Global Flexible Fund

▶ Contrarian. Flexible. Patient.

NEDGROUP INVESTMENTS

March 2026 update | ISIN for Class C USD:IE00BKXGFM15

MARKETING COMMUNICATION

MONTHLY PORTFOLIO UPDATE

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

Geopolitical tensions in the Middle East triggered a sharp risk-off move in March, with global equities (MSCI World) declining 6.4% and global bonds (Bloomberg Global Aggregate, USD-hedged) falling 1.8%. Market leadership narrowed materially, with energy the only sector to deliver positive returns. The Nedgroup Investments Global Flexible Fund declined 5.3% over the month, giving back some of its late-February gains. For the first quarter, the Fund returned -2.8%, outperforming the MSCI World (-3.6%) but lagging global bonds (-0.2%). Periods like this reinforce the importance of staying anchored to long-term valuations and maintaining cash as a stabiliser.

At a sector level, stock selection in Materials and IT added value, while lower exposure to Energy and stock selection in Healthcare detracted. Although the two energy holdings in the portfolio performed well, the sector rose 33% over the period amid supply disruptions and escalating geopolitical concerns, and under-exposure weighed on relative returns. Healthcare holdings detracted as tighter funding conditions continued to pressure demand for outsourced services, particularly from biotech and pharma.

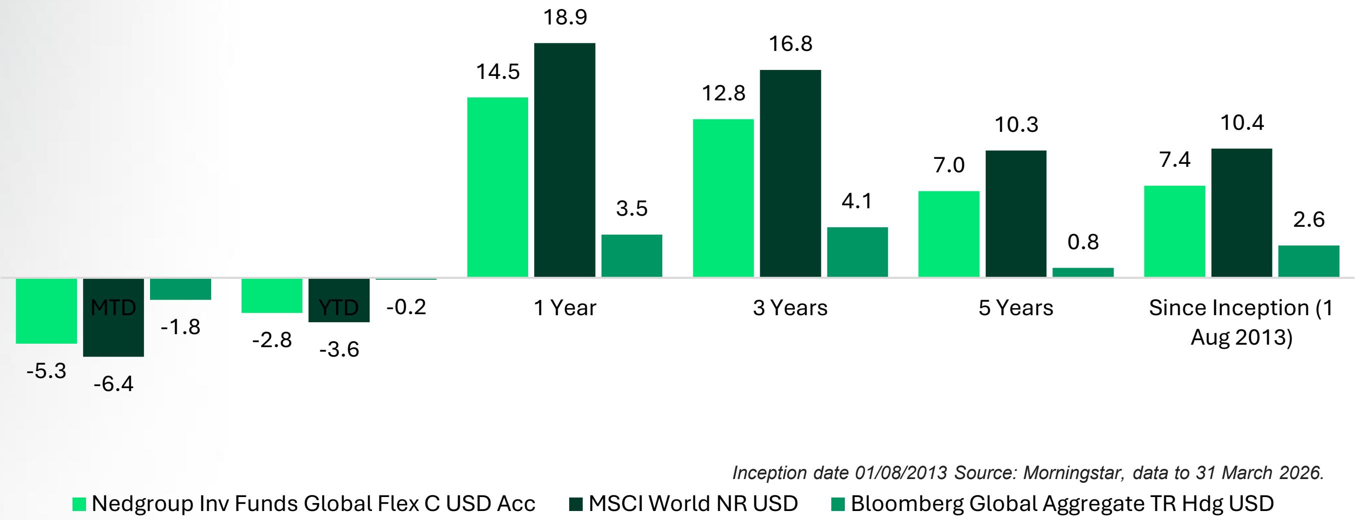
Within Materials, the top four contributors—Glencore, Amrize, IFF and Grupo Mexico—represented almost 10% of the portfolio despite each accounting for less than 0.1% of the MSCI World. Glencore delivered strong gains on a better-than-expected dividend and firmer copper and metals prices earlier in the quarter. Higher copper prices also supported Grupo Mexico, which owns some of the world's largest copper reserves. IFF benefited as investors responded positively to ongoing deleveraging and restructuring progress, while Amrize, recently spun out of Holcim, reported better-than-expected results, supporting double-digit gains.

