	177,451	0.44
JP Morgan Chase 3.75% 12/12/2011	GBP	1,500,000	1,508,288	3.75
JP Morgan Chase 6% 15/01/2018	USD	137,000	98,043	0.24
Kingfisher 5.625% 15/12/2014	GBP	173,000	183,679	0.46
Korea (Republic of) 7.125% 16/04/2019	USD	2,290,000	1,776,632	4.42
Korea Expressway 4.5% 23/03/2015	USD	1,280,000	844,982	2.10
Kraft Foods 6.125% 23/08/2018	USD	139,000	105,515	0.26
Lloyds TSB Bank 4% 17/11/2011	GBP	503,000	504,937	1.26
Lloyds TSB Bank 4.875% 21/01/2016	USD	155,000	97,505.00	0.24
MacQuarie Goup Australia 6% 14/01/2020	USD	183,000	111,369	0.28
Marks & Spencer 6.125% 02/12/2019	GBP	95,000	100,655	0.25
Merrill Lynch 7.75% 30/04/2018	GBP	200,000	198,205	0.49
Mexican Bonos Desarrollo 8% 19/12/2013	MXN	263,000	1,338,808	3.33
Microsoft 5.3% 08/02/2041	USD	277,000	215,557	0.54
Morgan Stanley 5.375% 14/11/2013	GBP	240,000	237,778	0.59
Muzinich America Yield Fund	GBP	19,166	1,841,511	4.58
National Express 6.625% 17/06/2020	GBP	102,000	109,208.00	0.27
National Grid 1.25% 10/06/2021	GBP	200,000	200,000	0.50
Next 5.875% 12/10/2016	GBP	100,000	107,670	0.27
Pepsico 4.875% 01/11/2040	USD	250,000	178,971	0.44
PSA International 3.875% 11/02/2021	USD	1,784,000	1,127,170	2.80
Reynolds American 7.25% 01/06/2013	USD	463,000	323,996.00	0.81
Rolls-Royce 7.375% 14/06/2016	GBP	91,000	110,438	0.27
Royal Bank of Scotland 6.625% 17/09/2018	GBP	306,000	308,061	0.77
Seadrill 6.5% 05/10/2015	USD	100,000	59,642	0.15
South Africa (Republic of) 5.25% 16/05/2013	EUR	1,434,000	1,289,924	3.21
Tate & Lyle International Finance 6.75% 25/11/2019	GBP	104,000	119,125	0.30
Temasek Financial 5.125% 26/07/2040	GBP	1,058,000	1,155,537	2.87
Tesco 5.2% 24/08/2018	GBP	100,000	107,210	0.27
Time Warner Cable 5% 01/02/2020	USD	85,000	58,202	0.14
Toyota Motor Credit 4% 07/12/2017	GBP	135,000	140,586	0.35
Turkey (Republic of) 7.5% 14/07/2017	USD	1,760,000	1,288,904	3.20
UK Treasury 0.75% 22/03/2034	GBP	1,958,000	2,156,678	5.36
UK Treasury 2.5% 17/07/2024	GBP	390,000	1,227,110	3.05
UK Treasury 4.25% 07/09/2039	GBP	356,000	396,281	0.98
Vale 4.375% 24/03/2018	EUR	284,000	248,495	0.62
Verizon Global Funding 7.375% 01/09/2012	USD	91,000	61,594	0.15

