

July 2026

Ashburton Global Equity Growth Fund

Quarterly Investment Commentary

Global equity markets returned 14.9% in the second quarter of 2026. Markets wrestled with the uncertainty of the Middle East conflict and very strong corporate earnings. However, ongoing negotiations between the US and Iran improved sentiment and renewed momentum in the Artificial Intelligence (AI) trade led to a sharp rally in global equity markets. The Global Equity Growth Fund returned 24.2% in the second quarter, outperforming both the MSCI All World Index and global equity growth peers.

The largest contributors to performance were Advanced Micro Devices (AMD), Nebius Group and Samsung Electronics. AMD's strong performance was due to the chip makers AI-optimised central processing unit (CPU). It's expected that demand for these CPUs will be robust due to the AI roll out.

Nebius had a positive quarter, reporting strong sales growth as well as a positive outlook. Demand for AI infrastructure is strong, and Nebius is raising prices with demand exceeding capacity. This had led to longer contract durations, increasing contract values and more prepayments, all which bode well for the stock. Due to strong stock performance, we have taken some profit in the counter but remain shareholders.

Samsung Electronics rose a further 100% in the quarter due to continued tight memory supply which is expected to last into 2027 and possibly further. Due to the recent share price action, we have taken some profits, however, continue to hold the position due to the valuation remaining attractive when considering the current demand and supply dynamics of the sector. The prevalence of long-term agreements with customers has also given the sector a positive boost.

The largest detractors from performance were SAP, Wise Group and Alibaba. SAP continues to derate as software stocks are pressured by concerns that AI will disrupt the sector. While we acknowledge the potential for AI-driven disruption, we believe markets are moving ahead of fundamentals, resulting in an indiscriminate sell-off that appears unwarranted.

Wise Group was weaker after a report that the company is under investigation by Belgium regulators over concerns regarding its anti-money laundering (AML) controls. Management have responded by saying that the company is working with the Brussels prosecutor to respond to queries about its business and that requests for information from law enforcement agencies are a normal part of operations. The share price has since recovered.

Alibaba reported gross merchandise value (GMV) up only slightly in 1Q26, confirming weak e-commerce consumption trends in China. Whilst the Chinese consumer continues to be weak, we argue that the attractiveness of Alibaba is in its cloud business which grew 40% in 1Q26. Alibaba is China's largest AI cloud operator; however, we do not believe the value of this division is appropriately reflected in the current share price.

The Fund initiated a new position in the quarter in Rubrik. Rubrik is a top player in a niche area of cybersecurity which had been growing rapidly, and we took advantage of a pullback in the share price to gain exposure to this best-in-class cybersecurity name. Rubrik focuses on cyber resilience as opposed to back up and provides a unique offering for clients in a world where data is growing and there is an increased need to protect it. Rubrik's size also makes it a potential takeover target for larger cybersecurity companies.

Moving forward, the interplay between resilient corporate earnings, evolving geopolitical developments, and signs of persistent inflationary pressures will continue to shape the global investment landscape. While risk appetite has been supported by easing tensions in the Middle East and robust performance in select emerging markets, vulnerabilities remain pronounced in regions such as Europe, where sluggish growth, elevated energy dependence, and political fragmentation present additional headwinds. Against this backdrop, vigilance is warranted as markets navigate an environment defined by both promise and fragility.



www.ashburtoninvestments.com

ASHBURTON
INVESTMENTS

This document is issued by Ashburton Fund Managers (Pty) Limited (registration number 2002/013187/07) is the "Investment Manager" of the Fund(s) and is an authorised financial services provider (FSP number 40169), registered with the Financial Sector Conduct Authority (FSCA). The Fund/s is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

Waystone Management Company (Lux) S.A. is the "Management Company" of the Fund(s) and is regulated by the Commission de surveillance du Secteur Financier (CSSF) (ref A00000395 & S00000734). The Management Company is located in L-1273 Luxembourg at 19, Rue de Bitbourg.

Effective 3 October 2024, Morgan Stanley Investment Management Limited was appointed as Sub Investment Manager of the Fund(s), while Ashburton Fund Managers (Pty) Ltd remained the Investment Manager. Performance figures from 3 October 2024 onward reflect this change. Prior to that date, the Investment Manager was Ashburton Jersey Limited, and performance figures reflect the previous arrangement. Morgan Stanley Investment Management is a limited liability company incorporated under the laws of England and having its registered office at 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom is authorised and is regulated by the Financial Conduct Authority (FCA) in the United Kingdom.

The Fund's Prospectus, and further information including pricing and charges, may be viewed at the Investment Managers office and the Fund's representative office in South Africa: Ashburton Management Company (RF) Proprietary Limited ("Ashburton CIS"), at No. 2 Merchant Place, 1 Fredman Drive, Sandton 2196. Ashburton CIS is an approved collective investment schemes manager regulated by the Financial Sector Conduct Authority and a full member of the Association of Saving and Investments South Africa. The Fund(s) are approved by the South African regulator being the Financial Sector Conduct Authority (FSCA) under section 65 of the Collective Investment Schemes Control Act 2002 (CISCA) for marketing and distribution to South African investors. In the event a potential investor requires material risks disclosures for the foreign securities included in a portfolio, the Management Company will upon request provide such potential investor with a document, outlining potential constraints on liquidity & repatriation of funds; Macroeconomics risk; Political risk; Foreign Exchange risk; Tax risk; Settlement risk; and Potential limitations on the availability of market information. The value of participatory interests and the income from them may go down as well as up and is not guaranteed. Past performance is not necessarily a guide to the future performance. Where an investment involves exposure to a currency other than that in which it is denominated, changes in rates of exchange may cause the value of the investment to go up or down. CIS portfolios are traded at ruling prices and can engage in borrowing and scrip lending. A full detailed schedule of fees, charges and commissions is available from the Investment Manager on request and incentives may be paid and if so, would be included in the overall costs.

The Investment Manager and Management Company do not provide any guarantee either with respect to the capital or the return of a portfolio. The Management Company has a right to close the portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate. This document does not constitute an offer or solicitation to any person in any jurisdiction in which the Investment Manager and Management Company are not authorised or permitted to communicate with potential investors, or to anyone who would be an unlawful recipient. The original recipient is solely responsible for any actions in further distribution of this document and should be satisfied in doing so that there is no breach of local legislation or regulations. This is a marketing communication. The Management Company has the right to terminate the arrangements made for Marketing. Additional information about this product, including brochures, prices, application forms, Prospectus, KIID (PRIIPS KID) and annual or half-yearly reports, can be obtained from the Investment Manager or Management Company, free of charge, and from the website: www.ashburtoninvestments.com

Fully Invested

A part of the FirstRand Group

