

Contrarian Value Equity Fund



► Temperament. Duration. Alpha.

August 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

Q2 earnings continued to surprise to the upside, fuelling further gains across global equity markets. The Nedgroup Investments Contrarian Value Equity Fund returned 3.3%, outperforming the MSCI ACWI benchmark, which rose 2.5% in US dollar terms.

Consumer Staples led performance, driven by JDE Peet's, which surged 120% year-to-date following its announced acquisition by Keurig Dr Pepper. We initiated our position shortly after its IPO in 2021. Despite facing headwinds from elevated coffee prices and leadership transitions, our conviction in the strength of its global coffee franchise remained intact—an illustration of our patient, contrarian temperament.

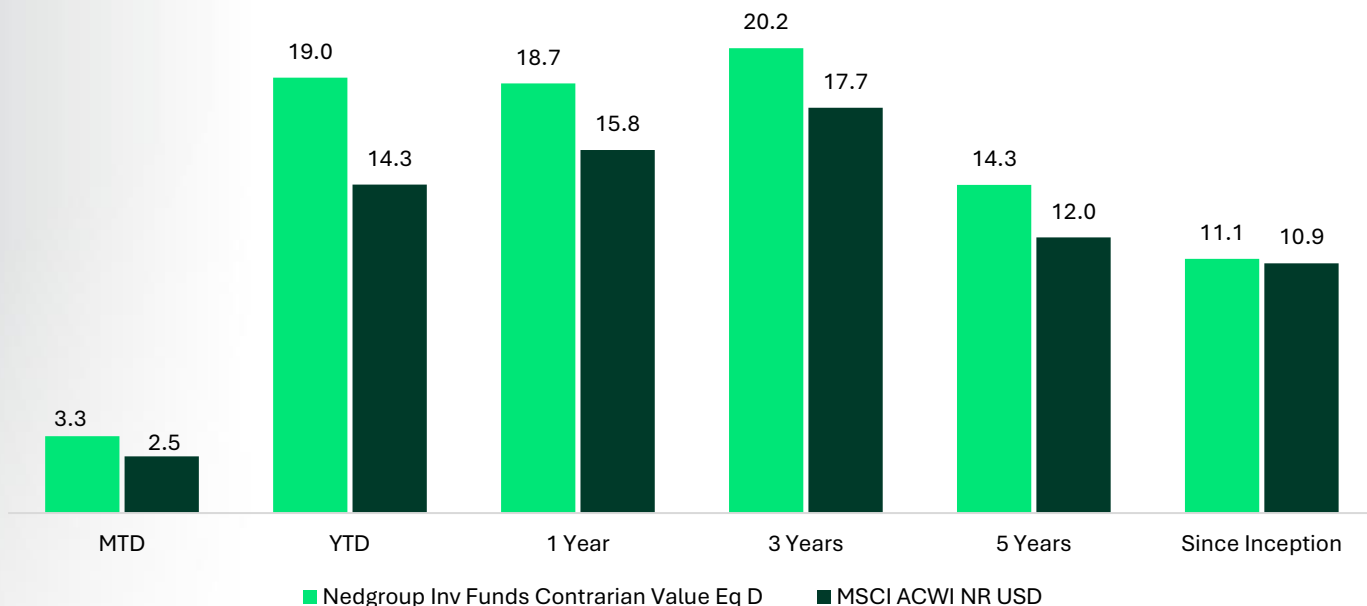
Communication Services and IT also contributed positively, with both sectors delivering some of the strongest earnings growth relative to the broader market. In line with our valuation discipline, we trimmed long-standing positions in Meta, Nintendo, Nexon, and TE Connectivity, reducing our exposure to 19% in Communication Services and 12% in IT. Notably, our IT weighting is now half that of the index, a direct outcome of our bottom-up stock selection process.

While valuations have increased on aggregate globally, we continue to uncover selective opportunities in healthcare, particularly among life sciences. We've added to existing holdings and initiated new positions in Becton Dickinson and Avantor—both mission-critical providers benefiting from secular tailwinds such as ageing demographics and rising demand for precision diagnostics and biologics manufacturing. Avantor, in particular, exemplifies our approach: a misunderstood quality business undergoing strategic transition, with strong free cash flow supporting long-term value creation.

As always, our focus remains on identifying durable businesses trading below intrinsic value, guided by a contrarian mindset and a disciplined valuation framework.