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Currency	Holding	Value £	As a % of Net Assets
Vodafone 5.375% 05/12/2017	GBP	200,000	223,966	0.56
Volkswagon Finacial Services 2.5% 07/10/2013	GBP	210,000	211,338	0.53
Wal-Mart Stores 5% 25/10/2040	USD	240,000	171,626	0.43
<b>Bonds Total (2011: 67.94%)</b>			<b>25,360,297</b>	<b>63.05</b>
<b>Cash Equivalents</b>				
<b>Floating Rate Notes</b>				
ANZ National International FRN 12/12/2011	GBP	335,000	335,166	0.83
Barclays Bank FRN 13/02/2012	GBP	700,000	701,180	1.74
Barclays Bank FRN 19/07/2017	GBP	755,000	722,913	1.80
Kreditanstalt fuer Wiederaufbau FRN 09/03/2015	GBP	1,000,000	999,134	2.48
Lloyds TSB Bank FRN 24/04/2012	GBP	700,000	701,978	1.74
Lloyds TSB Bank FRN 26/01/2012	GBP	1,100,000	1,101,403	2.74
Tesco Personal Finance FRN 27/02/2012	GBP	845,000	846,597	2.10
<b>Floating Rate Notes Total (2011: 13.04%)</b>			<b>5,408,371</b>	<b>13.43</b>
<b>Bonds</b>				
International Bank for Reconstruction and Development 5.75% 20/08/2012	MXN	6,590,000	318,951	0.79
Marks & Spencer 6.375% 07/11/2011	GBP	601,000	603,136	1.50
Mexican Bonos Desarr 6.5% 06/10/2011	MXN	225,000	1,072,823	2.67
Nationwide Building Society 5.625% 09/09/2012	GBP	95,000	94,952	0.24
Tesco 5.625% 12/09/2012	EUR	202,000	181,570	0.45
<b>Bonds Total (2011: 9.25%)</b>			<b>2,271,432</b>	<b>5.65</b>
<b>Cash Equivalents Total (2011: 22.29%)</b>			<b>7,679,803</b>	<b>19.08</b>
<b>Open forward foreign currency exchange contracts (2011: -0.19%)</b>			<b>(478,135)</b>	<b>(1.19)</b>
<b>Open futures contracts (2011: -0.07%)</b>			<b>(16,701)</b>	<b>(0.04)</b>
<b>Total Portfolio (2011: 89.67%)</b>			<b>32,545,264</b>	<b>80.90</b>
<b>Bank</b>			<b>8,076,160</b>	<b>20.07</b>
<b>Other Net Liabilities</b>			<b>(389,718)</b>	<b>(0.97)</b>
<b>Total Net Assets</b>			<b>40,231,706</b>	<b>100.00</b>
<b>R Class shares in issue</b>				<b>1,937,507</b>
				<b>281,3531</b>

# Sterling Total Return Bond Fund cont.

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011	31 Mar 2011
	£	£
<b>Assets</b>		
Portfolio of investments	32,545,264	32,553,769
Debtors	474,057	437,918
Cash at Bank	8,076,160	3,698,183
<b>Total assets</b>	<b>41,095,481</b>	<b>36,689,870</b>
<b>Liabilities</b>		
Creditors	863,775	386,798
<b>Total liabilities</b>	<b>863,775</b>	<b>386,798</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>40,231,706</b>	<b>36,303,072</b>

## STATEMENT OF TOTAL RETURN For the period ended 30 September 2011

	01 Apr 2011		01 Apr 2010	
	30 Sep 2011		30 Sep 2010	
	£	£	£	£
Net gains/(losses) on investments during the period		33,624		629,068
Other gains/(losses)		57,299		108,039
Gross income	668,030		391,447	
Expenses	(67,625)		(58,538)	
Net income/(deficit) before taxation	600,405		332,909	
Withholding tax	-		(1,382)	
Net income/(deficit) after taxation	600,405		331,527	
Total return for the period	691,328		1,068,634	
Equalisation	12,272		-	
Distributions	(492,619)		(331,303)	
<b>Change in net assets attributable to shareholders</b>		<b>210,981</b>		<b>737,331</b>

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

	01 Apr 2011		01 Apr 2010	
	30 Sep 2011		31 Mar 2011	
	£	£	£	£
<b>Net assets at 1 April</b>		<b>36,303,072</b>		<b>33,692,685</b>
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	5,497,903		16,970,221	
Amount payable on redemption of shares	(1,780,250)		(14,792,578)	
		3,717,653		2,177,643
Change in net assets attributable to shareholders		210,981		432,744
<b>Net assets at 30 September</b>		<b>40,231,706</b>		<b>36,303,072</b>

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

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

Description	Acquisition cost
	£
UK Treasury 0.75% 22/03/2034	2,045,627
Mexican Bonos Desarrollo 6.5% 06/10/2011	1,162,966
International Bank for Reconstruction & Development 4.75% 15/02/2035	1,075,430
Barclays Bank FRN 18/03/2013	1,000,000
Kreditanstalt fuer Wiederaufbau FRN 09/03/2015	999,400
European Investment Bank 4.25% 07/12/2021	914,670
Temasek Financial 5.125% 26/07/40	887,778
Barclays Bank FRN 19/07/2017	755,000
UK Treasury 2.5% 17/07/2024	754,856
United States Treasury 2.125% 15/02/2040 TIPS	743,585
Other acquisitions	6,579,370
<b>Total for period</b>	<b>16,918,682</b>

