

## RATHBONE SICAV ASIA EQUITY FUND

QUARTERLY UPDATE MARCH 2026

For professional advisers only

The first quarter of 2026 was a timely reminder that markets rarely move in straight lines. Asian equity markets ended the quarter broadly flat, having given up the strong momentum seen earlier in the year. At their peak in mid February, markets were up around 15% year to date, driven largely by continued enthusiasm around artificial intelligence, the Korean 'value-up' theme and a rally in precious metals. That short-term optimism, against an increasingly challenging global macro environment and geopolitical risks, proved fragile.

Geopolitical events once again drove short term market behaviour. The outbreak of the Iran conflict triggered sharp volatility in oil prices, unsettling markets across the region and beyond. Our view is that this volatility will not end anytime soon. Against this backdrop, our long-term approach and discipline have not changed.

**An unchanged investment philosophy**

Our fund remains a fundamentally bottom up, index agnostic strategy, managed with an absolute return mindset, focused on capital protection and downside protection. We build the portfolio around 25-35 high conviction and long-term positions (currently 28), focusing on businesses that we believe offer durable competitive advantages, robust balance sheets, resilient governance structures and sustainable long term growth.

Our portfolio companies are leaders within their respective sectors in Asia and, in many cases, globally. We remain consciously unconstrained by benchmarks, and over the quarter there were no material changes to our country or sector positioning. Short term market volatility does not alter our assessment of long term business quality, and it is precisely during such periods that opportunities often emerge.

**Using volatility to build conviction**

Market weakness during the quarter allowed us to add selectively to several of our highest conviction positions. We increased our holdings in ASEAN financial **OCBC**; aerospace, defence and urban solutions company **Singapore Technologies**; global asset and infrastructure manager **Keppel**; and home appliance and robotics manufacturer **Midea**.

We know all these businesses well. They continue to meet our stringent quality and valuation criteria. These investments reflect our willingness to act decisively when market prices diverge from underlying business fundamentals.

Our index agnostic and high conviction approach was again evident in performance attribution. Over the quarter, our fund's strongest contributors were Singapore Technologies, Keppel and OCBC – all long term holdings that exemplify our focus on quality, differentiation and resilience rather than index representation.



**LISA LIM, PH.D, CFA**  
Fund Manager and Head of  
Asia ex-Japan Equities

Fund Launch date:  
28 November 2025

For more info on our fund,  
please click [here](#).

### **The Strait of Malacca – the trade superhighway between the Far East and the Indian Ocean**

In February, I spent a week in Malaysia visiting a few sites. The Malaysian market offers investors exposure to resilient domestic consumption, driven by FDI and supported by a highly skilled workforce, with working-age people making up 70% of the total population.

We initiated a new position in Malaysian port operator **Westports**, which is strategically positioned on the Straits of Malacca. It controls 75% of the traffic at Port Klang, the major gateway into West Malaysia and one of the world's busiest freight terminals. Westports is a high quality, strategically important port operator with defensible competitive advantages and long term structural tailwinds linked to regional trade flows. The company's closest competitor is the Port of Singapore, which is privately held.

Another new holding that we added during the quarter was **Telstra** in Australia, a business with material infrastructure assets and improving capital discipline. Meanwhile, we exited our position in logistics and warehouse developer-operator **Goodman Group**, reflecting a reassessment of risk reward rather than any change in our broader investment philosophy.

### **Fund Manager Lisa Lim on a site visit in Malaysia**



### **Valuation and outlook**

At the end of March, our portfolio was trading on a forward price/earnings multiple of under 16x, with expected long term annual earnings growth of around 20%, return on equity of 24% and a dividend yield of approximately 3%. In our view, this represents an attractive combination of quality, growth and valuation, particularly given the resilience of the underlying businesses we own.

Periods of heightened uncertainty are rarely comfortable, but they are often the environments in which long term investors are best rewarded. Our priority remains unchanged: to protect capital while compounding our investors' wealth over the long term by owning a small number of exceptional Asian businesses and allowing time – and fundamentals – to do the heavy lifting.

If you require further clarification on this commentary, then please contact your adviser or Rathbones at the contact details below.

Any views and opinions are those of the investment manager, and coverage of any assets held must be taken in context of the constitution of the fund and in no way reflect an investment recommendation. Past performance should not be seen as an indication of future performance. When you invest, you could lose some or all of your investment.

This fund is actively managed. This is a marketing communication. Please refer to the prospectus of the UCITS and the KIID before making any final investment decisions.

Please note that the Rathbone Luxembourg SICAV may decide to terminate the agreements made for the marketing of the fund pursuant to Article 93a of Directive 2009/65/EC. For a summary of investor rights and guidelines regarding an individual or collective action for litigation on a financial product at European Union level and in the respective country of residence of the investor, please refer to the supplementary information document that can be found on [rathbonefunds.com/international](http://rathbonefunds.com/international). The summary is available in English or an authorised language in the investor's country of residence.

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