Contrarian Value Equity Fund

NEDGROUP INVESTMENTS

▶ Durability. Temperament. Alpha.

October 2026 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

Headline returns masked significant market volatility during October as uncertainty around artificial intelligence intensified. Against this backdrop, the benefits of our benchmark-agnostic approach were evident. The Fund returned 2.0% during the month, compared with a 1.6% decline for the MSCI ACWI. Year to date, the Fund returned 12.5% versus 11.1% for the index, after fees in US dollar terms.

While defensive sectors led markets during the month, Fund returns were driven by a broad range of mission-critical businesses with durable earnings growth. This reinforced the benefits of owning different businesses with different earnings drivers, rather than relying on the same companies dominating market returns.

Within Financials, recent addition Arthur J. Gallagher and long-standing holding AON were among the leading contributors. Both are insurance brokers with capital-light business models, recurring client relationships and exposure to structurally attractive end. Returns were supported by strong operational performance and investor rotation towards more defensive areas of the market. The team has followed this industry for many years, having held AON in the reference strategy for approximately 18 years.

Consumer Staples also contributed positively, led by Heineken, Kerry Group and Magnum Ice Cream. These businesses serve different end markets but share attractive characteristics, including established brands, essential products and the potential to grow earnings through a combination of underlying demand, pricing and improved execution.

Healthcare remained a particularly strong source of returns. Becton Dickinson, Eurofins Scientific and ICON all delivered double-digit returns during October and are also up by double digits year to date. Recent addition Waters has been a particularly strong performer, returning more than 70% since entering the portfolio following its merger with Becton Dickinson's spun-out Life Sciences & Diagnostics business. Collectively, these holdings reflect the range of opportunities we have identified across healthcare, from essential medical products and diagnostics to businesses supporting pharmaceutical research and development.

Importantly, this is not a single bet on healthcare or a uniform recovery in life sciences spending. The portfolio's exposure is spread across businesses with distinct products, customers and earnings drivers. Many hold leading positions in their respective markets and were purchased when healthcare valuations were close to their lowest levels in a decade, both in absolute terms and relative to the broader market.

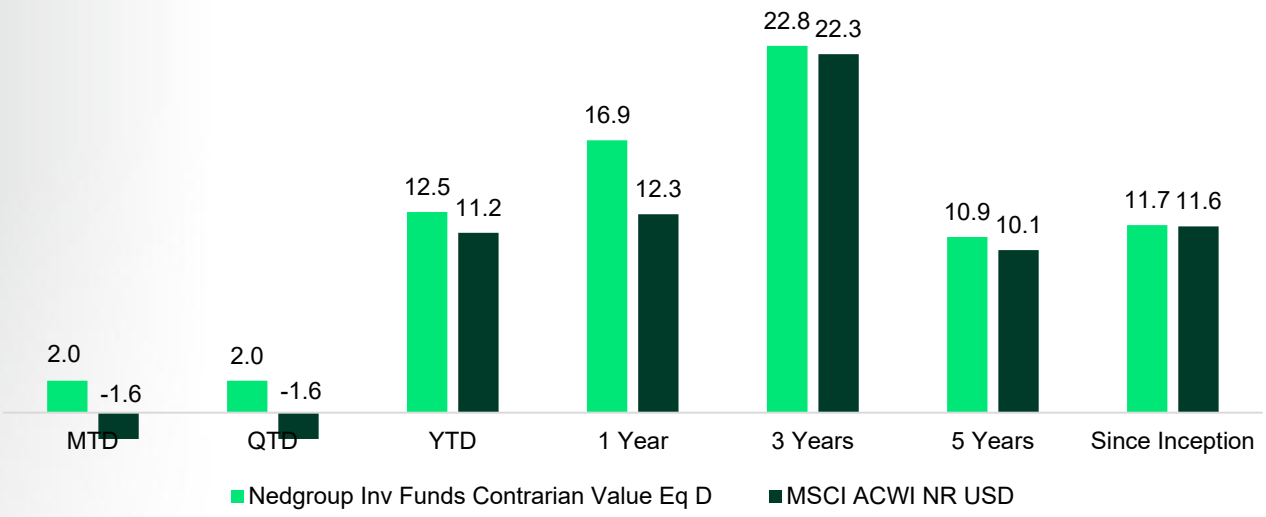
International Flavors & Fragrances contributed within Materials. The company remains focused on simplifying its portfolio, reducing debt and improving execution, with the potential for earnings and cash generation to recover as these actions take effect.

