Contrarian Value Equity Fund

▶ Temperament. Duration. Alpha.

September 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

Another strong month for equities meant the third quarter ended in positive territory, buoyed by renewed enthusiasm for AI. The Nedgroup Investments Contrarian Value Equity Fund returned 4.9% over the quarter, while MSCI ACWI returned 7.6% in US dollar terms. Communication Services and Consumer Discretionary weighed on performance while Financials and Healthcare contributed positively.

In Consumer Discretionary, not owning Tesla and Alibaba – both of which posted double digit returns – was a drag. Additionally, off-benchmark holdings Carmax and Vail Resorts declined over the period. We used this weakness to increase our exposure to both.

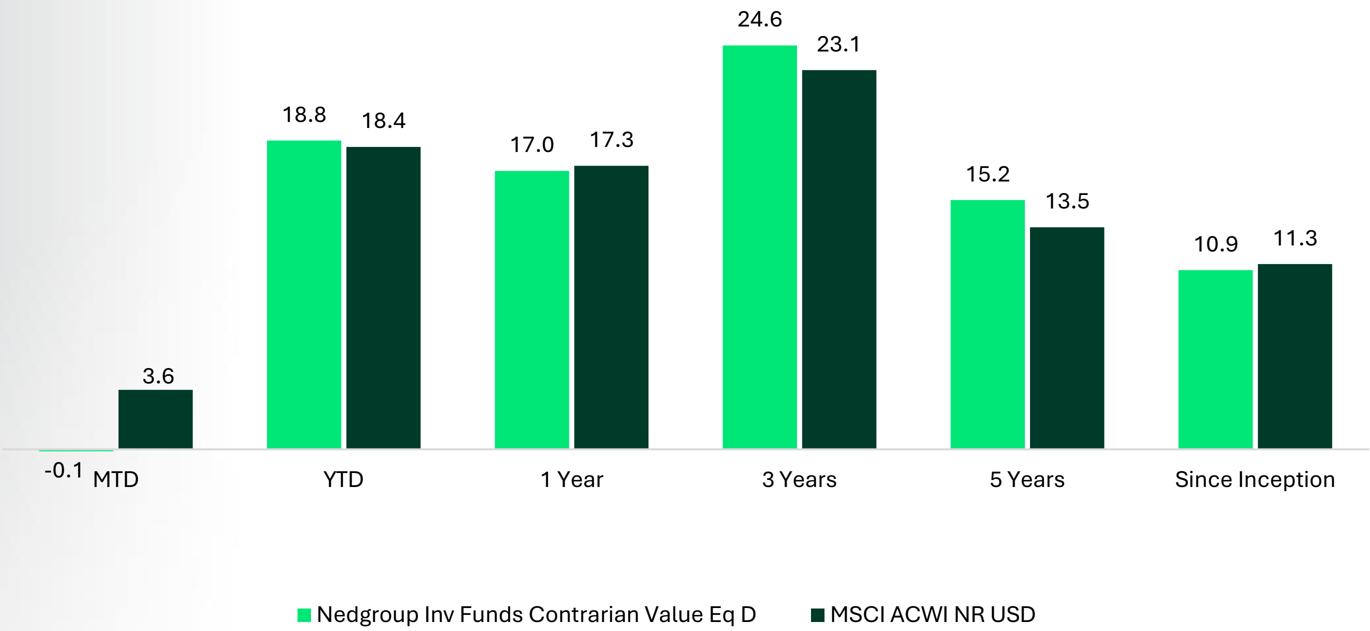
Carmax, a long-standing position since 2022, remains a high conviction name in the portfolio. Despite near-term pressure from declining volumes and a softer earnings print, we believe its omnichannel platform and scale position it to deliver equity-like growth over the long term.

In Communication Services, while Alphabet delivered gains, they were insufficient to offset weakness in Charter Communications and Comcast, both impacted by intensifying broadband competition. Charter also faced investor concern around its pending merger. In line with our valuation discipline, we continued to trim long-standing holdings in Alphabet, Meta, and Nintendo.

