

The fund was up 1.1% in the fourth quarter, relative to the FTSE World Index (up 3.8%). It outperformed its benchmark over the past year, up 32.4% (benchmark up 23.5%). Since its inception in 2018, the fund is up 4.9% pa, behind the benchmark, up 12.4%.

### **Economic backdrop**

Global economic activity has slowed due to increased US tariffs and persistent uncertainty surrounding a US foreign-policy stance that has shifted from broadly chaotic and aggressive to persistently disruptive. Financial conditions, which tightened meaningfully in the immediate aftermath of the April US tariff announcements, have since loosened, driven by a sharp rise in asset prices and lower short-term interest rates.

In the US, erratic government policy continues to result in subdued consumer and business sentiment and reduced investment, although the decline in business investment has been less severe than expected due to robust AI-driven spending. The US labour market is softening despite sharply lower supply from immigration, as companies delay hiring amid tariff uncertainty and AI-driven change. This is depressing sentiment, exacerbating skills mismatches and leading to more cautious workforce planning. Consequently, looking through near-term moderate improvements in growth, driven by fading tariff impacts, the recovery from the government shutdown and front-loaded fiscal stimulus, underlying US economic growth appears to be softening from its previously robust pace.

China's nominal economic growth has been weak due to ongoing deflation, consumer scarring from the pandemic and the property market correction. This is reflected in low confidence, negative wealth effects and elevated precautionary savings. More aggressive monetary and fiscal stimulus and targeted structural state interventions have not yet succeeded in improving Chinese consumer confidence. Export activity has been unexpectedly resilient, with strong growth to emerging markets offsetting the adverse effects of US tariffs. It is expected to remain robust as China's cost competitiveness improves.

Europe's economy, which has been stagnating in part from its export link to a weak manufacturing sector in China, will start to benefit from higher domestic fiscal stimulus - particularly in Germany. Japan's economy is expected to continue to experience a steady, domestically driven expansion supported by ongoing labour market strengthening and gradually improving business investment.

### **Markets review**

Global markets were positive in the fourth quarter, up 3.2% in US dollars. The UK and Japan were the strongest contributors, gaining 6.8% and 6.0% respectively. Emerging markets performed slightly better over the quarter, up 4.8%, led by strong gains in South Korea (up 24.7%) and South Africa (up 14.2%). Overall, 2025 was a very positive year for global equity markets, which rose 21.6%, with emerging markets significantly outperforming, up 34.4%.

### **Fund performance and positioning**

The main positive contributors to the fund's performance relative to the benchmark over the quarter were our consumer staples (Dollar General), industrials (Timken), healthcare (Bayer) and financial (SMFG and Prudential) holdings. Our significant underweight position in information technology, which had a strong quarter, was the main detractor relative to the benchmark. Our information technology holdings (Fiserv) also contributed negatively on an absolute basis. Other sectors that contributed negatively on a relative and absolute basis were consumer discretionary and real estate.

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

The fund has maintained underweight positions in the information technology, communication services, utilities, financials and energy sectors. It continues to have overweight exposure to the consumer discretionary, healthcare, industrials, materials and real estate sectors.

## Stock snapshot

**Zoetis** is the world's largest animal health company, with a dominant, high-margin portfolio of vaccines and medicines spanning companion animals and livestock. Originally part of Pfizer, the business has established itself as the clear market leader, consistently capturing a disproportionate share of industry growth.

Approximately 70% of revenue is generated from companion animals, a segment supported by strong long-term tailwinds, including rising pet ownership, the increasing "humanisation" of domestic pets, premiumisation of care and longer pet lifespans.

Zoetis is well positioned to benefit from these trends through leadership in important therapeutic categories such as parasiticides, dermatology, pain management and vaccines. These markets feature growing demand and strong pricing power, reinforced by close veterinarian relationships and a large direct sales force. Ongoing innovation remains a key differentiator, with a robust pipeline supporting organic growth and lifecycle extension of established franchises.

The animal pharmaceutical industry differs meaningfully from human pharmaceuticals, with much shorter development timelines, significantly lower R&D costs and a four-times higher success rate. Pricing is largely market-based, determined by vets and pet owners rather than government or insurance reimbursement systems, enabling Zoetis to commercialise products efficiently, while earning attractive returns with lower structural risk. Recent share price weakness has created an opportunity to add this high-quality, defensive growth business to our global funds.

**Disclaimer:** The Camissa Global Equity Fund is a sub-fund of Camissa Global Asset Management ICAV. This Fund is managed by Sanlam Asset Management (Ireland) Limited. The Fund and the Manager are authorised in Ireland and regulated by the Central Bank of Ireland.

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**Additional information:** Please read the key investor information in conjunction with the supplement of the fund and the fund prospectus.