During the month, we exited our long-standing position in Wells Fargo as the shares reached our assessment of fair value. The decision was valuation-led rather than the result of a change in the underlying investment thesis, reflecting the same price discipline that governs both purchases and sales.

October provided another reminder that strong headline market returns can obscure considerable volatility and very different outcomes beneath the surface. We continue to apply independent, bottom-up research to identify under-owned and unloved durable businesses where current valuations understate their longer-term earnings power. By remaining willing to look different from the benchmark, we aim to give investors access to a genuinely differentiated set of return drivers.

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 October 2026.
Returns for periods greater than one year are annualised.
Performance figures are based on the 15:00 (3pm) Irish-domiciled fund valuation point.

Rolling 5-year returns (%, US$)

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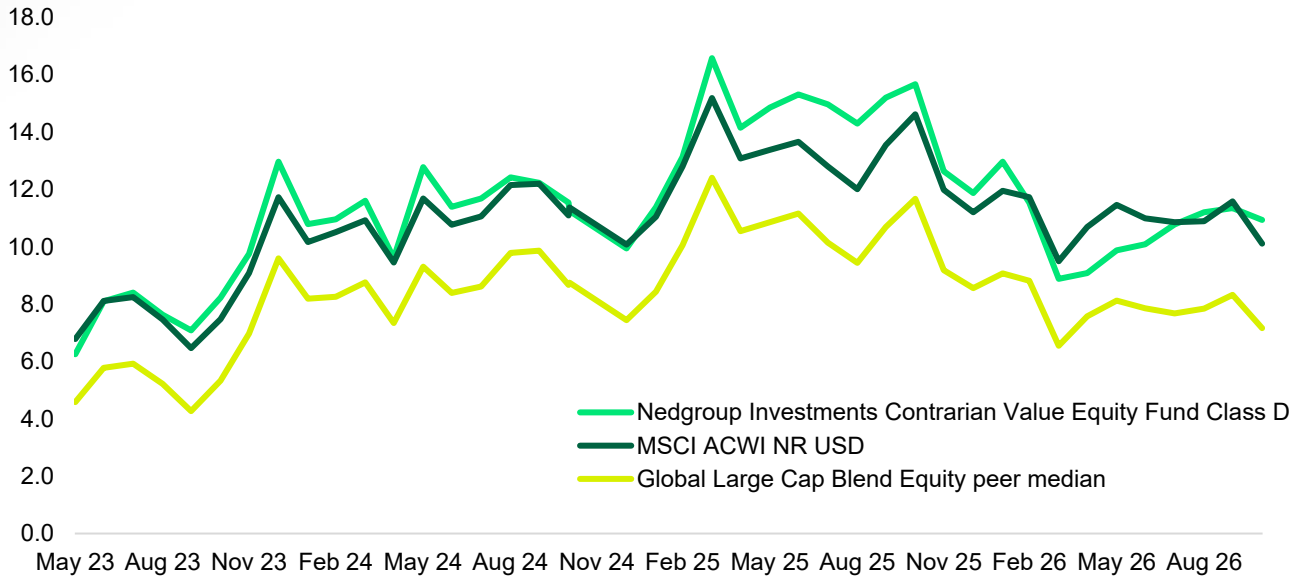

Source: Morningstar, data to 31 October 2026.
Performance figures are based on the 15:00 (3pm) Irish-domiciled fund valuation point.

