Camissa Global Equity Feeder Fund

June 2025

The fund was up 9.1% in the quarter, outperforming its benchmark of FTSE World Index (up 8.2%). The fund outperformed its benchmark over the past 12 months up 21.8% (benchmark was up 13.5%). It was up 9.7% since inception in 2018, versus the benchmark up 15.9%.

Economic backdrop

Global economic activity is slowing due to increased US tariffs and uncertainty surrounding generally chaotic and aggressive US foreign policy. Financial conditions, which tightened meaningfully in the immediate aftermath of the April US tariff announcements have moderated due to a sharp rise in asset prices. Erratic US government policy has negatively impacted consumer sentiment, consumption, business confidence and investment (though the decline in business investment has been less severe than expected due to resilient AI-driven spending). Consequently, US economic growth is beginning to weaken from a previously robust rate.

China's nominal economic growth has been weak due to ongoing deflation and the consequences of a weak property market. The economy is now being further undermined by the escalating trade war with the US, which is expected to negatively impact Chinese exports and manufacturing. Positively, however, Chinese consumer confidence and spending may be improving from historically low levels, buoyed by more aggressive monetary and fiscal stimulus and targeted structural state interventions that have had some success in improving local consumption.

The Japanese and European economies are being negatively affected by elevated uncertainty regarding US tariff threats. Europe’s economy, which has been stagnating due in part to its export link to a weak manufacturing sector in China, will start to benefit from higher fiscal stimulus. Business confidence in Germany has started to improve following the decision to lift the debt ceiling and meaningfully increase fiscal spending on infrastructure and defence.

Markets review

Global markets were strongly positive in the second quarter (up 11.6% in US dollars), mainly due to the outperformance of Japan (up 18.3%), the US (up 17.9%) and Germany (up 17.4%). Emerging markets were also strongly positive, up 12.2% for the quarter, with outperformance from South Korea (up 36.1%), South Africa (up 13.9%) and Brazil (up 12.2%).

Fund performance and positioning

Notable positive contributors in the quarter were JD Sports, Johnson Matthey and Aroundtown, while JD.com and Shell were the main detractors.

The main positive contributors to the fund’s performance relative to the benchmark over the quarter were our Materials (Johnson Matthey, Nutrien), Consumer Discretionary (JD Sports, Continental, Ulta Beauty), Real Estate (Aroundtown, Unibail Rodamco-Westfield), Health Care (Bayer) and Consumer Staples (Dollar General) holdings. Our significant underweight position in Information Technology, which had a very strong quarter, was a key detractor relative to the benchmark. Other sectors that contributed negatively on a relative basis were Communications Services (Walt Disney) and Financials (Corpay, Sumitomo Mitsui Financial).

Our fund is mainly positioned in companies listed in developed markets, with exposure to a broad range of diversified sectors. Some examples of the global structural themes underpinning some of our holdings include an ageing population (pharmaceuticals, financial services, medical devices), tomorrow’s workforce (automation and robotics), future mobility (energy storage, components and consumables), food security (crop protection, fertilisers and seeds) and green energy transition (hydrogen power).

We have maintained our overweight positioning in Consumer Discretionary and high-quality cyclical companies as we believe that share price levels are low relative to their long-term prospects, and they should provide very attractive forward-looking returns.

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