

Contrarian Value Equity Fund



► Temperament. Duration. Alpha.

July 2025 Commentary | ISIN for Class D USD: IE00BF5FMG44

MARKETING COMMUNICATION

Our investment approach

- Contrarian investing is where quality and value meet.
- It starts with the best ideas not the index.
- It requires a patient temperament to generate long-term growth without taking investors off a cliff.

Portfolio Management Team



Brian A. Selmo

24 years in the industry



Mark Landecker

23 years in the industry

What do we mean by temperament and duration? Inside, we share the fund's return drivers, portfolio positioning and put the spotlight on a stock bought/sold.

Performance and markets

An upbeat earnings season, progress on trade deals, and the passing of the OBBB helped ease policy risk, allowing equity markets to extend their gains through July. The Nedgroup Investments Contrarian Value Equity Fund returned 1.6%, outperforming the MSCI ACWI benchmark, which rose 1.4% in US dollar terms.

Information Technology was the top contributor, led by TE Connectivity, a global leader in connectors that enable safe and reliable communication across electronic devices, vehicles, aircraft, and power systems. The stock surged over 20%, driven by strong results in its industrial and transportation segments, alongside effective supply chain management. Notably, our IT exposure is less than half that of the index, with zero exposure to the top three megacaps—Nvidia, Microsoft, and Apple—underscoring our contrarian, bottom-up approach.

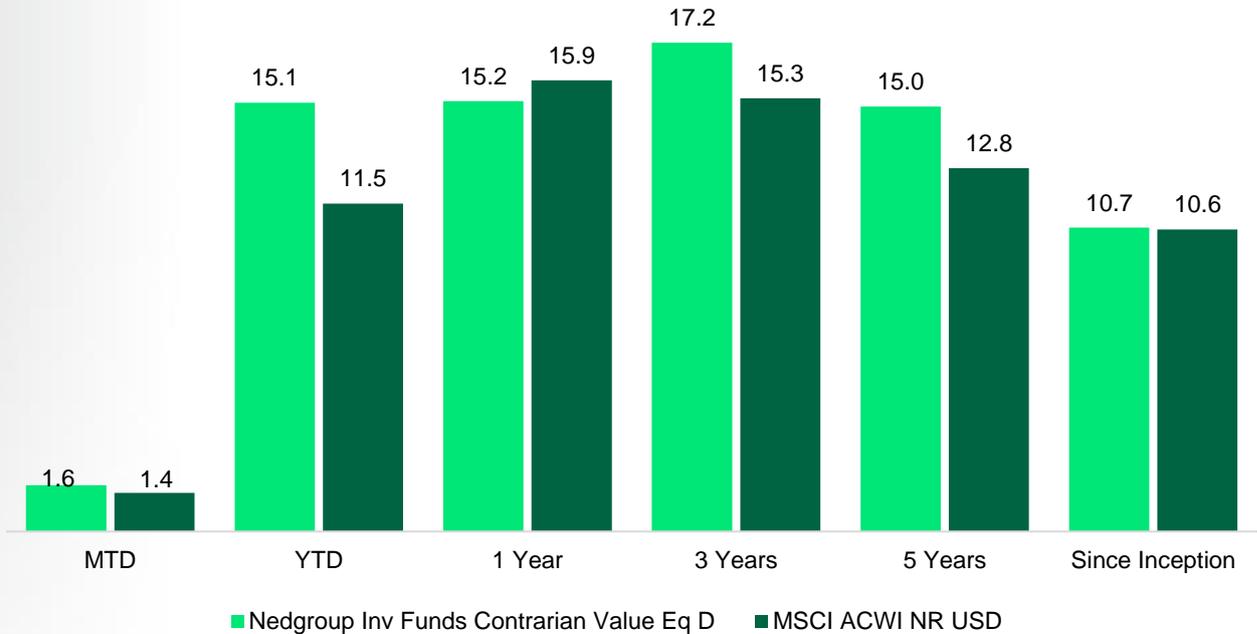
Despite the healthcare sector declining nearly 2% year-to-date, our holdings in Thermo Fisher and Eurofins contributed positively. We've been selectively adding exposure, particularly in life sciences, where valuations have become more attractive. The sector continues to face short-term headwinds—pricing pressure, regulatory shifts, patent cliffs, and post-COVID digestion—but we see long-term opportunity in well-managed, cash-generative businesses.

