***Please note that the commentary is for the US dollar retail class of the Fund. The feeder Fund is 100% invested in the underlying US dollar Fund. However, given small valuation, trading and translation differences for the two Funds, investors should expect differences in returns in the short term. Over the long term, we aim to achieve the same outcome in US dollar terms for both Funds.***

**Performance and fund positioning**

The Fund rose 15.4% for the quarter (Q2) compared to the benchmark return of 11.5%, bringing the rolling 12-month performance to 25.5% compared with the 16.2% returned by the MSCI All Country World Index (ACWI).

Global financial markets navigated a turbulent quarter shaped by escalating trade tensions, policy uncertainty, and shifting economic dynamics. It started with a bombshell when the US implemented sweeping trade tariffs, sparking retaliatory measures from China and other countries. A sharp drop in trade rattled markets, with all major indices experiencing significant declines in early April as global equities faced heavy selloffs. Investors were concerned that tariffs would fuel inflation and hinder economic growth. Policy uncertainty, particularly around US trade and fiscal policies, also had an impact. The Trump administration's tariff announcements and a proposed tax-and-spending bill drove US Treasury yields above 5% as markets anticipated ballooning deficits and tighter financial conditions. Middle East tensions continued to escalate, and the quarter ended with the US bombing of strategic targets in Iran to destroy its nuclear ambitions. However, a temporary 90-day reprieve of the tariffs in order to negotiate fairer trade terms for the US, coupled with a strong earnings season, saw markets stabilising and then rally towards the end of the period, with the S&P 500 Index and Nasdaq hitting all-time highs by June 27th.

The Pacific ex-Japan was the best-performing region in Q2, advancing 14.3% (in US dollar terms). The weakest return was from Japan, which advanced 11.4% (in US dollar terms). Europe gained 11.8% and North America advanced 11.5% (both in US dollar terms).

Among the global sectors, IT (23.0%), telecommunications (18.7%), and industrials (14.3%) were the best-performing sectors for the quarter. The worst-performing sectors were energy (-5.8%), healthcare (-4.4%), and real estate (0.0%).

All the underlying managers outperformed the index over the quarter.

Contrarius Global Equity is continuing to recover from its poor 2024 performance with another strong quarter, delivering 19.3% and alpha of 7.7%. It had very strong contributions from IT and consumer discretionary exposures. Nvidia (+45.8%), Tesla (+22.6%), Coinbase Global (+103.5%), and Burberry Group (+53.2%) were the key contributors.

Similar to Contrarius, Tremblant returned 19.5% off of strong returns in consumer discretionary and IT exposure, but with different contributors. Tremblant's best contributors included Spotify (+39.5%), Wingstop (+49.4%), Doordash (+34.9%), Coupang (+36.6%), and MercadoLibre (+34.0%).

Egerton Capital weighed in with a solid 15.5% for the quarter. Industrials exposure was the dominant contributing exposure with companies such as Rolls-Royce (+30.3%), Hanwha Aerospace (+37.4%), Safran (+15.3%), and General Electric (+28.6%). Other stocks such as Microsoft (+32.8%), Meta Platforms (+28.2%), and Amazon (+15.3%) also contributed.

SEG Crosby Street had a decent quarter with a 13.6% return. IT and industrial stocks were the main drivers of returns, including TSMC (+36.9%), Broadcom (+65.0%), Nvidia (+45.8%), Safran (+15.3%), and Microsoft (+32.8%).

Finally, Eminence Long Fund returned 12.4%. Consumer discretionary and communications companies drove their performance, including many of the names mentioned for the managers above. Differentiating names include St James's Place (+23.0%), Dave & Buster's Entertainment (+71.2%), Sea (+22.6%), and Entain (+56.0%).

**Outlook**

Although markets have recovered since "Liberation Day" in early April, a high degree of uncertainty remains in US trade and fiscal policies. At the time of writing, the US is again imposing seemingly arbitrary tariffs on countries that have not yet secured a deal, with 1 August set as the final deadline for such deals. It is not yet clear how this ends, but the situation is bound to create further market volatility in the coming weeks and months. In addition, the new fiscal package contained in the "One Big Beautiful Bill" expands the US deficit and increases its debt ceiling by $5 trillion, which may both result in increased inflation and borrowing costs in the medium term. Furthermore, the war in Ukraine continues, and ongoing instability in the Middle East remains a concern. In times like these, an active investment strategy focusing on selecting companies best able to benefit from or withstand the impact of these risks should be beneficial.

**Portfolio managers**
**Tony Gibson, Karl Leinberger & Carl Snyman**
as at 30 June 2025