NEDGROUP INVESTMENTS

see money differently

NEDGROUP INVESTMENTS Global Cautious Fund

Quarter One, 2026

Marketing Communication

Nedgroup Investments Global Cautious Fund

Past performance is not indicative of future performance and does not predict future returns.
Performance longer than 1 year is annualised.

Performance to 31 March 2026 (USD)	Fund[1]	Target Return[2]	Peer Group[3]
3 months	-0.3%	0.9%	-1.3%
12 months	6.6%	4.2%	6.6%
5 Years	3.1%	3.5%	2.1%
10 Years	3.3%	2.4%	3.0%

Market Overview

The global economy started the year with generally accommodative financial conditions despite ongoing trade and policy uncertainty. Energy market disruptions linked to Middle East tensions keep upside risks elevated. Sentiment has softened as geopolitical instability and rising energy prices emerge as top global concerns for investors. Europe and Japan face more muted growth given structural constraints and softer external demand. Emerging markets stay broadly stable but remain sensitive to high debt burdens. Equities continue to be supported by the AI investment theme, even as valuation risks rise, while bond markets benefit from easing inflation and expectations of rate cuts later in the year. In the UK, economic momentum remained soft, with persistent inflation pressures and fiscal concerns continuing to weigh on sentiment.

Fund Performance

The aim of the strategy is to provide a stable stream of real total returns over the long term with low absolute volatility and significant downside protection.

The portfolio produced a slightly negative return over the quarter, but remains positive over 1 year, driven by both the portfolio's bond and equity allocations.

The following table highlights the top 5 equity contributors and bottom 5 equity detractors over the quarter:

Top Performers	Country	Performance contribution	Bottom Performers	Country	Performance contribution
Lockheed Martin Corporation	US	0.14%	S&P Global, Inc.	US	-0.11%
Altria Group, Inc.	US	0.12%	American Express Company	US	-0.10%
Imperial Oil Limited	CANADA	0.11%	T. Rowe Price Group, Inc.	US	-0.07%
Woodside Energy Group Ltd	AUSTRALIA	0.10%	Automatic Data Processing, Inc.	US	-0.07%
Texas Instruments Incorporated	US	0.10%	SAP SE	GERMANY	-0.07%

North American equity markets declined over the quarter. In the US, the stock market fell over the quarter as the impact of the US involvement in the Middle East took its toll on oil prices and interest rates, causing investors to become increasingly concerned about global economic growth prospects. Additionally, it became increasingly unclear that the US Federal Reserve would be able to reduce interest rates if inflation started to reaccelerate due to higher oil prices – at the start of 2026 the US equity market had been pricing in 2 to 3 interest rate cuts before Christmas. The Canadian market rose as the heavier weighting towards commodities and especially oil companies benefited the index. Over the period the portfolio was ahead of the benchmark.

In the US, sectors such as energy and materials led the market while sectors such as financials and technology lagged the overall market as investors focussed on sectors exposed to higher commodity prices. The portfolio

[1] Net return for the Nedgroup Investments Global Cautious Fund, C class.
[2] SOFR USD 1-month from 1 Feb 2022 (previously US Libor 1 month)
[3] Morningstar EAA Fund USD Cautious Allocation
Source: Morningstar (monthly data series).

benefitted from having an overweight position in the consumer staples and materials sectors. In terms of country performance, the US market (SP500) lagged the Canadian market (TSX) (in local currency terms).

Some of the better performing companies in the portfolio included Lockheed Martin, Texas Instruments, Hershey and KLA-Tencor. Lockheed Martin (Defence) benefitted from investor expectations that defence spending would increase globally due to rising geopolitical tensions. Texas Instruments (semiconductors) rose as there were early signs that the inventory issues that had plagued the analog semiconductor industry were finally starting to abate. This is a positive for Texas Instruments as it has been building capacity in the current downturn, so that when customer demand picks up it will be able to meet these orders. Hershey (consumer staples) had been impacted by high cocoa prices in 2025 that had reduced profitability. The company recently reported an encouraging set of results as cocoa prices have fallen back sharply in late 2025 causing a positive rerating of the company. KLA-Tencor (semiconductor manufacturing) performed well as the continued demand and importance of semiconductors in areas such as artificial intelligence, defence and automotive indicated that demand for semiconductor manufacturing equipment would continue to see growth over coming years, with KLA-Tencor having a dominant niche in this industry.

