

Global Flexible Fund

► Contrarian. Flexible. Patient.



July 2025 update | ISIN for Class C USD:IE00BKXGFM15

MARKETING COMMUNICATION

Our investment approach

- We target equity-like returns with less risk than the market over a full market cycle.
- Portfolio construction is driven by bottom-up fundamental research and valuations, agnostic of market indices.
- We patiently seek undervalued, out-of-favour opportunities across asset class and capital structure.
- We hold cash when prudent to protect against downside risks.

Portfolio Management Team



Brian A. Selmo

24 years in the industry



Steve Romick

39 years in the industry



Mark Landecker

23 years in the industry

In this monthly note, we share the Fund's return drivers over recent periods, current 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 Global Flexible Fund returned 1.4%, versus 1.3% global equities (MSCI World) and -0.1% in global bond returns (Bloomberg Global Agg US\$ hedged).

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.

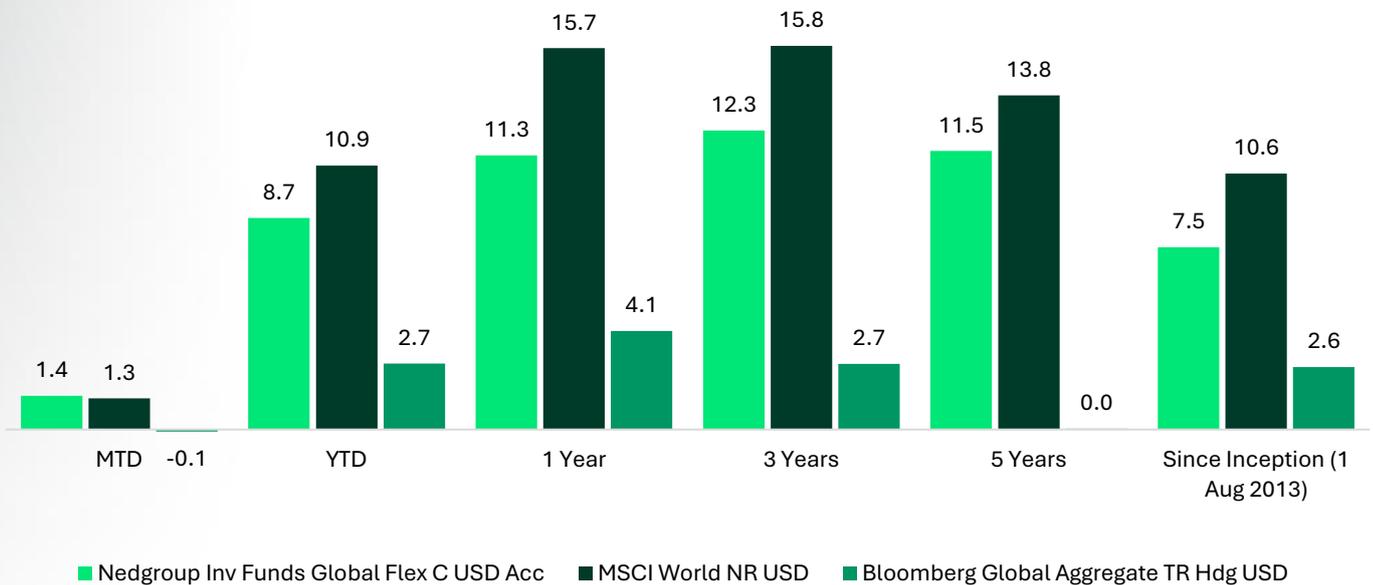
Despite the healthcare sector declining nearly 2% year-to-date, our holdings in Thermo Fisher and Eurofins contributed positively. We've been selectively adding exposure, particularly in life sciences, where valuations have become more attractive. The sector continues to face short-term headwinds—pricing 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 13%, from 14% 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.

