Please note that the commentary is for the retail class of the Fund.

The Fund declined -0.7% for the quarter (Q4-25) compared to the benchmark return of 3.3%. For the 12 months, the Fund's returned 22.5% compared with the 22.3% returned by the benchmark MSCI All Country World Index (ACWI).

Global equity markets showed resilience towards the end of 2025, and many major indices ended the year at or near their all-time highs despite economic headwinds and policy uncertainty. In the US, a 43-day government shutdown dominated the headlines and caused a spike in job cuts, dampening down on consumer sentiment. Two further rate cuts by the US Federal Reserve helped offset some of the damage, as did the US administration's trade "truce" with China, whereby trade relations were stabilised after a period of increasing tensions between the two countries. European markets were also buoyant after further monetary easing in Europe and the UK, improved chances of peace in Ukraine and an increased commitment to defence spending within the region.

Europe was the best-performing region in Q4-25, advancing 6.3% (in US dollar terms). The weakest return was from the Pacific ex-Japan, which was flat at 0.0% (in US dollar terms). Japan gained 3.3%, and North America advanced 2.7% (both in US dollar terms). Emerging markets outperformed developed markets, gaining 4.7% compared to 3.1% (both in US dollar terms).

Amongst the global sectors, healthcare (10.3%), materials (5.0%), and communications (4.6%) were the best performing sectors for the quarter. The worst performing sectors were consumer staples (0.8%), energy (1.2%), and consumer discretionary (0.7%).

Amongst the global sectors, IT (12.2%), telecommunications (10.5%), and consumer discretionary (8.1%) were the best performing sectors for the quarter. The worst performing sectors were consumer staples (-2.4%), industrials (4.4%) and healthcare (2.7%).

Contrarius Global Equity returned 6.7% for the quarter, primarily thanks to strong returns from their positions in the communication services and IT sectors. EchoStar (+42.4%) and Warner Bros. Discovery (+47.6%) were two key stocks in communication services, albeit their performance was somewhat offset by Paramount Skydance (-28.9%). Amongst the IT holdings, Micron Technology (+70.8%) and SK Hynix (+87.8%) were the key contributors.

Egerton Capital advanced 0.8% in a quarter where financial stocks made a strong contribution but little else seemed to help. Returns within the financial sector were from AIB Group (+19.2%), Banco Bilbao Vizcaya Argentaria (+25.9%), and Capital One (+14.5%). The detractors were broad but had generally small impacts on size or price movement. The most impactful included Hanwha Aerospace (-14.0%), Hyundai Rotem (-14.2%), Rolls-Royce (-3.4%), and Microsoft Corp (-6.5%).

Select Equity Group's Crosby Street advanced 1.0%, with many smaller positive contributors being overshadowed by the IT holdings. CDW Corporation (-14.1%), Microsoft (-6.5%), ServiceNow (-16.8%), and Workday (-10.8%) were the key detractors in this sector.

Tremblant Capital declined 4.0% in another tough quarter. Coupang (-26.7%), DoorDash (-8.5%), Mercado Libre (-13.8%), Uber (-16.6%), and Grab Holdings (-17.1%) were some of the names that had the biggest impact on relative performance, but there were a number of others that also detracted. Some bright spots included Victoria's Secret (+99.6%) and Warner Bros. Discovery (+47.6%).

Eminence Capital fell 4.9% for the period as the recent run of poor returns continued. The fund was particularly hit by the consumer discretionary stocks, which accounted for a large part of the relative underperformance. These included Coupang (-26.7%), Entain (-12.3%), Peloton Interactive (-31.6%), Valvoline (-19.1%), and Sea Limited (-28.6%).

Outlook

The start to 2026 has been eventful, with President Trump dominating the headlines. A successful raid to capture and arrest the President of Venezuela for trial in the US may be only the beginning of further change in South America and beyond, with the President's rhetoric now aimed at Colombia and Cuba and, more importantly, gaining control of Greenland. The latter has serious implications for relationships with long-established allies and could cause significant disruption. At the same time, protests in Iran could result in regime change, something the US appears willing to promote at the time of writing, with the President promoting 25 tariffs on countries doing business with Iran. A key purchaser of both Venezuelan and Iranian oil is China, which indicates that US-China trade relations may be entering a difficult patch again. In addition to these geopolitical risks, there remains speculation of an AI bubble and concerns around government debt levels in the US, UK, and Europe. In short, 2026 looks set to be an interesting year.

Portfolio managers
Karl Leinberger & Carl Snyman
as at 31 December 2025