Companies that were behind the index over the quarter included American Express, T Rowe Price, S&P Global and Automatic Data Processing. American Express (Financial Services) fell over the quarter as US bond yields rose in response to inflation concerns. With higher energy prices investors were concerned that discretionary consumer spending would slow impacting card transaction volumes at American Express – at this stage it is very early to make a definitive conclusion on the consumer spending outlook as the employment picture in the US remains stable and consumers will receive large tax refunds over the rest of 2026. The share price of T Rowe Price (asset management) responded to falling equity markets but it is worth noting that the majority of its business is focussed on the longer term and more stable retirement market. S&P Global (financial data) and ADP (human capital management software) were impacted about concerns that artificial intelligence would disintermediate these software companies. Both companies have very durable business models in our opinion with strong customer retention and excellent reputational credentials that would be difficult for a new entrant to undermine quickly.

Elsewhere in the portfolio, US bonds produced a positive return and outperformed the broader index. Our overseas bonds detracted but outperformed the broader index. The bond market was caught between rate cut optimism and structural headwinds.

The currency hedging program, which aims to protect the portfolio by hedging out exposure to overvalued currencies relative to US Dollar, detracted over the quarter as the US Dollar weakened against the Australian dollar. The USD weakened sharply following expectations of further Federal Reserve rate cuts and as global investors rotated away from USD assets.

Portfolio Positioning

There were no changes to positioning over the quarter. The model allocation is 78% bonds, 20% equities and 2% cash.

Within the fixed income allocation, Pyrford adopts a defensive stance by owning short duration securities to minimise the impact on the portfolio from interest rate rises. At the end of the period the modified duration of the fixed income portfolio stood at around 2.7 years. Whilst these shorter duration bonds are unlikely to yield high returns, they will provide significant capital protection for the portfolio and importantly they are highly liquid. The bond portfolio remains of a very high credit quality and highly liquid. Australian 10-year bond yields climbed to around 4.8% after the Reserve Bank of Australia signalled no near-term rate cuts, widening the spread over US yields to more than 60 bps. Fixed income allocations were adjusted accordingly, increasing exposure to Australian bonds. The bond portfolio remains highly liquid.
46.8% of the portfolio is invested in overseas bonds, with 23.4% in the UK and 23.4% in Australia. 31.2% of the portfolio is invested in US government debt.

Within the equity portfolio the companies we hold are defensive names, which we would expect to perform well during volatile periods. The focus of the portfolio is on balance sheet strength, profitability, earnings visibility and value. The European portfolio holds several names that are global leaders in niche industries. We have a high concentration in Switzerland and have avoided several industries which are structurally challenged. In Asia, we prefer the Southeast Asian markets over Japan. The potential growth rate in Japan remains low given the poor demographics and low productivity growth. Economies in Southeast Asia offer sustainable economic growth supported by increased labour output or productivity growth and trade at more reasonable valuations.

Finally, there was no change to the unhedged non-USD exposure in the portfolio, and Australian Dollar remains the only hedged currency. 34% of the portfolio remains exposed to unhedged foreign currencies, representing the view that the US dollar is a very expensive currency, and we expect it to fall based on our purchasing power analysis.

Portfolio Changes

We purchased Adobe, where concerns about AI disruption have pushed the valuation to historically low levels, despite continued strong revenue growth, record-high margins, and ongoing share buybacks that support long term earnings. We trimmed T. Rowe Price, given its elevated weighting and ongoing fee pressure as investors shift toward passive strategies, although it continues to offer a strong dividend track record. We initiated a position in HCA Healthcare, the largest listed hospital operator in the US, benefiting from favourable long term healthcare demand, strong market positioning, and disciplined capital allocation.

In Asia, we have reduced our position in Vtech and initiated a position in Fuyao Glass. Fuyao Glass is the global leader in auto glass manufacturing. The company leads in R&D and new technology. They currently hold a 70% market share in China and 30% globally in a consolidating industry, with competitors such as Saint Gobain looking to exit. We expect Fuyao Glass's share of the domestic market, the US and Europe to continue to grow. The company has a strong balance sheet and the valuation is attractive.

Outlook

The global environment remains characterised by slowing growth, elevated geopolitical uncertainty, and a structural repricing of risk assets. The escalation of the Iran conflict has driven a sharp increase in energy prices, disproportionately affecting Europe given its reliance on imported energy. This has reintroduced inflation uncertainty, complicated the policy outlook, and contributed to increased volatility across regional equity markets. Companies with strong balance sheets, recurring revenues, and durable competitive advantages remain well-positioned amid macro uncertainty.

