

# Ashburton Global 1200 Equity Fund of Funds Exchange Traded Fund

A portfolio in the Ashburton Collective Investment Scheme in Securities Exchange Traded Funds 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 2021

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 restructure of the Ashburton Global 1200 Equity ETF resulted in a name change of the Portfolio. The new name is the "Ashburton Global 1200 Equity Fund of Funds ETF". The management of the Portfolio, income distributions, risk profile and ASISA classification all remained the same. The Portfolio started trading on the JSE Limited ("JSE") under its new share code – ASHEQF - on 9 September 2020.

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 2021

Rand	2021	2020
<b>ASSETS</b>		
Investments designated at fair value through profit or loss	1 226 034 395	744 339 678
Trade and other receivables	149 690	620 234
Cash and cash equivalents	8 719 817	10 433 882
<b>Total assets</b>	<b>1 234 903 902</b>	<b>755 393 794</b>
<b>LIABILITIES</b>		
Net assets attributable to participatory interest holders	1 233 974 994	754 578 304
Trade and other payables	928 908	815 490
<b>Total equity and liabilities</b>	<b>1 234 903 902</b>	<b>755 393 794</b>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

Rand	2021	2020
Interest income	19 291	36 682
Fair value gains	128 256 761	146 464 288
<b>Investment income</b>	<b>128 276 052</b>	<b>146 500 970</b>
Other income	-	8 594
Operating expenses	(3 453 652)	(2 776 785)
Interest expense	(5 925)	-
<b>Profit before tax</b>	<b>124 816 475</b>	<b>143 732 779</b>
Taxation	-	-
<b>Profit before amounts attributable to participatory interest holders</b>	<b>124 816 475</b>	<b>143 732 779</b>
(Increase) in net assets attributable to participatory interest holders	(124 816 475)	(143 732 779)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

Rand	2021	2020
<b>Cash flows from operating activities</b>		
Cash utilised by operations	(3 340 234)	(1 991 872)
Dividends received	16 085 100	12 503 917
Interest received	20 058	38 220
Interest paid	(5 925)	-
Sales of investments designated at fair value through profit or loss	854 963 244	34 833 356
Purchase of investments designated at fair value through profit or loss	(1 224 016 523)	(118 216 681)
<b>Net cash outflow from operating activities</b>	<b>(356 294 280)</b>	<b>(72 833 060)</b>
<b>Cash flows from financing activities</b>		
Redemption of portfolio participatory interests	-	-
Creation of portfolio participatory interests	363 729 801	90 191 920
Distributions paid to participatory interest holders	(9 149 586)	(10 284 428)
<b>Net cash inflow from financing activities</b>	<b>354 580 215</b>	<b>79 907 492</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1 714 065)</b>	<b>7 074 432</b>
Cash and cash equivalents at the beginning of the year	10 433 882	3 359 450
<b>Cash and cash equivalents at the end of the year</b>	<b>8 719 817</b>	<b>10 433 882</b>

## SUMMARISED ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2021

### 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, the provisions of CISC and JSE listing requirements.

### Standards, interpretations and amendments effective 1 July 2020

A number of new and revised standards and interpretations became effective from 1 July 2020, 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 2021

### Net assets attributable to participatory interest holders

Rand	2021	2020
Balance at the beginning of the year	754 578 304	530 938 033
Participatory interests created during the year	363 729 801	90 191 920
Participatory interests redeemed during the year	-	-
Increase/(decrease) in net assets attributable to participatory interest holders	124 816 475	143 732 779
Distributions paid	(9 149 586)	(10 284 428)
<b>Balance at the end of the year</b>	<b>1 233 974 994</b>	<b>754 578 304</b>

### Distributions

Rand	Number of participatory interests	Distribution	Number of participatory interests	Distribution
	2021	2021	2020	2020
<b>Declared 31 August 2020 and paid on 1 September 2020 (Declared 31 August 2019 and paid on 1 September 2019)</b> Class A: 21.85 cents per participatory interest (2020: 28.19 cents per participatory interest)	15 819 000	3 456 133	11 849 000	3 339 669
<b>Declared 20 November 2020 and paid on 25 November 2020 (Declared 20 November 2019 and paid on 25 November 2019)</b> Class A: 0.28 cents per participatory interest (2020: 16.75 cents per participatory interest)	15 819 000	44 256	11 849 000	1 984 165
<b>Declared 24 February 2021 and paid 25 February 2021 (Declared 24 February 2020 and paid 25 February 2020)</b> Class A: 15.31 cents per participatory interest (2020: 20.26 cents per participatory interest)	17 969 000	2 751 196	12 069 000	2 445 714
<b>Declared 13 May 2021 and paid on 18 May 2021 (Declared 13 May 2020 and paid on 18 May 2020)</b> Class A: 14.59 cents per participatory interest (2020: 19.91 cents per participatory interest)	19 869 000	2 898 091	12 629 000	2 514 880
		<b>9 149 586</b>		<b>10 284 428</b>

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 audited annual financial statements is available on the Ashburton website:

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

29 October 2021

**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