Contrarian Value Equity Fund

NEDGROUP INVESTMENTS

▶ Temperament. Duration. Alpha.

December 2025 Commentary | ISIN for Class D USD: IE00BF5FMG44

MARKETING COMMUNICATION

MONTHLY PORTFOLIO UPDATE

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

Despite ongoing concerns around the sustainability of AI related spending, global equities delivered strong returns in 2025, with the MSCI ACWI up 22.1%. The Nedgroup Investments Contrarian Value Equity Fund outperformed, returning 25.1%.

Excess returns were primarily driven by stock selection across Consumer Staples, Industrials, IT and Financials, while Communication Services was the main detractor.

In Consumer Staples, Keurig's announced acquisition of JDE Peet's rewarded our long held position in the pure play coffee business, which rose more than 120% over the year.

Within Industrials, our defence holdings Safran and Howmet delivered stellar performance, and Korean market dynamics — including enthusiasm around AI linked infrastructure — supported Samsung C&T, which gained over 115%.

In IT, not owning Nvidia and trimming Broadcom as valuations increased was a headwind, but our focus on "picks and shovels" names such as TE Connectivity and Analog Devices added value. Avoiding Apple and Microsoft also helped, as both lagged the broader market.

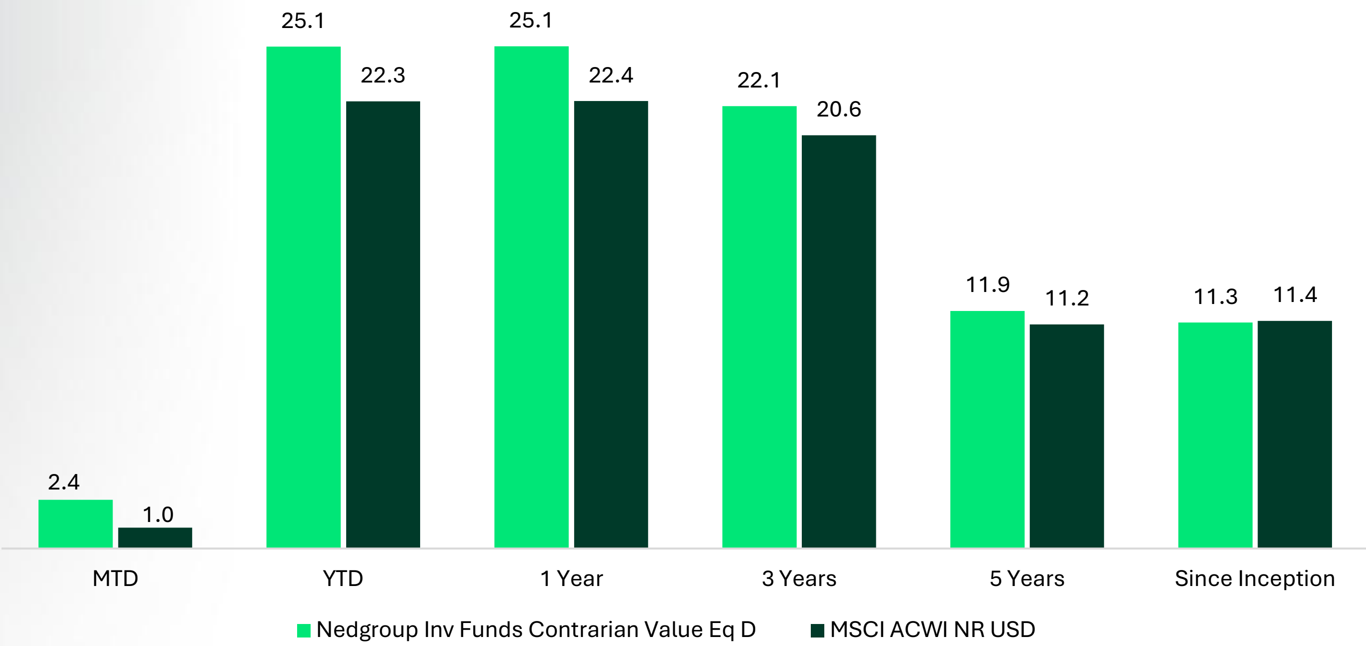
In Financials, our post GFC bank positions, Citigroup and Wells Fargo, rallied as structural and cyclical tailwinds aligned, supporting improved net interest margins.

