

Ashburton Management Company RF Proprietary Limited
Ashburton Global Equity ETF
Share Code: ASHGEQ
ISIN: ZAE000249967

Ashburton Global Equity ETF, a portfolio in the Ashburton Collective Investment Scheme (“the portfolio”) registered in terms of the Collective Investment Schemes Control Act, 45 of 2002 (“the Act”) and managed by Ashburton Management Company RF Proprietary Limited (“the manager”).

BALLOT VOTING PROCEDURE IN RESPECT OF THE CHANGE OF THE FUND STRUCTURE OF THE ASHBURTON GLOBAL 1200 EQUITY ETF (“ASHGEQ”), TRACKING THE S&P GLOBAL 1200 INDEX, TO A FUND OF FUND STRUCTURE.

1. Background

The aim of the portfolio is to provide returns linked to the performance of the S&P Global 1200 Index. Currently this is achieved by investing directly in the component equities of the index. As the S&P Global 1200 Index is a composite of 7 regional headline indices, the fund is invested in both developed and emerging markets across the US, Europe, Japan, Canada, Australia, Asia and Latin America. Rebalancing of the 7 regional headline indices will be as and when the index provider (S&P Dow Jones Indices) changes the respective weightings of the regions that is represented by these. There is no rebalancing of the respective underlying building block indices as their respective issuers track the applicable sub indices and rebalance those accordingly.

Since inception of the portfolio the costs, as expressed by the Total Investment Charges (TIC), are 0.66% and annualized tracking difference compared to the index since inception is 0.67%.

A decision has been made by the manager to seek approval from the underlying investors in the portfolio to amend the fund structure to a Fund of Fund structure that invests in underlying ETFs that represent the 7 regional headline indices representing the S&P Global 1200 Index (“the Amendment”).

The impact of the Amendment is that the portfolio will no longer buy and hold underlying constituents of the S&P Global 1200 Index but only holds the respective iShares ETFs and SPDR

ETFs that represent the constituent indices. The management fee will reduce from 0.37% to 0.25% per annum (exclusive of VAT). which will only become effective once the regulatory approval of the Amendment has been obtained. The management of the portfolio, income distributions, risk profile and ASISA classification will all remain as is and will not be changed.

2. Index regional constituents

The initial list of the foreign listed ETFs for inclusion in the Fund of Fund structure, subject to conclusion of the due diligence requirements of the Act, to be included are:

Fund	Weighted Total Expense Ratio
iShares Core S&P 500 ETF	0.04%
iShares MSCI Europe UCITS ETF EUR Dist	0.11%
iShares S&P/TSX 60 Index ETF	0.01%
iShares Core TOPIX ETF	0.01%
iShares Asia 50 ETF	0.05%
iShares Latin America 40 ETF	0.01%
SPDR S&P/ASX 50 Fund	0.01%
Weighted average total tracking difference	0.24%

3. The changes to the portfolio are summarised as follows:

EXISTING	PROPOSED EFFECTIVE DATE Wednesday, 19 August 2020
ASHBURTON GLOBAL 1200 EQUITY ETF	ASHBURTON GLOBAL 1200 EQUITY FUND OF FUNDS ETF
INDEX	INDEX
S&P GLOBAL 1200 INDEX	S&P GLOBAL 1200 INDEX

<p>INVESTMENT POLICY</p> <p>3.1 The objective of the portfolio is to replicate and track the economic performance of the underlying index, S&P Global 1200 Index (the “Index”), as closely as possible, and to focus on achieving a total compound annual return which will substantially equate to the compound annual return of the portfolio benchmark, as adjusted to take into account transaction and other costs and assets in liquid form.</p> <p>3.2 The portfolio will be a passively managed portfolio in that the Manager will not buy and sell securities based on economic, financial and/or market analysis but rather, will buy and sell securities solely for the purpose of ensuring that the portfolio tracks the Index. As such the investment objective and style of the portfolio will be to generally invest in the component securities of the Index in proportion to their weighting in the Index and will under normal circumstances aim to invest at least 90% of its total assets in the securities composing the Index.</p> <p>3.3 The financial or other condition of any company or entity included from time to time in the Index will not result in the elimination of its securities from the portfolio, unless the securities of such company or entity are removed from the Index itself.</p>	<p>INVESTMENT POLICY</p> <p>3.1 The objective of the portfolio is to track the economic performance of the underlying index, the S&P Global 1200 Index as closely as possible and to focus on achieving a total compound annual return which will substantially equate to the compound annual return of the portfolio benchmark, as adjusted to take into account transaction and other costs and assets in liquid form.</p> <p>3.2 The portfolio will be a passively managed portfolio in that the Manager will not buy or sell securities based on economic financial and/or market analysis but rather, will buy and sell securities solely for the purpose of ensuring that the portfolio tracks the S&P Global 1200 Index.</p> <p>3.3. To achieve the above objective, the Ashburton Global 1200 Equity Fund of Funds ETF will, apart from assets in liquid form, consists solely of participatory interests in ETFs representing the seven constituent indices of the S&P 1200 Global Index as per the weights published by the index provider from time to time. Rebalancing of the seven constituent indices of the S&P 1200 Global Index will be as and when the index provider (S&P) changes the respective weightings of the regions that is represented by these. There is no rebalancing of the respective underlying</p>