Following the rally in North American equity markets over the last few years, valuations are in aggregate less attractive than they were. Equity investors will be best rewarded by concentrating on high quality companies selling at low valuations relative to a defensive and visible stream of earnings. Financial leverage should be avoided, and investors should focus on companies which are very well capitalised and whose business models have proved resilient during previous periods of poor economic growth.

Responsible Investments

As long-term shareholders of companies, we have the ability, and in our view the responsibility, to try and influence the business practices of companies.

Pyrford voted 244 proposals in 12 company meetings in the quarter. We voted against management on 13 proposals. We also attended 63 company meetings worldwide, and ESG issues are a standing agenda item in every meeting we conduct.

For a detailed overview of ESG activity, please visit our website for all voting records and our latest annual ESG report.

Disclaimer

This is a marketing communication. Please refer to the prospectus, the key investor information documents (the **KIIDs/PRIIPS KIDs**) and the financial statements of Nedgroup Investments Funds plc (the **Fund**) before making any final investment decisions.
These documents are available from Nedgroup Investments (IOM) Ltd (the **Investment Manager**) or via the website: www.nedgroupinvestments.com, where the prospectus is available in English and the KIIDs/KIDs in English and the official languages of each country of registration.

This document is of a general nature and for information purposes only, it is not intended for distribution to any person or entity who is a citizen or resident of any country or other jurisdiction where such distribution, publication or use would be contrary to law or regulation. Whilst the Investment Manager has taken all reasonable steps to ensure that this document is accurate and current at the time of publication, we shall accept no responsibility or liability for any inaccuracies, errors or omissions relating to the information and topics covered in this document.

The Fund is authorised and regulated in Ireland by the Central Bank of Ireland. The Fund is authorised as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended and as may be amended, supplemented, or consolidated from time -to-time and any rules, guidance or notices made by the Central Bank which are applicable to the Fund. The Fund is domiciled in Ireland. Nedgroup Investment (IOM) Limited (reg no 57917C), the Investment Manager and Distributor of the Fund, is licensed by the Isle of Man Financial Services Authority. The Depositary of the Fund is Citi Depositary Services Ireland DAC, 1 North Wall Quay, Dublin 1, Ireland. The Administrator of the Fund is Citibank Europe plc, 1 North Wall Quay, Dublin 1, Ireland.

The sub-funds of the Fund (the **Sub-Funds**) are generally medium to long-term investments and the Investment Manager does not guarantee the performance of an investor's investment and even if forecasts about the expected future performance are included the investor will carry the investment and market risk, which includes the possibility of losing capital.

The price of shares may go down or up depending on fluctuations in financial markets outside of the control of the Investment Manager meaning an investor may not get back the amount invested.
Past performance is not indicative of future performance and does not predict future returns.
Risks and fees are outlined in the relevant Sub-Fund supplement.
Prices are published on the Investment Manager's website.

Distribution: The prospectus, the supplements, the KIIDS/PRIIPS KIDS, constitution, country specific appendix as well as the annual and semi-annual reports may be obtained free of charge in English for the prospectus and in English together with the relevant local languages for the KIIDs/KIDs from the country representative, the Investment Manager, or at www.nedgroupinvestments.com. The Investment Manager may decide to terminate the arrangements made for the marketing of its collective investment undertakings in accordance with Art 93a of Directive 2009/65/EC and Art 32a of Directive 2011/61/EU.

Switzerland: The Representative is Acolin Fund Services AG, Maintower, Thurgauerstrasse 36/38, 8050 Zurich, Switzerland, whilst the Paying agent is Banque Heritage SA, Route de Chêne 61, CH-1211 Geneva 6. Nedgroup Investments (IOM) Limited is affiliated to the Swiss ombudsman: Verein Ombudsstelle Finanzdienstleister (OFD), Bleicherweg 10, CH-8002 Zurich.
Germany: The Fund's Facilities agent in Germany is Acolin Europe AG, with the registered office at Line-Eid-Strasse 6, 78467 Konstanz. The Prospectus (in English) and the PRIIPS KID (in German), may be obtained free of charge at the registered office of the Facilities agent, or electronically by Email via facilityagent@acolin.com, or by using the contact form at https://acolin.com/services/facilities-agency-services.
U.K: Nedgroup Investments (UK) Limited (reg no 2627187), authorised and regulated by the Financial Conduct Authority, is the facilities agent. The Fund and certain of its sub-funds are recognised in accordance with Section 264 of the Financial Services and Markets Act 2000.
Isle of Man: The Fund has been recognised under para 1 sch 4 of the Collective Investments Schemes Act 2008 of the Isle of Man. Isle of Man investors are not protected by statutory compensation arrangements in respect of the Fund.

Issue Date
Apr 2026