IT performance was mixed. Analog Devices performed well as the semiconductor cycle turned, supported by its diversified end-market exposure beyond technology. Elsewhere, debate continued around the return on investment from parts of the AI complex, while AI-related pressure intensified across software stocks. The Fund had no exposure to large index-heavyweight IT names such as Microsoft, Nvidia and Apple, which delivered negative returns over the period; given their substantial index weights, not owning these stocks proved additive.

Market volatility through March created opportunities to add to businesses where prices moved ahead of underlying fundamentals. In Healthcare, valuation resets allowed the Fund to build exposure to Bio-Rad and Avantor and to initiate a position in Baxter. We also continued to build exposure to Magnum Ice Cream and added new positions such as Sodexo, alongside topping up Nippon Paint. At the higher-quality end, positions were initiated in AJ Gallagher and Kerry. While market narratives remain focused on AI, the portfolio continues to be positioned around a high-conviction, bottom-up opportunity set where valuations provide a margin of safety and support disciplined capital allocation through the cycle.

Fund performance

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



Inception date 01/08/2013 Source: Morningstar, data to 31 March 2026.

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

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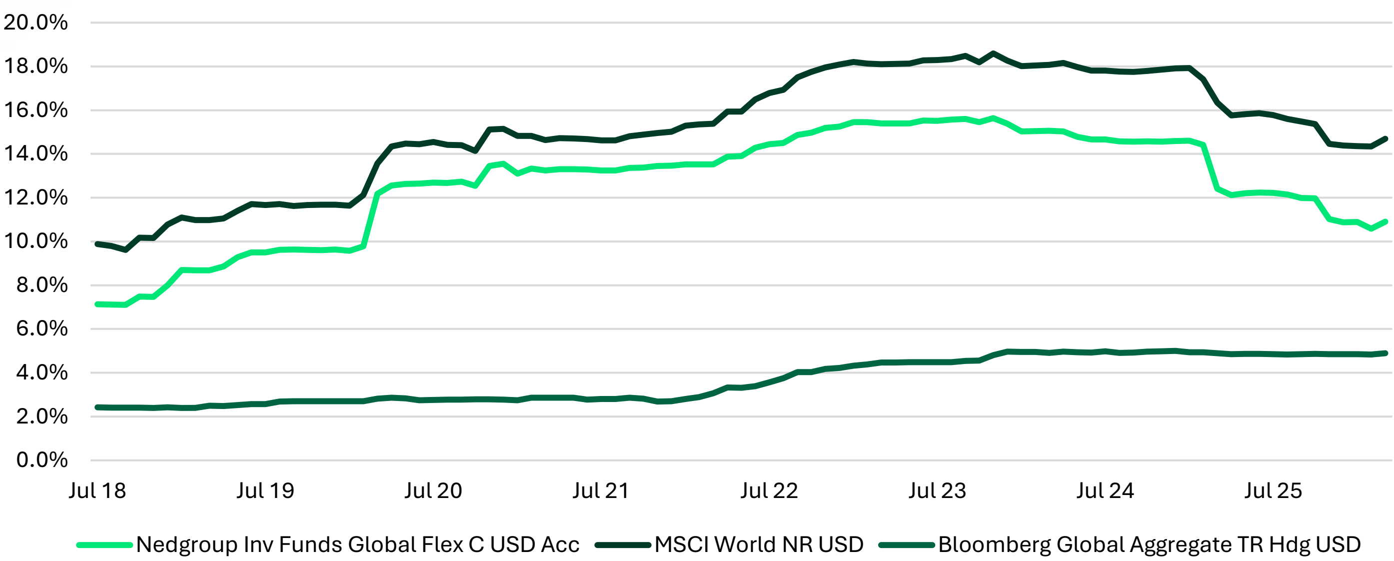

Source: Morningstar, data to 31 March 2026.

