

# Camissa Islamic Global Equity Fund

March 2026

Invest **different**

The fund was up 1.7% in the first quarter, outperforming its benchmark of the FTSE World Index, down 2.7%. It has delivered a return of 33.6% over the last year, outperforming the benchmark (up 22.0%), and has delivered 4.4% pa annualised return over the last five years.

## Economic backdrop

Global economic activity, already weakened by aggressive, hostile US foreign policy and persistent policy uncertainty, is now slowing further due to the severe energy supply shock triggered by the Iran conflict. Damage to energy infrastructure and the depletion of strategic reserves will have a prolonged impact on energy supply. The extent of any permanent scarring remains uncertain and will depend on the duration of the shock. Higher energy prices are raising a wide range of agricultural, manufacturing and transport costs, leading to an immediate squeeze in real incomes and a plunge in consumer sentiment. Financial conditions deteriorated materially in response to the crisis, driven by higher bond yields and weaker asset prices, but have eased recently with the sharp recovery in equity markets.

Although the US is more energy independent than many other regions, the negative impact on real incomes and depressed sentiment will weigh on activity. The US labour market is softening despite sharply lower supply from immigration, as companies delay hiring amid tariff uncertainty and AI-driven change, exacerbating skills mismatches and leading to more cautious workforce planning. Consequently, underlying US economic growth is now likely to run below potential, from a previously expected healthy pace.

China's long-term energy strategy is focused on building strategic reserves, investing in renewables, diversifying import sources and maintaining significant reliance on domestically produced coal. This means that the negative impact of the energy supply shock on China may be relatively lower and may further support external competitiveness. Export activity remains very strong, with robust growth in developing economies offsetting the adverse effects of US tariffs. This is expected to remain supported by improving cost competitiveness. The drag on GDP from the property market weakness is now less significant, as the large cumulative fall to date means activity exposure is much lower. Greater monetary and fiscal stimulus, and targeted structural state interventions have not yet succeeded in materially improving consumer confidence, although fixed investment is beginning to rebound from low levels. Government actions to curb overcapacity and excessive price competition, together with higher energy costs, may be contributing to the end of a prolonged period of deflation and weak nominal economic growth.

Both Japan and Europe remain highly sensitive to the duration of the Iran conflict, given their dependence on imported energy. Europe's manufacturing sector, already scarred by the energy shock following the Ukraine war, remains vulnerable to further competitiveness erosion, particularly from China. The Japanese economy is expected to maintain positive growth, supported by sustained labour market strengthening and gradually improving business investment. However, a more severe negative energy shock scenario could necessitate additional fiscal loosening and thus fiscal slippage from an already expansionary budget.

## Markets review

Global markets were negative in the first quarter, down 3.5% in US dollars. Germany, the US and France were the biggest negative contributors to this performance. The UK and Japan were the strongest contributors, gaining 1.6% and 0.5% respectively. Developing markets performed better over the quarter, down 0.1%, led by strong gains in Brazil (up 22.7%), South Korea (up 17.3%) and Turkey (13.9%). India (down 18.1%), China (down 8.9%) and South Africa (down 3.2%) led the losses.

## Fund performance and positioning

Notable positive contributors were Micron Technology, Applied Materials, Samsung and Inpex holdings. Our significantly underweight positions in financials and communication services were positive contributors on a relative basis. JD Sports Fashion, Aumovio, Trip.com and Bodycote were the main detractors.

The fund is mainly positioned in companies listed in developed markets, with exposure to a broad range of diversified sectors. Examples of the global structural themes underpinning some of our holdings include: an ageing population (pharmaceuticals and medical devices), future mobility (electric vehicles, energy storage, components and consumables) and food security (crop protection, fertilisers and seeds).

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

### **Stock snapshot**

**Sundrug** is a Japanese retailer operating the country's fifth-largest drugstore chain, alongside a rapidly expanding network of larger-format discount stores. Its core drugstore segment (60% of sales) delivers steady growth, supported by resilient demand for everyday healthcare, beauty and household essentials.

In an environment of uncharacteristic inflation and weak real wage growth in Japan, Sundrug's discount format (Direx) is particularly well positioned, as consumers increasingly trade down from traditional supermarkets to lower-price alternatives. This structural shift underpins a compelling medium-term growth opportunity, with management targeting a near doubling of the Direx store base over time.

The company's strong balance sheet, with approximately ¥30 billion in net cash, provides flexibility to fund ongoing store rollouts and pursue selective consolidation opportunities in a fragmented market. These investments are expected to generate returns comfortably above the cost of capital, reinforcing Sundrug's track record of high profitability and returns on capital. Despite these attractive fundamentals, the shares continue to trade at a meaningful discount to listed comparatives, presenting a compelling investment opportunity.

**Disclaimer:** The Camissa Islamic 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.