

Contrarian Value Equity Fund



► Temperament. Duration. Alpha.

February 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.

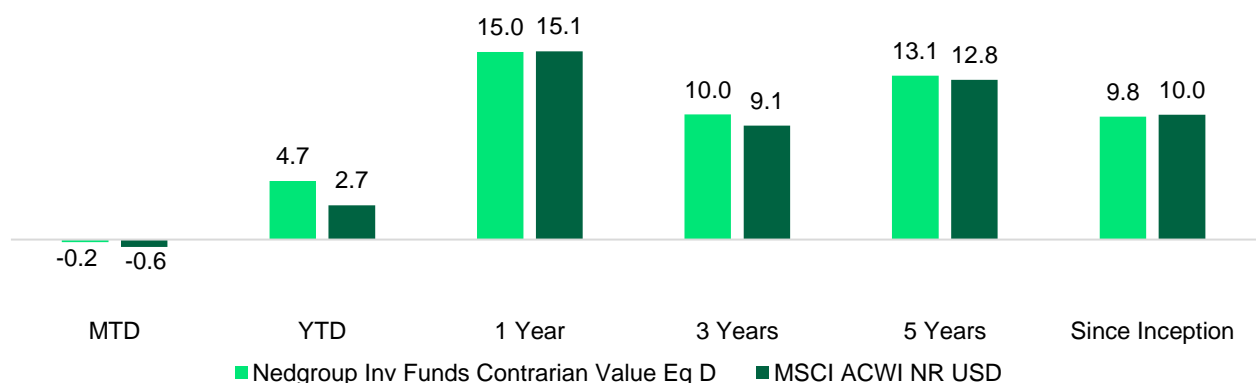
Performance and markets

President Donald Trump dominated the headlines in February with several significant actions that impacted the markets. His administration continued to push aggressive economic policies, including new tariffs and deregulation efforts. These moves contributed to market volatility, with investors reacting to the potential long-term effects on trade and economic growth. The S&P 500 declined in the face of softness in the tech sector, shifting global trade dynamics, and concerns about stagflation. Commodities also saw significant price swings; oil prices struggled with oversupply concerns, while gold found strength amid economic uncertainties. The Federal Reserve maintained interest rates at 4.5%, while the Bank of Japan kept its policy rate steady at 0.5%. Global bond markets remained volatile, with US 10-year Treasury yields at 4.2% and UK 10-year gilt yields at 4%.

Heineken was a top contributor in February for the Nedgroup Investments Contrarian Value Equity Fund. Other notable contributors for the month were Holcim, Analog Devices, Aon and Comcast.

Fund performance

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



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 (%)
Heineken	0.63%	Alphabet	-1.33%
Holcim	0.45%	Amazon	-0.40%
Analog Devices	0.41%	International Flavors & Fragrances	-0.23%
Aon	0.35%	LG Corp	-0.16%
Comcast	0.27%	Meta Platforms	-0.16%

Stock contribution: Year to date

Winners	Contribution (%)	Losers	Contribution (%)
Meta Platforms	0.87%	Alphabet	-0.70%
Citigroup	0.81%	Comcast	-0.19%
Holcim	0.70%	Vail Resorts	-0.18%
Heineken Holding N.V.	0.65%	Glencore	-0.17%
Compagnie Financiere Richemont	0.55%	NEXON	-0.12%

Sector contribution	Month to date (%)	Year to date (%)
Communication Services	-0.83%	0.47%
Consumer Discretionary	-0.23%	0.51%
Consumer Staples	0.71%	0.80%
Energy	0.01%	0.12%
Financials	0.30%	1.65%
Health Care	-0.21%	-0.20%
Industrials	-0.01%	0.93%
Information Technology	0.60%	0.72%
Materials	0.08%	0.41%
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
Alphabet	6.5%
Meta Platforms	5.9%
Holcim	5.6%
Analog Device	5.5%
Citigroup	5.2%
TE Connectivity	4.7%
Comcast	4.5%
Intl Flavors & Fragrances	3.7%
Heineken	3.6%
Aon	3.5%
Total	48.9%

Sector breakdown	Portfolio weight
Communication Services	23.30%
Consumer Discretionary	13.07%
Consumer Staples	6.50%
Energy	1.78%
Financials	11.48%
Health Care	2.71%
Industrials	11.26%
Information Technology	12.58%
Materials	11.27%
Real Estate	0.00%
Total	93.94%

Stock spotlight: Comcast

Comcast, a leading broadband and media company, has been part of the portfolio since 2018. While its media brands like Sky Sports and CNBC are well-known, the true economic strength of Comcast lies in its broadband business. Despite facing competition from fixed wireless providers and overbuilders, which has led to a decline in subscribers, the core cable and fibre infrastructure remains the company's most valuable asset.

- The media industry's evolution, seen in the likes of Netflix, has put pressure on this segment of the company. Recently, Comcast sold its remaining stake in Hulu and is looking to sell MSNBC, signalling a strategic shift towards focusing on broadband rather than media. This move underscores the importance of their core business, which enjoys significant competitive advantages over other cable providers. Comcast's substantial investment in fibre infrastructure makes it difficult for competitors like AT&T, Verizon, and T-Mobile to match their offerings in the near future.
- Although Comcast lost around 150,000 broadband subscribers in the last quarter, its consolidated revenue increased over the year. The company generated \$3.5 billion in free cash flow for the quarter, highlighting its financial health. The shares are considered undervalued, and with strong free cash flow, Comcast is expected to perform well in the long term. Their growing wireless offerings also present attractive upside potential for the stock.
- This position was 4.52% 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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