Global Equity Fund

▶ Real Return Investing

August 2026 Commentary | ISIN for Class C USD: IE00BKXGF987

MARKETING COMMUNICATION

NEDGROUP INVESTMENTS

MONTHLY PORTFOLIO UPDATE

Our investment approach

- Focus on real returns with lower volatility and downside protection.
- High conviction portfolio of quality companies based on thematic idea generation.
- Strict valuation discipline to only invest when attractive real returns are achievable.

Portfolio Management Team



Ian Clarke

21 years in the industry



Andy Headley

30 years in the industry



Mike Moore

21 years in the industry

Performance and markets

Global equity markets continued their advance in August, supported by resilient corporate earnings, renewed enthusiasm for artificial intelligence and improving risk sentiment.. Gains were broad based, with the US market a key driver of performance. The technology-heavy Nasdaq outperformed, with strong earnings from Nvidia helping reignite enthusiasm for AI-related investments, while broader economic data painted a mixed picture, with moderating inflation but softer labour market trends. Europe also reached new highs, supported by resilient growth and technology sector strength, although rising energy costs continued to push inflation higher. By contrast, UK equities lagged as higher bond yields and sterling strength weighed on returns. Rising tensions in the Middle East also pushed oil prices higher, reigniting inflation concerns and contributing to a rise in global bond yields. Against this backdrop, the Nedgroup Investments Global Equity Fund returned 3,65% versus 2,57% for the benchmark. **SAP (+20,7%)** was the standout contributor during the month. Shares rallied sharply as investors refocused on the company's strong cloud growth, expanding recurring revenue base and increasing role in enterprise AI adoption. **Amadeus IT(+10,2%)** second-quarter core profit outperformed consensus projections due to rigid cost control and high segment margins, despite regional booking pressures. Expansion in the Hospitality, Airport IT, and digital payments divisions helped cushion softer air distribution volumes caused by Middle Eastern geopolitical disruptions. **Vinci (-6,8%)** shares slipped in late August due to difficult market conditions in the construction sector, which includes persistent macroeconomic pressures, severe labour shortages, and cascading supply chain issues that have eroded profit margins and driven a sharp rise in business insolvencies. Vinci relies on a highly successful dual-business strategy that pairs cyclical contracting with highly stable concessions. Vinci operates high-margin, recurring-revenue infrastructure assets, most notably Vinci Motorways (toll roads) and Vinci Airports (e.g., London Gatwick, Edinburgh Airport). The predictable cash flows from these concessions insulate the company during economic downturns, helping to offset the more cyclical nature of its traditional construction business.

Stock Spotlight: LSEG

LSEG (+8,6) had reported a robust first half of 2026 with total income growing organically by 8.4%, prompting management to narrow and lift its full-year guidance to an organic constant-currency growth range of 7.0% to 7.5%. Investor sentiment was heavily boosted by announcements of large capital returns, including a record £2.1 billion returned via buybacks in the first half of the year alongside plans for an additional £1.35 billion buyback slated through February 2027. Continuous open-market repurchasing activity through August further supported the stock price. Following the earnings beat, covering analysts upgraded their full-year earnings-per-share (EPS) forecasts significantly (lifting expectations from around £2.70 to over £3.10), easing earlier market anxieties regarding potential artificial intelligence disruption to their core data business. Positive updates regarding LSEG's multi-year partnership with Microsoft—such as deeper integration of Microsoft Copilot within the Workspace platform—reinforces confidence in their long-term digital growth strategy.

Our view: Since acquiring Refinitiv, LSEG has pivoted to a recurring subscription-based model. It is heavily positioned to act as the "central nervous system" for AI-native institutional finance. Rather than just selling standalone data terminals, LSEG's strategic partnership with Microsoft embeds its Workspace data directly into institutional workflows via cloud infrastructure and the Model Context Protocol. This creates an extremely sticky, high-switching-cost environment. Over 70% of LSEG's revenue behaves like a recurring SaaS model, driven by its Data & Analytics, FTSE Russell index business, and Risk Intelligence units. LSEG owns over 120 years of historical financial archives and real-time proprietary feeds that AI agents cannot organically replicate. If the demand for auditable, structured data increases, LSEG acts as the "arms dealer" to the financial AI boom.

Key return drivers

Stock contribution : Month to date

Winners	Contribution (%)	Losers	Contribution (%)
SAP	0.63%	TransDigm Group	-0.14%
Microsoft	0.49%	UnitedHealth	-0.20%
London Stock Exchange	0.41%	Amazon.com	-0.25%
Amadeus IT Group	0.68%	Vinci	-0.32%
Thermo Fisher Scientific	0.57%	Aon PLC	-0.55%

Sector contribution	Month to date (%)
Information Technology	1,22%
Health Care	0,73%
Financials	0,52%
Consumer Staples	0,22%
Materials	0,00%
Cash and equivalents	0,00%
Consumer Discretionary	-0,10%
Industrials	-0,27%

Portfolio positioning

Top 10 holdings	Portfolio weight
Amazon.com Inc	5,87%
Microsoft Corp	5,70%
Safran SA	5,49%
Mastercard Inc A	5,32%
Thermo Fisher Scientific Inc	5,31%
London Stock Exchange Group	5,28%
Airbus Group	5,20%
Canadian Pacific Kansas City Ltd	4,71%
Vinci	4,54%
Amadeus IT Group	3,99%
Total	**51.4%**

Sector breakdown	Portfolio weight
Industrials	21,97%
Financials	21,12%
Health Care	17,58%
Consumer Discretionary	15,60%
Information Technology	12,36%
Consumer Staples	6,05%
Materials	2,99%
Cash	2,34%
Total	**100.0%**

Attribution analysis and positioning information as at 31 August 2026. Source: Nedgroup Investments, Veritas Asset Management.

Fund returns are in US$ based on Class C. MSCI index returns are with net dividends reinvested. Source: Morningstar

Notable News

- **Aon** announced its definitive agreement to acquire USI Insurance Services from KKR for approximately $17 billion, including debt. To fund the acquisition entirely with new debt, Aon said it aims to reduce leverage to a 2.8–3.0x target within roughly 24 months of closing. The rationale for buying USI centres on establishing dominance in the fast-growing U.S. middle-market and specialty insurance segments, unlocking massive data synergies. The USI acquisition, combined with Aon's 2024 purchase of NFP, creates the premier U.S. middle-market platform. The U.S. middle market is estimated to be worth over $40 billion, accounting for more than one-third of all U.S. commercial Property & Casualty (P&C) premiums.
- **UnitedHealth Group:** Management recently raised its full-year 2026 adjusted EPS guidance to a robust range of $19.50 to $20.00 per share. UNH announced a sweeping initiative to eliminate prior-authorisation requirements for 1,700 medical procedures starting 1 October 2026. This move is expected to drastically cut administrative friction, lower operational costs, and improve provider-patient satisfaction.

Contact us

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