

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

Performance and fund positioning

The Fund declined 1.2% for the quarter (Q1-25) compared to the benchmark return of -1.3%, bringing the rolling 12-month performance to 6.6% compared with the 7.2% returned by the MSCI All Country World Index (ACWI).

The first weeks of President Trump's second term introduced uncertainty over US trade policy and the on/off implementation of trade tariffs on its closest trading partners – Mexico and Canada – unnerved the markets, especially in the US where fears of slower growth and higher inflation took hold, causing the S&P 500 Index to decline 4.3% over the quarter. Although China didn't escape the first round of tariffs, the amount was less punitive than expected and, together with a more supportive attitude from the government, allowed for a strong rally in Chinese equities. The US' commitment to NATO was also under the spotlight, and the new administration's admonishment of its European allies' low defence spending was a wake-up call for many. The European response was immediate and significant, and future spending commitments caused a strong rally in European defence stocks and in European markets generally.

Europe was the best performing region in Q1, advancing 10.6% (in US dollar terms). The weakest return was from North America, which declined 4.3% (in US dollar terms). The Pacific ex-Japan gained 0.4% and Japan advanced 0.5% (both in US dollar terms). Emerging markets outperformed developed markets, gaining 2.9% compared to -1.8% (both in US dollar terms).

Amongst the global sectors, energy (9.2%), utilities (6.6%) and consumer staples (+5.5%) were the best performing sectors for the quarter. The worst performing sectors were IT (-12.0%), telecommunications (-4.6%) and consumer discretionary (-10.5%).

It was a mixed quarter for the managers with Egerton and the two Coronation funds delivering solid positive performance, but the rest of the managers all lagged the markets with negative returns.

Egerton returned an excellent 5.7% for the quarter, with exposure to industrials and financial stocks driving the positive return. Rolls-Royce (+31.7%) was the largest contributor out of the industrial stocks, but General Electric (+20.2%), Safran (+14.1%) and Airbus (+5.2%) all weighed in with good gains. Amongst the financials, Progressive Corp (+20.4%) and Munich Re (+19.5%) made similar large contributions, but HSBC (+14.7%), Banco Bilbao (+32.7%) and AIB Group (+18.5%) were not far behind.

Coronation Global Emerging Markets Fund returned 3.3%, ahead of its direct GEM benchmark but, more importantly, far ahead of the ACWI return of -1.3%. The Fund benefited from communications and consumer discretionary exposure. Chinese internet and technology stocks had a very strong quarter with the likes of SEA Ltd (+23.0%), JD.com (+18.6%), Tencent Music (+27.0%), Pinduoduo (+22.0%) all adding to performance. Naspers (+11.1%) and Prosus (+15.8%) both benefited from this surge as well. MercadoLibre, the Brazilian online retailer (+14.7%) and BYD, the

Chinese electric car manufacturer (+47.1%) also made excellent contributions.

Similarly, Coronation Global Equity Select had another positive quarter with a diverse set of contributors to overall performance. Auto1 Group (+30.1%), Just Eat (+46.9%), Spotify (+23.0%), Rolls-Royce (+31.7%), and SEA Ltd (+23.0%) were the top contributors.

Despite holding a number of the best performing stocks over the quarter, Eminence Capital was marginally behind the index with -2.4%. Good returns from Alibaba (+56.0%), SEA Ltd (+23.0%), Okta (+33.5%) and St. James' Place (+28.4%) were overridden by Dave & Buster's Entertainment (-39.8%), Green Thumb Industries (-28.9%), Verano Holdings (-47.8%) and Salesforce (-19.7%).

Contrarius Global Equity's volatile returns continued with a sharp decline of -7.1% for the period. The negative return was broad-based across the portfolio, with the biggest detractors being Tesla (-35.8%), Block (-36.1%), Coinbase (-30.6%), Intellia Therapeutics (-39.0%), and QVC Group (-39.0%). The losses were slightly offset by good gains from Alibaba (+56.0%), Tencent (+19.2%) and JD.com (+18.6%).

Tremblant also endured a poor quarter, declining 5.5% with its consumer discretionary exposure doing most of the damage. Victoria's Secret (-55.1%), Skechers (-15.6%), Amazon (-13.3%) and Walt Disney (-11.4%) were some of the biggest detractors in this sector. Application software companies also detracted with examples being Five9 (-33.2%), AvidXchange Holdings (-18.0%) and Q2 Holdings (-20.5%)

Finally, Lone Monterey returned -4.3% with some of the bigger positions having a weak quarter. Examples include KKR (-21.7%), Amazon (-13.3%), Salesforce (-19.7%) and Microsoft (-10.8%). On the positive side, they also held Rolls-Royce, Spotify and Auto1 Group.

Outlook

Although Q1 provided a volatile start to the year, it was nothing compared to the first few days of Q2. President Trump's "Liberation Day" on 2 April saw the introduction of significant "reciprocal" tariffs on all the US' trading partners, with only Russia being spared the additional measures. Mixed messaging from the administration on whether these are simply a negotiating tactic or longer-term measures to force manufacturing back to the US further compounded the bad news, and global markets sold off heavily in the ensuing days. Responses have been mixed, with many countries looking to negotiate deals to remove the new tariffs, but China stood firm and announced equal tariffs on US imports and other measures. Although markets are rebounding at the time of writing, it is not clear where this ends, but it is sure to be a tumultuous Q2.

Portfolio managers

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as at 31 March 2025