Description	Disposal proceeds
	£
United States Treasury 2.125% 15/02/2040 TIPS	2,274,582
UK Treasury 4.25% 07/09/2039	1,817,946
Barclays Bank 2.875% 23/12/2011	1,526,030
International Bank for Reconstruction & Development 4.75% 15/02/2035	1,166,366
UK Treasury 2.5% 17/07/2024	1,136,160
United States Treasury 4.625% 15/02/2040	1,108,833
Barclays Bank FRN 18/03/2013	1,002,100
Barclays Bank FRN 18/03/2013	1,000,000
European Investment Bank 4.25% 07/12/2021	957,807
United States Treasury 3.875% 15/08/2040	904,128
Other disposals	4,366,983
<b>Total for period</b>	<b>17,260,935</b>

# Dollar Total Return Bond Fund

## PORTFOLIO STATEMENT as at 30 September 2011

Description	Currency	Holding	Value US\$	As a % of Net Assets
<b>Bonds</b>				
Abbey National Treasury 5.5% 18/06/2014	GBP	50,000	78,209	0.32
Air Products & Chemicals 3.875% 10/03/2015	EUR	96,000	136,214	0.56
Bank of America 7.625% 01/06/2019	USD	35,000	36,375	0.15
Barclays Bank 6.75% 22/05/2019	USD	158,000	169,231	0.69
BAT International Finance 5.875% 12/03/2015	EUR	96,000	143,196	0.59
Borgwarner 4.625% 15/09/2020	USD	90,000	96,959	0.40
Citigroup 7.625% 03/04/2018	GBP	50,000	87,907	0.36
Citigroup Capital XIII 7.875% 30/10/2015	USD	4,350	114,296	0.47
Comcast 5.9% 15/03/2016	USD	34,000	38,838	0.16
Dow Chemical 5.9% 15/02/2015	USD	59,000	65,203	0.27
European Atomic Energy Community 2.5% 04/12/2015	EUR	484,000	671,715	2.75
Firststrand Bank 4.375% 09/06/2016	USD	200,000	198,384	0.81
France Telecom 7.25% 28/01/2013	EUR	90,000	130,065	0.53
General Electric Capital UK 4.625% 18/01/2016	GBP	40,000	63,978	0.26
GMAC Capital Trust I 8.125% 15/02/2016	USD	4,650	88,327	0.36
Golden Close Maritime 11% 09/12/2015	USD	100,000	103,500	0.42
HSBC Finance 6.25% 19/08/2019	GBP	40,000	67,612	0.28
Hutchison Whampoa Finance 4.75% 14/11/2016	EUR	150,000	209,596	0.86
ICICI Bank 5.5% 25/03/2015	USD	110,000	110,745	0.45
International Bank for Reconstruction and Development 5.75% 20/08/2012	MXN	3,060,000	230,935	0.95
Johnson & Johnson 5.5% 06/11/2024	GBP	50,000	92,234	0.38
JP Morgan Chase 6% 15/01/2018	USD	59,000	65,838	0.27
Korea (Republic of) 7.125% 16/04/2019	USD	860,000	1,040,376	4.26
Korea Expressway 4.5% 23/03/2015	USD	550,000	566,148	2.32
Kraft Foods 6.125% 23/08/2018	USD	60,000	71,020	0.29
Lloyds TSB Bank 4.875% 21/01/2016	USD	75,000	73,568	0.30
Lloyds TSB Bank 5.8% 13/01/2020	USD	178,000	169,579	0.69
MacQuarie Goup Australia 6% 14/01/2020	USD	79,000	74,967	0.31
Marks & Spencer 6.125% 02/12/2019	GBP	50,000	82,606	0.34
Mexican Bonos Desarrollo 8% 19/12/2013	MXN	107,000	849,329	3.48
Microsoft 5.3% 08/02/2041	USD	121,000	146,824	0.60
Muzinich America Yield Fund	GBP	7,388	1,106,803	4.53
National Express 6.625% 17/06/2020	GBP	50,000	83,474	0.34
National Grid 1.25% 10/06/2021	GBP	75,000	116,948	0.48
Next 5.875% 12/10/2016	GBP	50,000	83,943	0.34
Pepsico 4.875% 01/11/2040	USD	110,000	122,791	0.51
PSA International 3.875% 11/02/2021	USD	721,000	710,329	2.91
Reynolds American 7.25% 01/06/2013	USD	202,000	220,414	0.90
Rolls-Royce 7.375% 14/06/2016	GBP	40,000	75,695	0.31
Royal Bank of Scotland 6.625% 17/09/2018	GBP	37,000	58,082	0.24
South Africa (Republic of) 5.25% 16/05/2013	EUR	588,000	824,750	3.38
Tate & Lyle International Finance 6.75% 25/11/2019	GBP	50,000	89,304	0.37
Temasek Financial 5.125% 26/07/2040	GBP	412,000	701,658	2.87
Tesco 5.2% 24/08/2018	GBP	40,000	66,869	0.27
Tesco 5.625% 12/09/2012	EUR	133,000	186,412	0.76
Time Warner Cable 5% 01/02/2020	USD	36,000	38,437	0.16
Toyota Motor Credit 4% 07/12/2017	GBP	55,000	89,310	0.37
Turkey (Republic of) 7.5% 14/07/2017	USD	600,000	685,155	2.81
UK Treasury 0.75% 22/03/2034	GBP	749,000	1,286,425	5.27
UK Treasury 2.5% 17/07/2024	GBP	151,000	740,842	3.03
UK Treasury 4.25% 07/09/2039	GBP	156,000	270,775	1.11
Vale 4.375% 24/03/2018	EUR	148,000	201,925	0.83
Verizon Global Funding 7.375% 01/09/2012	USD	39,000	41,161	0.17
Vodafone 5.375% 05/12/2017	GBP	41,000	71,592	0.29
Volkswagon Financial Services 2.5% 07/10/2013	GBP	85,000	133,385	0.55
Wal-Mart Stores 5% 25/10/2040	USD	107,000	119,312	0.49
<b>Bonds Total (2011: 63.88%)</b>			<b>14,199,565</b>	<b>58.17</b>

