

Global Flexible Fund

► Contrarian. Flexible. Patient.



March 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.
- Our bottom-up research drives asset allocation, agnostic of market indices.
- We patiently seek undervalued and out-of-favour opportunities across asset class and capital structure.
- We are willing to hold cash until opportunities present themselves.

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

March saw continued market turbulence as global economic uncertainties persisted. The Federal Reserve maintained interest rates at 4.5% and the Bank of Japan kept its policy rate steady at 0.5%. The S&P 500 experienced a significant decline of 5.63%, marking the second consecutive month of losses. Investor sentiment was dampened by ongoing tariff concerns, massive government layoffs in the tech sector led by Elon Musk's Department of Government Efficiency, and escalating geopolitical tensions in Eastern Europe. Commodities faced mixed outcomes; oil prices remained volatile due to oversupply issues, while gold continued to be a safe haven amid economic uncertainties. Global bond markets showed little movement, with US 10-year Treasury yields steady at 4.21% and UK 10-year gilt yields at 4%. The geopolitical landscape and fluctuating trade policies contributed to a cautious investment environment.

JDE Peet's was a leading contributor to the Nedgroup Investments Global Flexible Fund in March. Other significant contributors included McDermott International, Naspers and Prosus, Comcast and Orion Corp.

Fund performance

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



Fund returns are in US\$ based on Class C since 1 August 2013. MSCI index returns are with net dividends reinvested. Performance indicator: 60% MSCI World NR USD, 30% Bloomberg Global Aggregate bond, 10% US Cash. Source: Morningstar, Nedgroup Investments.

Key return drivers

Month to date

| Contributors | | Detractors | |
|-------------------------|-------|---------------------------|--------|
| JDE Peet's | 0.17% | Meta | -0.42% |
| McDermott International | 0.07% | Alphabet | -0.40% |
| Naspers & Prosus | 0.06% | Analog Devices | -0.35% |
| Comcast Corporation | 0.06% | Citigroup | -0.30% |
| Orion Corp | 0.05% | Jefferies Financial Group | -0.26% |

Year to date

| Contributors | | Detractors | |
|------------------|-------|------------------------------------|--------|
| Holcim | 0.31% | Alphabet | -0.87% |
| Heineken Holding | 0.31% | Jefferies Financial Group | -0.50% |
| JDE Peet's | 0.27% | Amazon | -0.23% |
| Safran | 0.27% | Glencore | -0.17% |
| Aon | 0.19% | International Flavors & Fragrances | -0.15% |

| Sector contribution | Month to date | Year to date |
|------------------------|---------------|--------------|
| <i>Equities</i> | -3.30% | -0.93% |
| Communication Services | -0.88% | -0.67% |
| Consumer Discretionary | -0.46% | -0.21% |
| Consumer Staples | 0.14% | 0.55% |
| Energy | 0.09% | 0.11% |
| Financials | -0.90% | -0.24% |
| Health Care | -0.04% | -0.14% |
| Industrials | -0.20% | 0.26% |
| Information Technology | -0.75% | -0.45% |
| Materials | -0.21% | 0.00% |
| Real Estate | -0.10% | -0.14% |

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



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Portfolio positioning

| Portfolio structure | Portfolio weight |
|------------------------|------------------|
| Fixed income | 2.23% |
| Corporate Bonds | 0.50% |
| Convertible Bonds | 1.62% |
| Asset Backed Bonds | 0.11% |
| Equities | 55.30% |
| Communication Services | 12.21% |
| Consumer Discretionary | 6.43% |
| Consumer Staples | 4.58% |
| Energy | 1.87% |
| Financials | 8.49% |
| Health Care | 1.98% |
| Industrials | 6.42% |
| Information Technology | 6.58% |
| Materials | 5.52% |
| Real Estate | 1.11% |
| Utilities | 0.11% |
| Cash & equivalents* | 42.47% |
| Total | 100% |

* Includes money market securities.

| Regional breakdown | Equity weight | Fixed income weight |
|--------------------|---------------|---------------------|
| North America | 33.08% | 0.98% |
| Europe ex UK | 18.22% | 1.25% |
| Asia ex. Japan | 0.18% | 0.00% |
| Japan | 2.10% | 0.00% |
| Emerging Markets | 1.73% | 0.00% |
| Total | 55.30% | 2.23% |

| Top 5 equity holdings | | Portfolio weight |
|-----------------------|------------------------|------------------|
| Alphabet | Communication Services | 4.08% |
| Meta | Communication Services | 2.77% |
| Analog Devices | Information Technology | 2.65% |
| Holcim | Materials | 2.59% |
| Citigroup | Financials | 2.51% |

Stock spotlight: Holcim

Holcim, a building material (largely concrete, cement, and aggregates) company, and global leader in sustainable building solutions has been a key component of the portfolio since its inclusion. Known for its innovative products like green concrete and cement, Holcim continues to drive the green transformation in the construction industry.

- The company has been a strong performer for the Fund over the past year. In addition to strong operating performance, management has taken several steps to return capital to shareholders and improve awareness of the company's underlying business strength, including repurchasing shares, increasing the dividend, and announcing plans to separate the company's North American business.
- The planned spin-off of Holcim's North American business, Amrize, set to occur in June 2025, is expected to unlock new value for shareholders. The name "Amrize" combines the concepts of "ambition" and "rising," reflecting the company's commitment to high performance, innovation, and leadership in the construction industry. Holcim's mission in North America is strong and well-positioned for success. This strategic move will allow Holcim to sharpen its focus on core markets and capitalise on growth opportunities in Europe, Latin America, and other regions.
- Should tariffs drive more onshoring and infrastructure development by US companies, Holcim's North American operations could be a great beneficiary. Despite the uncertainty in markets, there is confidence in Holcim's management team and the quality of their assets.
- This position was 2.63% 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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Disclaimer

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