The key detractors for the year were Charter Communications and CarMax. As Charter acquired Liberty Broadband over the month, we adjusted our position to access the shares at a discount. CarMax, the largest used car retailer in the US, has been more challenging. We entered 2025 expecting an improved omnichannel offering and a recovering used vehicle market to support volumes and profitability. Instead, a series of operational missteps has held back performance. Despite this, the valuation remains undemanding at roughly 12x forward earnings and 1.1x tangible book value. While two independent directors buying shares in October and an expanded buyback programme signal confidence, we would have preferred management to delay repurchases until after the recent disappointing updates. We continue to believe CarMax has built a differentiated model with meaningful long term potential, but operational execution must improve.

As uncertainty persists across the corporate landscape, our discipline remains unchanged: focusing on quality businesses with durable characteristics that are misunderstood, mispriced, and capable of delivering equity-like returns for our long-term investors.

Fund performance

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



Inception date 01/06/2018 Source: Morningstar, data to 31 December 2025.

Rolling 5-year returns (%, US$)

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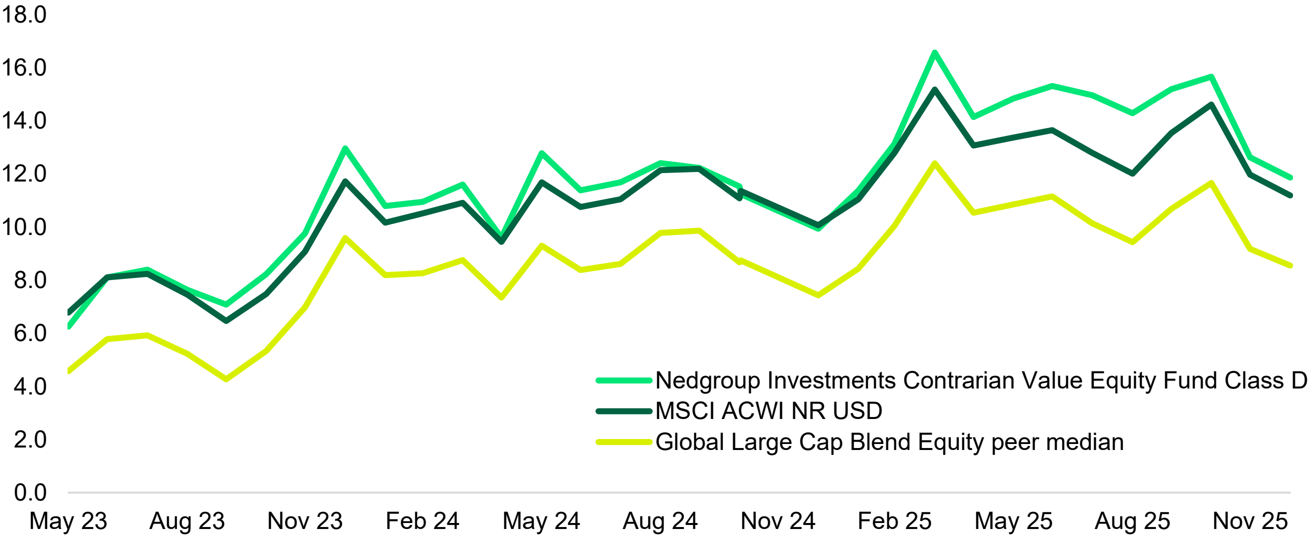

Source: Morningstar, data to 31 December 2025.