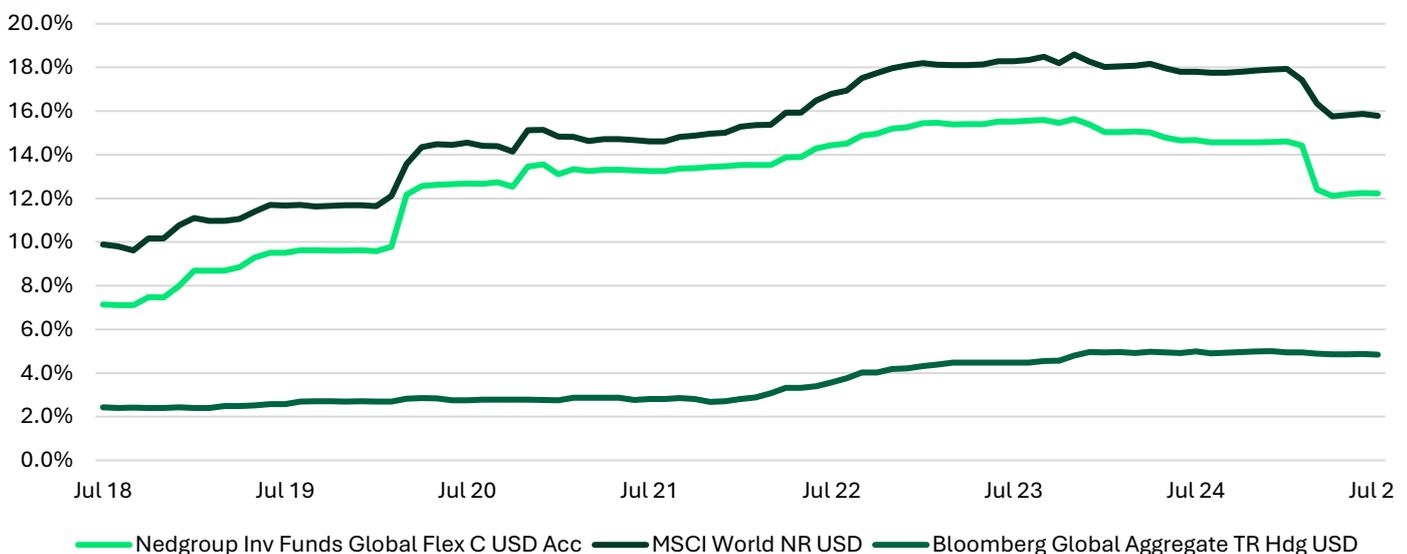
Fund performance

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



Rolling 5-year volatility (% net in US\$)

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Fund returns are in US\$ based on Class C since 1 August 2013. MSCI index returns are with net dividends reinvested. Rolling volatility based on rolling 5-year US\$ returns. Source: Morningstar, Nedgroup Investments.

Key return drivers

Month to date

Contributors		Detractors	
TE Connectivity	0.56%	Charter Communications	-0.45%
Alphabet	0.37%	Analog Devices	-0.16%
Citigroup	0.24%	Nintendo	-0.15%
Meta Platforms	0.14%	Heineken Holding	-0.14%
Amazon.com	0.12%	CarMax	-0.13%

Year to date

Contributors		Detractors	
TE Connectivity	1.03%	Jefferies Financial Group	-0.47%
Meta Platforms	0.96%	CarMax	-0.37%
Citigroup	0.87%	Intel Flavors & Fragrances	-0.31%
JDE Peet's	0.78%	Comcast Corporation	-0.25%
Safran	0.74%	Charter Communications	-0.22%

Sector contribution	Month to date	Year to date
<i>Equities</i>	0.81%	7.43%
Communication Services	-0.20%	1.20%
Consumer Discretionary	-0.14%	0.18%
Consumer Staples	-0.03%	1.10%
Energy	-0.06%	0.04%
Financials	0.41%	0.83%
Health Care	0.26%	0.32%
Industrials	0.01%	1.98%
Information Technology	0.45%	1.28%
Materials	0.10%	0.67%
Real Estate	0.00%	-0.18%
<i>Fixed Income</i>	0.15%	1.27%

Contribution data as of reporting month end. Source: FPA, Factset.



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INVESTMENTS**

Portfolio positioning

Portfolio structure	Portfolio weight
Fixed income	2.17%
Corporate Bonds	0.50%
Convertible Bonds	1.57%
Asset Backed Bonds	0.10%
Equities	58.17%
Communication Services	13.04%
Consumer Discretionary	6.52%
Consumer Staples	4.67%
Energy	1.61%
Financials	7.78%
Health Care	3.26%
Industrials	7.51%
Information Technology	7.49%
Materials	5.18%
Real Estate	1.02%
Utilities	0.08%
Cash & equivalents*	39.66%
Total	100.00%

* Includes money market securities.

Regional breakdown	Equity weight	Fixed income weight
North America	34.28%	0.73%
Europe ex UK	19.28%	1.43%
Asia ex. Japan	0.20%	0.0%
Japan	2.34%	0.0%
Emerging Markets	2.08%	0.0%
Total	58.17%	2.17%

Top 5 equity holdings		Portfolio weight
Alphabet	Communication Services	4.60%
Meta	Communication Services	3.27%
TE Connectivity	Information Technology	2.89%
Analog Devices	Information Technology	2.69%
Citigroup	Financials	2.43%

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, with exposure dating back nearly a decade. Our initial entry was through the company's bonds during the commodity downturn of 2015–2016, when oil and broader commodity markets experienced significant stress. At the time, Glencore faced a liquidity crunch, and its bonds traded at distressed levels—creating a compelling contrarian opportunity. As the company stabilized, supported by management-led equity issuance and personal capital commitments, the balance sheet improved markedly. We exited the bond position near par and transitioned into the equity, leveraging our deep familiarity with the business and its leadership.

- **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 0.96% of the portfolio as at month-end.

Positioning information as of reporting month end. Some differences may exist due to rounding. Source: FPA, Nedgroup Investments.

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The documents applicable to the fund are available from Nedgroup Investments (IOM) Ltd (the **Investment Manager**) or via the website: www.nedgroupinvestments.com.

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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.

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