Gains from Alphabet and Meta were not enough to offset weakness in Charter Communications, making Communication Services a net detractor. Charter's broadband business faced rising competition and disappointing Q2 earnings, though its high-margin mobile segment continued to grow strongly. We've continued to reduce our exposure to Alphabet, Meta, and Nintendo, bringing the sector weighting down to 20%, from 24% at the start of the year.

This month followed a familiar pattern to last month: we trimmed several long-standing holdings—many of which have featured in our top ten for years—as valuations became stretched. This has allowed us to reallocate capital toward new opportunities further down the market cap spectrum, in line with our disciplined, valuation-driven process.

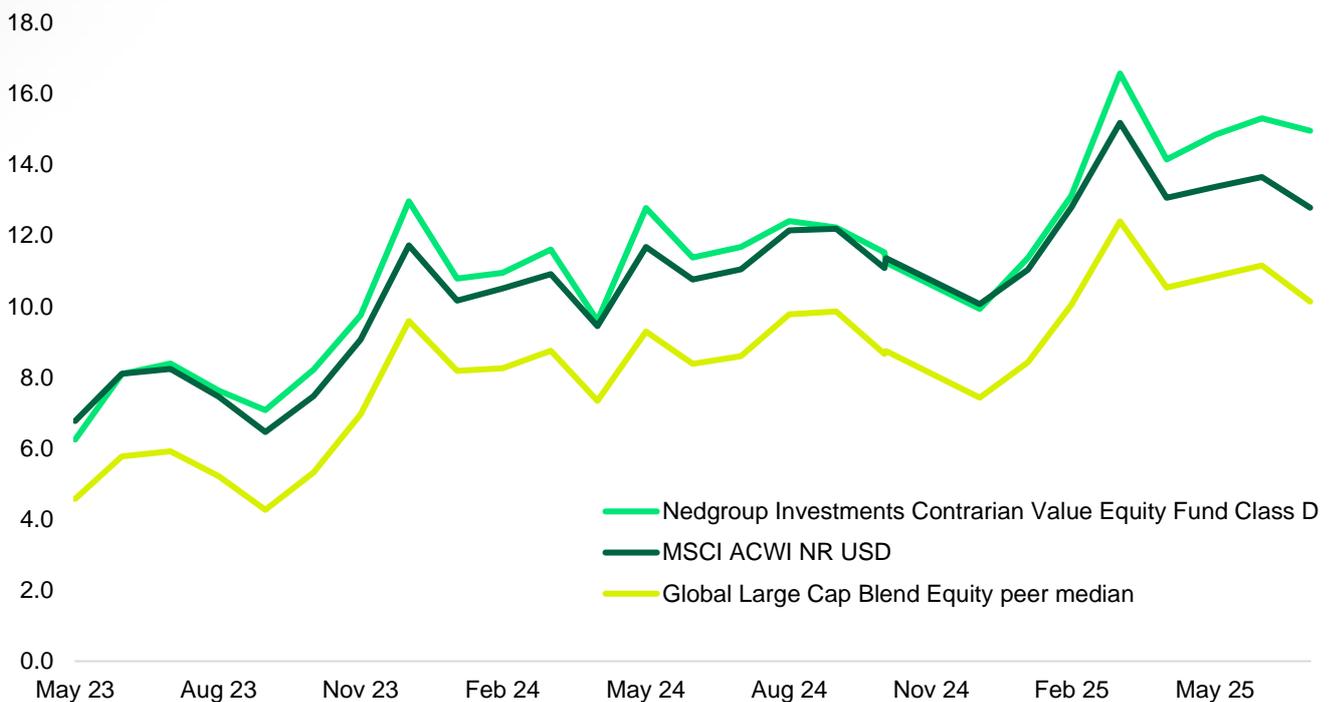
Fund performance

Past performance is not indicative of future performance and does not predict future returns



Rolling 5-year returns (% , US\$)

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Fund returns are in US\$ based on Class D Accumulation. MSCI index returns are with net dividends reinvested. Source: Morningstar, Nedgroup Investments.