## PORTFOLIO STATEMENT as at 30 September 2011 cont.

Description	Currency	Holding	Value US\$	As a % of Net Assets
<b>Cash Equivalents</b>				
<b>Floating Rate Notes</b>				
Barclays Bank FRN 19/07/2017	GBP	332,000	495,686	2.03
Commonwealth Bank of Australia FRN 17/09/2014	USD	516,000	518,683	2.12
Commonwealth Bank of Australia FRN 25/06/2014	USD	665,000	673,426	2.76
Hewlett-Packard FRN 30/09/2012	USD	415,000	413,352	1.69
Lloyds TSB Bank FRN 02/12/2011	USD	1,000,000	1,001,530	4.10
National Australia Bank FRN 08/07/2014	USD	505,000	510,580	2.09
Nederlandse Waterschapsbank FRN 27/05/2014	USD	657,000	659,388	2.70
Rabobank Nederland FRN 22/10/2012	USD	300,000	299,160	1.23
Royal Bank of Scotland FRN 11/05/2012	USD	600,000	602,640	2.47
<b>Floating Rate Notes Total (2011: 19.47%)</b>			<b>5,174,445</b>	<b>21.19</b>
<b>Bonds</b>				
Mexican Bonos Desarrollo 6.5% 06/10/2011	MXN	97,000	721,185	2.95
Nationwide Building Society 5.625% 09/09/2012	GBP	50,000	77,926	0.32
<b>Bonds Total (2011: 1.55%)</b>			<b>799,111</b>	<b>3.27</b>
<b>Cash Equivalents Total (2011: 21.02%)</b>			<b>5,973,556</b>	<b>24.46</b>
<b>Open forward foreign currency exchange contracts (2011: -0.03%)</b>			<b>186,568</b>	<b>0.76</b>
<b>Open futures contracts (2011: -0.07%)</b>			<b>(16,520)</b>	<b>(0.07)</b>
<b>Total Portfolio (2011: 84.80%)</b>			<b>20,343,169</b>	<b>83.32</b>
<b>Bank</b>			<b>3,512,139</b>	<b>14.38</b>
<b>Other Net Assets</b>			<b>560,410</b>	<b>2.30</b>
<b>Total Net Assets</b>			<b>24,415,718</b>	<b>100.00</b>
<b>R Class shares in issue</b>				<b>17,001,285</b>
<b>C Class shares in issue</b>				<b>78,4061</b>

