ASHBURTON INVESTMENTS

March 2026

Ashburton Global Equity Growth Fund

Quarterly Investment Commentary

Global equity markets returned -3.2%in the first quarter of 2026. The year began with an escalation in geopolitical tensions between the US and Venezuela when US forces extracted and arrested Venezuela's President Nicolas Maduro on 3 January 2026. This event was largely shrugged off by investors and January and February were positive months for Global Equity Markets.

In the US, the macro-outlook was favourable with two interest rate cuts expected in 2026, supported by lower inflation expectations. In addition, further support for growth was expected from fiscal stimulus from the One Big Beautiful Bill. Emerging markets also performed well over these two months, buoyed by strong currencies relative to the USD, lower interest rates, and a strong growth outlook for 2026.

The start of the US/Iran war on 28 February reversed all the gains made in the year, leading to Global Equity Markets falling 7.2% in March. The closure of the Strait of Hormuz led to significantly higher energy prices, raising concerns around the potential for a global economic crisis and possible recession. The Strait has 20% of the world oil and LNG exports passing through it annually and fears of elevated inflation because of the supply issues saw market speculation move from expected rate cuts to potential rate hikes.

The Global Equity Growth Fund returned -8.2% (I-Class) in the first quarter of the year, underperforming the MSCI All World Index, although performing broadly in line with growth peers. Growth as a style underperformed in the quarter with one of the reasons being the large software sector sell-off. The fear of AI tools and models such as Anthropic' s Claude disrupting software models sent the MSCI World/Software Index down 25% in 1Q26. We expect AI models to be disruptive, however, the sell-off has been very broad based with capital markets moving before the structural implications of AI are fully understood.

The largest detractors from performance were Adyen, Grab Holdings and SEA Limited. Adyen recently guided to net-revenue growth of 20%-22% which was lower than the low-mid twenties growth guidance previously. In addition, the company has been caught up in the AI-disruption driven drawdown in global software assets. This is even though Adyen already employs AI in its offering, adding to its differentiation which could potentially lead to the Company taking incremental online share rather than being disrupted.

Grab Holding's stock price has been dragged down with the broad-based derating of the ride-hailing industry. This is despite guiding towards strong 2026 revenue growth of 20-22% yoy and EBITDA growth up 40-44%. In addition, the company expects to achieve revenue growth CAGR of 20% from 2026-2028 and Group EBITDA 3x that of 2025 in 2028. The company also announced a new USD500 billionshare buy-back program.

Axon stock also retreated meaningfully in the quarter, despite the company achieving a beat and raised in the past quarter, reporting strong bookings growth, and likely to be an AI beneficiary. This has led to a large derating of the stock, even more so than the overall software sector. We continue to be of the view that AI disruption fears are overblown for the counter.

On the positive side, Samsung Electronics rose 26% in the quarter due to tight memory supply which is expected to last into 2027. We believe there is further upside to the current share price due to a period of intense capacity constraints from AI related demand.

Vertiv rose strongly after reporting a very strong fourth quarter. The Company reported orders much higher than expected and a 2026 guide above consensus. Nebius was also a positive performer in the quarter, reporting both a USD27 billion contract with Meta and a USD2 billion investment from Nvidia.

Since the end of the quarter a two-week ceasefire has been announced between the US and Iran which has seen global markets rally strongly. It is not clear if this ceasefire will lead to a termination of war, however any resolution which allows safe passage of ships through the Strait of Hormuz will see oil prices retreat. Should the war end completely our global outlook would improve immensely. In the event of peace, we view the US macro-outlook as favourable with the possibility of further rate cuts, especially if we see weak employment numbers. In addition, a more risk-on environment is likely to lead to a weaker USD which will benefit emerging markets where we could see further rate cuts and fiscal expansion.

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