

Ashburton Global 1200 Equity Fund of Funds Exchange Traded Fund

A portfolio in the Ashburton Collective Investment Scheme in Securities Exchange Traded Funds (the portfolio) registered in terms of the Collective Investment Schemes Control Act, 45 of 2002

(Incorporated in the Republic of South Africa)

Share Code: ASHEQF

ISIN: ZAE000289872

ABRIDGED AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2020

The Ashburton Collective Investment Scheme (the Scheme) was established in accordance with the provisions of the Collective Investment Schemes Control Act 45 of 2002 (CISCA) with effect from 12 April 2008. The Ashburton Global 1200 Equity Fund of Funds Exchange Traded Fund (the portfolio) was established as a portfolio of the Scheme in accordance with paragraph A of the deed of the Scheme on 19 September 2017.

The portfolio is a passive investment fund with the aim of providing returns linked to the performance of the S&P Global 1200 Index (the index) on the New York Stock Exchange in terms of both price and performance.

The Portfolio was initially listed on the JSE on 6 October 2017

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

Rand	2020	2019
ASSETS		
Investments designated at fair value through profit or loss	744 339 678	527 019 925
Trade and other receivables	620 234	1 177 993
Cash and cash equivalents	10 433 882	3 359 450
Total assets	755 393 794	531 557 368
LIABILITIES		
Net assets attributable to participatory interest holders	754 578 304	530 938 033
Trade and other payables	815 490	619 335
Total equity and liabilities	755 393 794	531 557 368

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

Rand	2020	2019
Interest income	36 682	76 636
Fair value gains	146 464 288	23 402 541
Investment income	146 500 970	23 479 177
Other income	8 594	-
Operating expenses	(2 776 785)	(1 928 758)
Interest expense	-	(493 079)
Profit before tax	143 732 779	21 057 340
Taxation	-	-
Profit before amounts attributable to participatory interest holders	143 732 779	21 057 340
(Increase) in net assets attributable to participatory interest holders	(143 732 779)	(21 057 340)
Total comprehensive income for the year	-	-

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

Rand	2020	2019
Cash flows from operating activities		
Cash utilised by operations	(1 991 872)	(2 070 890)
Dividends received	12 503 917	8 715 110
Interest received	38 220	74 511
Interest paid	-	(493 025)
Sales of investments designated at fair value through profit or loss	34 833 356	306 449 817
Purchase of investments designated at fair value through profit or loss	(118 216 681)	(639 406 269)
Net cash outflow from operating activities	(72 833 060)	(326 730 745)
Cash flows from financing activities		
Redemption of portfolio participatory interests	-	(1 536)
Creation of portfolio participatory interests	90 191 920	334 744 868
Distributions paid to participatory interest holders	(10 284 428)	(6 083 401)
Net cash inflow from financing activities	79 907 492	328 659 931
Net increase in cash and cash equivalents	7 074 432	1 929 186
Cash and cash equivalents at the beginning of the year	3 359 450	1 430 264
Cash and cash equivalents at the end of the year	10 433 882	3 359 450

SUMMARISED ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

Basis of presentation

The annual financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (the "IASB"), including interpretations issued by the IFRS Interpretations Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and the provisions of CISC.

Standards, interpretations and amendments effective 1 July 2019

A number of new and revised standards and interpretations became effective from 1 July 2019, but they had no material impact on the Portfolio's reported earnings, financial position, reserves or accounting policies.

Financial instruments: Classification

The Portfolio has classified all its investments as financial assets or financial liabilities at amortised cost or at fair value through profit or loss ("FVPL").

Financial assets at amortised cost include other receivables, dividends and interest receivable and cash and cash equivalents.

Financial assets at FVPL

All financial assets not measured at amortised cost are subsequently measured at FVPL, except for investments in equities and rights which are mandatorily held at FVPL.

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading or designated as at FVPL are measured at amortised cost. This category includes fees payable and other payables.

Financial instruments: Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. All balances, except for physical cash which is held at call, included in cash and cash equivalents have a maturity date of less than three months from the acquisition date and are measured at amortised cost.

Participatory interest

The participatory interests are issued and redeemed at the holder's option at prices based on the Portfolio's net asset value per participatory interest at the time of issue or redemption. The Portfolio's net asset value per participatory interest is calculated by dividing the net assets attributable to the holders of the participatory interest by the total number of outstanding participatory interests, in accordance with the provisions of the Portfolio's supplemental trust deed.

Net assets attributable to participatory interest holders, evidence a residual interest in the assets of a portfolio after deducting all of its liabilities.

The value of the net assets attributable to participatory interest holders will vary with the changes in the underlying value of the investments, net of receivables and payables. The total movement in the statement of comprehensive income is transferred to the net assets attributable to participatory interest holders.