The share classes being offered in Germany are newly launched and do not have their own historical performance data. The performance information presented in this marketing material relates to the nearest comparable share class and is provided solely for indicative purposes. Differences in fees, and other factors may affect future performance. Investors should not rely solely on this information when making investment decisions. 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 (%)
Citigroup	0.46%	Ferguson Enterprises	-0.23%
Comcast Corporation	0.38%	Alphabet	-0.16%
Glencore	0.31%	Nintendo	-0.11%
Samsung C&T Corp	0.17%	Intl Flavors & Fragrances	-0.09%
NXP Semiconductors	0.17%	Bio-Rad Laboratories	-0.09%

Stock contribution: Year to date

Winners	Contribution (%)	Losers	Contribution (%)
Alphabet	3.48%	CarMax	-1.32%
Citigroup	2.82%	Comcast Corporation	-1.00%
TE Connectivity	2.49%	Charter Communications	-0.90%
JDE Peet's	2.47%	Intl Flavors & Fragrances	-0.80%
Safran	1.77%	Vail Resorts	-0.42%

Sector contribution	Month to date (%)	Year to date (%)
Communication Services	0.25%	4.28%
Consumer Discretionary	-0.04%	0.57%
Consumer Staples	0.19%	3.21%
Energy	0.04%	0.40%
Financials	0.53%	3.46%
Health Care	0.08%	1.68%
Industrials	0.03%	5.18%
Information Technology	0.28%	4.05%
Materials	0.52%	2.69%
Real Estate	0.00%	0.00%

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

MONTHLY PORTFOLIO UPDATE

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Portfolio positioning

Top 10 holdings	Portfolio weight
Alphabet	7.5%
Analog Devices	4.2%
Citigroup	4.0%
Meta Platforms	3.8%
TE Connectivity	3.7%
JDE Peet's	3.6%
Heineken Holding	3.6%
Becton Dickinson And Co	3.6%
Comcast Corporation	3.5%
International Flavors & Fragrances	3.4%
Total	**40.9%**

Sector breakdown	Portfolio weight
Communication Services	16.9%
Materials	11.4%
Consumer Staples	9.8%
Industrials	13.8%
Health Care	11.4%
Consumer Discretionary	11.6%
Energy	2.4%
Utilities	0.2%
Financials	7.6%
Information Technology	9.7%
Total	**94.8%**

Stock spotlight: Magnum

Following its spin-out from Unilever, Magnum is now the world's largest standalone ice-cream company, bringing together iconic brands such as Magnum, Ben & Jerry's, Wall's and Cornetto. The business commands a uniquely defensible moat through its global network of roughly three million branded freezers — a proprietary distribution asset that effectively secures point-of-sale presence and is expensive for competitors to replicate. This physical infrastructure, combined with specialised cold-chain manufacturing and logistics, gives Magnum a structural advantage that mirrors the classic consumer-staples models of decades past.

- **Current Dynamics:** As part of Unilever, the division had been under-invested, particularly in emerging markets where freezer density directly drives penetration. The spin-out unlocks focused capital allocation, enabling management to accelerate expansion in markets where consumption is growing fastest and the return on incremental freezers is high. Although Magnum's margins currently trail peers, this gap presents a substantial self-help opportunity as standalone governance allows for more disciplined manufacturing optimisation, better route-to-market execution and more agile reinvestment. The valuation remains undemanding relative to its brand strength, category leadership and cash-generation potential, offering a favourable entry point into a resilient consumer franchise.

- **Strategic Positioning:** What differentiates Magnum is its blend of scale and physical defensibility. Freezer cabinets secure exclusive real estate in retail outlets, protecting share and ensuring consistent throughput even in slower-growing markets. Meanwhile, the category's specialised production footprint creates natural barriers that keep competition rational. As an independent company, management is sharpening innovation cycles — not through radical breakthroughs, but through steady improvements in flavour, format and on-trend premium offerings that refresh the portfolio and drive pricing power. Premiumisation, especially in Europe and North America, and penetration gains in emerging markets together provide a balanced multi-year growth engine.

- **Investment Thesis:** Magnum offers a durable, cash-generative profile supported by three drivers: (1) Margin uplift as standalone governance tightens manufacturing and logistics; (2) Steady growth, led by emerging-market expansion and premiumisation; and (3) Potential re-rating, as the market recognises the value of its physical moat and the benefits of renewed strategic focus. While not a hyper-growth story, Magnum is a resilient compounder with limited downside and the prospect of stable, equity-like returns.

This is a new position that we initiated in the Fund and is currently 1.3% of the portfolio as at month-end.

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

Contact us

Email: Clientsolutions@nedgroupinvestments.com

London: 7th Floor, 12 Arthur Street, EC4R 9AB, +44 (0) 7960 901396

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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.
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