# Dollar Total Return Bond Fund cont.

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011 US\$	31 Mar 2011 US\$
<b>Assets</b>		
Portfolio of investments	20,343,169	20,403,697
Debtors	805,885	416,059
Cash at Bank	3,512,139	3,439,124
<b>Total assets</b>	<b>24,661,193</b>	<b>24,258,880</b>
<b>Liabilities</b>		
Creditors	245,475	197,643
<b>Total liabilities</b>	<b>245,475</b>	<b>197,643</b>
<b>Net assets attributable to redeemable preference shareholders</b>	<b>24,415,718</b>	<b>24,061,237</b>

## 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 period		(86,250)		730,333
Other gains/(losses)		11,455		69,288
Gross income	408,122		360,773	
Expenses	(87,622)		(112,925)	
Net income/(deficit) before taxation	320,500		247,848	
Withholding tax	-		(1,407)	
Net income/(deficit) after taxation	320,500		246,441	
Total return for the period	245,705		1,046,062	
Equalisation	5,737		-	
Distributions	(271,240)		(253,326)	
<b>Change in net assets attributable to shareholders</b>		<b>(19,798)</b>		<b>792,736</b>

## 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		24,061,237		34,342,100
<b>Movements due to sales and repurchase of shares</b>				
Amount receivable on creation of shares	5,876,502		13,093,065	
Amount payable on redemption of shares	(5,502,223)		(23,901,297)	
		374,279		(10,808,232)
Change in net assets attributable to shareholders		(19,798)		527,369
<b>Net assets at 30 September</b>		<b>24,415,718</b>		<b>24,061,237</b>

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

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

Description	Acquisition cost US\$
UK Treasury 0.75% 22/03/2034	1,407,975
Mexican Bonos Desarrollo 6.5% 06/10/2011	805,697
International Bank for Reconstruction & Development 4.75% 15/02/2035	688,302
European Investment Bank 4.25% 07/12/2021	592,670
Temasek Financial 5.125% 26/07/2040	576,917
UK Treasury 2.5% 17/07/2024	573,062
Barclays Bank FRN 19/07/2017	528,179
UK Treasury 2.5% 17/07/2024	500,865
United States Treasury 2.125% 15/02/2040 TIPS	490,255
UK Treasury 2.5% 17/07/2024	466,755
Other acquisitions	3,281,910
<b>Total for period</b>	<b>9,912,587</b>

Description	Disposal proceeds US\$
United States Treasury 2.125% 15/02/2040 TIPS	1,621,775
UK Treasury 4.25% 07/09/2039	1,198,577
International Bank for Reconstruction & Development 4.75% 15/02/2035	871,160
UK Treasury 2.5% 17/07/2024	831,366
United States Treasury 4.625% 15/02/2040	721,013
European Investment Bank 4.25% 07/12/2021	628,896
United States Treasury 3.875% 15/08/2040	584,375
United States Treasury 4.625% 15/02/2040	495,107
United States Treasury 3.875% 15/04/2019 TIPS	442,717
General Electrical Capital 5.25% 21/02/2012	371,645
Other disposals	2,310,419
<b>Total for period</b>	<b>10,077,050</b>

# Ashburton Global Funds PCC

## BALANCE SHEET as at 30 September 2011

	30 Sep 2011	31 Mar 2011
	£	£
<b>Assets</b>		
Debtors	100	100
<b>Total assets</b>	<b>100</b>	<b>100</b>
<hr/>		
<b>Net assets attributable to redeemable preference shareholders</b>	<b>100</b>	<b>100</b>

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

	01 Apr 2011		01 Apr 2010	
	30 Sep 2011		30 Sep 2010	
	£	£	£	£
<b>Net assets at 1 April 2011</b>		<b>100</b>		<b>100</b>
<b>Net assets at 30 September 2011</b>		<b>100</b>		<b>100</b>

---

# Notes

---

---

# Notes

---

---

# Notes

---



**Ashburton (Jersey) Limited**

---

PO Box 239	T: +44 (0) 1534 512000
17 Hilary Street	F: +44 (0) 1534 512022
St Helier, Jersey	E: <a href="mailto:enquiries@ashburton.com">enquiries@ashburton.com</a>
JE4 8SJ Channel Islands	<a href="http://www.ashburton.com">www.ashburton.com</a>

**A member of the FirstRand Group**

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