Creations and redemptions are recorded on trade date using the previous day's closing price.

In accordance with the Portfolio's supplemental trust deed, the Portfolio distributes its distributable income and any other amounts determined by the Manager of the Portfolio to participatory interest holders. For this reason, the participatory interest does not meet the requirements to be classified as equity in terms of IAS 32 and is thus classified as a liability. Distributions are automatically reinvested in additional participatory interests, other than distributions that are paid in cash.

Net income adjustment on creation and redemption of units

An adjustment to income arises on the creation and cancellation of units since the price of a unit includes accrued income and expenses. The income adjustment on creation or cancellation of units is recognised as part of the creation or redemption of unitholder interests and disclosed within the note of net assets attributable to participatory interest holders, when units on which it arises are either purchased or sold as these form part of the cash flow on unit transactions.

Investment income***Fair value gains and losses***

Gains and losses arising from a change in the fair value of investments, interest income on interest-bearing investments and dividend income, are included in the statement of comprehensive income under fair value gains / losses in the year in which the changes arise.

Dividend income

Dividend income in respect of investments is recognised when the right to receive payment is established. This is on the "last-day-to-trade" for listed investments and on the "date-of-declaration" for unlisted investments. Dividend income is recognised in the statement of comprehensive income as part of fair value gains and losses.

Interest income

Interest income on cash and cash equivalents is recognised in the statement of comprehensive income as part of interest income on the effective interest method.

Taxation

The Portfolio has no current or deferred tax liability as all realised gains and losses are considered to be of a capital nature and disregarded in the tax calculation of this Collective Investment Scheme portfolio in accordance with paragraph 61 of the Eighth schedule to the Income Tax Act No 58 of 1962. All investment income is distributed within the time frames specified by section 25BA of the Income Tax Act and is therefore taxed in the hands of the participatory interest holders.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items are translated using the closing exchange rates prevailing at the reporting date. The realised and unrealized differences on translation are recognised in the statement of comprehensive income in the period in which they arise.

Critical accounting estimates and judgements in applying accounting policies

No significant accounting estimates and judgements have been applied in the annual financial statements of the Portfolio.

All investments at FVPL are measured at fair value based on quoted prices in active markets and do not require the use of judgement or estimates.

SUMMARISED NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Net assets attributable to participatory interest holders

Rand	2020	2019
Balance at the beginning of the year	530 938 033	181 220 762
Participatory interests created during the year	90 191 920	334 744 868
Participatory interests redeemed during the year	-	(1 536)
Increase/(decrease) in net assets attributable to participatory interest holders	143 732 779	21 057 340
Distributions paid	(10 284 428)	(6 083 401)
Balance at the end of the year	754 578 304	530 938 033

Distributions

Rand	Number of participatory interests	Distribution	Number of participatory interests	Distribution
	2020	2020	2019	2019
Declared 31 August 2019 and paid on 1 September 2019 (Declared 31 August 2018 and paid on 03 September 2018)				
Class A: 28.19 cents per participatory interest (2019: 12.51 cents per participatory interest)	11 849 000	3 339 669	6 860 000	858 251
Declared 20 November 2019 and paid on 25 November 2019 (Declared 05 December 2018 and paid on 10 December 2018)				
Class A: 16.75 cents per participatory interest (2019: 10.38 cents per participatory interest)	11 849 000	1 984 165	10 719 000	1 112 602
Declared 24 February 2020 and paid 25 February 2020 (Declared 27 February 2019 and paid 4 March 2019)				
Class A: 20.26 cents per participatory interest (2019: 18.31 cents per participatory interest)	12 069 000	2 445 714	11 849 000	2 170 125
Declared 13 May 2020 and paid on 18 May 2020 (Declared 29 May 2019 and paid on 3 June 2019)				
Class A: 19.91 cents per participatory interest (2019: 16.39 cents per participatory interest)	12 629 000	2 514 880	11 849 000	1 942 423
		10 284 428		6 083 401

Included in the liability to participatory interest holders is the distribution payable as at 30 June.

These summarised financial statements have been not been audited but the full sets, available at the website mentioned below, have been audited by the independent auditors, PricewaterhouseCoopers Incorporated, and their unqualified audit opinion is available for inspection at the company's registered head office.

A full copy of the financial statements is available on the Ashburton website:

<https://www.ashburtoninvestments.com/za/individual-investor/fund/ashburton-global-1200-equity-etf/zae000289872>

30 October 2020

Debt Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)

Trustee

Standard Chartered Bank, Johannesburg Branch

Manager

Ashburton Management Company (RF) Proprietary Limited

Auditors

PricewaterhouseCoopers Incorporated