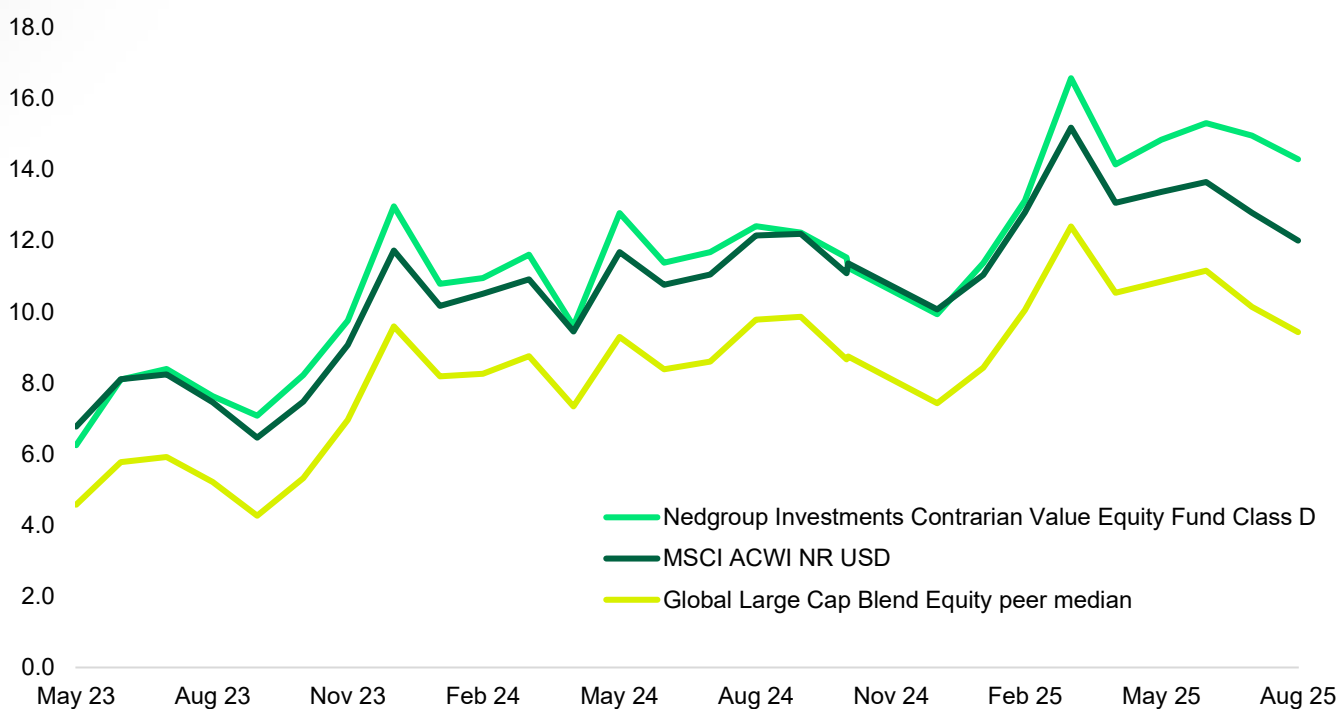
Fund performance

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 (%)
JDE Peet's	0.69%	Meta	-0.24%
Alphabet	0.64%	Intl Flavors & Fragrances	-0.15%
Analog Devices	0.55%	Amazon.com	-0.10%
Bio-Rad Laboratories	0.24%	LG Corp	-0.09%
Naspers & Prosus	0.20%	Kinder Morgan	-0.05%

Stock contribution: Year to date

Winners	Contribution (%)	Losers	Contribution (%)
JDE Peet's	2.26%	Intl Flavors & Fragrances	-0.83%
TE Connectivity	1.94%	CarMax	-0.67%
Citigroup.	1.94%	Charter Communications	-0.47%
Meta	1.66%	Comcast Corporation	-0.46%
Safran	1.55%	Glencore	-0.19%

Sector contribution	Month to date (%)	Year to date (%)
Communication Services	0.81%	2.79%
Consumer Discretionary	0.48%	0.82%
Consumer Staples	0.99%	3.12%
Energy	0.02%	0.15%
Financials	0.28%	2.52%
Health Care	0.57%	1.17%
Industrials	0.23%	4.40%
Information Technology	0.75%	3.13%
Materials	0.05%	1.26%
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	6.2%	Communication Services	19.0%
Meta Platforms	5.1%	Consumer Discretionary	12.2%
Analog Devices	4.9%	Consumer Staples	8.6%
TE Connectivity	4.4%	Energy	2.2%
Citigroup	4.2%	Financials	8.5%
Comcast Corp	4.2%	Health Care	7.9%
JDE Peet's	3.7%	Industrials	13.5%
Heineken Holding	3.7%	Information Technology	11.4%
International Flavors & Fragrances	3.2%	Materials	9.5%
Amazon.com	3.2%	Real Estate	0.0%
Total	43.1%	Total	93.0%

Stock spotlight: Thermo Fisher Scientific

Thermo Fisher Scientific is a global leader in life sciences tools and services, with a diversified portfolio spanning laboratory instruments, diagnostics, bioprocessing, contract research, and distribution. The company has been a long-standing holding in the Fund, with our initial investment dating back many years. We exited the position during the COVID period, when the stock became extremely expensive amid heightened enthusiasm for healthcare and life sciences. While our conviction in the quality of the business and its management remained unchanged, the valuation no longer supported equity-like returns.

- **Exceptional business quality:** Thermo Fisher operates across multiple segments of the life sciences value chain, effectively acting as a toll collector on industry activity. Its scale, diversification, and operational excellence have enabled it to consistently gain share and outperform industry growth.
- **Durable industry tailwinds:** Despite recent headwinds - including post-COVID digestion and regulatory shifts in the U.S. - we continue to view the life sciences tools and services space as a structurally attractive, GDP+ growth industry.
- **Disciplined capital management:** Management has a strong track record of operational execution, supporting high margins, strong cash generation, and returns on capital.
- **Attractive re-entry point:** Following a meaningful de-rating, Thermo Fisher now trades at a valuation (~18x forward earnings) that we believe offers equity-like returns for a high-quality, long-duration compounder.

Thermo Fisher exemplifies the type of business we seek: competitively advantaged, well-managed, and exposed to long-term secular growth. Our long history with the company, combined with a more reasonable valuation, supports its reintroduction into the Fund.

This position was 1.2% 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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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.

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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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