In Financials, our position in Citigroup was additive as earnings exceeded expectations, driving strong performance. Positive contributions in Healthcare stemmed from both additions– the picks and shovels of the sector such as Icon, Bio-Rad Labs and Thermo Fisher – as well as avoiding stocks with idiosyncratic risks like Novo Nordisk and Eli Lilly.

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 30 September 2025.

Rolling 5-year returns (%, US$)

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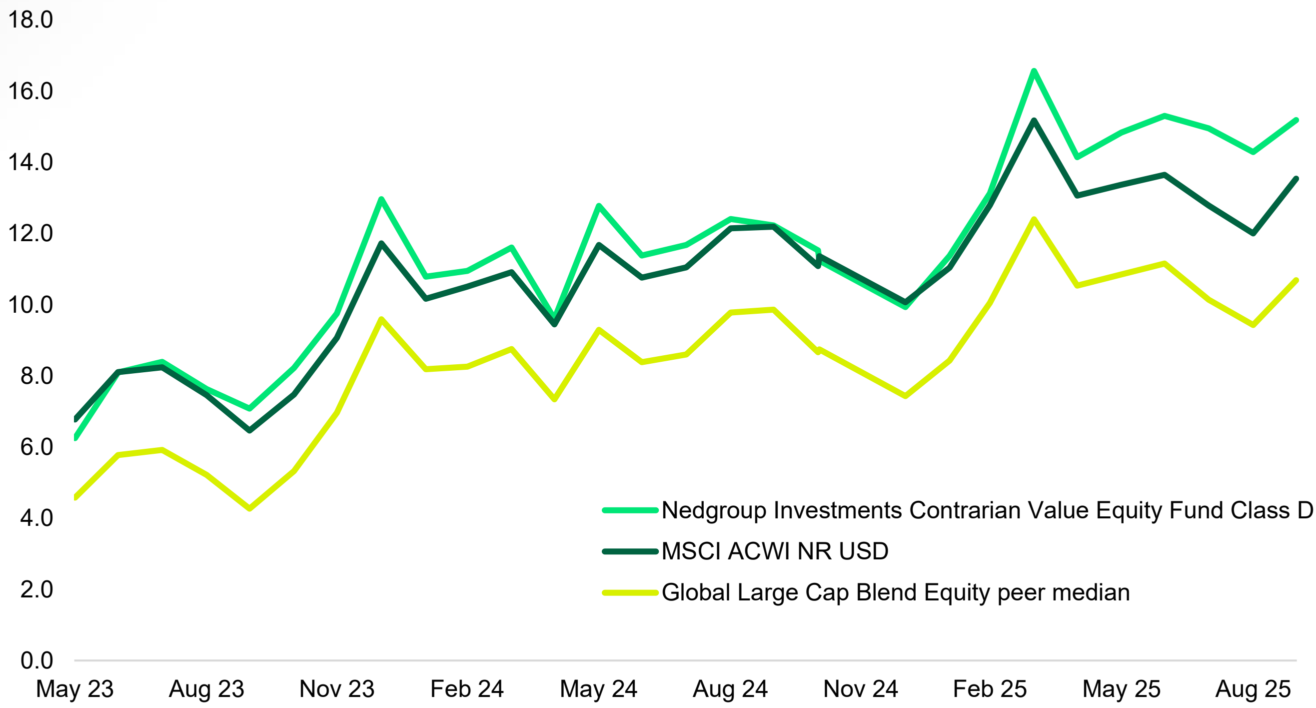

Source: Morningstar, data to 30 September 2025.

Fund returns are in US$ based on Class D Accumulation. MSCI index returns are with net dividends reinvested. Source: Morningstar, Nedgroup Investments.