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	
McDermott International	0.10%	Alphabet	-0.40%
Glencore	0.07%	Samsung C&T	-0.39%
Citigroup	0.05%	Heineken Holding	-0.39%
IMCD	0.05%	Safran SA	-0.35%
Azelis Group	0.04%	Analog Devices	-0.35%

Year to date

Contributors		Detractors	
Analog Devices	0.45%	Alphabet	-0.40%
Glencore	0.43%	Naspers & Prosus	-0.38%
International Flavors & Fragrances	0.13%	Jefferies Financial Group	-0.36%
NOV	0.13%	Meta Platforms	-0.32%
McDermott International	0.12%	ICON	-0.31%

Sector contribution	Month to date	Year to date
Equities	***-5.3%***	***-2.26%***
Communication Services	-0.89%	-0.71%
Consumer Discretionary	-0.40%	-0.65%
Consumer Staples	-0.65%	-0.19%
Energy	-0.05%	0.23%
Financials	-0.05%	-0.60%
Health Care	-0.55%	-0.61%
Industrials	-1.31%	-0.21%
Information Technology	-0.76%	0.17%
Materials	-0.60%	0.47%
Real Estate	-0.04%	-0.15%
Fixed Income	***0.07%***	***0.32%***

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

Portfolio positioning

Portfolio structure	Portfolio weight
Fixed income	**1.76%**
Corporate Bonds	0.56%
Convertible Bonds	1.19%
Equities	**57.91%**
Communication Services	9.81%
Consumer Discretionary	5.92%
Consumer Staples	6.48%
Energy	1.24%
Financials	6.02%
Health Care	6.09%
Industrials	8.45%
Information Technology	6.57%
Materials	6.37%
Real Estate	0.87%
Utilities	0.10%
Cash & equivalents*	**40.34%**
Total	**100.00%**

** Includes money market securities.*

Regional breakdown	Equity weight	Fixed income weight
North America	31.35%	0.60%
Europe ex UK	21.71%	1.15%
Asia ex. Japan	0.01%	0.0%
Japan	2.21%	0.0%
Emerging Markets	2.35%	0.0%
United Kingdom	0.28%	0.0%
Total	**57.91%**	**1.76%**

Top 5 equity holdings		Portfolio weight
Alphabet	Communication Services	4.64%
Analog Devices	Information Technology	3.10%
Meta Platforms	Communication Services	2.11%
International Flavors & Fragrances	Materials	1.94%
TE Connectivity	Information Technology	1.88%

Stock spotlight: Nippon Paint

Nippon Paint is the largest paint company in Asia, with leading, tier-one brands across Southeast Asia and other key regional markets. While listed in Japan, the company is effectively controlled by a Singapore-based family with a strong owner-operator mindset and a long track record of disciplined capital allocation. Nippon Paint benefits from strong brand preference in a category where customers typically select established leaders, supporting a durable competitive position despite cyclical demand and input-cost volatility.

- **Current Dynamics:** Nippon Paint has been out of favour due to housing-related weakness, a headwind that has affected markets globally rather than being isolated to any single geography. Despite this, the company reported very strong operating numbers shortly before a recent geopolitical conflict, after which the share price sold off sharply. This weakness was driven primarily by rising oil prices, as oil is a key input cost for paint production, rather than any deterioration in underlying demand or franchise quality. Broader market attention has remained focused on technology-oriented growth themes, leaving cyclically exposed industrial businesses such as Nippon Paint relatively overlooked.

- **Strategic Positioning:** Nippon Paint's strategy reflects an owner-operator mindset centred on long-term value creation. The Chairman has actively utilised long-duration yen-denominated debt — issued at exceptionally low real borrowing costs — to acquire higher-growth paint and coatings businesses across Asia. This approach effectively arbitrages Japan's structural cost-of-capital advantage into faster-growing regional markets. The business operates as a disciplined compounder, deploying capital selectively across markets where brand strength, scale, and distribution position support attractive long-term returns.

- **Investment Thesis:** Nippon Paint is viewed as a cyclical grower with a strong economic franchise that is currently unfashionable rather than structurally impaired. The recent share price weakness — driven by oil price volatility and broader housing concerns — has been used to add to the position. The stock has been part of the investment universe for many years and was re-engaged as valuation became more compelling. The thesis is underpinned by the durability of its tier-one market position, disciplined capital allocation supported by low-cost funding, and the ability to compound value through exposure to higher-growth Asian markets. While input-cost pressures remain a near-term headwind, these are viewed as temporary and do not alter the long-term quality of the underlying business.

This position was 0.80% 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.

NEDGROUP INVESTMENTS

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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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