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

Performance and fund positioning

The Fund rose 8.1% for the quarter (Q3-25) compared to the benchmark return of 7.6%, bringing the rolling 12-month performance to 23.9% compared with the 17.3% returned by the MSCI All Country World Index (ACWI).

The third quarter of 2025 saw positive returns across most major markets, with many reaching new all-time highs as tariff tensions eased, enthusiasm for AI continued, and expectations for further rate cuts from the Federal Reserve (the Fed) increased after a September rate cut. The continued resilience of the US economy was evident from strong gross domestic product (GDP) growth, steady consumer spending, and benign core inflation. China rallied strongly after a further round of government stimulus, but also, more importantly, due to an improvement in trade relations with the US. In Europe, France's political instability and questions over Germany's fiscal plans weighed on markets, leading to mixed returns across the region.

North America was the best-performing region in Q3-25, advancing 8.2% (in US dollar terms). The weakest return was from Europe, which advanced 3.7% (in US dollar terms). Japan gained 8.1% and the Pacific ex-Japan advanced 5.3% (both in US dollar terms). Emerging markets outperformed developed markets, gaining 111% compared to 7% (both in US dollar terms).

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%).

The Fund's relatively strong performance against the benchmark was driven almost entirely by the Contrarius Global Equity Fund, which delivered a very strong result in comparison to the rest of the managers which, other than Coronation Global Emerging Markets Fund, were in line with or lagged the Index.

Contrarius had a stunning quarter, with a 31% return (or 22.4% alpha) as several of its top holdings performed strongly. Warner Bros. Discovery rose 70.4% over the quarter on the back of a good Q2 earnings announcement and rumours that it was a takeover target of Paramount Skydance. Tesla rose 40%, seemingly in response to a renewed focus on the company by CEO Elon Musk and the Board's proposed new compensation plan for him. Alibaba (+57.6%), Paramount Skydance (+29.1%), Baidu (+53.6%), and Kering (+53.1%) also made significant contributions to performance.

Coronation Global Emerging Market Fund delivered 10.5% for the quarter, benefiting from holdings in CATL (+60%), TSMC (+23.7%), Prosus (+26.3%), Trip.com Group (+30.7%), and ASML (+22.5%). Coronation Global Equity Select also benefited from the same names in returning 7.4% for the period, but its detractors such as Elevance Health (-16.5%), Monday.com (-38.4%), and Dynatrace (-12.2%) made a bigger negative contribution to differentiate its overall performance.

Eminence Capital returned 5.8% over the period, with good contributions from its consumer discretionary and healthcare exposure, but a number of negative performers detracted from relative performance. Examples of positive returns include Alibaba (+57.6%), Workiva (+25.8%), Informa (+14.8%), and Atmus Filtration Technologies (+24%). Cellnex (-10.5%), Entain (-1.9%), DraftKings (-12.8%), and Salesforce (-12.9%) were some of the names that detracted.

Egerton had a restrained quarter, returning 4.2%. Good returns from diverse names such as Rolls-Royce (+23.5%), Seagate (+64.1%), CRH (+31%), and Interactive Brokers (+24.3%) were offset by Flutter Entertainment (-11.1%), SAP (-11.7%), Boston Scientific (-9.1%) and Visa (-3.7%).

Tremblant Capital was only up 0.8% for the quarter, with disappointing results from its IT and consumer discretionary stocks. Monday.com (-38.4%), Wingstop (-25.2%), Charter Communications (-32.7%), DraftKings (-12.8%), and Spotify (-9%) were some of the bigger fallers.

Outlook

Uncertainty remains the keyword for the remainder of the year. Global growth is expected to moderate, and inflation continues to be a key concern, which means central banks continue to face a tricky balance to support growth and manage inflation. This could delay anticipated rate cuts. Geopolitical risks remain elevated with little progress in ending the Ukraine invasion and disrupted global trade. AI remains a key emerging advancement that is improving rapidly and driving productivity, but with heavy capital spending for which future rewards are not easily quantifiable. The stretched valuations in that part of the market are beginning to cause concern for some, but there has been a notable broadening out of market returns beyond the US tech sector, and this should continue.

Portfolio manager change

We would like to thank Tony Gibson for his long-standing contribution to the Coronation Global Opportunities Equity Fund from which he stepped down as co-manager. As a Coronation co-founder, former CIO, and long-time portfolio manager, he helped shape the Fund's approach of giving South African investors access to well-established and rigorously researched global equity managers, stewarding the strategy through multiple market cycles since the rand-denominated fund's launch in 1997 and the offshore-domiciled fund's launch in 2008. His tenure leaves a clear philosophy and a strong team in place for the years ahead. While Tony has relinquished his formal portfolio management responsibilities, he will remain involved in the investment process in an advisory capacity.

In turn, we welcome Carl Snyman, who will co-manage the Fund with Karl Leinberger. Carl has been a manager analyst in the Global Multi-Manager team since 2006, identifying new managers for Coronation's equity fund of fund portfolios. Carl holds a Bachelor of Business Science from the University of Cape Town, is a chartered accountant, and a CFA charter holder with 21 years' investment experience.

Portfolio managers
Karl Leinberger & Carl Snyman
as at 30 September 2025