

## Ashburton MidCap 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 ("CISCA")

(Incorporated in the Republic of South Africa)

Share Code: ASHMID

ISIN: ZAE000215349

### 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 CISCA with effect from 12 April 2008. The Ashburton MidCap 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 26 June 2012.

The portfolio is a passive investment fund with the aim of providing returns linked to the performance of the FTSE/JSE Mid Cap Index (the "index") in terms of both price and performance.

The Portfolio was initially listed on the JSE on 15 August 2012.

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

Rand	2021	2020
<b>ASSETS</b>		
Investments designated at fair value through profit or loss	461 124 847	248 642 164
Financial assets at fair value through profit and loss – securities lent	82 083 710	76 501 374
Trade and other receivables	369 906	176 207
Cash and cash equivalents	5 430 339	2 351 779
<b>Total assets</b>	<b>549 017 802</b>	<b>327 671 524</b>
<b>LIABILITIES</b>		
Net assets attributable to participatory interest holders	548 244 359	327 199 623
Trade and other payables	773 443	471 901
<b>Total equity and liabilities</b>	<b>549 017 802</b>	<b>327 671 524</b>

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

Rand	2021	2020
Interest income	47 475	128 406
Fair value gains / (loss)	117 117 019	(67 132 423)
<b>Investment income/(loss)</b>	<b>117 164 494</b>	<b>(67 004 017)</b>
Other income	109 139	255 813
Operating expenses	(2 575 933)	(2 032 737)
<b>Profit/(loss) before tax</b>	<b>114 697 700</b>	<b>(68 780 941)</b>
Taxation	-	-
<b>Profit/(loss) before amounts attributable to participatory interest holders</b>	<b>114 697 700</b>	<b>(68 780 941)</b>
Decrease/(Increase) in net assets attributable to participatory interest holders	(114 697 700)	68 780 941
<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	(2 183 456)	(1 856 926)
Dividends received	12 715 602	14 211 796
Interest received	42 439	135 756
Sales of investments designated at fair value through profit or loss	137 414 344	163 351 856
Purchase of investments designated at fair value through profit or loss	(251 248 405)	(209 011 124)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(103 259 476)</b>	<b>(33 168 642)</b>
<b>Cash flows from financing activities</b>		
Redemption of portfolio participatory interests	(10 512 255)	(5 036 424)
Creation of portfolio participatory interests	124 010 528	49 456 427
Distributions paid to participatory interest holders	(7 151 237)	(12 432 106)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>106 347 036</b>	<b>31 987 897</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3 087 560</b>	<b>(1 180 745)</b>
Cash and cash equivalents at the beginning of the year	2 351 779	3 532 524
<b>Cash and cash equivalents at the end of the year</b>	<b>5 439 339</b>	<b>2 351 779</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 Portfolio issues one class of participatory interests which is redeemable at the holder's option. Participatory interests can be put back to the Portfolio at any dealing date for cash equal to a proportionate share of the Portfolio's net asset value attributable to the participatory interest class.

The participatory interests are measured at the redemption amount that is payable at the reporting date if the holder exercises the right to put the participatory interests back to the Portfolio.

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 the 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. The portfolio does not have an unconditional right to avoid delivering cash or another financial asset to settle the contractual obligation should a holder exercise the right to put the participatory interests back to the portfolio. 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.

**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	327 199 623	363 992 667
Participatory interests created during the year	124 010 528	49 456 427
Participatory interests redeemed during the year	(10 512 255)	(5 036 424)
Increase/(decrease) in net assets attributable to participatory interest holders	114 697 700	(68 780 941)
Distributions paid	(7 151 237)	(12 432 106)
<b>Balance at the end of the year</b>	<b>548 244 359</b>	<b>327 199 623</b>

### Distributions

Rand	Number of participatory interests	Distribution	Number of participatory interests	Distribution
	2021	2021	2020	2020
<b>Declared 30 September 2020 and paid 1 October 2020 (Declared 30 September 2019 and paid 1 October 2019)</b> Class A: 2.67 cents per participatory interest (2020: 5.7 cents per participatory interest)	58 500 000	1 564 495	51 000 000	2 905 973
<b>Declared 31 December 2020 and paid 2 January 2021 (Declared 31 December 2019 and paid 2 January 2020)</b> Class A: 2.86 cents per participatory interest (2020: 6.67 cents per participatory interest)	61 300 000	1 750 504	54 500 000	3 633 520
<b>Declared 31 March 2021 and paid 1 April 2021 (Declared 31 March 2020 and paid 1 April 2020)</b> Class A: 2.8 cents per participatory interest (2020: 5.29 cents per participatory interest)	70 600 000	1 979 386	54 500 000	2 882 081
<b>Declared 30 June 2021 and paid 1 July 2021 (Declared 30 June 2020 and paid 1 July 2020)</b> Class A: nil cents per participatory interest (2020: 3.2 cents per participatory interest)	74 752 103	4 485 156	58 000 000	1 856 848
		<b>9 779 541</b>		<b>11 795 312</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-midcap-etf/zae000215349>

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