<p>3.4 In no event will the portfolio be managed according to the traditional approach of active management, rather a passive approach will be applied at all times.</p> <p>3.5 Nothing in this supplemental deed shall preclude the Manager from varying the ratios of securities, non-equity securities or assets in liquid form in changing economic environment or market conditions, or to meet the requirements in terms of legislation and from retaining cash or placing cash on deposit in terms of the main deed and this supplemental deed.</p> <p>3.6 The Trustee shall ensure that the investment policy set out in this supplemental deed is carried out.</p> <p>3.7 For the purpose of this portfolio, the Manager shall reserve the right to close the portfolio to new investors on a date determined by the Manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The Manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the Manager.</p>	<p>building block indices as their respective issuers track the applicable sub indices and rebalance those accordingly.</p> <p>3.4 The Ashburton Global 1200 Equity Fund of Funds ETF may also include listed or unlisted financial instruments for the exclusive purpose of hedging exchange rate risks.</p> <p>3.5 The Trustee shall ensure that the investment policy set out in the preceding clauses is adhered to, if nothing contained in this clause shall preclude the Manager from varying the proportions of securities in terms of changing economic factors or market conditions or from retaining cash in the portfolio and/or placing cash on deposit.</p> <p>3.6 For the purposes of the Ashburton Global 1200 Equity Fund of Funds ETF, the Manager shall reserve the right to close the Ashburton Global 1200 Equity Fund of Funds ETF to new investors. This will be done to be able to manage the Ashburton Global 1200 Equity Fund of Funds ETF in accordance with its mandate. This critical size shall be determined from time to time by the Manager.</p>
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<p>3.5 Nothing in this supplemental deed shall preclude the Manager from varying the ratios of securities, non-equity securities or assets in liquid form in changing economic environment or market conditions, or to meet the requirements in terms of legislation and from retaining cash or placing cash on deposit in terms of the main deed and this supplemental deed.</p> <p>3.6 The Trustee shall ensure that the investment policy set out in this supplemental deed is carried out.</p>	
<p>UNDERLYING CONSTITUANTS</p> <p>Individual constituents comprising the S&P Global 1200 Index</p>	<p>UNDERLYING CONSTITUANTS</p> <p>Foreign listed ETFs comprising their relevant weights in the index. Current list of underlying constituents are as follows:</p> <p>iShares Core S&P 500 ETF</p> <p>iShares MSCI Europe UCITS ETF EUR Dist</p> <p>iShares S&P/TSX 60 Index ETF</p> <p>iShares Core TOPIX ETF</p> <p>iShares Asia 50 ETF</p> <p>iShares Latin America 40 ETF</p> <p>SPDR S&P/ASX 50 Fund</p>
<p>MANAGEMENT FEES</p> <p>0.37%</p>	<p>MANAGEMENT FEES</p> <p>0.25%</p>
<p>TOTAL INVESTMENT CHARGE (TIC)</p>	<p>EXPECTED TOTAL INVESTMENT CHARGE (TIC)</p>

0.67%	0.49%
DISTRIBUTIONS	DISTRIBUTIONS
Quarterly for the end of January, April, July and October	Quarterly for the end of January, April, July and October

4. Ballot voting procedure and implementation of the amendments

In terms of Section 98(2) of the Act and paragraph 59 of the Main Deed of the Scheme, investor consent is required to affect the Amendments, which state that:

- Investors holding no less than 25% in value of the total number of participatory investors in the portfolio, excluding any holdings by the manager must respond to the ballot request, for it to be successful.
- The majority of those who have responded to the ballot must vote in favour for the ballot to be successful.
- If less than 25% of investors respond, a second ballot must be conducted

5. Action required by investors

- Existing unit holders are requested to notify their JSE Brokers/ CSDPs by no later than 4 August 2020, as to whether they approve the Amendments as set out in this announcement or not.
- The various Brokers/CSDPs will then submit the ballot responses via ballot form to the managers registered Auditors, PWC before close of business on Tuesday, 4 August 2020.
- Only votes from unit holders that are recorded on the register as at close of business on Thursday, 25 June 2020 will be eligible.
- If you have disposed of your participatory interests in the portfolio, no action is required.

6. Approvals and effective days

Approval for the Amendments was granted by the FSCA on 19 June 2020

Provided that the ballot is in favor of the Amendments the changes will be effective from commencement of business on 19 August 2020.

Copies of the proposed new Ashburton Global 1200 Equity Fund of Funds ETF Supplemental Deed may be obtained during normal business hours from the office of the Manager, 4 Merchant Place, Cnr Fredman Drive & Rivonia Road, Sandton and is available on the website: www.ashburtoninvestments.com

Salient dates in respect of the Amendments are set out below:

Expected timeline for the implementation of the Amendments	2020
Announcement of proposed amendments and Ballot	Monday, 22 June
Extraction date of eligible investors for the Ballot	Thursday, 25 June
Last day for investors to respond to their JSE brokers/ CSDPs on whether they approve the Amendments as set out in this announcement or not	Tuesday, 4 August
Finalization SENS announcement of approval of the Amendments	Tuesday, 11 August
Last Day to Trade in the Ashburton Global 1200 Equity ETF ("ASHGEQ")	Tuesday, 18 August
Termination of trading of Ashburton Global 1200 Equity ETF ("ASHGEQ")	Wednesday 19 August
Commencement of trading in Ashburton Global 1200 Equity Fund of Funds ETF	Wednesday, 19 August
Record date	Friday, 21 August
Accounts of dematerialised securities holders updated at their CSDPs or brokers	Monday, 24 August

7. Notices

Ashburton Global 1200 Equity Fund of Funds ETF participatory interests are not in any way sponsored, endorsed, sold or promoted by the JSE and it does not make any warranty or representation whatsoever, expressly or implied, either as to the basis of calculation of, or as to the results to be obtained from the use of S&P Global 1200 Index.

The securities being issued pursuant to this supplement are not eligible for sale in the United States or in any other jurisdiction in which trading in the securities would be illegal. The securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act has not approved trading in the securities. The securities may not be offered, sold or delivered within the United States or to U.S. persons, nor may any U.S. person at any time trade or maintain a position in the securities

22 June 2020

Trustee: Standard Chartered Bank