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 (%)
Arthur J. Gallagher & Co	0,53%	Alphabet	-1,10%
Heineken	0,48%	Meta Platforms	-0,57%
Intl Flavors & Fragrances	0,42%	Safran	-0,47%
Becton Dickinson	0,33%	Citigroup	-0,18%
Eurofins Scientific	0,32%	LG Corp	-0,15%

Stock contribution: Year to date

Winners	Contribution (%)	Losers	Contribution (%)
Analog Devices	1,96%	Naspers & Prosus	-1,11%
Intl Flavors & Fragrances	1,26%	Comcast Corporation	-0,45%
Glencore	0,87%	Amrize	-0,41%
Samsung C&T	0,82%	Charter Communications	-0,39%
Arthur J. Gallagher & Co	0,77%	Liberty Broadband	-0,32%

Sector contribution	Month to date (%)	Year to date (%)
Communication Services	-1,45%	-1,43%
Consumer Discretionary	0,00%	0,43%
Consumer Staples	1,09%	1,76%
Energy	0,03%	0,57%
Financials	0,75%	1,06%
Health Care	1,16%	3,93%
Industrials	-0,41%	2,16%
Information Technology	0,85%	2,98%
Materials	0,59%	2,17%
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	4,3%
International Flavors & Fragrances	4,1%
Heineken Holding	3,7%
Analog Devices	3,7%
Becton Dickinson And Co	3,4%
Meta Platforms	3,2%
Citigroup	3,1%
Arthur J Gallagher & Co	3,0%
Amazon	2,6%
TE Connectivity Plc	2,5%
Total	**33.6%**

Sector breakdown	Portfolio weight
Communication Services	13,0%
Consumer Discretionary	10,5%
Consumer Staples	9,3%
Energy	1,1%
Financials	9,4%
Health Care	16,5%
Industrials	13,6%
Information Technology	10,9%
Materials	11,4%
Real Estate	0,0%
Total	**95.8%**

Stock spotlight: Kerry Group

Kerry Group is a global leader in taste and nutrition solutions, partnering with foodservice operators and consumer brands to improve the taste, texture, nutrition and functionality of food and beverage products. Its combination of technical expertise, formulation capabilities and specialised ingredients has helped establish deep customer relationships and a strong competitive position.

- **Current Dynamics:** Kerry Group has been part of the investment universe for more than a decade, but historically included slower-growing businesses such as cereal and confectionery that reduced the attractiveness of the overall portfolio. Over time, management has reshaped the business by divesting less attractive operations and increasing its exposure to more differentiated areas such as enzymes, probiotics, prebiotics and other taste and biotechnology solutions. Following unusually strong conditions during COVID, the subsequent normalisation in food and ingredients markets weighed on earnings expectations and the share price, creating a more attractive entry point during 2026.

- **Strategic Positioning:** Kerry's competitive advantage lies in its ability to solve complex customer problems rather than simply supply individual ingredients. In foodservice, the company works with large restaurant chains to improve areas such as freshness, product consistency, shelf life, flavour and formulation, often developing solutions that can be rolled out across thousands of locations. For consumer brands, Kerry combines capabilities across flavour, protein, preservation, enzymes and nutrition to help customers develop and improve products. This positions the business to benefit from structural trends including health and wellness, higher-protein foods, convenience, premiumisation and the reformulation of products around sugar, salt and other ingredients.

- **Investment Thesis:** Kerry Group represents a high-quality franchise that has become increasingly attractive as the business has simplified its portfolio and focused capital on its most differentiated capabilities. The investment case is supported by three main drivers: (1) continued volume growth, supported by innovation and deeper customer relationships; (2) margin improvement, as the more focused portfolio and ongoing efficiency initiatives support profitability; and (3) the durability of Kerry's customer relationships, where technical expertise and integration into customers' product-development processes create value beyond simply supplying ingredients. The normalisation in industry conditions provided an opportunity to establish a meaningful position at a more attractive valuation, while the underlying quality and long-term growth potential of the business remained intact.

- This position was 1.99% 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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