Quarterly commentary

September 2026

Portfolio manager

Gavin Wood

Qualifications

BBusSc, FFA, CFA

Benchmark

FTSE World Index

Camissa Global Equity Fund

Date of issue: 16 October 2026

The fund gained 4.2% in the third quarter, underperforming its benchmark, the FTSE World Index (up 1.8%). Over the past three years, it returned 17.1%, relative to the benchmark, up 23.1%. Since inception in 2018, the fund is up 4.8% pa, behind the benchmark, up 13.1% pa.

Economic backdrop

Global economic activity has proved surprisingly resilient in the face of the energy supply shock resulting from the Iran conflict and higher borrowing costs, bolstered by enormous AI capital expenditure, very strong US and Asian financial markets and a reasonably buoyant US consumer environment.

The US labour market is healthy, with persistent tightness providing a sustained boost to wage growth. Consumption has been subdued, with the squeeze in real incomes from higher energy prices partially offset by tax cuts, while higher interest rates are exerting a modest incremental drag. The AI capital expenditure boom continues to make a significant contribution to economic growth, helping sustain elevated business investment. Household consumption has been boosted by significantly higher equity wealth.

Europe's manufacturing sector, already scarred by the energy shock following the Ukraine war, has seen its competitiveness erode further, particularly relative to China. Positively, the labour market remains resilient, especially in the South, and Europe is set to benefit from greater fiscal stimulus, particularly in Germany. In Japan, temporary fiscal stimulus may help translate strong wage growth into a more sustained recovery in household consumption. Both regions are benefiting from increased AI-related investment and exports, more significantly in Japan.

China's nominal economic growth has been weak with ongoing deflation and a struggling property market. Export activity remains robust, with solid growth in high-tech product exports. Greater monetary and fiscal stimulus, together with targeted structural state interventions, has yet to materially improve consumer confidence.

Markets review

Global markets were positive in the third quarter, gaining 2.0% in US dollars. Hong Kong (up 8.6%), the US (up 2.3%) and the UK (up 1.9%) were the largest contributors to developed market performance, while France detracted in the period, falling 5.5%. Emerging markets underperformed over the quarter, down 0.2%, led by losses in South Korea (down 9.8%), India (down 5.5%) and Turkey (down 4.4%). In contrast, Brazil (up 8.2%), China (up 3.7%) and South Africa (up 1.4%) contributed positively.

Fund positioning

The main positive contributors were Bodycote, TIS Inc, Johnson Matthey and Corpay Inc. Our significant underweight position in Information Technology which had a very strong quarter, was a key detractor from performance relative to the benchmark. Notable stocks that contributed negatively were Aroundtown, Dexerials and Rentokil.

The fund is positioned in companies in a broad range of diversified sectors, mainly listed in developed markets. 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) and future mobility (electric vehicles, energy storage, components and consumables).

We have maintained an overweight positioning in health care, consumer discretionary and high-quality cyclical companies as we believe current share price levels are very low relative to their long-term prospects and provide very high expected returns.

Stock snapshot

Global

Boston Scientific is a global leader in medical technology products, specialising in less-invasive solutions across cardiology, endoscopy, neuromodulation and urology. The business has a strong growth track record from developing innovative products. Alongside productive in-house research and development, Boston Scientific takes strategic stakes in promising early-stage medtech businesses through its venture portfolio and then fully acquiring those that demonstrate potential.

Its global sales force and established hospital relationships enable it to scale successful innovations rapidly.

The group benefits from favourable long-term demand drivers, including ageing populations, a rising disease burden and the shift towards less-invasive procedures. Many of its target markets also remain underpenetrated, providing a meaningful runway for growth.

More recently, growth has moderated in two notable franchises (less than 20% of group sales). The remainder continues to deliver robust growth, while a promising pipeline of new products offers further potential. The resulting share price de-rating has created a very low entry point for our clients.

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