NEDGROUP INVESTMENTS

Key return drivers

Stock contribution: Month to date

Winners	Contribution (%)	Losers	Contribution (%)
Alphabet	0.90%	CarMax	-0.44%
Naspers & Prosus	0.36%	Comcast Corporation	-0.31%
Glencore	0.29%	Intl Flavors & Fragrances	-0.27%
TE Connectivity	0.26%	Pernod Ricard	-0.22%
Citigroup	0.21%	Amrize	-0.16%

Stock contribution: Year to date

Winners	Contribution (%)	Losers	Contribution (%)
JDE Peet's	2.28%	CarMax	-1.11%
TE Connectivity	2.22%	Intl Flavors & Fragrances	-1.09%
Citigroup	2.16%	Comcast Corporation	-0.77%
Safran	1.73%	Charter Communications	-0.40%
Meta Platforms	1.64%	Vail Resorts	-0.27%

Sector contribution	Month to date (%)	Year to date (%)
Communication Services	0.58%	3.39%
Consumer Discretionary	-0.20%	0.62%
Consumer Staples	-0.32%	2.82%
Energy	0.06%	0.21%
Financials	0.16%	2.69%
Health Care	-0.27%	0.91%
Industrials	0.21%	4.63%
Information Technology	0.16%	3.30%
Materials	0.09%	1.35%
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	6.8%
Meta Platforms	5.0%
Analog Devices	4.5%
TE Connectivity	4.3%
Citigroup	4.1%
Comcast Corp	3.9%
JDE Peet's	3.7%
Heineken Holdings	3.6%
Safran	3.2%
Amazon.com	3.1%
Total	**42.1%**

Sector breakdown	Portfolio weight
Communication Services	19.2%
Consumer Discretionary	12.3%
Consumer Staples	9.0%
Energy	2.3%
Financials	8.1%
Health Care	9.1%
Industrials	13.2%
Information Technology	11.2%
Materials	9.2%
Real Estate	0.0%
Total	**93.7%**

Stock spotlight: Bio-Rad Laboratories

Bio-Rad Laboratories is a leading provider of life science and clinical diagnostics solutions, operating through two main divisions: Life Science, which supplies tools for gene expression, protein analysis, and food safety; and Clinical Diagnostics, which offers testing systems and quality control products for healthcare institutions. The company represents a potentially overlooked investment opportunity due to its strong market position and diversified offerings.

- **Strategic Stake in Sartorius AG:** Bio-Rad owns over 30% of Sartorius, a leading supplier of single-use bioprocessing consumables. This stake represents more than half of Bio-Rad's market capitalization, effectively giving investors indirect exposure to a high-growth biopharma business through Bio-Rad.
- **Recurring Revenue Model:** The company operates a razor-and-blade model, selling diagnostic equipment that requires ongoing purchases of consumables like reagents and test kits. These consumables account for approximately 75–80% of revenue and provide a stable, high-margin income stream.
- **Market Leadership in Molecular Diagnostics:** Bio-Rad holds strong positions in areas such as digital PCR, blood typing, and laboratory quality control. Its products are widely used across hospitals, research institutions, and pharmaceutical companies, reinforcing its reputation as a trusted provider in the diagnostics space.
- **Robust Financials:** With a net cash position and a disciplined approach to capital allocation, Bio-Rad maintains financial flexibility. The company has also demonstrated a commitment to shareholder returns through ongoing stock buybacks, including $242 million repurchased year-to-date.
- **Attractive Valuation:** When adjusting for the value of its Sartorius stake, Bio-Rad trades at a single-digit earnings multiple. On a look-through basis—factoring in its share of Sartorius's earnings—the combined exposure is available at a compelling mid-teens multiple, around 15x earnings.

Bio-Rad's dual exposure to molecular diagnostics and bioprocessing consumables positions it well for long-term growth. Its recurring revenue model, strong market positioning, and prudent financial management align closely with value-oriented investment strategies.

This position was 1.15% of the portfolio as at month-end.

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

MONTHLY PORTFOLIO UPDATE

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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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Germany: The Fund’s Facilities agent in Germany is Acolin Europe AG, with the registered office at Line-Eid-Strasse 6, 78467 Konstanz. The Prospectus (in English) and the PRIIPS KID (in German), may be obtained free of charge at the registered office of the Facilities agent, or electronically by Email via facilityagent@acolin.com, or by using the contact form at https://acolin.com/services/facilities-agency-services.
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