

# Ashburton Global Funds PCC

FUND FACT SHEET 31/10/07 | CHINDIA EQUITY FUND PC



## Investment objective

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

## Fund manager's comment

Investor nerves were severely tested during October, as headline index changes masked some extremely volatile moves. However, with macroeconomic data and the 3rd quarter earnings season failing to provide any negative surprises, the markets continued their upward trajectory on the back of abundant liquidity and momentum.

Chinese shares found themselves in a rare situation, underperforming their Hong Kong counterparts by a wide margin following further announcements from the government to de-regulate its capital markets. By increasing the amount locals can invest abroad, the authorities hope to cool some of the speculative hot money inflows that have resulted in the meteoric rise of the Shanghai and Shenzhen bourses this year. Although the move was widely anticipated, expectations over the pace and transaction volume have been significantly revised up, with Hong Kong expected to be the major beneficiary. This, and the continued valuation discount to mainland Chinese shares, drove the Hang Seng to a monthly gain of 15.5%, with blue-chips significantly outperforming small and mid-cap names.

India's Sensex posted an equally impressive performance (+15.4%) as a record amount of foreign capital entered the market in search of returns. With the underlying growth story still firmly intact and the country less susceptible to a US slowdown than many markets globally, somewhere in the region of \$15 billion found its way into stocks during October. Regulatory authorities were clearly struggling to handle the inflows and, late in the month, the RBI announced that the P-Note structure (a draconian but long-standing means of gaining exposure for non-FII registered companies) was to be scrapped. Following an initial panic sell-off, soothing comments to allay concern arrived from both the Head of the RBI and the Finance Minister and stocks rebounded to finish the month just shy of the 20,000 level.

## Fund facts

Launch Date:	01/12/06	Fund Size:	\$81.58 m
Sell Price:	1.5105	Fund Currency:	USD
Buy Price:	1.5860	Dealing Day:	Daily
Initial Charge:	5%	ISIN No.:	JE00B1G6ZF83
Annual Management Fee:	1.75%	Sedol No.:	B1G6ZF8
Total Expense Ratio:	1.88%		

Minimum Investment: £10,000 or foreign currency equivalent  
Dividend Distribution Dates: 15 April and 15 October

Fund Manager: Jonathan Schiessl  
Manager: Ashburton Fund Managers Limited  
Investment Manager: Ashburton (Jersey) Limited  
Custodian: RBC Fund Services (Jersey) Limited

Regulation: Collective Investment Funds (Jersey) Law 1988. Operated in accordance with C.I.F. (Recognised Funds) (Rules) (Jersey) Order 2003. (UK FSA Recognised under section 270 of the UK Financial Services & Markets Act 2000).

For further information please contact **Tom Zambon** at: Ashburton (Jersey) Limited, PO Box 239, 17 Hilary Street, St Helier, Jersey JE4 8SJ.  
Telephone: +44 (0)1534 512222 Facsimile: +44 (0)1534 512277  
E-mail: enquiries@ashburton.com www.ashburton.com

## Investment performance

### Fund launched 1 December 2006

#### Investment performance since launch – 01/12/06 to 31/10/07

Fund	Cur	Launch Price	Price 31/10/07	% Growth Since Launch
Chindia Equity	US\$	0.9524	1.5105	<b>+58.60%</b>
Chindia Equity - £ Feeder	£	0.9524	1.4316	<b>+50.31%</b>

## Chindia – The Benefits

- Access to proven expertise in the region based on the top quartile performance of the Ashburton Asia Pacific Fund over a ten year period.
- Long-term investment strategy designed to profit from the huge potential of opportunities resulting from Chindia's economic growth.
- Ashburton's distinctive equity management methodology - actively managed, unconstrained relative investing with downside protection.

## Jonathan Schiessl - Investment Manager

Jonathan Schiessl, Ashburton's Asia Pacific specialist, runs the Chindia Equity Fund. He says that while the majority of the Fund is invested in Chinese or Indian companies, it also leverages off other multi-nationals operating outside these countries which benefit primarily from the Chindia story.

"The Fund's benchmark is 50% MSCI China and 50% MSCI India. In keeping with the Ashburton equity methodology, we will not be constrained by the benchmark. Rather, we follow a bottom-up stock selection strategy for the Chindia Fund. This enables us to carefully pick the companies and sectors which we believe deliver the best GARP (growth at a reasonable price) to provide optimal returns for investors."



In 2004, Jonathan was selected to join a panel of 'trendsetters' by the Asian Wall Street Journal because of the strong performance of the Asia Pacific Fund he successfully manages in Jersey. The Asia Pacific Fund is currently in the top quartile of funds in its universe over the ten year period since its launch. The launch of the Chindia Fund adds another string to his bow.

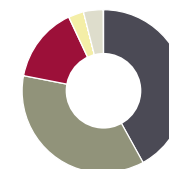
The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment. Past performance is not necessarily a guide to future performance. Where investments involve exposure to a currency other than that in which the fund is denominated, changes in rates of exchange may cause the value of the investment to go up or down. Ashburton Fund Managers Limited is regulated by the Jersey Financial Services Commission under the Collective Investment Funds (Jersey) Law 1988. Ashburton Global Funds Limited is not authorised to conduct investment business in the UK and therefore the protections of the UK regulatory system are not applicable. Any investment in this fund does not carry any rights of cancellation under the UK Financial Services & Markets Act 2000. Shareholders rights are not protected under the UK Financial Services Compensation Scheme. In certain circumstances the CIF (Recognized Funds) (Compensation for Investors) (Jersey) Regulations 1988, may provide compensation for investors. Performance calculations are effected on the last dealing day of the period, on a bid price to bid price basis, which ignores the effect of initial charges, together with income re-invested.

## Investment strategy

### Geographical weightings

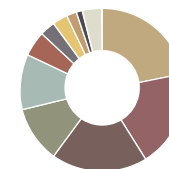
42%	China
36%	India
15%	Asia
3%	Europe
4%	Cash*

\* Cash and short-term instruments



### Sector weightings

22%	Basic Materials
19%	Financials
19%	Industrials
11%	Energy
11%	Con Discretionary
5%	Con Staples
3%	Info Technology
3%	Telecommunication
2%	Utilities
1%	Health Care
4%	Cash*



### Currency weightings

42%	Hong Kong
36%	India
15%	Asia
4%	N America
3%	Europe



### Largest holdings

PETROCHINA CO	2.97%
PUNJ LLOYD LTD	2.95%
MOUNT GIBSON IRON	2.68%
BK OF INDIA	2.44%
HONG KONG EXCHANGE	2.43%
STERLITE INDS	2.29%
CHEUNG KONG(HLDGS)	2.26%
BHARAT HEAVY ELECT	2.26%
ZIJIN MINING GROUP	2.20%
DONGFENG MOTOR GRO	2.19%