Key return drivers

Stock contribution: Month to date

Winners	Contribution (%)	Losers	Contribution (%)
TE Connectivity	0.95%	Charter Communications	-0.89%
Alphabet	0.49%	Heineken Holding	-0.27%
Citigroup	0.45%	Analog Devices	-0.27%
Meta Platforms	0.25%	CarMax	-0.27%
ICON	0.22%	Comcast Corporation	-0.25%

Stock contribution: Year to date

Winners	Contribution (%)	Losers	Contribution (%)
TE Connectivity	1.84%	CarMax	-0.76%
Meta Platforms	1.83%	Intl Flavors & Fragrances	-0.65%
Citigroup	1.72%	Comcast Corporation	-0.53%
JDE Peet's	1.51%	Charter Communications	-0.42%
Safran	1.44%	Vail Resorts, Inc.	-0.25%

Sector contribution	Month to date (%)	Year to date (%)
Communication Services	-0.74%	1.91%
Consumer Discretionary	-0.28%	0.33%
Consumer Staples	-0.06%	2.04%
Energy	-0.04%	0.13%
Financials	0.46%	2.15%
Health Care	0.49%	0.58%
Industrials	0.02%	4.00%
Information Technology	0.66%	2.28%
Materials	0.17%	1.17%
Real Estate	0.00%	0.00%

Performance, contribution data and positioning information as of reporting month end. Source: FPA, Factset, Nedgroup Investments

Portfolio positioning

Top 10 holdings	Portfolio weight	Sector breakdown	Portfolio weight
Alphabet	6.0%	Communication Services	20.6%
Meta Platforms	5.8%	Consumer Discretionary	12.8%
TE Connectivity Plc	5.0%	Consumer Staples	8.1%
Citigroup	4.7%	Energy	2.2%
Analog Devices	4.7%	Financials	8.7%
Comcast Corp	4.0%	Health Care	5.4%
Safran Sa	3.7%	Industrials	14.1%
Amazon.Com	3.5%	Information Technology	11.9%
Heineken Holding Nv	3.4%	Materials	10.2%
Intl Flavors & Fragrances	3.1%	Real Estate	0.0%
Total	43.9%	Total	94.0%

Stock spotlight: Glencore

Glencore is a global leader in commodities trading and mining, with major operations in coal, copper, zinc, and other metals, including rare earths. The company has been a long-standing holding in the Fund. Our familiarity with Glencore dates back to the 2015–2016 commodity downturn, when the company faced a liquidity crunch amid a broader sell-off in oil and other commodities. During that period, we gained a deep understanding of the business and its leadership as the company navigated a challenging environment. Management acted decisively—raising equity and committing personal capital to shore up the balance sheet—which marked a turning point in Glencore’s financial stability and strategic positioning.

- **Exceptional management:** Glencore’s leadership is widely regarded as among the best in the commodity space. Their capital allocation discipline—maintaining low leverage, opportunistically buying back shares, and returning capital via special dividends—has consistently added value.
- **Strategic commodity exposure:** The company is well-positioned in future-facing commodities, particularly copper, which we believe will be in increasing demand at structurally higher prices.
- **High-quality trading business:** Glencore’s trading business is viewed as a high-return operation and a key differentiator.
- **Track record:** Our long-term engagement with the company, including direct interactions with leadership, has reinforced our confidence in their capabilities.

Glencore exemplifies the type of business we seek: well-managed, strategically positioned, and capable of delivering attractive returns across cycles. Our long-standing relationship with the company, combined with continued confidence in its leadership and business model, supports its place in the Fund.

This position was 1.76% of the portfolio as at month-end.

Performance, contribution data and positioning information as of reporting month end. Source: FPA, Factset, Nedgroup Investments

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